

## STATE OF THE NATION ADDRESS 2023

President Ferdinand Romualdez Marcos, Jr.

Vice President Sara Z. Duterte;

Former Presidents Joseph Ejercito Estrada, Gloria Macapagal-Arroyo, and Rodrigo Roa Duterte;

Senate President Juan Miguel Zubiri and the Honorable Members of the Senate;

House Speaker Ferdinand Martin Romualdez and the Honorable Members of the House of Representatives;

Chief Justice Alexander Gesmundo and the Honorable Justices of the Supreme Court;

His Excellency, Most Reverend Charles John Brown and the esteemed members of the Diplomatic Corps;

Executive Secretary Lucas P. Bersamin and the members of the Cabinet;

First Lady Louise Araneta Marcos;

Former First Lady Imelda Romualdez Marcos;

Other distinguished guests;

Mga minamahal kong kababayan;

Ladies and gentlemen;

Magandang hapon po sa inyong lahat.

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One year ago today, I stood here before you, setting forth the plans that we have to improve our economy, bring jobs to our people, improve the ease of

doing business, recalibrate our educational system to adapt to the new economy, lower and rationalize energy costs, boost agricultural production, enhance healthcare, and continue social programs for the poor and the vulnerable.

Let me now report to the people on the successes that we can now lay claim to, and also the challenges that we continue to face.

Last year, we emphasized certain strong headwinds that were confronting us along with the rest of the world in our post-pandemic economic recovery.

The biggest problem that we encountered was inflation.

Maraming kaganapan sa mundo ang nakapag-pagulo sa maayos na takbo ng pandaigdigang merkado. Bukod sa digmaan sa Ukraine, naroon ang patuloy na epekto ng pandemya. Pinalala pa ito ng pagbabawas ng produksyon ng mga bansang pinag-kukuhanan natin ng langis. Nang tumaas ang presyo nito, nagsunuran na rin ang presyo ng iba't ibang bilihin—gasolina, kuryente, at pagkain.

Ramdam sa buong daigdig, pati na sa Pilipinas, ang naging pagtaas ng mga presyo ng bilihin noong mga nakalipas na buwan.

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Sinuri nating mabuti ang sitwasyon. Sa tulong ng ating mga ekonomista, nakapag-balangkas tayo ng mga polisiya na magsisilbing pundasyon ng ating ekonomiya sa mga susunod na taon. Ito ay nakasaad sa ating Medium-Term Fiscal Framework, na sinuportahan ng ating Kongreso.

Kasabay nito ay ang paglu-lunsad ng mga istrategiya na magpapalakas sa kakayahan ng ating mga kababayan at mga sektor ng ating ekonomiya.

Nakakita tayo ng magagandang resulta.

While the global prospects were bleak, our economy posted a 7.6 percent growth in 2022—our highest growth rate in 46 years. For the first quarter of the year, our growth registered at 6.4 percent. It remains within our target of 6 to 7 percent for 2023. We are still considered to be among the fastest-growing economies in the Asian region and the world. It is a testament to our strong macroeconomic fundamentals.

Our financial system, the nerve center of our economy, remains strong and stable. Banks, the transmission arms of our monetary policy, have strong capital and liquidity positions.

Stimulated by the relaxation of pandemic restrictions, transactions once again flourished—alongside the booming e-commerce that was undeterred by the pandemic. In 2022, the digital economy contributed 2 trillion pesos, equivalent to 9.4 percent of our GDP. The economy is revived and rejuvenated, backstopped by a favorable enabling environment and the strong rule of law.

This year, the World Bank projects a 6 percent overall growth rate, well within the range of our target for the year. This is anchored on strong local demand, underpinned by consumer spending, and draws strength from the BPO industry, steady flow of remittances, and the continuing jobs recovery.

Inflation rate is moving in the right direction. From 8.7 percent in January, our inflation has continued to ease up in all regions, settling at 5.4 percent this June. What this means is that in spite of all the difficulties, we are transforming the economy. We are stabilizing the prices of all critical commodities.

According to the Bangko Sentral, inflation is expected to ease further by the close of the year, and projected at 2.9 percent by 2024.

On matters of the economy, there are many things over which we have no control. But over those where we do have control, we are doing everything we can.

Puspusan ang ating ginagawa upang pataasin ang produksyon ng ating ekonomiya. Pinapalago natin ang mga industriya. Dinadag-dagan natin ang mga imprastruktura, upang mas mapabilis ang daloy ng mga produkto at serbisyo. Higit sa lahat, pinapalakas natin ang kakayahan ng mga mamamayan upang mapaganda nila ang kanilang pamumuhay. Ito ang puno't dulo ng ating Philippine Development Plan.

Investments in public infrastructure and in the capacity of our people—through food, education, health, jobs, and social protection—remain our top priority. For this year, economic and social services were allocated almost 70% of the national budget.

Higher revenue collections will be critical in our bid to bolster public investments. Under our fiscal framework, we envision our tax and revenue efforts to further increase, to up to 16.9 percent and 17.3 percent by 2028.

Revenue generation has improved this past year. From January to May, the Bureau of Internal Revenue has posted record collections, amounting to 1.05 trillion pesos, an increase of almost 10 percent over the last year. For its part, the Bureau of Customs has also increased its collection by 7.4 percent for the first seven months of 2023, amounting to 476 billion pesos. Since July 2022, we have seen increased revenues from PAGCOR of 47.9 percent, and from the PCSO of 20 percent.

We therefore seek once again the continued support of Congress to enact into law the policies and reforms under our fiscal framework.

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Sa mga nakalipas na buwan, nakita natin ang pagbaba ng presyo ng bilihin sa iba't ibang mga sektor.

Napatunayan natin na kayang maipa-baba ang presyo ng bigas, karne, isda, gulay, at asukal.

Malaking tulong ang mga KADIWA stores, na ating muling binuhay at inilunsad. Ang layunin ng KADIWA ay pag-ugnayin ang magsasaka at ang mamimili. Walang iba pang namamagitan. Walang dagdag na gastos at patong. Maganda ang kita ng magsasaka. Nakaka-tipid din ang ma-mimili.

Sa mahigit pitong libong KADIWA na idinaos sa buong Pilipinas, 1.8 milyon na mga pamilya ang nakinabang sa mababang presyo ng bilihin. Sa kabuuan, halos pitong-daang milyon piso ang naging benta ng mga ito, na nakapagbigay ng hanapbuhay sa mga miyembro ng mahigit tatlong libong mga kooperatiba at samahan.

Maganda ang nakita nating resulta, kaya papalawigin pa natin ang KADIWA sa buong bansa. Kamakailan lamang ay nagsanib-pwersa ang mga ahensiya ng pamahalaan upang lalo pang patibayin ang KADIWA. Katuwang natin dito ang buong sektor ng agrikultura at lokal na pamahalaan.

Our aim is to boost our local agricultural production—through consolidation,

modernization, mechanization, and improvement of value chains—augmented by timely and calibrated importation, as needed.

Nakita nating tumaas nang 2.2 percent ang sektor ng agrikultura sa unang tatlong buwan pa lang ng taong ito.

In our quest for food security, our methods are now more guided by science and the balance of nature, so that production is both sustainable and responsible, benefiting both this and future generations.

Our Fisheries Code must be revisited to incorporate and strengthen science-based analysis and determination of fishing areas. This approach will protect both the interests of our fisherfolk and our fisheries and aquatic resources.

To this end, we will seek the support of Congress to amend the Code to guarantee sustainable development of our fisheries sector in harmony with environmental balance.

Ipinag-bubuklod natin ang mga magsasaka, sa pama-magitan ng farm and fisheries clustering at mga livestock multiplier farms. Tatlong daang clusters na ang ating natukoy, na binubuo ng halos siyam na raang kooperatiba, at may lawak na mahigit dalawang-daang libong ektarya ng bukirin.

Upang mas mapabilis at mapadali ang pagbuo ng kooperatiba, kakailanganin natin ang suporta ng Kongreso na maamyendahan ang Cooperative Code.

Sa pamamagitan nito, unti-unting lalakas ang kanilang produksyon at puwersa sa merkado. Totoo ang kasabihan: mas malakas kung sama-sama!

Pinapalawak natin ang kanilang kaalaman sa makabagong mga teknolohiya at pamamaraan. Isa na rito ang paggamit ng bio-fertilizers, na gawa sa Pilipinas at subok din at maa-asahan. Sa balanced fertilizer strategy, gaganda ang ani ng mga magsasaka. Hindi na nila kailangan pang umasa sa mas mahal at imported na fertilizer.

Bilang tulong sa mga magsasaka, namigay ang pamahalaan ng mahigit dalawampu't walong libong mga makabagong makinarya at mga kagamitan sa iba't ibang dako ng Pilipinas.

Sa ilalim ng iba't ibang mga programa ng Kagawaran ng Agrikultura, namigay

ang pamahalaan ng mahigit na limampung milyong binhi ng palay, mahigit isang milyong binhi ng mais, at sari-saring mga binhi ng gulay. Nagpamigay tayo ng mahigit isandaang libong binhi ng niyog at nagpatanim sa halos sampunlibong ektarya ng lupa sa buong bansa.

Lahat ng mga binhing ito ay makabago, hybrid, at mataas na kalidad.

Sa naging pagtaas ng presyo ng gasolina at pataba, nagdala ng kaunting ginhawa ang mga fuel at fertilizer discount vouchers na ating pinamigay sa mga nahirapang magsasaka. Ang mga natanggap nating donasyon na pataba mula sa Tsina, ipinamigay na rin natin agad sa kanila.

Isa sa mga dahilan ng pagtaas ng presyo ay ang mga smugglers, hoarders at nagmamanipula ng presyo ng produktong agrikultural. Hinahabol at ihahabla natin sila. Sadyang hindi tama ang kanilang gawain, at hindi rin ito tugma sa ating magandang layunin. Pandaraya ang kanilang ginagawa. Napapahamak hindi lamang ang mga magsasaka, kundi tayo na ring mga ma-mimili. Kaya hindi natin papayagan ang ganitong kalakaran. Bilang na ang mga araw ng mga smugglers at hoarders na 'yan.

Mahalaga ang imprastraktura para masuportahan ang may labing-apat na milyong ektarya ng sakahan. Inayos natin ang Geo-Agri map ng mga farm-to-market roads ng buong bansa, upang maidugtong mabuti ang mga sakahan sa mga pamilihan. Alinsunod dito, karagdagang anim na raang kilometro ng mga FMRs ang ating nilatag sa iba't ibang panig ng bansa.

Binigyan din natin ng patubig ang mahigit na apatnapu't siyam na libong ektarya ng bukirin sa buong Pilipinas.

Nagpagawa tayo ng halos apat na libong mga karagdagang fabrication labs, production at cold storage facilities na magagamit ng lahat. Sa tulong ng Kongreso, nakapag-patayo tayo ng dalawampu't apat na multi-species hatcheries upang maparami ang produksyon ng mga isda.

Nakabantay tayo sa anumang banta ng mga sakit at peste na maa-arang dumapo sa mga pananim at alagang hayop. Malapit na tayong magkaroon ng mga epektibong gamot at bakuna laban sa mga ito. Samantala, pinapalakas natin ang bio-security levels ng mga alagang hayop bilang panlaban sa mga sakit.

Tayo rin ay naghahanda para sa El Niño na nagbabadyang tumama sa mga

darating na buwan. Nagsimula na tayong maghanda ng mga buffer stocks at mga kagamitang patubig. Kung kinakailangan, magsasagawa pa tayo ng cloud-seeding upang makapagdala ng ulan. Kasabay ng lahat ng ito, hinihimok din natin ang ating sambayanan na magtipid ng tubig para sa malawakang paghahanda sa banta ng tagtuyot.

Tulad ng ating ipinangako, ipinagpa-patuloy natin ang repormang pan-sakahan. Mahalagang haligi ito ng sektor ng agrikultura na ating inaayos. Nitong nakalipas na taon, mahigit pitumpung-libong titulo ng lupa ang ginawad sa mga benepisyaryo ng repormang agraryo.

Tamang-tama ang ating pagpapa-tigil ng mga bayarin ng mga benepisyaryo, sa ilalim ng ating nilagdaang EO No. 4. Isang taon mula noong aking unang SONA, naisabatas na ang bagong Agrarian Emancipation Act. Dahil dito, ang 57 bilyong pisong utang na pinapasan ng mahigit anim na raang libong benepisyaryo ay tuluyan nang nabura.

Sa ngalan ng mga magsasakang ito at kanilang mga pamilya, maraming salamat muli sa ating mga mambabatas.

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Ang tubig ay kasing-halaga rin ng pagkain. Kailangan nating tiyakin na may sapat at malinis na tubig para sa lahat at sa mga susunod na salinlahi. Kasama na rito ang tubig na ginagamit natin para sa mga sakahan.

Considering its fundamental importance, water security deserves our special focus. Our efforts must not be scattershot, but rather, cohesive, centralized, and systematic.

Given that urgency, we have created the Water Resources Management Office to specifically handle the delicate job involving this most precious resource. Nakikipag-ugnayan tayo sa Kongreso upang maipasa ang batas para sa pagbuo ng isang Department of Water Resource Management.

This year, we have allocated 14.6 billion pesos for water supply projects, which will benefit communities all over the country. Recently, the water supply of NCR and Rizal received a significant boost from the first phase of the Wawa Bulk Water Supply Project. The water supply will increase as the Project enters the second phase.

We have installed six thousand rainwater collection systems across the country, in preparation for the looming dry spell brought about by El Niño.

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One of the keys to continuing economic growth is infrastructure development. So, we will build better, and more. Our 8.3-trillion peso “Build Better More” Program is currently in progress and being vigorously implemented.

Ang buong bansa ay maki-kinabang sa isandaan at siyamnapu’t apat na proyekto sa ilalim ng Programang ito.

Hindi lamang natin ipinag-papatuloy ang mga nasimulan nang mga proyekto. Lalo pa nating pina-palawak. Kaya naman, ang isangdaan at dalawampu’t tatlong proyekto dito sa ating Build-Better-More program ay bago.

The flagship projects cover investments in the areas of physical connectivity, water resources, agriculture, health, digital connectivity, and energy. Physical connectivity infrastructure—such as roads, bridges, seaports, airports, and mass transport—accounts for 83 percent of the program. Our infrastructure spending will be at 5 to 6 percent of our GDP.

The underlying logic to our infrastructure development is economic efficiency. We are opening up all gateways to mobilize goods and services at less cost and in less time, and ultimately, to drive the economy.

Our road network plans must link not only our 3 major islands, but all prospective sites of economic development.

The 1,200-kilometer Luzon Spine Expressway Network Program will effectively connect Ilocos to Bicol from 20 hours to just 9 hours of travel.

Under the Mega-Bridge Program, 12 bridges totaling 90 kilometers will be constructed, connecting islands and areas separated by waters. The Program notably includes the Bataan-Cavite Interlink Bridge and the Panay-Guimaras-Negros Island Bridges, each spanning 32 kilometers, and the Samal Island-Davao City Connector Bridge.

As of June this year, we have constructed, maintained, and upgraded more

than 4,000 kilometers of roads and around 500 bridges across the country. Crucial airport and port development projects across the country have been completed, including Cebu's Pier 88 smart port, and the new passenger terminal buildings of Clark Airport and the Port of Calapan.

We initiated several railway projects, with a total length of more than 1,000 kilometers. Notably, the southern leg of the North-South Commuter Railway System is now in full swing. In a few years, travel from Pampanga to Laguna will be reduced from 4 hours to just 2.

Inter-modal connectivity will be a primary consideration. Roads, bridges and mass transport systems will be interconnected. This network will provide access and passage to vital and bustling economic markets, such as agriculture hubs, tourism sites, and key business districts.

For strategic financing, some of the nation's high-priority projects can now look to the newly established Maharlika Investment Fund, without the added debt burden.

In pooling a small fraction of the considerable but underutilized government funds, the Maharlika Fund shall be used to make high-impact and profitable investments, such as the Build-Better-More program. The gains from the Fund shall be reinvested into the country's economic well-being.

To ensure sound financial management, a group of internationally recognized economic managers shall oversee the operations of the Fund, guided by principles of transparency and accountability. This guarantees that investment decisions will be based on financial considerations alone, absent any political influence.

The funds for the social security and public health insurance of our people shall remain intact and separate.

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Owing to favorable market conditions, the price of crude oil has stabilized. Since last year, gasoline and diesel prices have gone down by 18 to 29 percent, respectively.

We have built 8 new additional power plants. This brings to 17 the total number of power generation facilities that have been switched on across the

country since last year, substantially increasing our energy production by 1,174 megawatts.

Alongside power generation, we are also as relentless in pursuing total electrification. Since my assumption into office, almost half a million homes have been given access to electricity. We will spare no effort to achieve full household-electrification by the end of my term. 100%-electrification is within our reach.

Renewable energy is the way forward. We are aggressively promoting renewables, so that it provides a 35 percent share in the power mix by 2030, and then on to 50 percent by 2040. To accelerate the realization of this green energy goal, we have opened renewable energy projects to foreign investments.

Since last year, an additional 126 renewable energy contracts with potential capacity of 31,000 megawatts have been awarded. To date, we have over a thousand active projects spread all over the country. 299 of these are solar; 187 are wind; 436 hydroelectric; 58 biomass; 36 geothermal; and 9 are ocean-powered.

The Malampaya project has been a boon to our country, energizing 20 percent of Luzon. The renewal of the contract guarantees continued revenues and energy production for another 15 years. Aside from Malampaya, we will also push for more gas exploration in other parts of the country.

The national government has partnered with the BARMM in regard to energy exploration, development, and utilization within its territorial jurisdiction. We therefore expect to see renewed investor interest in its promising sites.

We finally have a Unified National Grid, with the interconnection of the Luzon, Visayas, and Mindanao grids. The “One Grid, One Market” will enable more efficient transfers and more competitive pricing of electricity throughout the country.

However, 68 grid connection projects are much delayed, according to the ERC’s count. We are conducting a performance review of our private concessionaire, the National Grid Corporation of the Philippines. We look to NGCP to complete all of its deliverables, starting with the vital Mindanao-Visayas and the Cebu-Negros-Panay interconnections.

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Habang pinapabuti natin ang lagay ng ekonomiya, pinapalakas din natin ang kakayahan ng Pilipino. Ito ay sa pama-magitan ng maha-halagang armas ng edukasyon, magandang kalusugan, at trabaho. Malaking bahagi ng pondo ng pamahalaan ay inilaan natin para sa mga ito.

Sa ating pagtahak sa kaunlaran, walang mama-mayang Pilipino ang maiiwanan. Para sa atin, ang bawat buhay ay mahalaga—anuman ang edad, kasarian, pangkat, relihiyon, o pisikal na kundisyon. Sila ay kukup-kupin at tutulungan.

Naglaan tayo ng sapat na pondo para sa pag-lingap sa mga lubos na nanga-ngailangan. Layunin natin na sila ay makabangon, mabigyan ng sapat na kakayahan, at maging produktibo.

Hindi lamang DSWD, kundi pati ang DO-LE, DepEd, TESDA, at CHED, ay tumutulong sa ating mga kababayang nanga-ngailangan. Ang AICS, TUPAD, TVET for Social Equity, Social Pension for Indigent Senior Citizens, at ang Cash-for-Work para sa mga PWDs ay ilan lamang sa mga maha-halagang programa ng pamahalaan para sa kanila. Nariyan din ang Integrated Livelihood Program-Kabuhayan upang matulungan ang mga maliliit na negosyo.

We are inclusive in our pursuit of social protection. The pension of the military and uniformed personnel is as important, urgent, and humanitarian as that of all other civilian Filipino employees. Efforts are underway to make it fully functional and financially sustainable. We are working closely with Congress to ease the transition from the old system to the new one, so as to be able to guarantee that no effects are felt by those in the uniformed services.

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Nagsisimula ang lahat sa edukasyon. Ito ay para palakasin ang isip at kakayahan ng bawat Pilipino.

Ang ating butihing Bise-Presidente, na Kalihim din ng Kagawaran ng Edukasyon, ay tumutulong upang tiyakin na ang bawat batang Pilipino ay mabibigyan ng nara-rapat at kalidad na edukasyon.

We have renewed hope in giving the best to our next batches of students,

especially the 28.4 million learners who returned to school this year. Learning recovery will be at the forefront of our education agenda.

The MATATAG Agenda for basic education has been launched, focusing on relevance of curriculum, rapid and responsive delivery, and the welfare of both learners and teachers.

We are augmenting our school workforce.

90 percent of the newly created teaching positions have been filled, while additional administrative personnel have been hired to unburden the teachers.

Taking to heart the lessons of the pandemic, alternative delivery modes and blended learning methodologies have been adopted to ensure unhampered learning. Additional social safety nets, such as school-based feeding programs, are also being implemented.

Learners will be made more resilient. Our public schools and facilities are being increased and fortified.

The shortage of classrooms and facilities is being addressed. Aside from new constructions, schools and facilities are being retrofitted to become ready for the future—ready for hybrid and high-tech learning, and also climate-ready and disaster-proof. Through the DepEd Partnership Assistance Portal, private sector partners continue their assistance in the rehabilitation and improvement of schools, as part of their corporate social responsibility programs.

We are recalibrating the K to 10 curriculum to ensure that it is always relevant, responsive, and at par with international standards. Literacy and numeracy skills are to be strengthened. The virtue of good citizenship and sense of community are also integrated in our curriculum.

We continue to exhaust all efforts to keep our young people away from the sinister influences in the dark corners of society. We are making available to them their participation in formal schooling, alternative learning, non-diploma courses, or in technical-vocational education and training (TVET).

TVET continues to prove itself to be an empowering educational intervention. There are many examples of how its graduates have gone on to secure competitive technical jobs.

Since last year, more than a million Filipinos graduated from TVET, one-third of whom were TESDA scholars.

More and more of our higher education institutions (HEIs) have reached world-class status. This year, 52 Philippine HEIs have been included in the World Universities Rankings, compared to just 15 last year.

We will not let a student's financial constraints be a hindrance to education. We have activated social safety nets, such as skills development training and youth employment programs. Tertiary education in state universities and colleges will remain free for our qualified students.

Last year, out of the 4.1 million enrolled college students, almost 50 percent were beneficiaries of the country's free higher education under the Universal Access to Quality Tertiary Education program.

Deserving and talented students without the financial capacity to attend school, will not be left behind in our education agenda.

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A culture of innovation, working hand-in-glove with a culture of entrepreneurship, must be fostered. This is "FILIPINNOVATION". Science and technology, especially R&D, will be at its foundation.

The DOST leads the development of our capabilities in science, technology, and innovation.

Science and technology-related scholarships are made available for the talented and technically-gifted students, from high school all the way to graduate school.

To address the challenge of staying at the cutting-edge of technology, 44 renowned Filipino scientists in diverse areas of expertise have returned home under the Balik-Scientist Program. They will undertake research in various priority fields, and will be supported by upgraded facilities and R&D funding.

The Philippines has launched 2 additional satellites into space. Together with the first satellite, they will track weather, predict storms, evaluate soil and water supply, analyze shifts in population, and be used for traffic management, geo-hazard mapping and risk assessment, including security

and defense.

Science, technology and innovation will drive the quality and competitiveness of our workforce, as well as our manufacturing, export, creative, and service industries, in existing markets and in new ones waiting to be explored.

The bane of the mismatch between jobs and skills among our workforce is being rectified through strengthened government-industry-labor-academe partnerships, and continuous reskilling and upskilling training programs.

For our seafarers to continue to excel, maritime education in the Philippines has been strengthened. This will progress and solidify our country's position as a "global maritime hub", through the steady supply of competent Filipino seafarers to foreign merchant marine vessels.

The question about the European Union's recognition of the standards of training of Filipino seafarers has, after 17 years, finally been resolved. This development now effectively maintains the Filipino seafarer's distinct competitive advantage in the global shipping labor market.

To address the current shortage of healthcare professionals in our country, and to help us achieve our goal of universal healthcare, we are greatly expanding our medical and nursing education programs. We will push the envelope further. We are helping nursing graduates hurdle their board exams, so that they will obtain their licenses and join our pool of healthcare professionals.

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Ang kalusugan ang ikalawang armas: para sa lakas ng panga-ngatawan ng bawat Pilipino. Isinu-sulong nating muli ang kalusugan ng Pilipino.

We are now refocusing our health priorities, applying the lessons learnt from the pandemic and addressing the weaknesses that it has exposed.

Healthier communities and lifestyles are our advocacy.

We have launched convergent programs to address hunger and nutrition-related issues among our people, especially the children, like stunting and wasting. Last week, we introduced the pilot Food Stamp Program (FSP), which seeks to supply the nutrition needs of the million most food-poor

Filipinos.

The FSP shall complement our nutrition continuity programs, such as the First 1,000 Days program that ensures nourishment for the first three years of the child's life. The Supplemental Feeding Program is for our children attending daycare centers. The K-to-6 Program will feed Kindergarten to Grade 6 public school students, who are suffering from severe wasting.

We are catching up on the routine vaccinations of our children. As of this year, more than 80 percent of our eligible children have been vaccinated against measles, rubella, and polio.

Nananawagan ako sa lahat ng mga magulang na kumpletuhin ang mga bakuna ng kanilang mga anak, at magtungo sa pinaka-malapit na health center para sa mga libreng bakuna.

The whole of society must exert efforts to suppress the alarming rise of tuberculosis and HIV/AIDS. To stem the tide, the strategic plan is to ensure early diagnosis and treatment, and ample testing sites and medications.

Our healthcare system is undergoing structural enhancements.

Public health facilities are being increased, both in number and in capability. Last year, more than 3,400 projects were completed. To improve capacity for specialized medical treatment, specialty centers in various fields are being established and integrated into our government hospitals. In the last year, additional 60 specialty centers have been opened to the public.

Just last week, we inspected the site of what shall soon be a 5-hectare multi-specialty center in Pampanga, which will specialize in pediatrics, cardiology, kidney, and cancer treatment.

We are working towards a more direct and efficient delivery of services, through integrated primary care providers and networks, in partnership with the LGUs and private sector. These shall of course be supported by what is now a better and more efficient PhilHealth.

Ang presyo ng mga mahalalaga at pangunahing gamot ay bumaba nang humigit-kumulang na apat-napung porsyento. Mayroon ding iba na bumaba hanggang siyam-napung porsyento.

Aside from the maximum retail price regulation being implemented, strategic VAT exemption also lowered the prices of 59 essential medications, such as those for cancer, diabetes, hypertension, kidney disease, and mental illness.

Palapit nang palapit na tayo sa hangarin na ang lahat ng Pilipino ay makakakuha ng serbisyong-pangkalusugan: sa ngayon, mahigit 93 percent na ang kasapi sa PhilHealth!

Sa pinagandang Konsulta Package ng PhilHealth, dalawampu't isang klase ng mga gamot at labin-tatlong laboratory services ang ibibigay nang libre. Ngayon, mayroon na tayong mahigit dalawanlibong Konsulta centers sa buong bansa. Ang bilang na ito ay mas marami nang tatlumpu't limang porsyento mula noong nakalipas na taon.

Upang mas lalong makatulong sa mga pasyente, ang dating siyam-napung libreng dialysis sessions ay inakyat na natin sa isandaan at limampu't anim. Mga kababayan, libre na po ngayon ang dialysis para sa karamihan.

Noong nakalipas na taon, mahigit 3.4 milyong Pilipino ang nabigyan ng tulong sa ilalim ng Medical Assistance for Indigent Patients (MAIP) program ng DOH.

Tinutugunan natin ngayon ang ating kakulangan sa mga doktor at mga nars, sa pamamagitan ng mga reporma sa edukasyon, patuloy na pagsasanay, at paniniguro sa kanilang kapakanan.

Naglagay tayo ng mga doktor sa halos dalawangdaang munisipyo sa bansa. Lalagyan natin ng doktor ang natitirang labing-siyam na bayan na wala pa.

Upang masuklian ang naging sakripisyo ng ating mga health workers sa pribado at pampublikong mga ospital noong nakaraang pandemya, ipapamahagi na sa kanila ang kanilang COVID health emergency allowance at iba pang mga nabinbing benepisyo.

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Kasabay ng panga-ngalaga natin sa edukasyon at kalusugan ng ating mamamayan, tinitiyak din natin na may sapat at magandang hanapbuhay—sa loob at maging sa labas ng bansa.

As of May this year, our employment rate rose to 95.7 percent, clear proof of the improvement from the severe unemployment that we experienced during

the height of the pandemic. Employment then was at a low of 82.4 percent.

But even with our current high rate of employment, we must do more. We will generate additional jobs for the remaining 4.3 percent of our workforce, as well as for the 11.7 percent underemployed Filipinos seeking better employment opportunities.

Under the banner of our fast-growing economy, we are aggressive in our investment and business promotions and facilitations. For that, we have not limited ourselves to the local economy, but have looked to the global economy for partnerships and agreements.

Our independent foreign policy—a friend to all and enemy of none—has proven effective. We formed strategic alliances with our traditional and newfound partners in the international community.

We have embarked on foreign trips to promote the interests of the country, for peace-building and for mutually beneficial purposes. Those economic missions have yielded an estimated total investment value of 71 billion US dollars, or 3.9 trillion pesos, with a potential to generate 175,000 jobs.

The implementation of recent economic reforms is underway. BOI-approved investment projects have reached 1.2 trillion pesos during our first year, while other strategic investments approved for processing through the newly established “green lanes” amount to 230 billion pesos.

Our existing bilateral and multilateral trade agreements, notably within the ASEAN framework, and with Japan, and with Europe, allow us to leverage our competitive advantages and reap economic benefits. We will continue to forge more of these international partnerships that will lead to a more balanced trade strategy and a healthier economic position.

The Regional Comprehensive Economic Partnership (RCEP) is now in force. It is a multilateral trade arrangement with the ASEAN and other countries, such as Australia, China, Japan, Korea, and New Zealand. We can now have competitive access to a regional market of two billion people.

As we address our weaknesses and develop competitiveness in other potential areas, we also must play to our strengths. Our competitive advantage must be leveraged. As a “service export powerhouse”, we must continue to nurture the growth of the services sector, particularly the

Information Technology-Business Process Management (IT-BPM) and tourism industries.

Our tourism has always been a reliable pillar of our economic growth through the years, providing livelihood to more than 5 million of our citizens. Because of the reopening of the economy, and the phenomenon of “revenge travel”, this sector is headed for a great rebound.

From January to June this year, we have received 3 million international visitors. This number is already 62 percent of our 4.8-million target for the entire year.

Mga kababayan, ang lahat ng mga ginagawa nating ito ay magbibigay-bunga sa libo-libong hanapbuhay sa ating bansa.

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To create these investment opportunities, we must ensure that an enabling business environment is in place; that there is peace and order, and that the rule of law governs. We will solidify our country’s reputation as an attractive and reliable investment destination.

Building on institutional reforms of recent years, we have created “green lanes” for strategic investments, and expedited the business processes in various sectors and investment modalities.

A progressive and rationalized system of taxation is a component of the ease of doing business. The CREATE Law has made our corporate tax and incentive schemes equitable and business-friendly. There are more structural tax reforms that must be introduced to allow us to reach our socioeconomic targets.

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Digitalization is the call of today; not of the future—but of the present. It is here. It is needed, and it is needed today.

Government must fully embrace digitalization to provide better service to the people, through its vital frontline services and its back-end functions.

Digitalization will support the government’s data-driven and science-based

planning and decision-making. It is the greatest and most powerful tool, not just to improve ease of doing business, but also against many forms of graft and corruption.

Data shows that digitalization, in conjunction with government's streamlining efforts, has significantly boosted efficiency. Notable examples are in the areas of government payments, company and business registrations, issuance of permits and licenses, loan applications, and revenue collection.

All our digitalization efforts will be linked to our payment systems, whose digital transformation has been accelerating at a remarkable rate.

Digital payments accounted for 42 percent of the total retail payments made in 2022, whether by businesses, individuals, or by the government. Its high trajectory is now well-positioned to achieve Bangko Sentral's target of 50 percent of total retail payments by this year.

The eGov PH app has also been launched. As envisioned, all key government services are to be integrated into this single and centralized mobile app, for the convenience of the general public.

The National ID system will be at the core of this digitally transformed network of government services. It will fundamentally change the lives of each Filipino. At 87% total registration, we are now closer to establishing a complete, accurate, and reliable digital database of our entire population. This has already been integrated into the eGov PH app, and can be accessed by our citizens.

Consistent with this transformative policy direction, all government offices must then ensure that their vital services are digitalised immediately.

In response to this call, the DMW launched last week the DMW Mobile to make the journey of our Overseas Filipino Workers easier.

Because of system upgrades, our internet speed has improved. As of June this year, our fixed broadband speed ranks 47th among 180 countries. This ranking is 11 places higher than it was in 2022. Our mobile internet speed is now ranked at 83 out of 142 countries, which is 8 places higher than it was last year.

There will be more improvements, as our internet infrastructure undergoes

further upgrades. Early this year, Starlink went live in the Philippines, now providing high-speed satellite broadband connectivity. Our National Fiber Backbone and Broadband ng Masa projects will also deliver high-connectivity and high-speed internet. We are prioritising geographically isolated and disadvantaged areas.

The DICT has been directed to consolidate all these digitalised government services into the eGov PH app, to establish the National Government Portal and the Philippine Business Databank, and to improve the internet speed in our country.

With our E-Commerce Roadmap firmly in place, we are poised to take this digitalization drive further and beyond, utilising e-commerce to take full advantage of new technologies.

The first bill that I signed into law was the SIM Registration Act. We are mindful of the risks and vulnerabilities that can lead to negative consequences. Digital users and consumers shall be protected from identity theft, phishing, and other online scams, through essential systems and safeguards, such as cybersecurity, data privacy, consumer complaint mechanisms, and financial literacy campaigns.

The trainings necessary to ease the transition of those whose jobs would be affected by the shift to digitalization are now included in the curricula and programs offered by TESDA, DICT, and other agencies of government.

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It is our wish that one day foreign employment will be driven by choice, not by necessity. It remains a noble calling that our OFWs have answered, requiring great sacrifice from them, their families, and their communities.

We are engaging with our partners in the international community to ensure a safe working environment for our countrymen. As we do so, we are also putting in place responsive mechanisms for the social welfare, repatriation, and reintegration of our returning OFWs into the Philippine economy.

As the world economy reopens, we are witnessing a rise in overseas Filipino deployment. In 2022, the number has increased by 62 percent. OFWs continue to send in historically high remittances, solidifying their role in our transformative economic growth. In 2022, our OFWs contributed 32.5 billion

dollars, or roughly 1.8 trillion pesos, to our economy.

Several countries have signified interest to explore bilateral labor cooperation with the Philippines in the areas of healthcare, tourism, hospitality, engineering, construction, and information technology. Recently, we signed agreements with Singapore, Austria, and the province of Alberta in Canada.

Our priority is to ensure that the principles of ethical recruitment, fair employment, and the safe and orderly migration of our people, are embodied in our agreements with other countries.

For example, the deployment issue in the Kingdom of Saudi Arabia has been resolved. As of today, 70,000 of our OFWs have already been deployed to Saudi Arabia for employment.

Moreover, the unpaid salaries and other related claims of some 14,000 OFWs, who have been put out of work in Saudi Arabia during the pandemic, are being processed. The Crown Prince himself personally committed to me that the unpaid claims of Filipino workers would be paid.

The continued employment of some 50,000 workers and the deployment of many more Filipino seafarers aboard EU vessels, has also been assured. The lesson for us all is that our education and skills must always be attuned to the high, exacting and constantly evolving global standards.

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Sa pagsusumikap ng mga mama-mayan, walang hindi kakayanin. Kahit ang mga mata-tayog na pangarap ay maa-abot, kasama na ang inaasam na tahanan.

Katuwang natin ang lokal na pamahalaan at pribadong sektor upang matulungan ang Pilipino sa panga-ngailangan na pabahay.

Patuloy ang serbisyo ng Pag-IBIG Fund upang makatulong sa kanyang labinlimang milyong miyembro para makabili ng bahay. Sa nakaraang taon, mahigit isandaang libo ang kumuha ng housing loan sa Pag-IBIG, na nagkaka-halaga ng 117 bilyong piso. Ito ang pinakamataas na bilang sa buong kasaysayan ng Pag-IBIG!

Itong nakalipas na taon, mahigit 148 thousand na kabahayan at mahigit tatlung libong mga certificates of eligibility of lot award ang naipamahagi sa Luzon, sa Visayas, at sa Mindanao—sa ilalim ng sari-saring mga programang pabahay ng pamahalaan!

Mahigit tatlung limanlibong residential free patent at agricultural patent titles naman ang naibigay sa mga benepisyaryo nito sa buong bansa!

Hindi pa rito nagtatapos. Papalawigin pa natin ang ating programa sa abot-kayang pabahay, lalo na para sa mga mahihirap nating kababayan. Itong nakalipas na taon, inilunsad natin ang Pambansang Pabahay Para sa Pilipino Housing Program o 4PH.

Nagkaroon na tayo ng groundbreaking sa dalawampu't limang lugar sa iba't ibang bahagi ng bansa. Nagpirmahan na rin ng mga kasunduan upang simulan ang mga proyekto sa mahigit isandaang lokasyon! Kung susumahin natin ito, mahigit isang milyong kabahayan ang maiaalay natin sa ating mga kababayan sa buong bansa!

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The building blocks of progressive, livable and sustainable communities will never be complete without appropriate and responsible action to mitigate and adapt to the effects of climate change.

We can never lose sight of our responsibility to the future. The economic agenda cannot and will not ever be incompatible with our climate change agenda.

Climate change is now an important criterion in our integral national policies, in planning, decision-making, up to the implementation of programs. The potential advantages of such enlightened policies extend to jobs and livelihood, with the unlocking of the development of the green and blue economies.

We have learned many painful lessons from past disasters. We continue to be alert and prepared in our disaster response. It has, in fact, been commented that sometimes we are over-prepared for such natural disasters. To continue that, we are reorganizing our response teams to make them more adaptable, agile and effective in times of calamities and crises, with a clear unity of command.

Our evacuation centers are being upgraded to withstand the greater forces of the new normal of extreme weather, as well as other natural and man-made disasters. Furthermore, new evacuation centers are also being built, of which 55 have already been completed.

We remain committed to global decarbonization goals, and the reduction of our carbon footprint. We preserve and protect the treasure that is our forests. Their value to the environment, the ecology, and the economy is incalculable.

We have adopted the concept of the “circular economy”, using nature as our model. The aim is to keep raw materials in a closed loop. In our world with scarce resources, the circular economy allows us to fully use these resources, minimize waste and reduce the need for new resources—as it is in nature.

Just like our climate change action, this new system requires the participation of all sectors of society, up to each individual citizen, for it to succeed.

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Only a whole-of-government and whole-of-society approach will enable us to do all of these. It is necessary to apply all the resources that are at hand if we are to progress as quickly as we need to.

Collaboration is the key: between and among government offices; between government and the private sector; between industries and the academe; between government and international partners. And most importantly, collaboration between and among our populace.

Kakailanganin natin ang tulong at kakayahan ng buong pamahalaan at ng buong bansa.

And so, we shall do the same for the next 5 years. We seek not only to become more effective, but more, to become truly transformative.

This approach will be operationalized through inter-agency cooperations; as well as through coordinated efforts between and among the three branches of government, and the independent constitutional bodies. We have organized private sector advisory councils, and national-local mechanisms to establish the needed linkages.

Once again, on this same principle, I urge Congress to enact a new Government Procurement Law and a new Government Auditing Code, to make government procurement and auditing more attuned to these changing times.

We will give effect to the mandate of the Constitution and the Local Government Code, as clarified by the Supreme Court, soonest. Almost all of the required Devolution Transition Plans of the LGUs are done. To fully prepare them for optimal devolution, the necessary technical and financial assistance is being extended to our local governments.

In everything that we do, the enduring Filipino quality of Bayanihan will be our guide.

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Limang taon mula noong matinding kaguluhan, babangon na ang Marawi City. Nanunumbalik na ang sigla sa pamayanan. Maraming proyekto ang nakukumpleto at mga imprastrakturang naitatayo. Kasalukuyan na tayong nagpoproseso ng tulong-pinansyal para sa mga biktima ng Marawi siege upang sila ay makapag-simulang muli. Nawa'y mamayani ang pag-asa. Nawa'y magpatuloy ang pagkakaisa, pagmamatyag, at paghahangad ng kapayapaan at kaunlaran.

We are proud of the progress that the BARMM has taken. It will be self-governing, progressive, and effective.

But, this was made possible only because of the cooperation of all key groups. The local government, the royal families, the MNLF and the MILF were all consulted and represented in the transition phase. The international community has also supported us in this smooth transition. Former adversaries are now partners in peace. Its functions have been defined, and its basic laws are being written.

Through the BARMM, we have strengthened the nation's prospects for finally achieving sustainable progress anchored on a true and lasting peace in Southern Philippines. We will continue to support the progress of the BARMM, apace with our singular vision for all Filipinos.

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A strong and stable rule of law will strengthen the foundation of our transformation.

Our Police and Armed Forces are being strengthened and modernized, to be more effective in maintaining peace and order and in defending our sovereignty. We fully support the Judiciary's efforts to improve the justice system and to protect constitutional rights.

The campaign against illegal drugs continues—but it has taken on a new face. It is now geared towards community-based treatment, rehabilitation, education, and reintegration, to curb drug dependence among our affected citizenry. Last year, we launched the Buhay Ingatan, Droga'y Ayawan or BIDA Program, and established additional 102 Balay Silangan Reformation Centers nationwide.

We will relentlessly continue our fight against drug syndicates, shutting down their illegal activities and dismantling their network of operations.

Unscrupulous law enforcers and others involved in the highly nefarious drug trade have been exposed. I will be accepting their resignations. In their stead, we will install individuals with unquestionable integrity, and who will be effective and trustworthy in handling the task of eliminating this dreaded and corrosive social curse. We cannot tolerate corruption or incompetence in government.

For almost half a century, some of our fellow Filipinos have taken to arms to make their views heard. We are now at a point in our history when their armed struggle has evolved. We have now progressed together towards peace and development.

We have incorporated capacity-building and social protection into our reintegration programs, to guarantee full decommissioning of former combatants. Through community development and livelihood programs, the Barangay Development and Enhanced Comprehensive Local Integration Programs have been effective in addressing the root cause of conflict in the countryside.

To complete this reintegration process, I will issue a Proclamation granting amnesty to rebel returnees. I ask Congress to support us in this endeavor.

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Our journey to progress requires not only unity and social cohesion among our people. It is also imperative that our nation remains intact and inviolable, our sovereignty preserved. We will protect our sovereign rights and preserve our territorial integrity, in defense of rules-based international order.

With our national interest paramount, we will always pursue constant dialogue and diplomatic approaches to the resolution of any issue that may arise.

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So, the initial results of our efforts inspire confidence. Let us continue to be relentless in our aspiration of peace and progress. This has not been the work of a single person. Neither a single branch of government, nor even the whole Government acting alone.

This is the collective synergy achieved by all Filipinos working together. It took a whole-of-nation effort to achieve this immediate recovery from our pandemic slump. Unity was what made us rise once more.

Nagsisimula pa lamang tayo. Ang pagbangon ng ating bayan ay magpapatuloy pa.

Hinihiling ko ang inyong tiwala at pakikiisa. Sa ganitong paraan, maka-kamtan natin ang ating tanging hangarin: ang maginhawa, matatag, at panatag na buhay para sa lahat ng Pilipino.

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Makikipagtulungan tayo nang mabuti sa Kongreso para sa mga mahahalagang batas na kakailanganin natin sa ating tuloy-tuloy na pag-ahon.

Once again, I appeal to Congress for its support for the following priority legislations:

1) The essential tax measures under our Medium-Term Fiscal Framework, such as--

- Excise tax on single-use plastics
- VAT on digital services

- Rationalization of mining fiscal regime
- Motor vehicle user's charge/road user's tax
- Military and Uniformed Personnel Pension

- 2) Amendment of the Fisheries Code;
- 3) Amendment of the Anti-Agricultural Smuggling Act;
- 4) Amendment of the Cooperative Code;
- 5) New Government Procurement Law;
- 6) New Government Auditing Code;
- 7) Anti-financial accounts scamming;
- 8) Tatak-Pinoy (Proudly Filipino) law;
- 9) The Blue Economy law;
- 10) Ease of paying taxes;
- 11) LGU income classification; and
- 12) The Philippine Immigration Act.

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In the past year, it has been a source of great hope and optimism to me to now know that there is an enormous pool of highly competent and dedicated workers serving in our government. It is up to us to provide good leadership and guidance. They love the Philippines, and have responded to our call.

I have stated before that my confidence in our future was grounded in our world-class quality workforce that we have—be they the farmers in the field, corporate giants, government officials, school teachers, health workers, or employees.

That confidence has been further buoyed by their demonstration of love for the Philippines. They have unanimously risen to the challenge that we have

made to them to be part of the nation's future. Handa silang maghandog ng tulong, dahil mahal nila ang kanilang kapwa-Pilipino, at mahal nila ang Pilipinas.

With this in my heart, I know that the state of the nation is sound, and is improving.

Dumating na po ang Bagong Pilipinas.

