

PH economic managers to US business, Fil-Am communities: Govt to focus on reducing poverty, inequality

WASHINGTON, D.C. – The Philippine Secretaries of Finance, Budget and Management, and Socioeconomic Planning discussed the Duterte Administration’s plan of action to reduce poverty and inequality during engagements with the business and Filipino-American communities on Wednesday, October 5.

In a special edition of the *Talakayan sa Pasuguan*, Socioeconomic Planning Secretary and National Economic and Development Authority Director-General Ernesto Pernia expressed the need for innovative statistics that will accurately track how economic growth is distributed across geographic regions and income classes.

“Poverty- and inequality-reducing economic growth requires a rebalancing of the economy,” said Secretary Pernia in reference to programs aimed at expanding development from the National Capital Region to rural areas in other parts of the country.

“Our policies and our plans are certainly aimed at reducing the differentials between the growths in the regions,” added Finance Secretary Carlos Dominguez.

Secretary Dominguez noted how the concentration of investments and infrastructure in Metro Manila has resulted in two-thirds of gross domestic product being produced in this area. He likewise cited the huge gap in the gross national income per capita between Metro Manila (Php 100,000/year) and the Autonomous Region of Muslim Mindanao (Php 26,000/year).

“This is what we are addressing. This is what the electorate is asking us. This is why they elected the three top officials of our country from Mindanao,” the Finance Secretary stated, referring to the President, the Senate President and Speaker of the House.

Critical to the Administration’s socioeconomic agenda is improving infrastructure, to which more resources will be committed, according to Budget Secretary Benjamin Diokno.

“From 2017 to 2022, we’re spending around Php 8.2 trillion for public infrastructure,” Secretary Diokno said.

This is to be achieved, he said, by “changing the way we budget,” in that only projects that are shovel-ready will be included in the budget; doing projects in Metro Manila, Cebu and Davao on a non-stop basis; and using technology, such as drones and Google Maps, to boost monitoring capability.

“There will be no ghost projects under the Duterte Administration,” the Budget Secretary stressed.

He also explained that a large part of the budget will be invested in education, health and nutrition, and social services, in order to develop the Filipino youth into a competent, healthy and agile workforce.

In a separate briefing for the business community, Secretaries Diokno and Pernia discussed how reforms in government procurement and cutting bureaucratic red tape can enhance the competitiveness of the Philippine economy and boost its attractiveness to foreign

investments, as well as will result in more affordable services for individual citizens and businesses.

The economic managers gave the assurance that previous initiatives that have yielded positive results for the economy will be carried on by the present Administration. They cited the strong macroeconomic fundamentals and drivers for growth that continue to attract foreign investments into the Philippines.

Secretaries Dominguez, Pernia and Diokno are in the US capital to attend the 2016 World Bank Group and International Monetary Fund (WBG-IMF) Annual Meetings from 05 to 08 October 2016.

Source: PH economic managers to US business, Fil-Am communities: Govt to focus on reducing poverty, inequality (2016). Asian Journal. Retrieved from <http://asianjournal.com/news/ph-economic-managers-to-us-business-fil-am-communities-govt-to-focus-on-reducing-poverty-inequality%E2%80%AF/u>

Spending underpins Q3 growth

THE PHILIPPINE economy likely expanded by 6.3% to 7.3% in the third quarter from a year earlier, boosted by the government's increased spending on infrastructure, the economic planning chief said on Thursday.

Socioeconomic Planning Secretary Ernesto M. Pernia said third-quarter growth would also show the impact of weak exports and investments.

"We have this forecast which is based on quarterly data -- the range is between 6.3% and 7.3% for the third quarter," Mr. Pernia told a briefing.

Gross domestic product (GDP) increased 7% in the three months ended June from a year earlier, the fastest pace in three years. That brings the first-half average GDP growth to 6.9%, within the government's official goal of 6-7% for 2016.

The government is scheduled to release the July-September GDP data on Nov. 17.

Mr. Pernia said the probability that third quarter GDP results will settle on the higher end of the forecast range he tipped will be underpinned by consumption and investments, as well as infrastructure spending to offset softening export demand.

Exports had been in the doldrums, extending their decline for a 17th straight month in August. Outbound shipments had fallen 7.8% so far this year, according to Philippine Statistics Authority data.

Agriculture won't be much of a drag this time, Mr. Pernia said noting that "it will be a much smaller negative, a flatter [trend] for the agri sector."

Agriculture, hunting and forestry -- which together accounts for 7.9% of GDP -- fell 2.1% in the second quarter, sharper than a year-ago's 0.1% fall, according to government statistics. Agriculture alone registered a 1% decline in the second quarter from a 0.4% growth in the previous year.

The fading impact of election-related spending, meanwhile, could have pulled growth closer to the lower end of the government's forecast range for the third quarter, Mr. Pernia said.

The Philippines held its national elections last May, bringing to power President Rodrigo R. Duterte whose anti-US remarks are unlikely to hurt investments this soon, the socioeconomic planning chief said.

"I don't think the anti-US statements of the President will already be reflected in the third quarter (data)," said Mr. Pernia.

The setback on foreign direct investments from the US -- among the country's top 5 foreign

Nasusuri ang Kahalagahan ng Pagsukat ng Pambansang Kita sa Ekonomiya

direct investors -- could be felt by the fourth quarter when the economy, he said, is expected to slow to a 6.4% to 6.5% range.

“If China comes through next year we’ll have a sizeable income next year,” he said, referring to the \$24 billion worth of funding and investment pledges from the President’s recent state visit to China.

Economists said third quarter growth likely slowed from the second quarter but could fall within Mr. Pernia’s estimate.

“GDP growth might slow to 6.7% as the support from election spending fades,” an economist from a local bank said. -- J.C.V. Doctolero

Source: Doctolero, J. C. V. (2016) Spending underpins Q3 growth. Retrieved from <http://www.bworldonline.com/c.ontent.php?section=TopStory&title=spending-underpins-q3-growth&id=135896>