



REPUBLIC OF THE PHILIPPINES
NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY

Transform PH

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Undersecretary, Policy and Planning Group

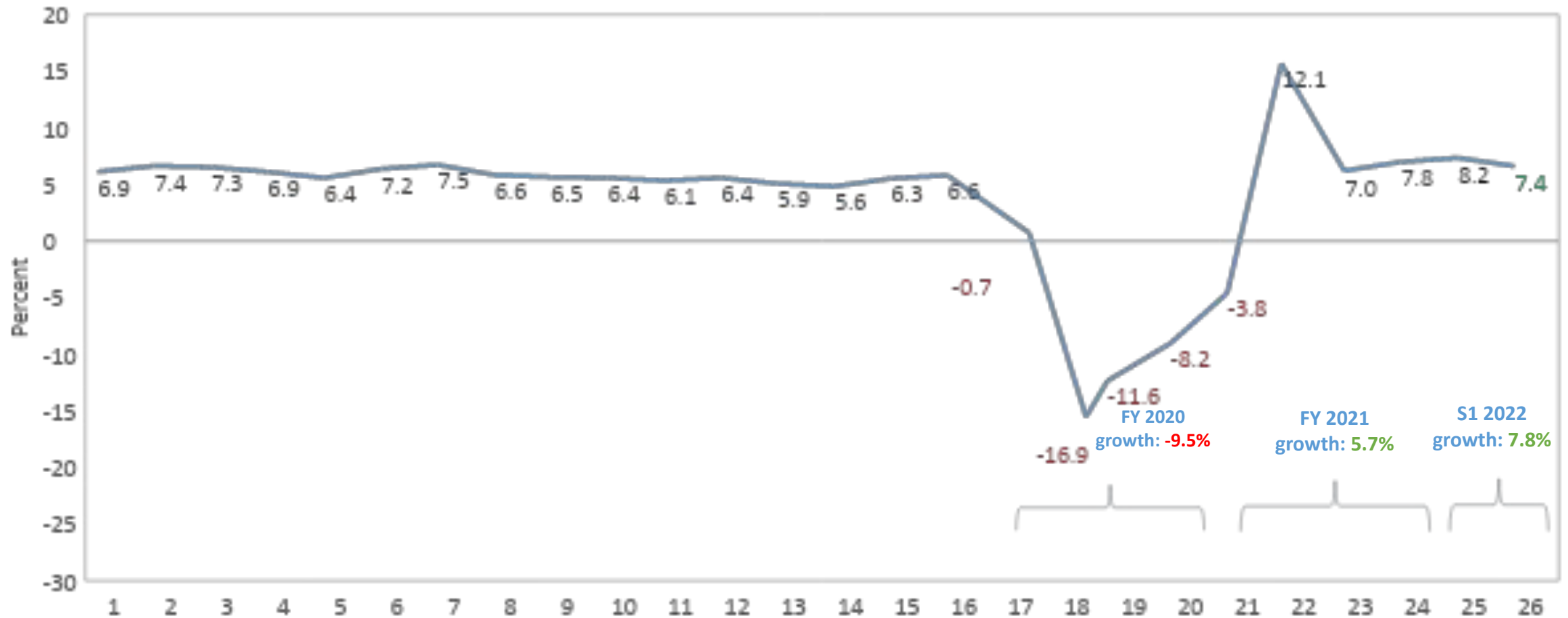
1 September 2022

2020 - 2022



Economic recovery is firming up as the Philippine economy grew by 7.8% in the first semester of 2022.

Real GDP Growth (%)

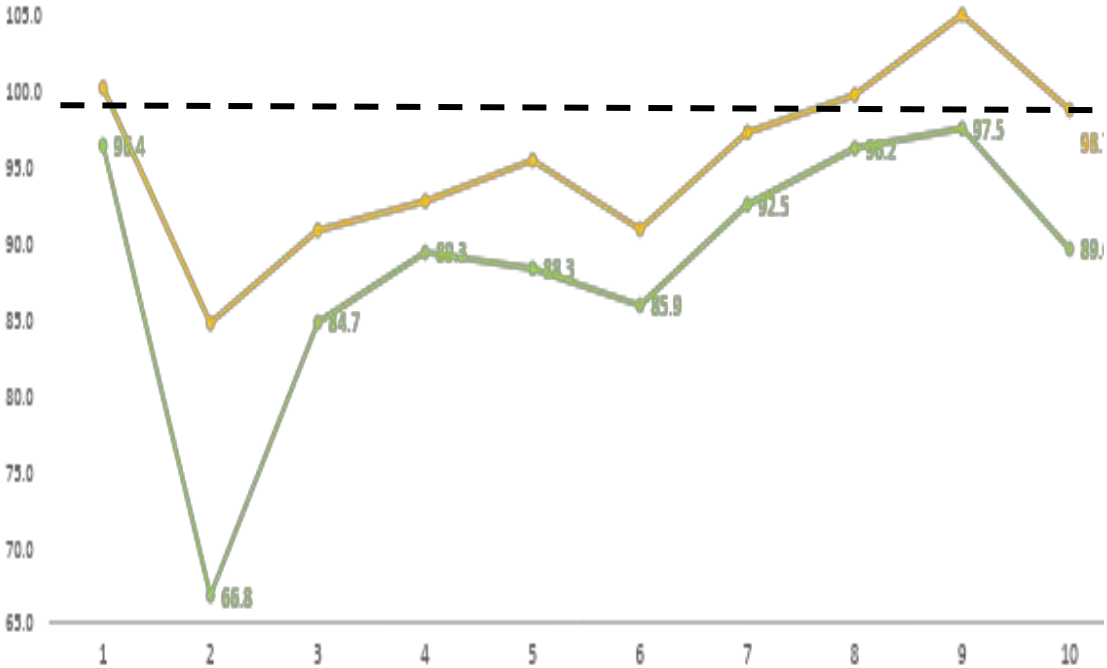


Source: PSA

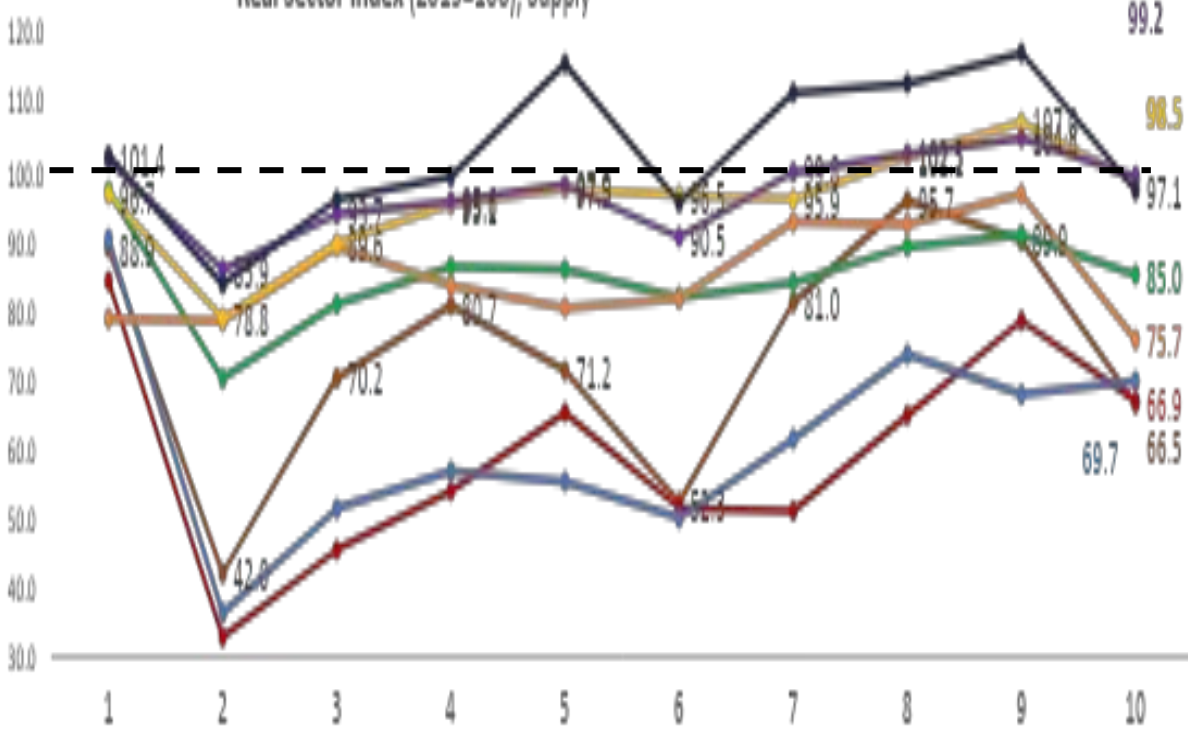


Growth was broad based but some sectors remain below pre-pandemic levels.

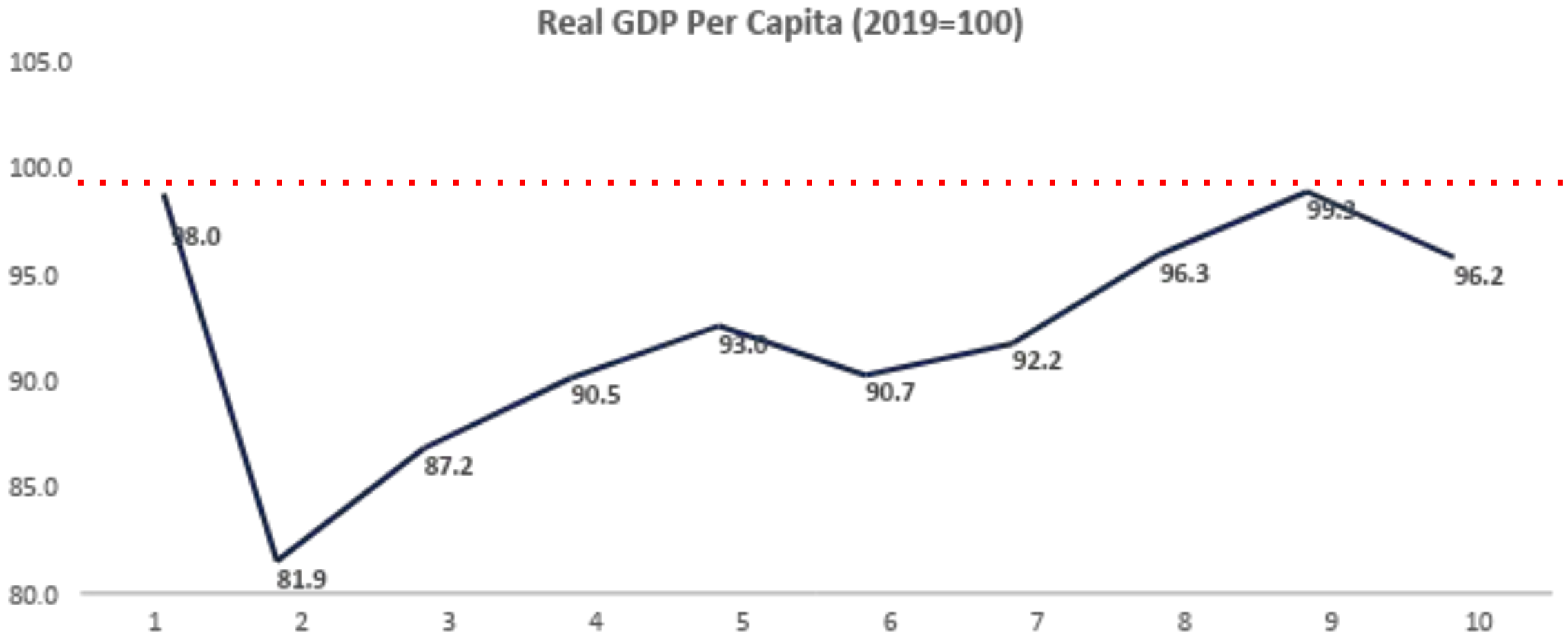
Real Sector Index (2019=100), Demand



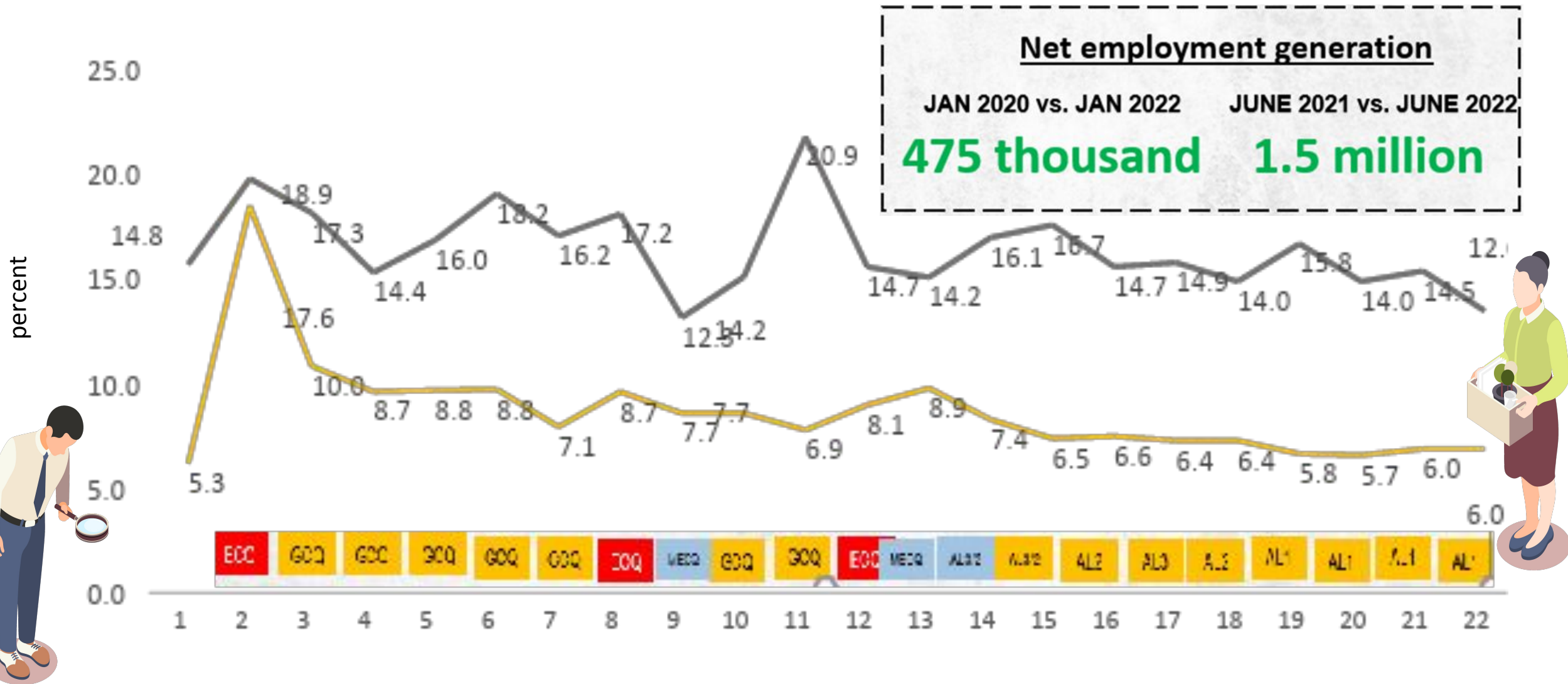
Real Sector Index (2019=100), Supply



Real GDP per capita also remains below the pre-pandemic (2019) level.



Unemployment (6.0%) and underemployment (12.6%) rates improved in June 2022.



Between 2015 and 2018, poverty declined significantly. However, due to the pandemic, it slightly increased to 18.1% in 2021.

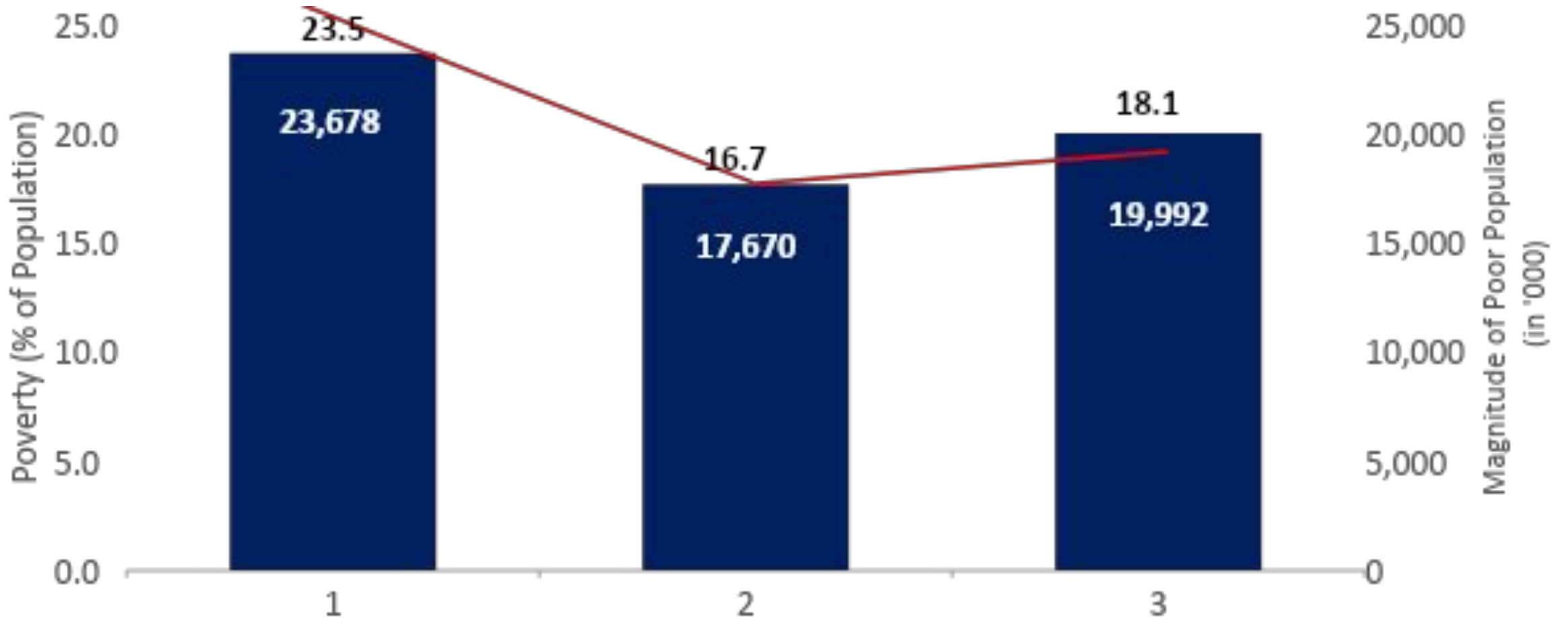
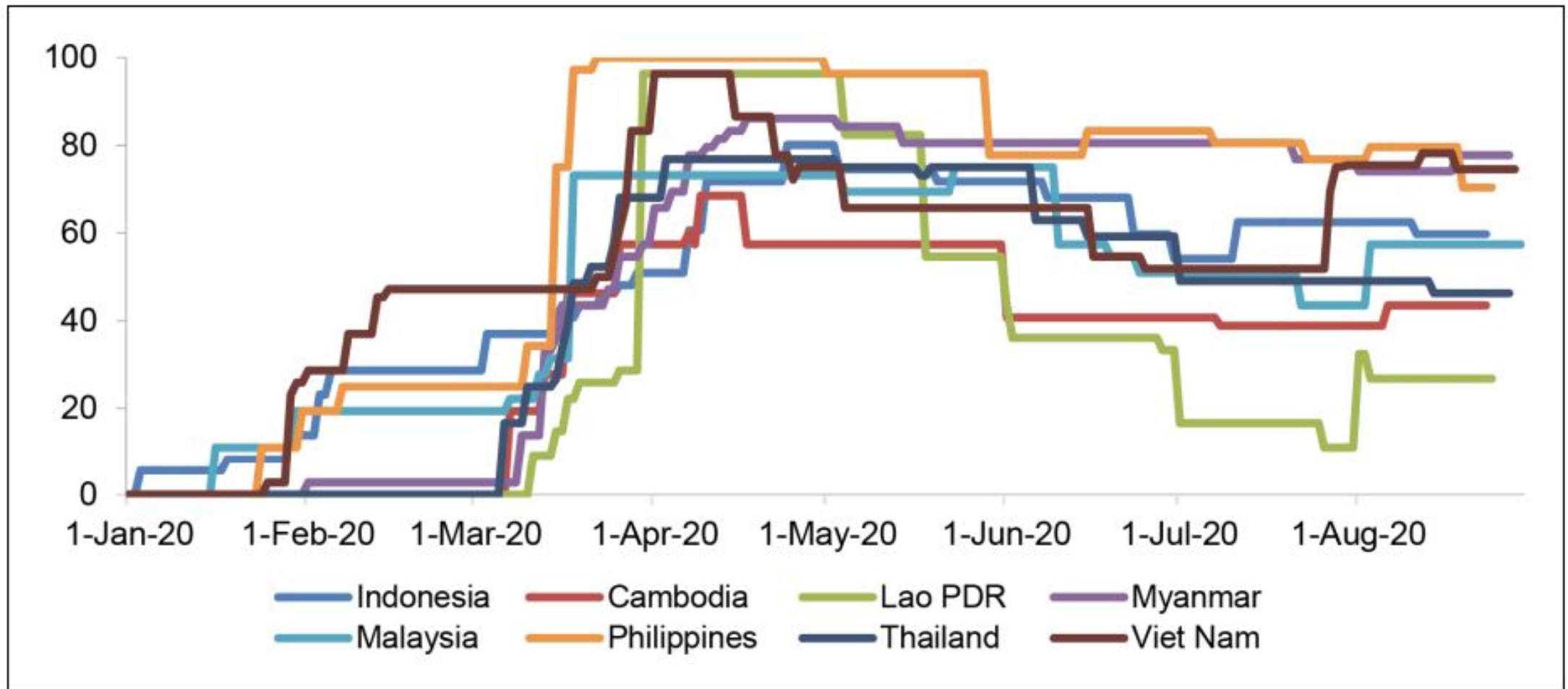


Figure 1: Stringency Index of Government Nonpharmaceutical Intervention Measures



Source: Hale et al. (2020).

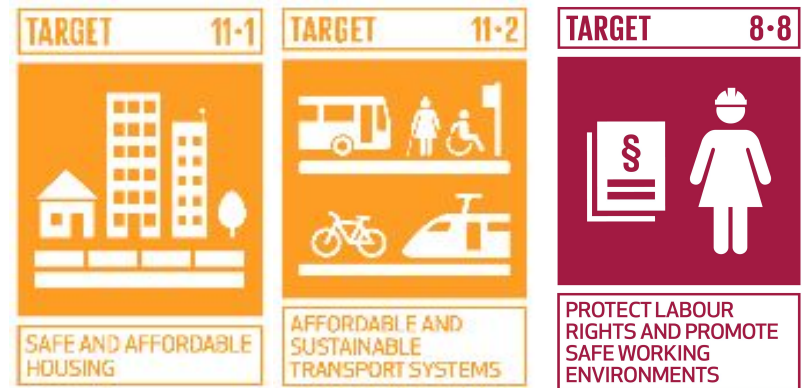
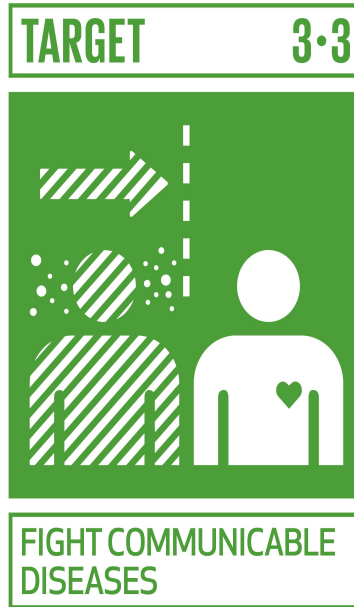
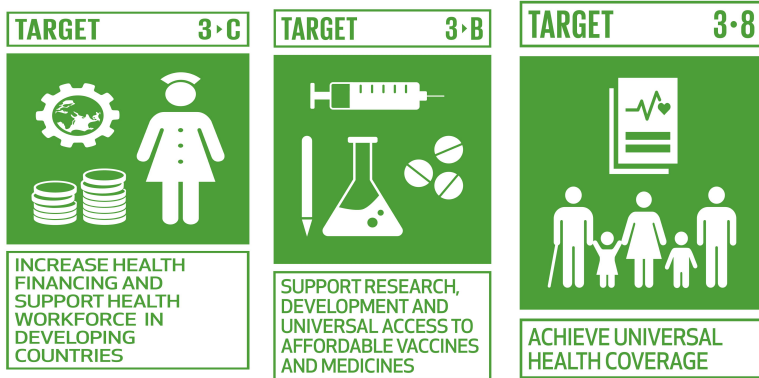
<https://www.adb.org/sites/default/files/publication/688271/adbi-wp1226.pdf>



Our vulnerabilities



Key interactions of SDG 3.3 Fighting communicable diseases



Health Risk Factors

Possible Sources	Philippines	Thailand	Vietnam	Malaysia	Indonesia	Singapore
CVD death rate (number per 100,000 pop, 2017)	370.44	109.86	245.46	260.94	342.86	92.24
Diabetes prevalence (% of pop aged 20-79, 2017)	7.07	7.04	6.00	16.74	6.32	10.99
% Female smokers (2016)	7.8	1.9	1	1	2.9	5.2
% Male smokers (2016)	40.8	38.8	45.9	42.4	76.1	28.3
median_age (years)	25.2	40.1	32.6	29.9	29.3	42.4
Median age (2015)	24.1	37.8	30.4	27.7	28.0	40.0
% aged 65 years and older	4.80	11.37	7.15	6.293	5.32	12.92



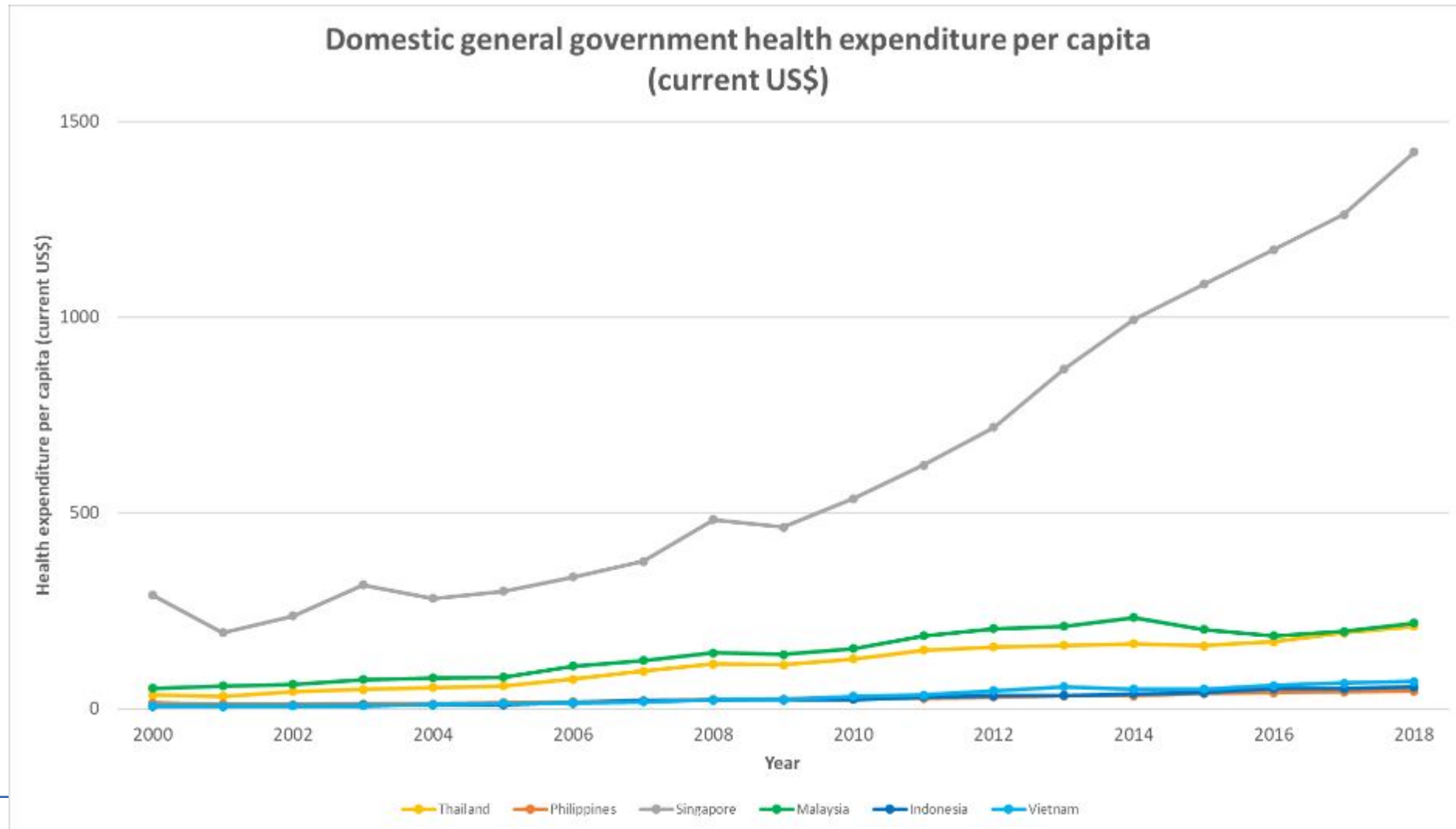
Density and other factors

Possible Sources	Philippines	Thailand	Vietnam	Malaysia	Indonesia	Singapore
Population (projected, 2020)	109,581,085	69,799,978	97,338,583	32,365,998	273,523,620	5,850,342
Population density (number of people /square kilometer)	351.87	135.13	308.13	96.25	145.73	7915.73
GDP per capita (in constant 2011 Intl \$)	7,599.19	16,277.67	6,171.88	26,808.16	11,188.74	85,535.38
Handwashing facilities (% with basic handwashing facilities in premises)	78.46	90.67	85.85	***	64.20	***



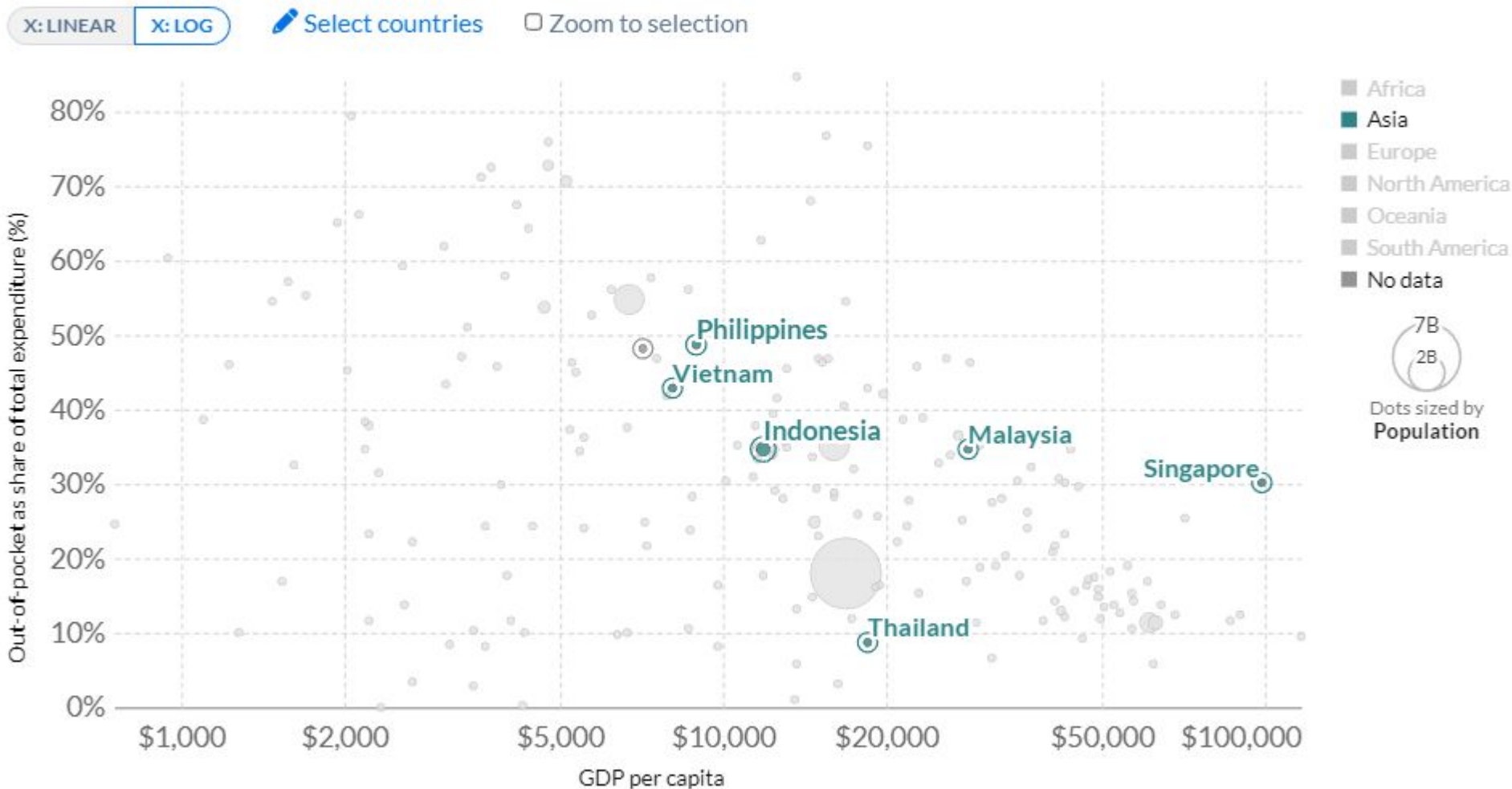
Public Health Expenditure in ASEAN

PH has the lowest PHE per capita among neighboring countries



Share of out-of-pocket expenditure vs. GDP per capita, 2019

Out-of-pocket expenditure on healthcare as percent of total current healthcare expenditure vs. GDP per capita measured in constant international-\$, which adjusts for inflation and differences in the cost of living between countries



Source: Data compiled from multiple sources by World Bank

Note: 'Out-of-pocket' refers to direct outlays made by households to healthcare providers.

OurWorldInData.org/financing-healthcare/ • CC BY



Income risks faced by Filipinos

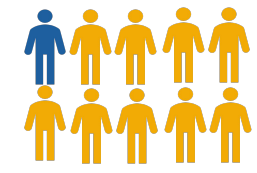
Majority of Filipinos **cannot recover from big unexpected expenses** and are worried about having a secured source of income.

In 2020, the **pandemic surfaced gaps in the country's social protection system** revealing the vulnerability of many Filipinos to income shocks.

While our economy is gradually recovering, many are **still feeling the brunt of the pandemic.**



Cannot recover from big unexpected expenses

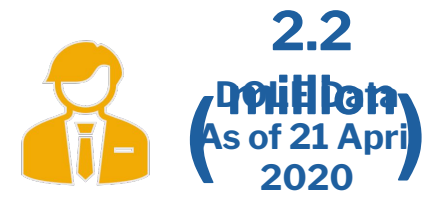


Cannot recover from small unexpected expenses

1 out of 10 families



Feel insecure about their income stability



displaced workers (WRAO, 2020)



enterprises stopped operations (WRAO, 2020)

17.7%
April 2020 Unemployment rate (PSA, 2020)



40%

Claimed that their family income declined. Of which 70% are due to loss of source of livelihood

60%

Coping mechanism: Reduced consumption

13%

Coping mechanism: Borrowed from relatives and friends



8.1% unemployment rate
(PSA August 2021)

307,958 displaced workers
(As of Sept 2021 DOLE BLE)



37% (World Bank, November 2020)

Temporarily/ permanently closed firms

Coping mechanisms for income shocks identified by basic sector representatives

	Natural Disasters	Human-induced (Armed conflict, etc.)	Economic Risks (Unemployment / loss of livelihood)	Individual / Lifecycle Risks	
				Death / disability	Hospitalization expenses
<div style="display: flex; flex-direction: column; align-items: center; justify-content: center;"> Least commonly cited Most commonly cited </div>	NG, LGU assistance (C/SC/WIS/IP/W/PWD) (6 out of 12)	NG, LGU assistance (C/F/SC/W/WIS/UP/PWD/IP) (8 out of 12)	Family networks / friends (C/WIS/UP/PWD/IP/W) (6 out of 12)	Loans (FF/Y/UP/C/PWD/ VDC) (6 out of 12)	NG, LGU assistance (SC/W/UP/PWD/IP) (5 out of 12)
	NGO assistance (C/SC/WIS/IP/W/PWD) (6 out of 12)	NGO assistance (C/F/SC/W/WIS/UP/PWD/IP) (8 out of 12)	Loans (C/UP/WIS/PWD/FF) (5 out of 12)	Family networks/friends (F/SC/W/PWD/IP/VDC) (6 out of 12)	NGO assistance (SC/W/UP/PWD/IP) (5 out of 12)
	Family networks/friends (IPs/C/SC/Y/W/VDC) (6 out of 12)	Family networks/friends (C/SC/WIS/IP/F) (5 out of 12)	Sale of assets (SC/VDC/UP) (3 out of 12)	NG, LGU assistance (UP/ PWD/IP/F) (4 out of 12)	Loans (FF/F/UP/C/VDC) (5 out of 12)
	Loans (C/WIS/F/FF) (4 out of 12)	Loans (UP/C/FF) (3 out of 12)	Austerity (SC/W/UP) (3 out of 12)	NGO assistance (UP/PWD/IP/F) (4 out of 12)	Family networks/friends (C/IP/F/VDC) (4 out of 12)
	Alternative livelihoods (F/FF/W) (3 out of 12)	Alternative livelihoods (FF) (1 out of 12)	Alternative livelihoods (FF/VDC) (2 out of 12)	Austerity (SC/UP) (2 out of 12)	Sale of properties (SC/C/PWD/F) (4 out of 12)
	Savings (PWD/VDC) (2 out of 12)	Savings (W) (1 out of 12)	NG, LGU assistance (FLMW) (1 out of 12)	Sale of assets (VDC/UP) (2 out of 12)	Savings (C/W) (2 out of 12)
	Austerity (UP) (1 out of 12)	Austerity (UP) (1 out of 12)	NGO assistance (FLMW) (1 out of 12)	CBA (FLMW) (1 out of 12)	CBA (FLMW) (1 out of 12)
	Sale of properties / remnant crops (F) (1 out of 12)		Savings (W) (1 out of 12)		
	CBA (FLMW) (1 out of 12)		Transfer of residence (UP) (1 out of 12)		

C = Cooperatives | F = Farmers | FF = Fisherfolks | PWD = Persons with disability | IP=Indigenous Peoples | Y = Youth | SC = Senior Citizens
W=Women | UP = Urban Poor | VDC = Victims of Disasters and Calamities | WIS = Workers in the Informal Sector | FLMW = Formal Labor and Migrant Workers



Characteristics of the bottom 40% and general population

Household	2017		2019		2020	
	Bottom 40%	Total HHs/Pop	Bottom 40%	Total HHs/Pop	Bottom 40%	Total HHs/Pop
% of households in rural areas	67.9%	51.5%	63.3%	49.2%	62.1%	48.4%
Family size	6	5	6	5	6	5
Unemployment rate	5.2	4.8	5.9	5.4	10.0	10.0
Class of work (individual)						
Wage and salary workers	57.3	66.0	54.0	62.9	52.7	60.4
• Worked for private household	5.7	4.3	6.5	4.8	4.4	3.9
• Worked for private establishments	45.3	51.7	42.6	48.7	43.9	47.1
• Worked for government or government corporation	5.2	9.2	4.2	8.8	4.4	9.2
• Worked with pay in own family operated farm or business	1.2	0.8	0.6	0.6	0.1	0.2
Employer in own family operated farm or business	3.3	4.0	2.1	2.6	2.1	2.6
Worked without pay in own family operated farm or business	11.0	7.1	9.7	6.4	10.4	7.7
Self-employed without any paid employee	28.5	23.1	34.3	28.1	34.8	29.3



Lessons Learned

- Everything is INTERCONNECTED
- We need to invest in
 - Early warning systems
 - Social protection
 - Resilience-building
 - R&D and innovation
 - Technology
- There are limits to fiscal policy; governance is more important than government

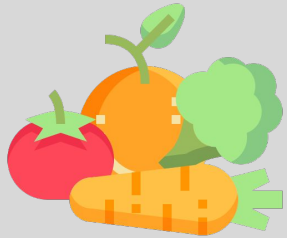


The 8-point agenda

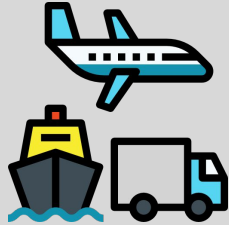


The 8-Point Socioeconomic Agenda of the Marcos Administration focuses on both near-term issues...

1. Protect purchasing power of families



Ensure food security



Reduce transport and logistics cost



Reduce energy cost to families

2. Reduce vulnerability and mitigate scarring from the COVID-19 pandemic



Ensure capacity of healthcare in case of surges

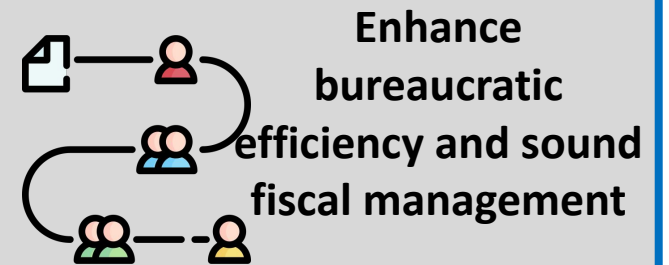


Address learning losses



Strengthen social protection

3. Ensure sound macroeconomic fundamentals and government processes



Ensure a resilient and innovative financial sector

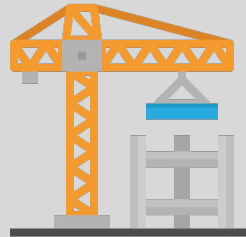


...and medium-term constraints to economic transformation.

4. Create more jobs



Promote investments



Improve infrastructure

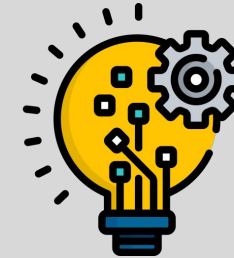


Ensure energy security

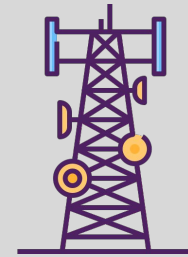
5. Create quality jobs



Increase employability



Advance R&D and innovation



Enhance the digital economy

6. Create green jobs



Establish livable and sustainable communities

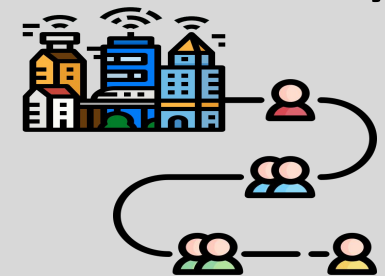
Pursue a green and blue economy



7. Ensure a level playing field



8. Uphold public order and safety, peace and security



PDP 2023-2028 Strategy Framework



PDP 2023-2028: A Plan for Economic Transformation

- The overall goal is to reinvigorate job creation and poverty reduction by steering the economy back on the high-growth path and more importantly, effect economic transformation for a prosperous, inclusive, and resilient society.



What remains the same

- Whole-of government
- Whole- of-society

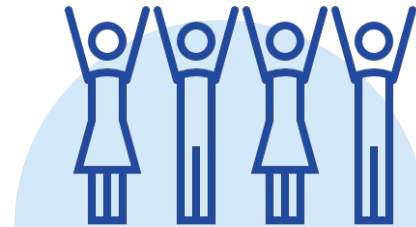
What changed

- Outcome-focused, but issue-driven
- Forward-looking, but relevant even to the present
- Value chain mindset



Economic Transformation

- Economic Sector, Institutions, Social Sector, Environment





MATATAG, MAGINHAWA AT PANATAG NA BUHAY



ECONOMIC TRANSFORMATION FOR A PROSPEROUS, INCLUSIVE, AND RESILIENT SOCIETY

DEVELOP AND PROTECT CAPABILITIES OF INDIVIDUALS AND FAMILIES



PROMOTE HUMAN CAPITAL AND SOCIAL DEVELOPMENT

- IMPROVE EDUCATION AND LIFELONG LEARNING
- BOOST HEALTH AND NUTRITION
- ESTABLISH LIVABLE COMMUNITIES



INCREASE INCOME EARNING ABILITY

- EXPAND TRAINING AND SKILLS DEVELOPMENT
- INTENSIFY EMPLOYMENT FACILITATION



PROTECT PURCHASING POWER

- ENSURE FOOD SECURITY
- RATIONALIZE SOCIAL PROTECTION

TRANSFORM PRODUCTION SECTORS TO GENERATE MORE QUALITY JOBS AND COMPETITIVE PRODUCTS



MODERNIZE AGRICULTURE AND AGRI-BUSINESS



REVITALIZE INDUSTRY



REINVIGORATE SERVICES

- PROMOTE TRADE AND INVESTMENTS
- ADVANCE R&D, TECHNOLOGY, AND INNOVATION
- ENHANCE INTER-INDUSTRY LINKAGES



PRACTICE GOOD GOVERNANCE AND IMPROVE BUREAUCRATIC EFFICIENCY



ENSURE MACROECONOMIC STABILITY



PROMOTE COMPETITION AND REGULATORY EFFICIENCY



ATTAIN PEACE AND SECURITY



EXPAND AND UPGRADE INFRASTRUCTURE



ACCELERATE CLIMATE ACTION AND STRENGTHEN DISASTER RESILIENCE



Thank you.

