The proposed FY 2019 Budget will be based on the following macroeconomic assumptions:

### FISCAL PROGRAM

For 2019, the government will start to implement the annual cash-based appropriations system. Cash-based appropriations for 2019 are projected at PhP3,468.5 billion.

#### Key Assumptions

- **Real Gross Domestic Product (GDP) Growth (%):**
  - 2019: 7.0-8.0
  - 2020: 7.0-8.0
  - 2021: 7.0-8.0
  - 2022: 7.0-8.0

- **Inflation (%):**
  - 2019: 2.0-4.0
  - 2020: 2.0-4.0
  - 2021: 2.0-4.0
  - 2022: 2.0-4.0

- **364-Day T-Bill Rate (%):**
  - 2019: 2.5-4.0
  - 2020: 2.5-4.0
  - 2021: 2.5-4.0
  - 2022: 2.5-4.0

- **Foreign Exchange (PhP/US$):**
  - 2019: 49-52
  - 2020: 49-52
  - 2021: 49-52
  - 2022: 49-52

- **London Interbank Offered Rate (LIBOR), 6 months (%):**
  - 2019: 2.0-3.0
  - 2020: 2.0-3.0
  - 2021: 2.0-3.0
  - 2022: 2.0-3.0

- **Exports (%):**
  - 2019: 8.0
  - 2020: 8.0
  - 2021: 8.0
  - 2022: 8.0

- **Imports (%):**
  - 2019: 9.0
  - 2020: 9.0
  - 2021: 9.0
  - 2022: 9.0

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**2019 Budget Priorities Framework**

- **Cash Appropriations:**
  - 2019: 3,468.5 billion
  - 2020: 3,886.9 billion
  - 2021: 4,712.1 billion
  - 2022: 5,259.3 billion

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**FAST FACTS**

- **Time Horizon/Period of Implementation:**
  - Annual Obligation-Based Budgeting: 24 months & beyond
  - Annual Cash-Based Budgeting: 12 months

- **Period of Payment:**
  - Annual Obligation-Based Budgeting: 24 months & beyond
  - Annual Cash-Based Budgeting: 15 months (FY + 3-month Extended Payment Period)
The **PhP3,468.5 billion** cash appropriations for 2019 will focus on investments in infrastructure development and social services, consistent with the Administration’s goal of making the Philippines attain upper middle income status and become a globally competitive economy by 2022.

### Infrastructure Development

Some of the key infrastructure investments under the Build, Build, Build Program for 2019:

#### Metro Manila

- **Metro Manila Flood Management Project Phase 1**
  - PhP2.5 B
- **LRT Line 1 North Extension (Common Station)**
  - PhP600 M
- **Bonifacio Global City to Ortigas Center Road Link Project**
  - PhP500 M

#### Luzon (outside Metro Manila)

- **North-South Railway Project-Phase II (Tutuban-Calamba-Batangas-Legaspi-Matnog)**
  - PhP58.2 B
- **PNR North 2**
  - PhP39.9 B
- **North-South Commuter Railway Project (Malolos-Tutuban)**
  - PhP19.7 B
- **Chico River Pump Irrigation**
  - PhP2.2 B
- **Arterial Road By pass Phase III**
  - PhP2.2 B

#### Visayas

- **New Cebu International Container Port**
  - PhP1.9 B
- **New Bohol (Panglao) International Airport**
  - PhP754 M
- **Panay River Basin Integrated Development Project**
  - PhP500 M

#### Mindanao

- **Mindanao Railway Project Phase 1 (TDD Segment)**
  - PhP2.2 B
- **Malitubog-Maridagao Irrigation Phase II**
  - PhP1.5 B
- **Panguil Bay Bridge**
  - PhP907 M
- **Davao Airport**
  - PhP565 M

### Social Services

Social Services will continue to receive the largest share of the 2019 Budget to:

#### Provide support to Senior High School (SHS) Graduates through

- Establishment of TechVoc laboratories
- Acquisition of TechVoc equipment
- Strengthened partnership among government agencies, academe, and the industry

#### Ensure financial sustainability of education programs through

- Prohibition in the expansion of existing programs and projects of state universities and colleges (SUCs)
- Harmonization of existing student financial assistance programs

#### Pursue a disability- and Indigenous Peoples (IP)-inclusive society through

- Development of a registry of Persons with Disabilities (PWDs) and IPs for more effective government interventions

#### Intensify provision of quality nutrition through

- Programs and projects under the Philippine Plan of Action for Nutrition 2017-2022
- Health advocacy campaigns
- Interventions for the first 1,000 days (exclusive of breastfeeding and complementary feeding programs)
- Promotion of healthy diet and lifestyle

#### Intensify the Tax Reform Cash Transfer Project through

- Increase of unconditional cash grants to PhP300 from PhP200 in 2018
- Updating of the 2015 Listahanan
- Full implementation of the Unified National Identification System

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