



Economic and Social Survey of Asia and the Pacific 2025

Understanding the macroeconomic implications of climate change

John Paolo R. Rivera, Ph.D.

Senior Research Fellow, Philippine Institute for Development Studies

2024 Outstanding Young Scientist in Economics

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Philippine Institute for Development Studies
Surian sa mga Pag-aaral Pangkaunlaran ng Pilipinas

DECEMBER 2024

DISCUSSION PAPER SERIES NO. 2024-34

Estimating the Impacts of Climate Change on Fiscal Health in the Philippines: Designing a Policy toward a Climate-Resilient Fiscal Sector

John Paolo R. Rivera, Ramona Maria L. Miral, and Mark Gerald C. Ruiz



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CONTACT US:

RESEARCH INFORMATION DEPARTMENT
Philippine Institute for Development Studies
18th Floor, Three Cyberpod Centris - North Tower
EDSA corner Quezon Avenue, Quezon City, Philippines

publications@pids.gov.ph
(+632) 8877-4000

<https://www.pids.gov.ph>

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DISCUSSION PAPER SERIES NO. 2024-18

Macroeconomic Prospects of the Philippines in 2024–2025: Toward Upper Middle-Income Status

John Paolo R. Rivera, Mark Gerald C. Ruiz, and Ramona Maria L. Miral



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Where am I coming from?



Value of the 2025 survey

Climate health is no longer an externality to macroeconomics. It is now intrinsic to it.

Resilience is operating under rising structural fragility:

- Higher-for-longer interest rates
- Rising global trade fragmentation
- Increasing frequency of climate disasters

The steady GDP numbers we see mask deeper vulnerabilities.



Reviving growth in a different context: Sectoral upgrading and the climate challenge

Double transformation challenge:

- Escaping the middle-income trap
- Conducting a green economic transformation

Pertinent questions for the Philippines:

- Are we building green manufacturing capacities, not just BPO hubs and remittance-led growth?
- Are our MSMEs being equipped to participate in green value chains, such as renewable energy, sustainable construction, or digital agriculture?

Philippines capitalizing on Asia-Pacific's unparalleled position in green manufacturing

- Investing aggressively in renewable energy value chains
- Developing climate-resilient agribusiness
- Leveraging our strategic minerals like nickel for the green economy

Without strategic upgrading, our resilience today could become tomorrow's stagnation



Macroeconomic-climate nexus: A rallying call for smarter policymaking

We need forward-looking, climate-integrated fiscal and monetary (policy mix) strategies:

- Disaster-contingent debt instruments
- Climate-risk stress testing of banks
- Strategic sovereign green bond issuances, not ad-hoc borrowings

Managing climate risks must be mainstreamed into macroeconomic management – not treated as a special project.



Asia-Pacific readiness: A mirror for the Philippines

Philippine strengths:

- A dynamic services sector, particularly tourism, hospitality, BPO/KPO
- A relatively developed banking system

Philippine weaknesses:

- Low domestic resource mobilization
- Gaps in climate-resilient infrastructure financing
- Underdeveloped sustainable finance markets

Key implications:

- Strengthen fiscal resilience
- Develop climate-resilient financial systems

Prioritize green economic development over short-term populist measures.

Building forward
smarter:
What we must do
next?

*Climate change
requires a
permanent
systems- and
future-thinking
capability in
economic
management.*



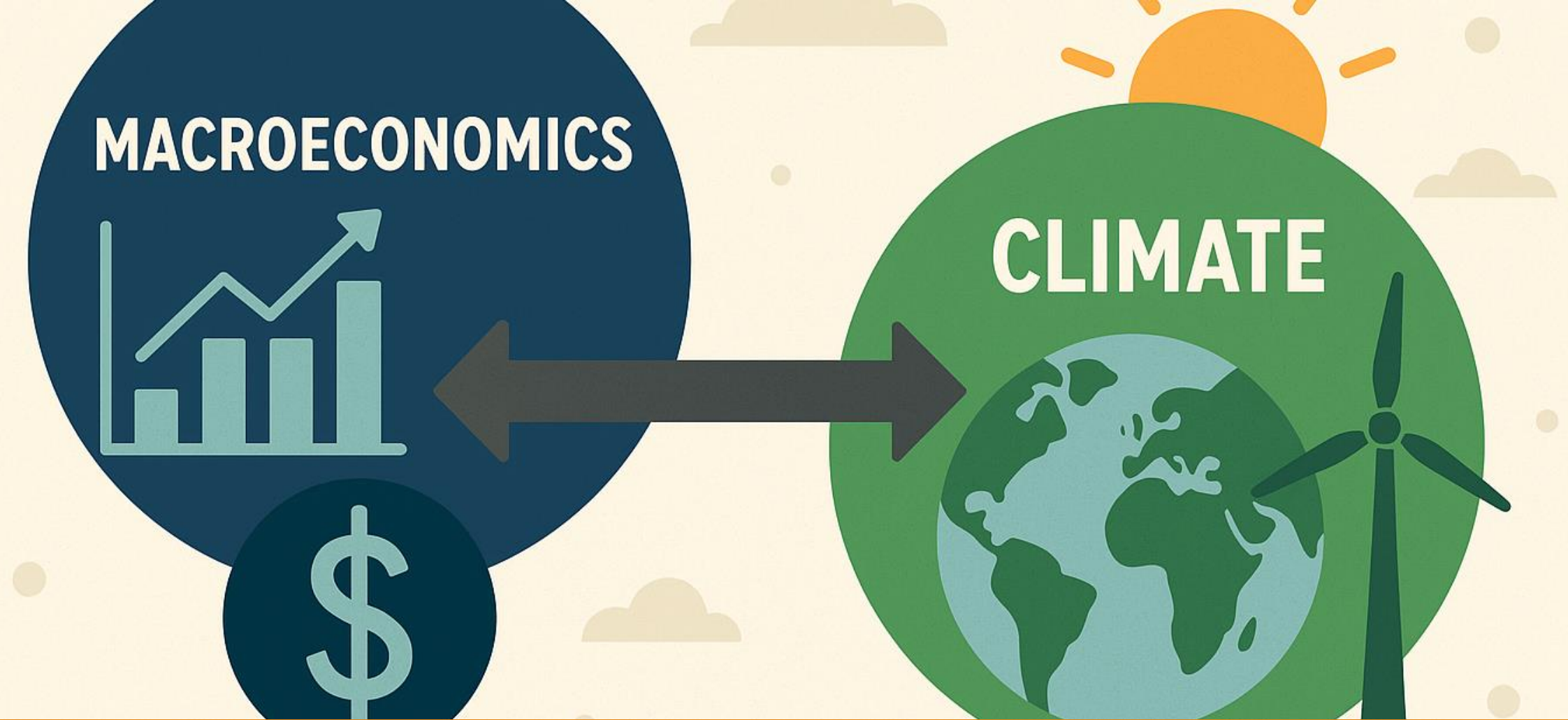
Climate-integrated public
investment planning



Regional risk pooling and financing
platforms



Strategic foresight
institutionalization



Conclusion: A strategic moment

ECONOMIC RESILIENCE AND CLIMATE RESILIENCE
ARE NOW ONE AND THE SAME.

THANK YOU

SALAMAT

TERIMA KASIH

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谢谢

고맙습니다

ありがとう

Ngā mihi nui

Спасибо

धन्यवाद

شكرا

Merci

¡Gracias!