# BUILD, BUILD, BUILD

## A CLOSER LOOK AT THE ADMINISTRATION'S AMBITIOUS INFRASTRUCTURE PROGRAM

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INFRASTRUCTURE has long-been a challenging aspect of Philippine development, often cited as one of the main obstacles to the country reaching its full potential, especially in attracting foreign investments. Existing transport infrastructure is made up of roads, railways, airports, and ports. While water transport plays a crucial role given the archipelagic nature of the land with its 1,300 ports, the country's more than 215,000 km of road networks are considered as the dominant subsector, servicing 98% of passenger traffic and 58% of cargo traffic. The Philippines has a total of 215 airports and 3 commuter trains alongside heavy rail lines, concentrated in Luzon.

Urban transport in the Philippines is largely lacking, marred by ineffective planning and management. Public transport is dominated by jeepneys, buses, and tricycles, means of transportation that ultimately create more congestion problems than help alleviate transportation issues.

Inadequate supply of infrastructure is cited as one of the main hindrances in doing business in the Philippines. Despite levels of high economic growth, the country's mass transit systems and available transport infrastructure has not adequately been able to keep up with the growing population. Problems are most apparent in Metro Manila wherein traffic congestion is a constant pain point for businesses and commuters. The country's major international gateways, including NAIA and Manila Port, are largely beyond capacity, another aspect that significantly hampers business operations.

Enter: the Duterte Administration's ambitious infrastructure plan, entitled "Build, Build, Build". The 'Build, Build, Build' program, also known as 'Dutertenomics', is an infrastructure development program expected to increase infrastructure spending to P8.6 trillion over the next six years. For 2017, capital outlays as a share of GDP has been pegged at 5.7% and is expected to rise to 7.5% by 2022 while the infrastructure spending-to-GDP ratio has been pegged at 5.3%, expected to rise to 6.9% by 2022. To do this, the Philippine government will be securing Overseas Development Loans (ODA) and foreign loans, looking at China to be one of the main sources of funding. The program will also be implementing a hybrid PPP approach wherein the government will take charge of building roads, bridges, airports, and railways and will then later on bid out the operation and maintenance of completed projects to private investors. This approach is expected to greatly speed up the speed of construction, which under the original PPP set-up took an average of 29 months before construction even began. Under this approach, the government will also be in charge of securing right-of-way clearance, another major roadblock to projects getting underway.

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Through the 'Build, Build, Build' initiative, the government seeks to deliver high-impact projects designed to boost economic growth, address bottlenecks, increase productivity, diversify growth across many industries while stimulating regional growth. Alongside this, the government also seeks to create millions of jobs nationwide through the increased number of projects. An improved flow of goods within, to, and from the country is also expected as a result of this project, lowering transportation costs and increasing