**SPEECH**

**Signing of the Government Fares Agreement (GFA) with Philippines Air Asia, Inc.,**

**2 May 2018 | 3:30 PM | Joy Nostalg, Ortigas, Pasig City**

Secretary Benjamin E. Diokno, PhD

Department of Budget and Management (DBM)

To the officials of Philippines Air Asia, colleagues from the Procurement Service, guests, ladies and gentlemen: Good afternoon.

Before we formalize the Government Fares Agreement (GFA) with our third institutional partner, allow me to give you a better appreciation of the benefits of this endeavor.

As government officials, it is our duty to get the most out of the limited public resources entrusted to us. The GFA is a step towards getting the highest value for the hard-earned money of our Filipino taxpayers. Being an initiative of the Department of Budget and Management (DBM) and the Procurement Service (PS), it seeks to limit costs and secure savings in the procurement of air transport needs of all government employees for their official trips.

Airline tickets are one of the most commonly-requested items in the procurement activities of government agencies. In fact, PS had listed airline tickets in its catalogue as one of the Common-use Supplies and Equipment (CSE). With the enormous demand for air travel, suffice to say that airfare expenses cost the government millions of pesos every year.

The PS in response has thus adopted a “whole-of-government” approach in procuring airline tickets and initiated a partnership agreement, first with the Philippine Airlines, and then with Cebu Pacific in 2016. This move has greatly and positively impacted government transactions for airline travel.

 With the GFA, government agencies may enjoy generous discounts for domestic and international air travel tickets, and lower, if not waived, rebooking and processing fees for domestic travel tickets.

As of end of December 2017, a total amount of P202.8 million has been generated as sales for the GFA. Considering that these airline tickets were purchased at a discount of 8% to 9% less than the regular price, a savings of P19.5 millionwas achieved for the government as of 2017.

And today, we congratulate all parties for securing another partnership with a much-respected and trusted airline company, the Philippines Air Asia Incorporated. Credit goes to all the diligent employees, as well as our institutional partners, who have worked on the Government Fares Agreement since day one.

Beyond cost savings, government agencies can purchase airline tickets in an easier, faster, and streamlined manner. Procurement of travel tickets will be easier as it will be coursed through a central web-based portal similar to a virtual store that is accessible 24/7. There will be no more bidding or shopping for the lowest fares, which makes the procurement process faster.

The end result is not only a reduction in overhead costs with airline ticket fares but also an improvement in the ease of doing business between the government and the private sector. This is because the GFA will lead to lower transactions costs versus a setup where travel tickets have to be constantly bidded out and negotiated.

At present, a total of 138 government agencies are now enjoying the benefits of the GFA. These range from national government agencies, to State Universities and Colleges (SUCs), and to government corporations.

In closing, the DBM, together with PS and its other attached agencies, will continue to find ways to get the most out of taxpayer money. This means ensuring that government processes are not only cost-efficient and streamlined, but also transparent and easily accessible to the various government agencies.

So once again, congratulations and mabuhay!