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Infrastructure spending exceeds target last year

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Infrastructure spending posted robust growth last year after the Duterte administration surpassed its programmed expenditure level, the Department of Budget and Management (DBM) said.

In a briefing, Budget Secretary Benjamin E. Diokno said yesterday that the government's infrastructure and other capital outlay spending increased by 14.3 percent in 2017 to P568.8 billion from P493 billion in the previous year.

Likewise, Diokno said that infrastructure spending last year was higher by 2.5 percent against the P696.6-billion target for 2017.

According to the budget chief, the higher-than-programmed infrastructure disbursement was a proof of the roll-out of the Duterte administration's ambitious infrastructure program.

"Moving forward, we expect further improvement in government spending as the bureaucracy shifts to annual cash-based budgeting starting FY 2019," Diokno said.

Last year's infrastructure spending was estimated to be around 5.6 percent of the economy, as measured by the country's Gross Domestic Product

(GDP), above the government's target range of between 5.3 percent and 5.4 percent.

"The objective is to spend something like P8 trillion to P9 trillion in six years or the period of President Duterte," Diokno said.

In December alone, infrastructure spending amounted to P82.3 billion, higher by 23 percent compared with P77.6 billion in the same month in the previous year.

"This covers road infrastructure projects, including the construction, improvement of roads, and replacement of bridges in Luzon, Central Visayas, and Mindanao," Diokno said.

It also covered the flood control projects and rehabilitation of dike and river basins in Pangasinan and Metro Manila; and projects for the AFP Modernization Program, particularly the acquisition of munitions, and purchase of engineering and ICT equipment.

The strong infrastructure spending in December brought the government's total expenditures during the month to P330.2 billion, registering a robust 17 percent year-on-year increase from P283.6 billion.

December's disbursements put the government's full year expenditures at

P2.824 trillion in 2017, an impressive 11 percent increase.

"We are glad to report that the fiscal program of the government is in full swing and that underspending had been trimmed to a mere three percent in 2017 if interest payments are included and two percent if excluded," Diokno said.

"This is a remarkable feat given the size of our budget and issues of underspending in the past," he added. "The government's role in promoting growth with equity will only be enhanced given the timely use of public funds."

Diokno said the significant increase in disbursements in the final month of 2017 was a result of higher capital spending in line with the Build Build Build program of the Duterte Administration.

Subsidies to government corporations also reached P31.2 billion in December 2017, a six-fold increase from the P5.1-billion level in 2016.

"This is largely for the implementation of the National Health Insurance Program of the Philippine Health Insurance Corp., housing projects of the National Housing Authority, and irrigation projects of the National Irrigation Administration," Diokno said.

* INFRASTRUCTURE