



# **Inclusive growth for a more competitive Philippines**

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**3rd Anniversary Celebration, Philippine Council for Industry, Energy and Emerging Technology**  
*New World Hotel, Makati*  
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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
<b>GROSS DOMESTIC PRODUCT</b>	<b>6.5</b>	<b>7.8</b>	<b>3.6</b>	<b>6.8</b>
<b>Industry sector</b>	<b>5.3</b>	<b>10.9</b>	<b>1.8</b>	<b>6.8</b>
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
<b>Agri., Hunting, forestry and fishing</b>	<b>1.1</b>	<b>3.3</b>	<b>2.6</b>	<b>2.8</b>
<b>Service sector</b>	<b>8.4</b>	<b>7.0</b>	<b>4.9</b>	<b>7.6</b>



# Employed Persons by Major Industry Group and Industry Subsector, Philippines

April 2012 and April 2013

Major Industry/Industry Subsector	April 2013	April 2012
<b>EMPLOYED PERSONS, Number (in thousands)</b>	<b>37,819</b>	<b>37,840</b>
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

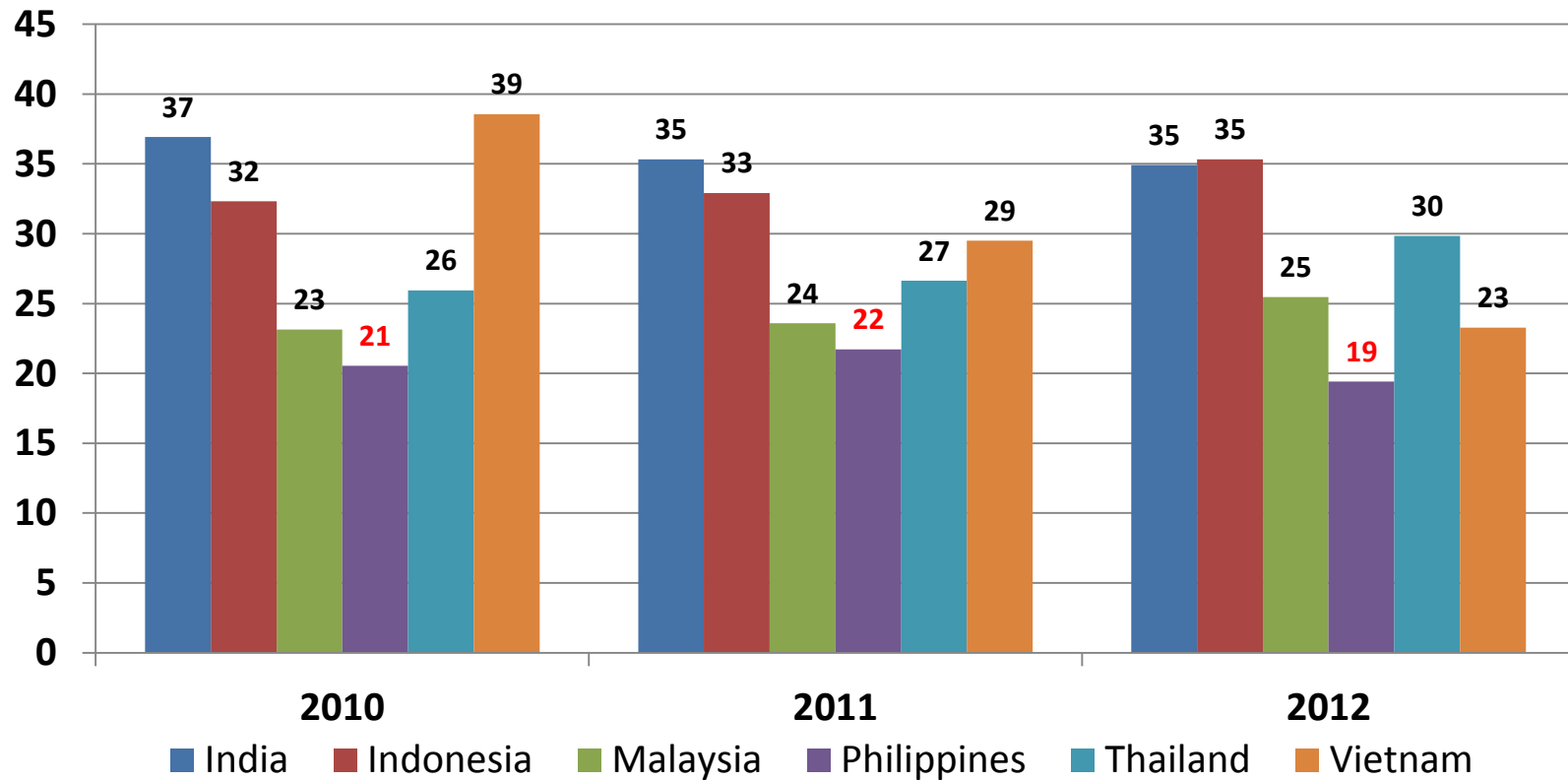
April 2012 and April 2013 (In percent)

Hours Worked in a Week (Industry sector)	April 2013	April 2012
<b>Industry</b>	<b>100.0</b>	<b>100.0</b>
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





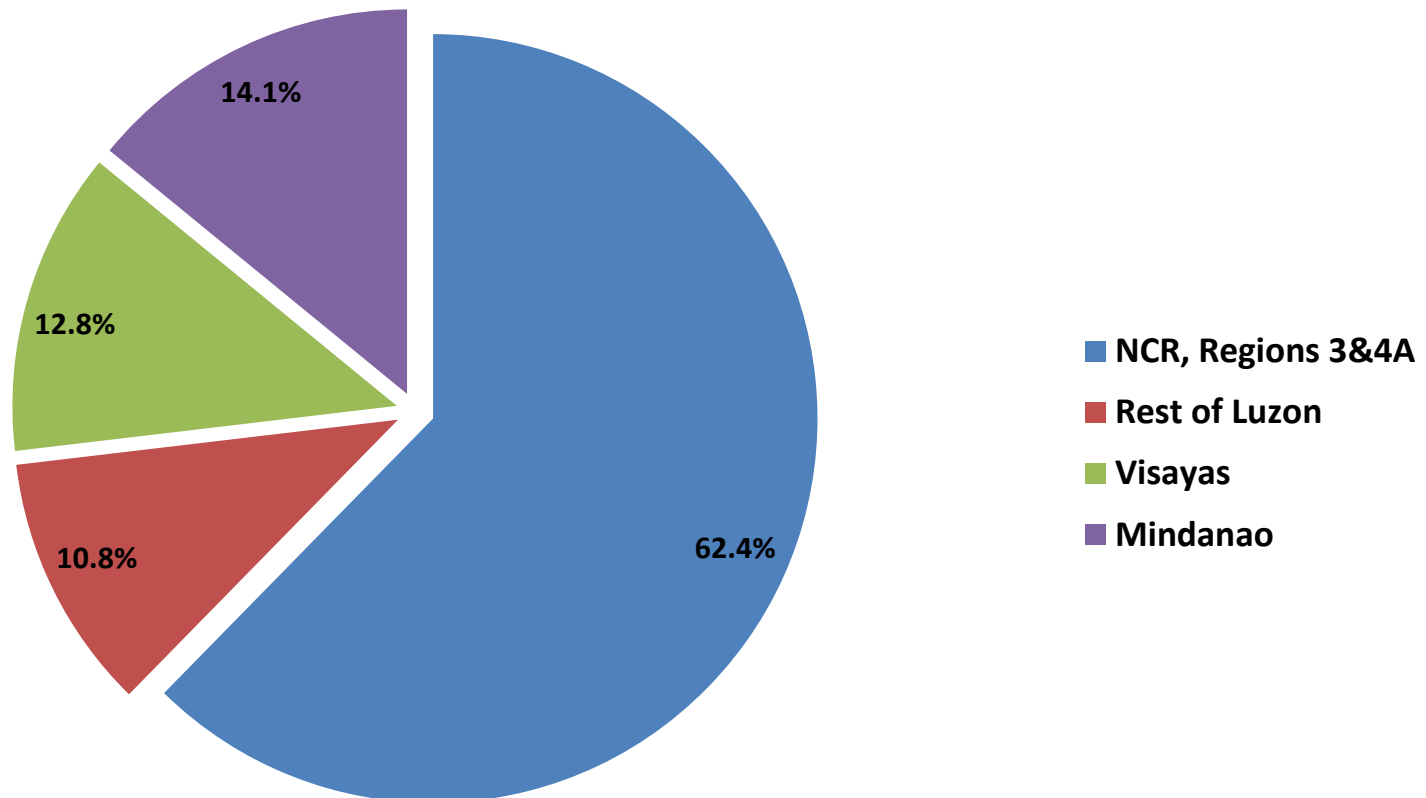
# Poverty and inequality remain high

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



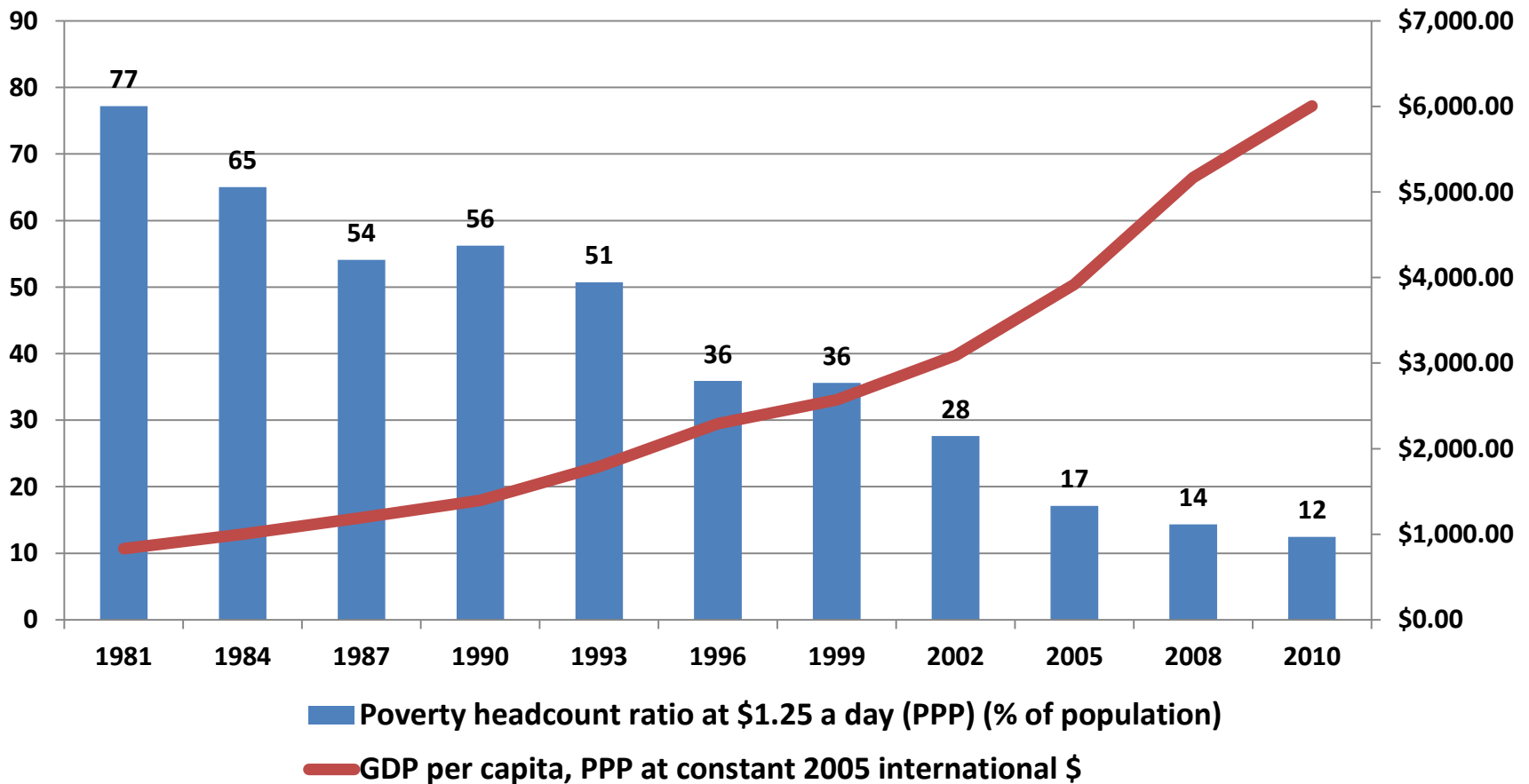
# Philippine GDP is dominated by 3 regions in Luzon

Regional shares to GDP growth, 2011 (in %)



# GDP growth vs. poverty reduction in EAP developing countries

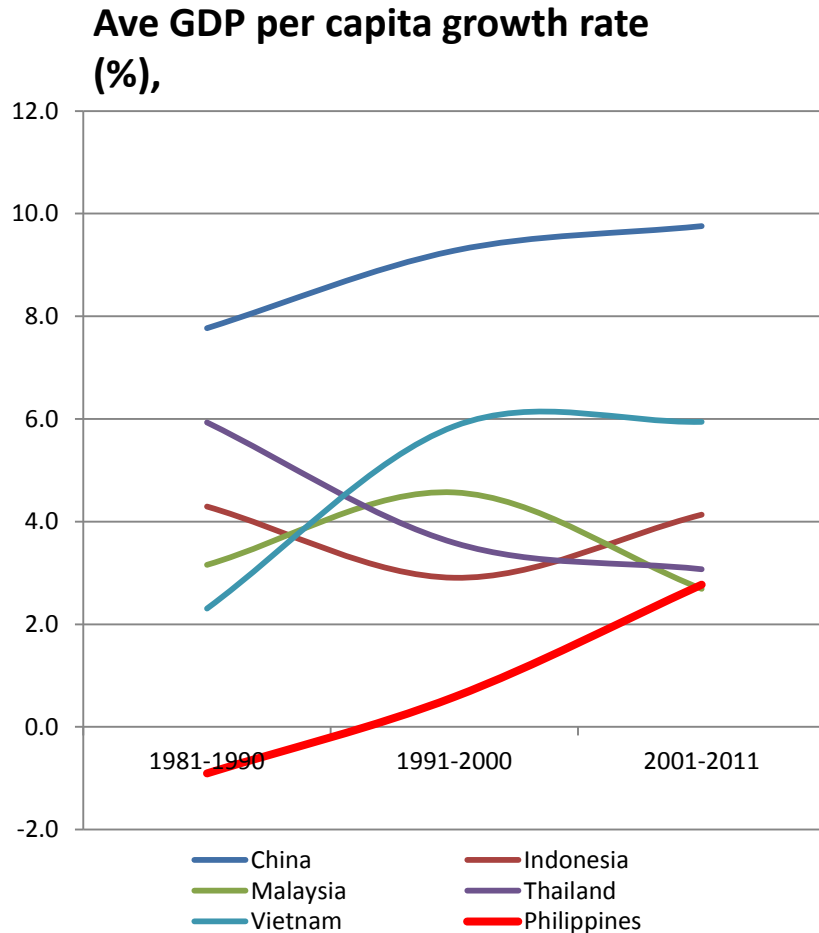
## East Asia and the Pacific (developing only)







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



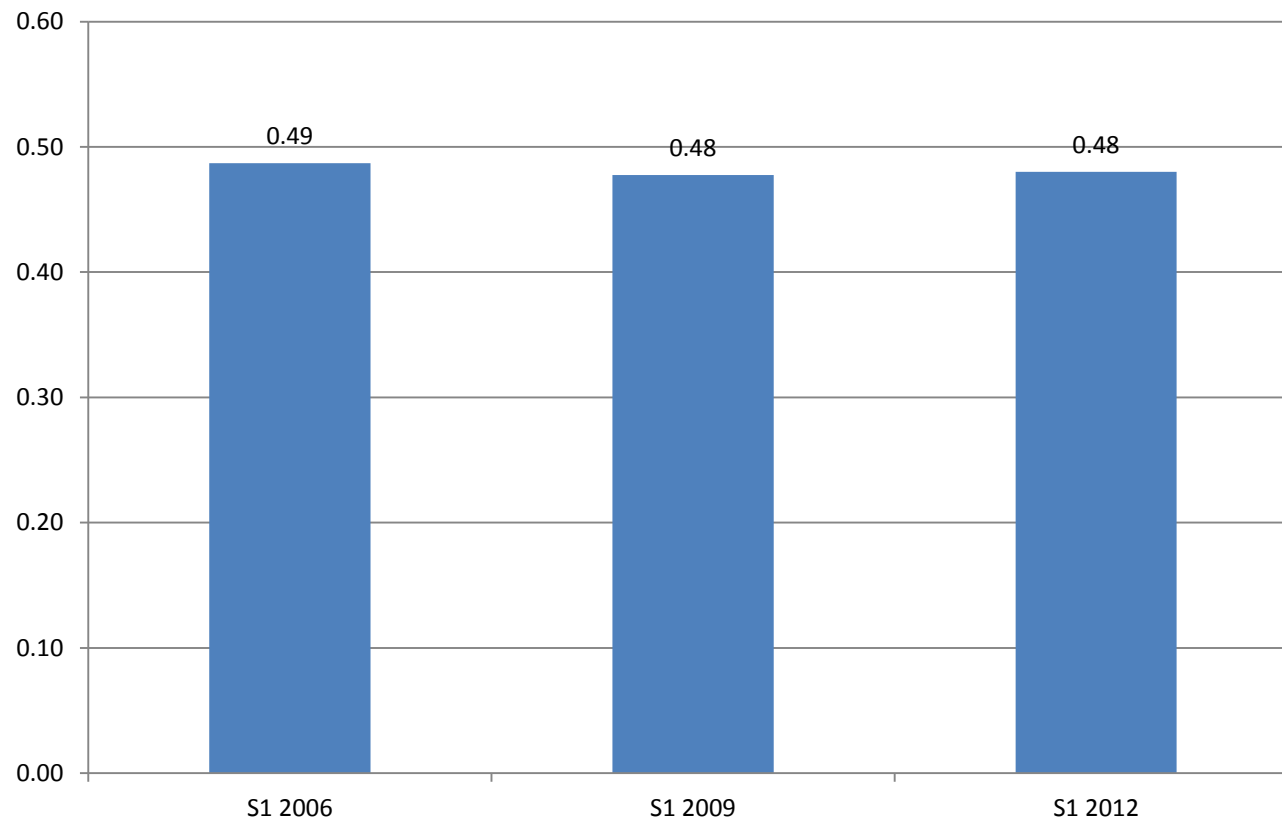
## Percentage of **Poor** Population<sup>1/</sup>



Sources/Notes:  
<sup>1/</sup>UNESCAP 2009 Statistical Yearbook; based on Below US\$1.25 per Day ([www.unescap.org/stat/data/syb2009/](http://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)

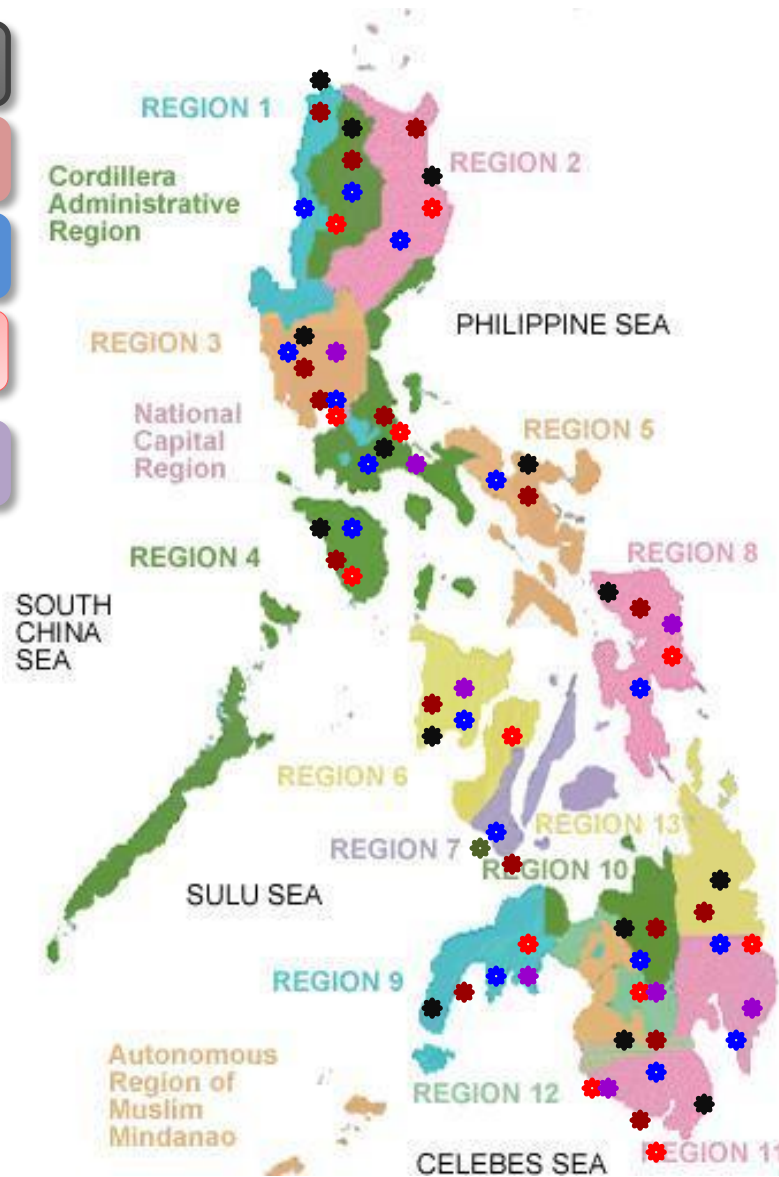
Agri-business

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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