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Aboitiz Construction enters tie-up with TESDA for facilities overhaul

ABOITIZ Construction, Inc. said it has entered into a partnership with the Technical Education and Skills Development Authority (TESDA) to assist the agency with the refurbishment of its facilities and the establishment of innovation centers.

In a statement on Wednesday, Aboitiz Construction said it agreed in a memorandum of agreement to assist in refurbishing TESDA Technology Institutions, as well as the development of its innovation centers.

"As we forge this partnership, let us not lose sight of the bigger picture. We are not just signing an agreement; we are setting in motion a process that will create a skilled, empowered, and jobready workforce," Raizza Lorenzo-Manuel, senior vice-president of Aboitiz Construction for People and Corporate Shared Services, said in the statement.

The company said the collaboration is expected to enhance the quality of technical education and skills development in the field of construction.

"This collaboration also aligns with the government's commitment to promoting public-private partnerships as a means to foster development and progress," Ms. Lorenzo-Manuel said.

Aboitiz Construction said it started collaborating with TESDA in 2022 for its training centers in Batangas, Cebu, and Bukidnon, where it focused on the upskilling of construction workers.

"To secure sustainable growth and expansion, Aboitiz Construction has strategically directed its efforts towards key projects in the industrial, infrastructure, and maintenance services sectors," the company said. — **Ashley Erika O. Jose**

Utilization remains sticking point in infra-heavy budget

By Luisa Maria Jacinta C. Jocson *Reporter*

THE National Government (NG) still needs to ensure efficient utilization of the budget as it redirects spending to infrastructure and social services, analysts said.

"The 2024 budget in the Philippines has placed emphasis on both the social sector and infrastructure development. This prioritization aims to enhance the capabilities of the Filipino workforce and provide the necessary capital for sustainable growth," China Banking Corp. Chief Economist Domini S. Velasquez said in a Viber message.

"However, a key concern lies in the efficient utilization of the budget by government agencies, ensuring timely implementation and minimizing leakages," she added.

President Ferdinand R. Marcos, Jr. last week signed the national budget for 2024. The P5.768-trillion budget is 9.5% higher than this year's spending plan and is equivalent to 21.7% of gross domestic product (GDP).

The President said in a speech that the budget will serve as the government's "battle plan" to reduce poverty, end hunger, and create jobs, among others.

Mr. Marcos also called for the expedited handling of the funds by minimizing red tape and other bureaucratic bottlenecks.

"Implementation delay and illegal deviations inflict the same havoc of denying the people the progress and development that they deserve," he added.

GDP in the second quarter grew by a weaker-than-expected 4.3%, mainly due to the 7.1% contraction in government spending.

Government agencies were flagged for the slow implementation of projects in the first half. This prompted the NG to order agencies to come up with a "catch-up plan" for spending.

Filomeno S. Sta. Ana III, coordinator of the Action for Economic Reforms, said that sluggish budget utilization was partly due to low absorptive capacity of local government units (LGUs) due to their increased share of national tax allotments after devolution.

"The usual ways of addressing this, like capacity building and the improvement of administrative and fiscal management processes are necessary but evidently not enough," Mr. Sta. Ana said via Messenger chat.

"The increase in resources for LGUs has likewise been accompanied by a devolution of more services. Such a situation overwhelms many LGUs," he added.

However, Mr. Sta. Ana noted that underspending is still a problem even at the national level.

"This might suggest that national leadership is unfocused, which is also manifested in other areas. Coordination is weak, and decisiveness is wanting, also manifested in other governance areas," he said.

"I also suspect that the National Government has deliberately slowed down spending to narrow the fiscal deficit. Look, the administration has yet to pass a significant tax revenue measure; in lieu of that, it slows down spending to make the fiscal picture less ugly," he added.

The budget deficit contracted 65.27% to P99.1 billion in October as revenue growth surged 33.56%, outpacing government expenditure growth of 8.32%.

To mitigate slow utilization, Ms. Velasquez said it will be crucial to prioritize shovel-ready infrastructure projects.

"By focusing on projects that are prepared and ready for immediate implementation, delays can be minimized, allowing for timely completion and delivery of much-needed infrastructure," she said.

"This approach can help accelerate economic development and improve the quality of public services," she added.

The government is seeking to finance 197 infrastructure flagship projects with an indicative total cost of P8.7 trillion.

Ms. Velasquez recommended the stronger implementation of cash-based budgeting to improve utilization.

"This approach requires agencies to spend their allocated budget within the fiscal year, promoting accountability and preventing underspending. By enforcing stricter budget execution, the government can optimize resource allocation and enhance the effectiveness of public spending," she added.

Institute for Leadership, Empowerment, and Democracy Executive Director Zyza Nadine M. Suzara called on government agencies to address bottlenecks that prevent speedy implementation of projects.

"This is not only a matter of hitting the disbursement levels but a matter of accountability to the taxpaying public," she added.

Ateneo de Manila economics professor Leonardo A. Lanzona said that it will be difficult for the government to accelerate spending as it may have limited access to loans due to high interest rates.

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