



Inclusive growth for a more competitive Philippines

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3rd Anniversary Celebration, Philippine Council for Industry, Energy and Emerging Technology
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Growth Rates of GDP by Industrial Origin

1st Quarter 2012 and 2013 and Annual 2011-2012 (at constant 2000 prices)

Industry	1st quarter		Annual	
	2011-12	2012-13	2010-11	2011-12
GROSS DOMESTIC PRODUCT	6.5	7.8	3.6	6.8
Industry sector	5.3	10.9	1.8	6.8
a. Mining & quarrying	-1.7	-17.0	7.0	2.2
b. Manufacturing	6.0	9.7	4.7	5.4
c. Construction	1.5	32.5	-9.8	15.7
d. Electricity, gas and water supply	8.5	0.1	0.6	5.1
Agri., Hunting, forestry and fishing	1.1	3.3	2.6	2.8
Service sector	8.4	7.0	4.9	7.6



Employed Persons by Major Industry Group and Industry Subsector, Philippines

April 2012 and April 2013

Major Industry/Industry Subsector	April 2013	April 2012
EMPLOYED PERSONS, Number (in thousands)	37,819	37,840
Agriculture	11,844	12,468
Industry	6,083	5,859
Services	19,893	19,513

Source: NSO



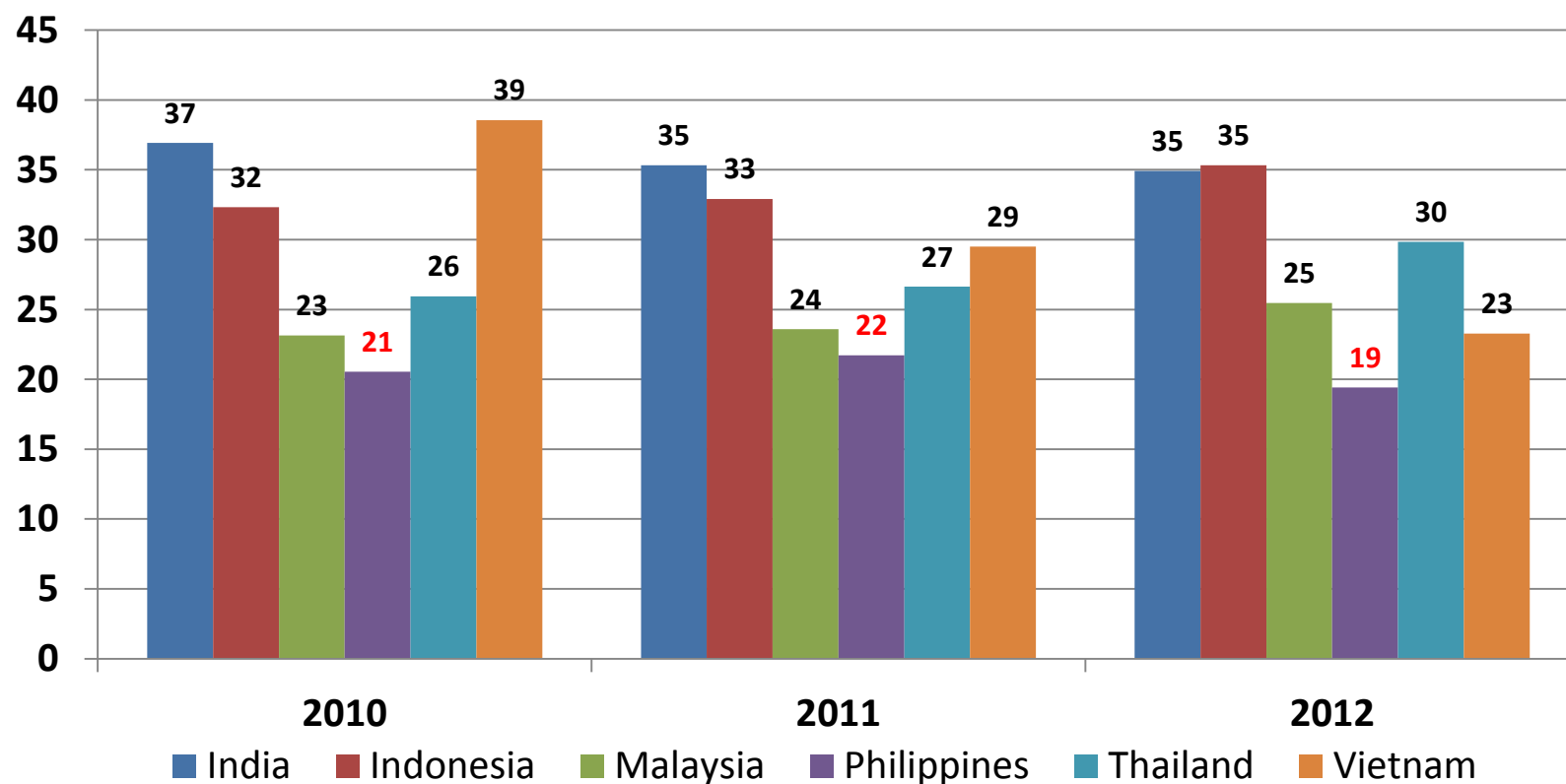
Employed Persons by Hours Worked in the Week Prior to Survey, Industry sector, Philippines

April 2012 and April 2013 (In percent)

Hours Worked in a Week (Industry sector)	April 2013	April 2012
Industry	100.0	100.0
Less than 40 hours	19.7	34.3
40 hours and over	79.4	64.0
With a job, not at work	1.0	1.7
Mean hours worked	44.2	39.9

Source: NSO

Share of Total Investment to GDP



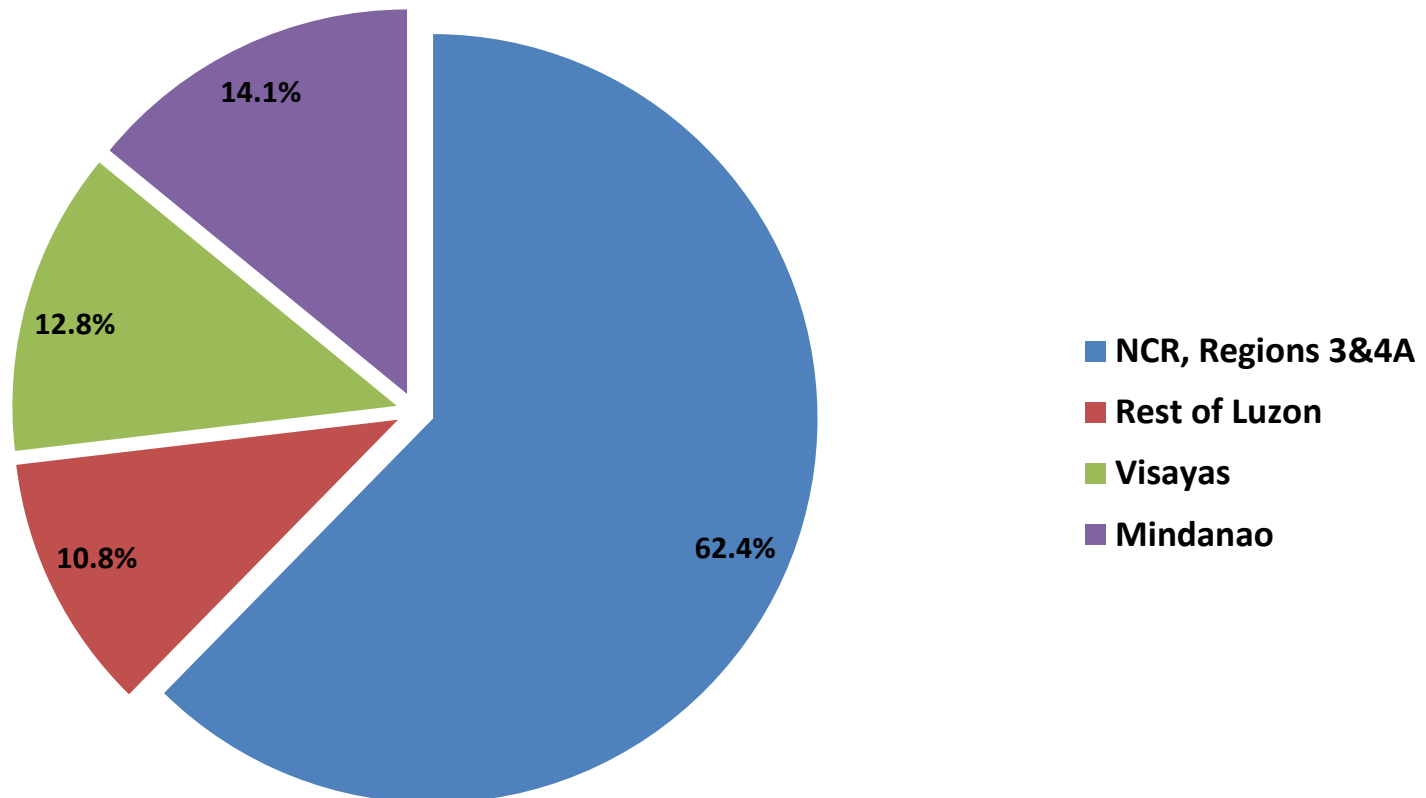


Poverty and inequality remain high

Measure	2009 Sem 1	2012 Sem 1
Poverty headcount	28.6	27.9
Ratio of average income of top decile to bottom decile	22.5	22.2

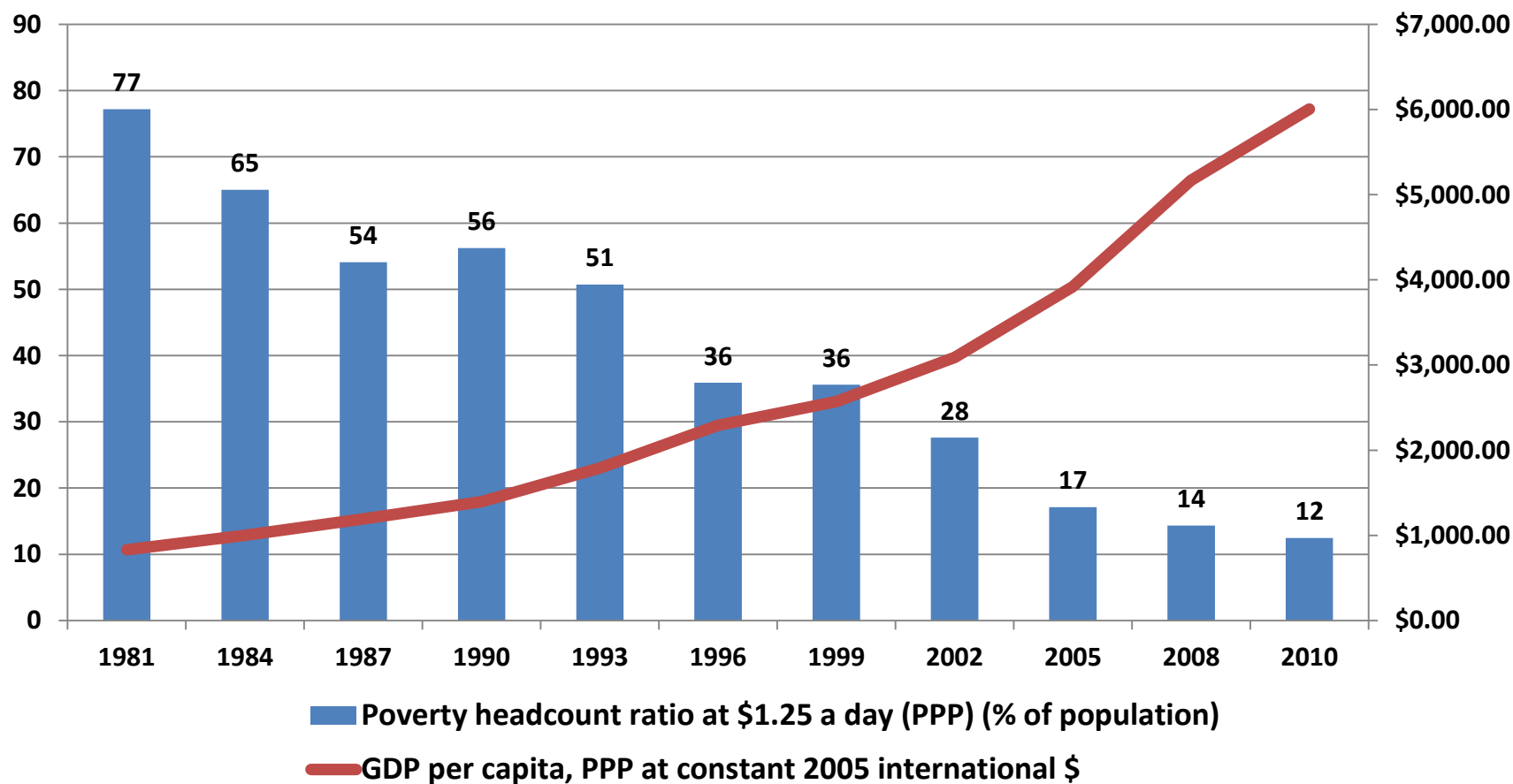
Philippine GDP is dominated by 3 regions in Luzon

Regional shares to GDP growth, 2011 (in %)

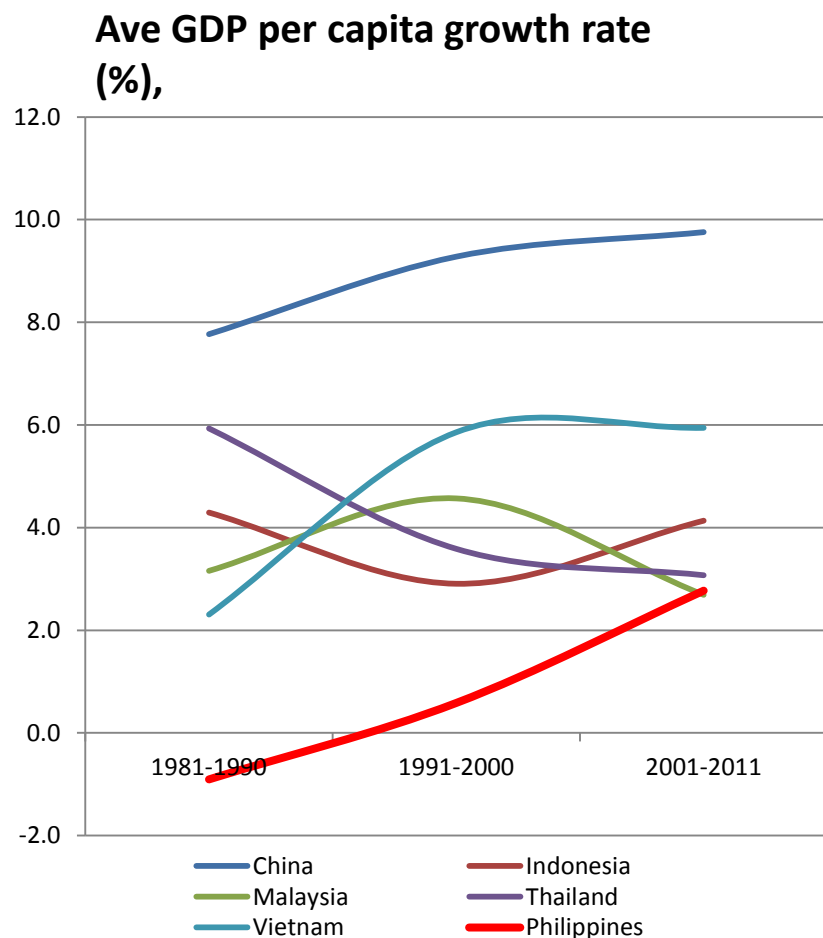


GDP growth vs. poverty reduction in EAP developing countries

East Asia and the Pacific (developing only)



The Philippines' growth has been lagging behind some of the EAP countries for the past decades

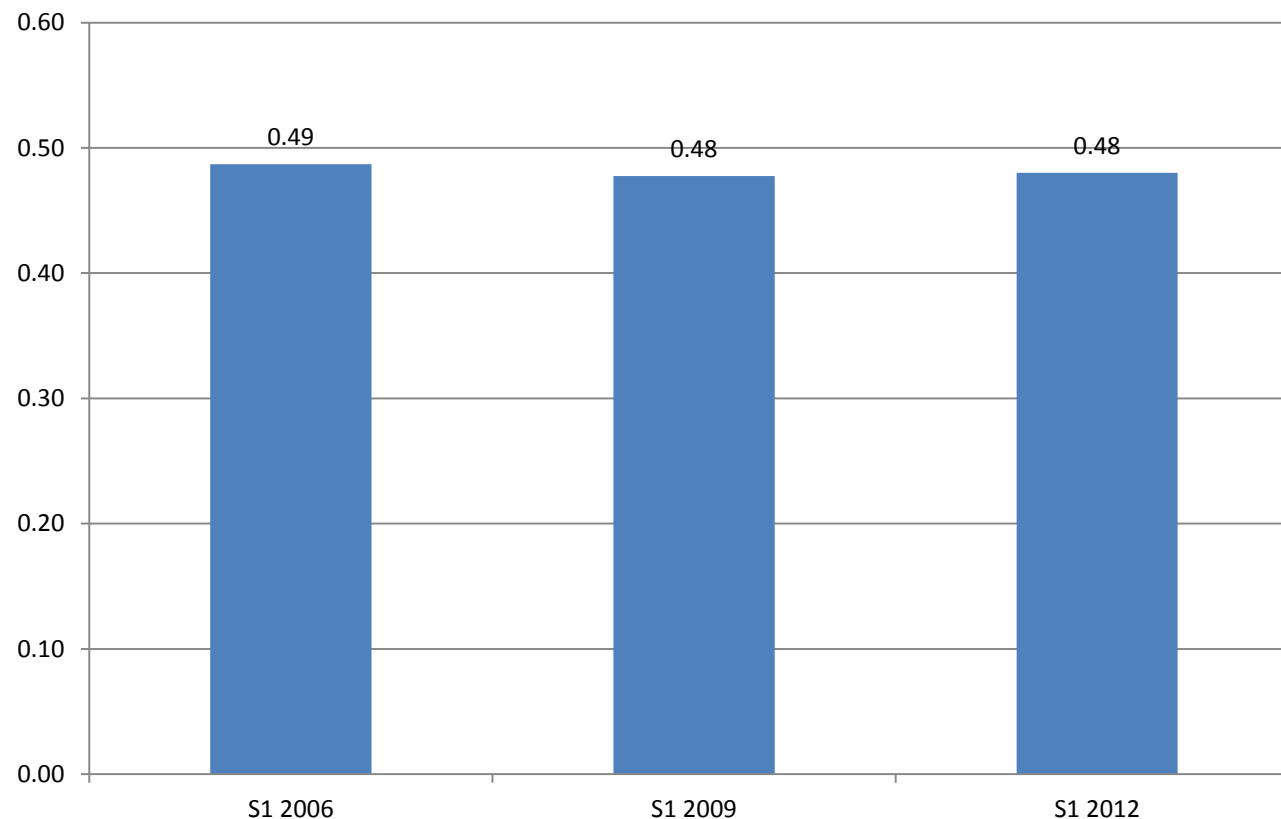


Percentage of **Poor** Population^{1/}



Sources/Notes:
^{1/}UNESCAP 2009 Statistical Yearbook; based on Below US\$1.25 per Day (www.unescap.org/stat/data/syb2009/) Philippine Data: Official NSCB Estimates
 *Philippine official estimates, NSCB 2009

Gini concentration ratios, Philippines



Source: National Statistical Coordination Board (NSCB)

Requirements for inclusive growth

- Deliberate policies that expand opportunities for remunerative employment and human development
- Development in the periphery through integration of the lagging areas or regions with the fast-growing, leading areas or regions of the country
- Large-scale targeted programs to directly assist those who are unable to participate in the growth process.

Strategies

- Improve investment climate for private investors
- Maintain macroeconomic stability and fiscal prudence

Strategies

- Structural transformation from consumption-led to investment-driven technology
 - Improve efficiency of public investment to serve as a catalyst for greater private sector participation
 - Connect the regions
 - Address critical constraints to investments

Priority Sectors

PDP 2011-2016

- Agribusiness/Forest-based industries
- BPO/IT
- Electronics
- Housing
- Infrastructure
- Logistics
- Mining
- Shipbuilding
- Tourism
- Other high-growth potential industries (wearables, garments, homestyle products, motor vehicle parts/components)

Agri-business

Infrastructure

Tourism

BPO

Logistics



PDP Midterm Update

- Agribusiness/ (coconut, coffee, cacao, fish)
- BPO/IT
- Housing
- Infrastructure
- Halal food industry
- Tourism

Map courtesy of DOLE

Strategies

- Boost competitiveness of productive sectors through investments in:
 - Infrastructure
 - Human capital
 - Governance

Strategies

- Increase capacity of industries to grow and generate employment through:
 - Support for new investors
 - Improved access to financing
 - Review of foreign investment negative list
 - Rationalize fiscal incentives

Strategies

- Growth to be driven by:
 - Technology improvement/innovations
 - Policy improvements
 - Institutional reforms



Goals for Philippine S&T

- Increase productivity of and improve links between agriculture and industries
- Innovations to improve quality of life

Strategies to enhance the country's S&T capacities

- Improve investment climate for S&T
- Promote coordination and synergy between academe and industry
- Promote greater human resource development
- Facilitate demand for knowledge from the private sector
- Enhance public support for and management of knowledge institutions
- Facilitate access to ICT infrastructure

Strategies

- Investments in human capital to address problem of low employability
 - Phased implementation of K to 12 Basic Education Program
 - Increasing investments in technical education
 - Encourage partnerships between higher education institutions and businesses



What can the S&T community and industry sector contribute?

- Increase research, development and innovation
- Diversify and expand production of high-value products
- Increase investments on backward and forward linkages



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