



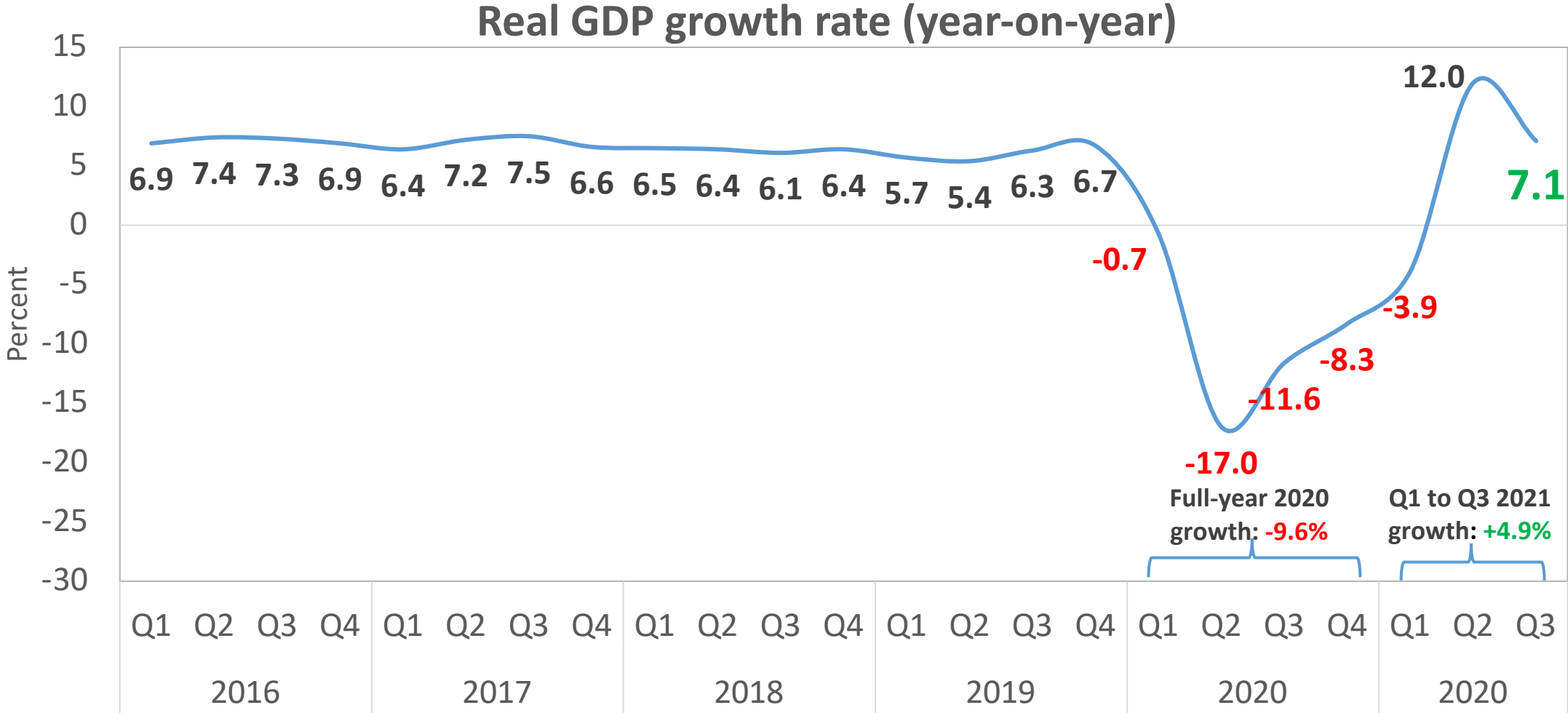
REPUBLIC OF THE PHILIPPINES
NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY

Philippine economic performance in Q3 2021 and prospects for recovery

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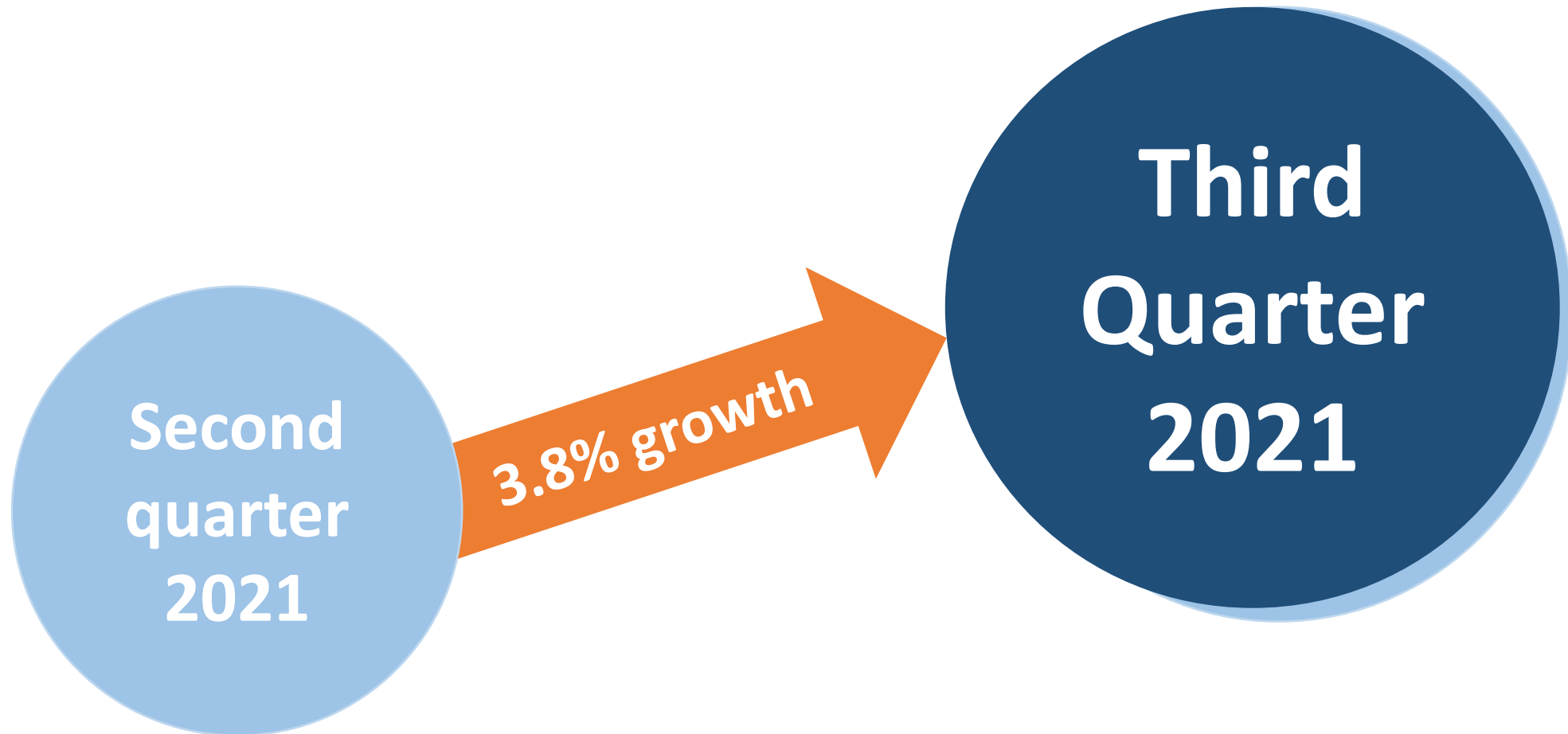
The Philippine economy grew by 7.1 percent year-on-year in the third quarter. This is up from the -11.6 percent in the same period last year.



Source: PSA

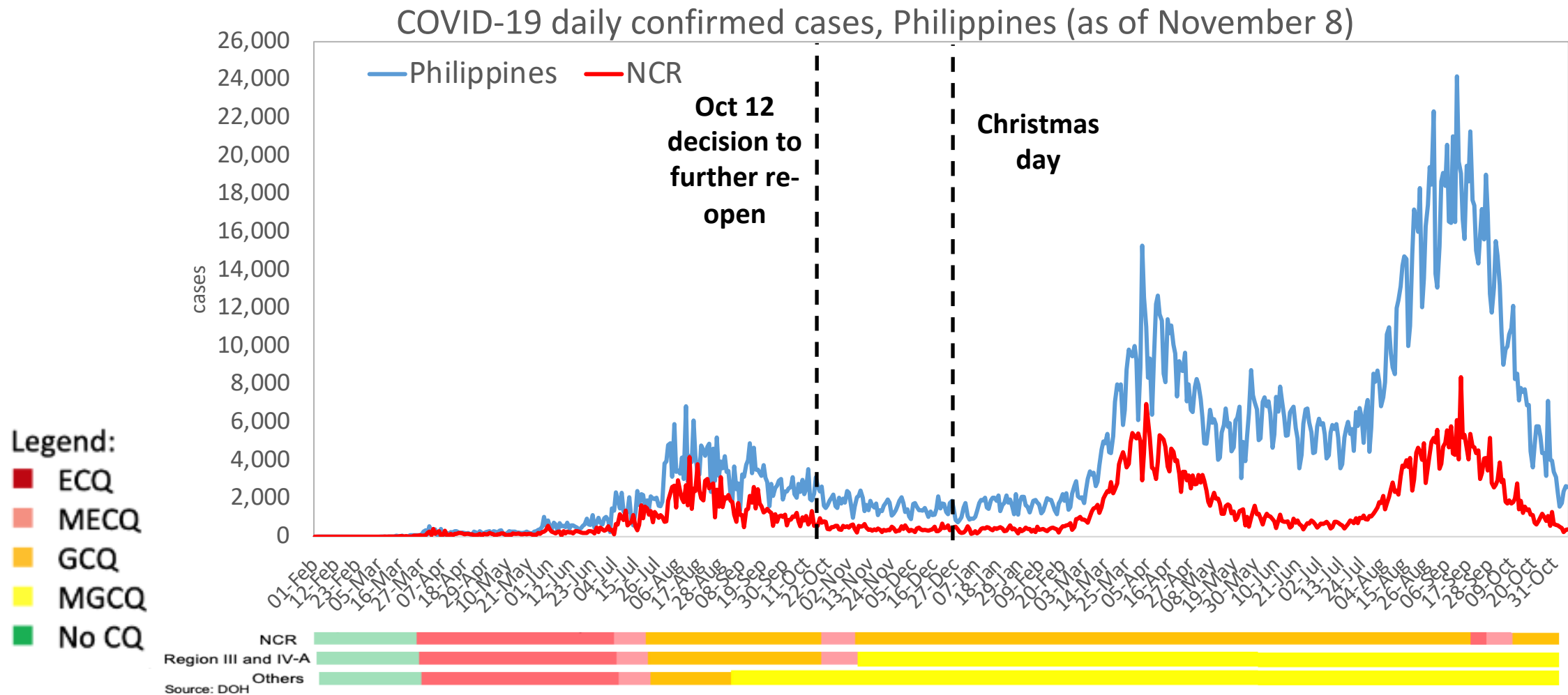


On a seasonally adjusted quarter-on-quarter basis, the economy expanded by 3.8 percent. This indicates sustained recovery despite two weeks of ECQ and a month of MECQ.



Source: PSA

While observing the health protocols, our people continued to work and business continued to operate. At the same time, we saw the new daily infections fall from a peak of 26,000 on September 11 to less than 1,800 last November 4.



On the production side, the industry sector expanded by 7.9 percent, while the services sector grew by 8.2 percent. In contrast, agriculture declined by -1.7 percent.

Real growth rates (%)	2019	2020					2021		
	FY	FY	Q1	Q2	Q3	Q4	Q1	Q2	Q3
GROSS DOMESTIC PRODUCT	+6.1	-9.6	-0.7	-17.0	-11.6	-8.3	-3.9	+12.0	+7.1
<i>By Industrial Origin:</i>									
Agriculture, Fishery and Forestry	+1.2	-0.2	-0.3	+1.6	+1.2	-2.5	-1.3	0.0	-1.7
<i>of which: Livestock</i>	-0.8	-6.9	+1.5	-8.2	-7.7	-13.0	-23.4	-19.5	-15.6
<i>Palay</i>	-5.9	+3.1	-1.9	+7.2	+15.4	-1.1	+8.6	+1.2	+5.6
Industry	+5.5	-13.2	-2.5	-21.8	-17.6	-10.6	-4.4	+21.0	+7.9
<i>of which: Manufacturing</i>	+3.8	-9.8	-3.3	-21.2	-10.4	-4.9	+0.5	+22.2	+6.3
<i>Construction</i>	+9.7	-25.7	-0.3	-29.4	-39.7	-26.8	-22.6	+27.1	+16.8
Services	+7.2	-9.2	+0.1	-17.1	-10.6	-8.0	-4.1	+9.8	+8.2
Source: PSA									

On the expenditure side, growth was primarily driven by household consumption, which grew by 7.1 percent and accounted for 5.2 percentage points of overall GDP growth.

Real growth rates (%)	2019	2020					2021		
	FY	FY	Q1	Q2	Q3	Q4	Q1	Q2	Q3
GROSS DOMESTIC PRODUCT	+6.1	-9.6	-0.7	-17.0	-11.6	-8.3	-3.9	+12.0	+7.1
<i>By Expenditure:</i>									
Household final consumption expenditure	+5.9	-7.9	+0.2	-15.3	-9.2	-7.3	-4.7	+7.3	+7.1
Gov't final consumption expenditure	+9.1	+10.5	+7.0	+21.8	+5.8	+5.1	+16.1	-4.2	+13.6
Capital formation	+3.5	-34.4	-12.1	-51.5	-39.5	-32.2	-14.8	+80.3	+22.0
<i>of which: Durable equipment</i>	-6.7	-29.7	-2.3	-59.4	-33.8	-24.5	-10.3	+95.7	+8.0
<i>Public construction</i>	-4.7	-10.4	-0.7	+2.4	-27.1	-17.7	+25.3	+44.5	+55.3
<i>Private construction</i>	+14.5	-36.9	-2.3	-46.6	-50.1	-42.9	-37.2	+26.9	+12.2
<i>memo: Private investment</i>	+5.1	-38.8	-13.4	-65.2	-41.4	-35.2	-20.3	+107.2	+15.7
Exports	+2.6	-16.3	-4.4	-33.5	-15.1	-10.2	-8.8	+27.8	+9.0
<i>of which: Exports of goods</i>	+1.1	-8.6	-2.6	-30.6	-1.3	-0.1	+2.8	+35.9	+8.8
Imports	+2.3	-21.6	-7.4	-37.3	-20.7	-20.2	-7.0	+39.8	+13.2
<i>of which: Imports of goods</i>	+1.2	-20.3	-8.5	-38.5	-18.9	-13.3	-0.5	+48.3	+16.3
Source: PSA									

With strong third quarter growth and overall performance in 2021, we are on track to reach the high-end of our 4 to 5 percent growth target for 2021. Year-to-date growth is currently at 4.9 percent

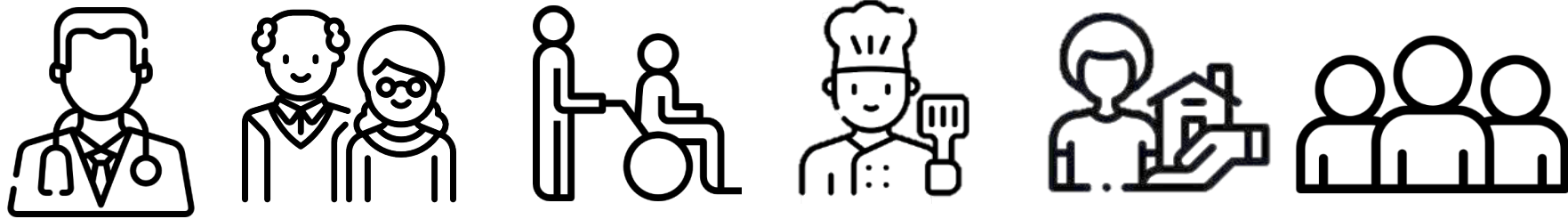
	YTD 2021 growth (actual)	FY 2021 (target)	FY 2022 (target)
Estimated economic growth (%)	4.9	4 to 5	7 to 9

Enablers of our recovery:

1. Accelerate the vaccination program.
2. Move towards alert level 1 around January 2022.
3. Maximize the use of the 2021 budget.

As of November 7, a total of 64.2 million vaccine doses have been rolled out. Of this, 34.7 million doses were administered as the first dose and 29.5 million were administered as the complete dose.

Vaccine doses that have been administered across priority groups as of 7 November 2021



Status	A1	A2	A3	A4	A5	B & C	Total
1st dose	2,767,486	4,010,277	6,816,845	13,779,262	5,139,439	2,204,666	34,717,975
2nd dose / complete dose	2,635,776	4,856,914	7,615,907	10,438,123	3,392,978	538,263	29,477,961

Source: Department of Health



In the coming weeks, the vaccination program will include children aged 12 to 17. When the approvals are made, we will soon include children aged 5 to 11. This opens the door to the resumption of face-to-face schooling beginning in January 2022.

Photo credits: The Associated Press

More efficient public spending will enhance economic expansion.



Photo credits: DBM's 2021 people's proposed budget

1. In the third quarter of 2021, national government disbursement surpassed the programmed level by 4 percent.
2. Sustaining this into the fourth quarter makes achievement of our growth target certain.

Conclusion

1. It has been 20 months since the pandemic struck the country.
2. There were doubts and there were challenges in the first few months. But there was **never a lack of resolve**.
3. We moved quickly to **build up our health system** and made provisions for **massive vaccine procurement**. With **decisive leadership** and a **determined people**, we are now reaping the results.
4. In the **remaining eight months of the Duterte administration**, our top priority will be laying the foundation for a COVID-19 **resilient society** that can live with the virus. We will **return to the path of rapid and more inclusive growth**. We owe this to our people. **It will be done.**



Thank you and take care.

Photo credits: DBM's 2021 people's proposed budget