

promoting manufacturing
growth amidst trade wars



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**WHEN GOODS DO
NOT CROSS
BORDERS, SOLDIERS
WILL.**

QUOTEHD.COM

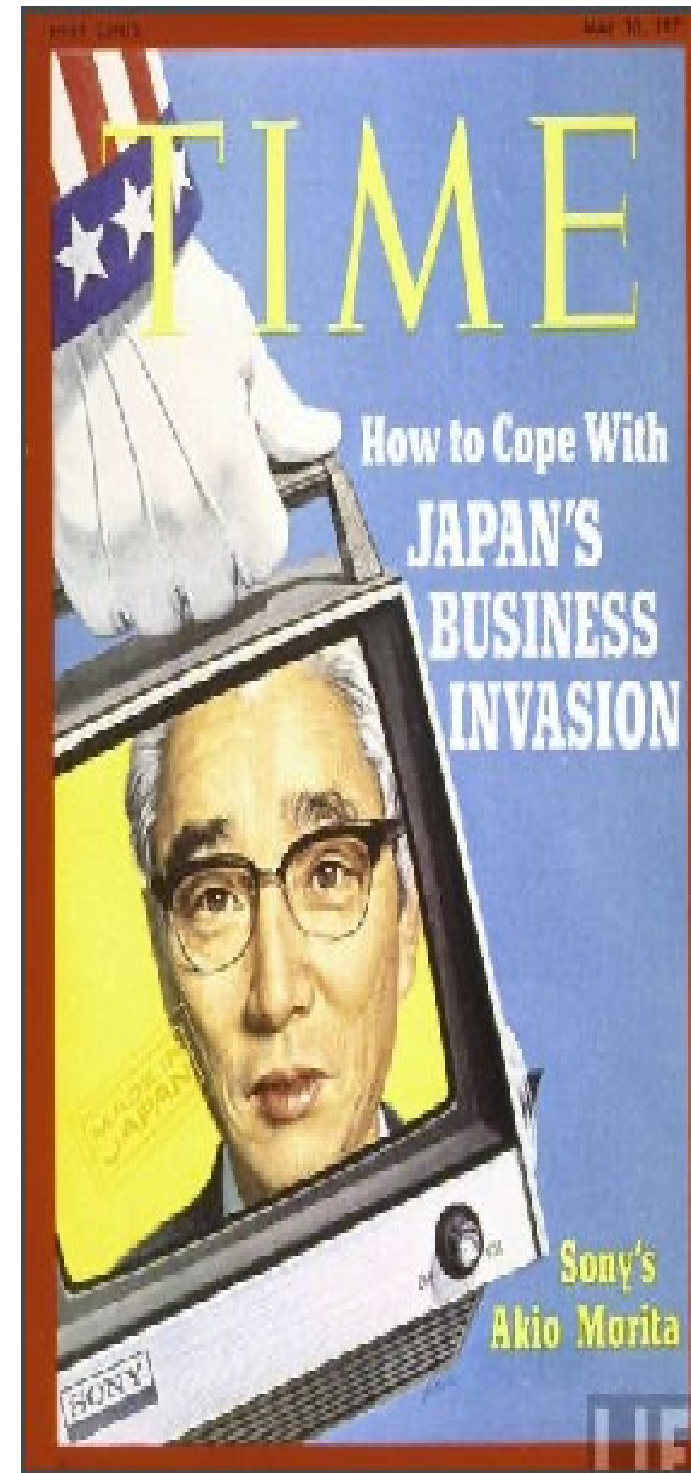
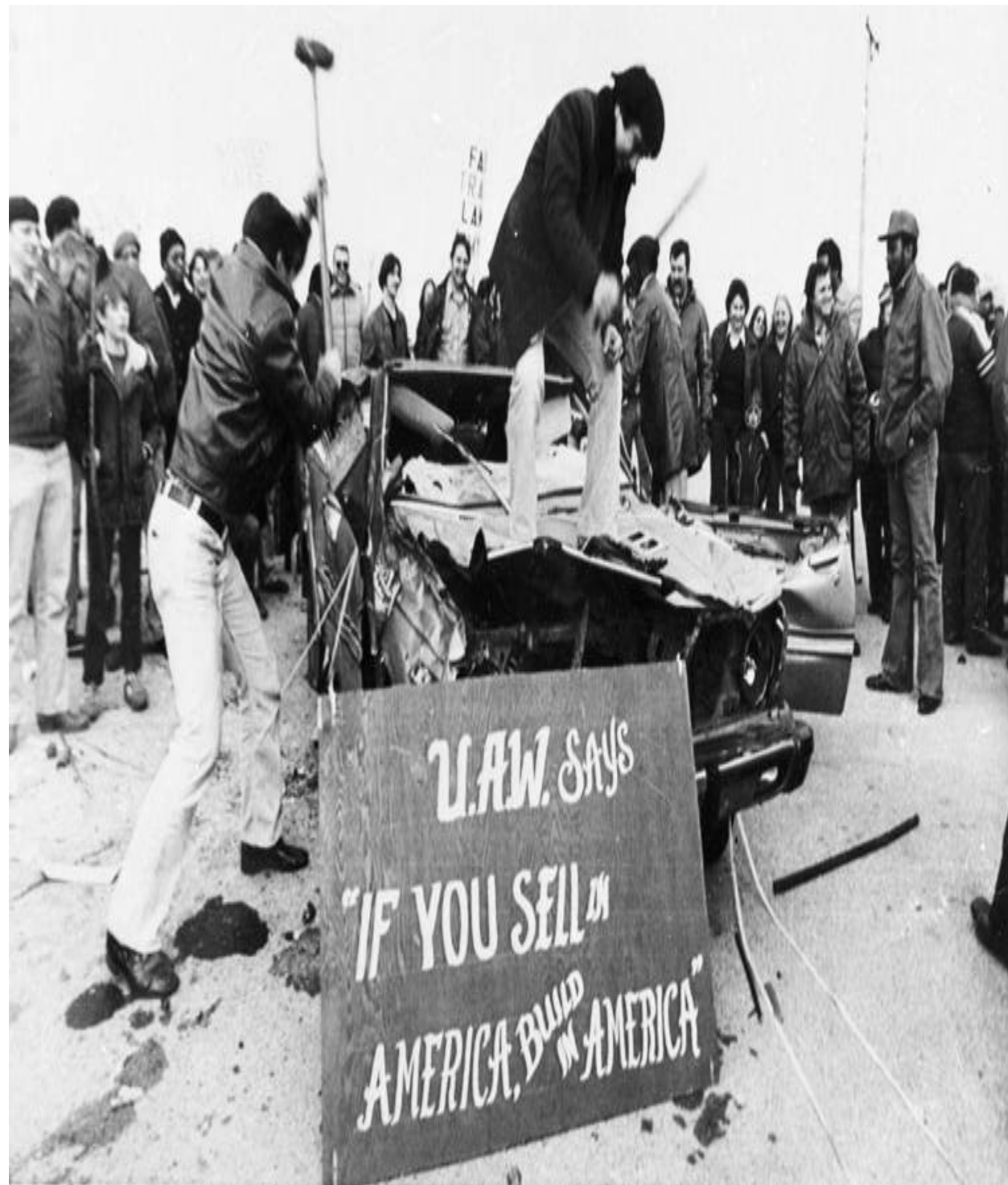
Frederic Bastiat
French Economist



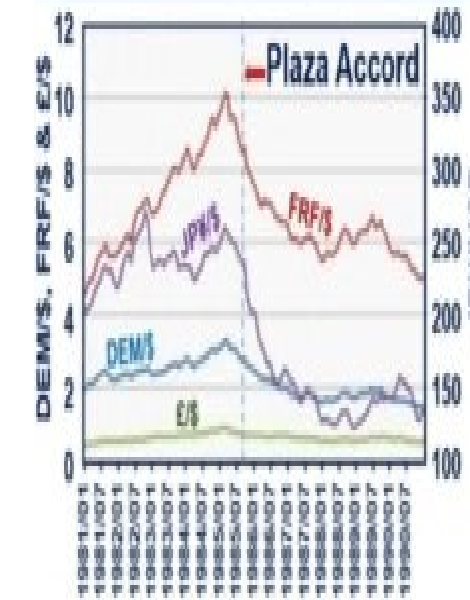
Bretton Woods Conference (1944)

- Laid the foundations for modern international monetary system
- General Agreements of Tariff and Trade (**GATT**) sought to stimulate international trade by lowering tariffs and other trade restrictions.
- Between 1958 and 1971 the value of national currencies were based on gold and the U.S. dollar





Plaza Accord & US Dollar



Plaza Accord



The Philippine Economy in the 80s and 90s



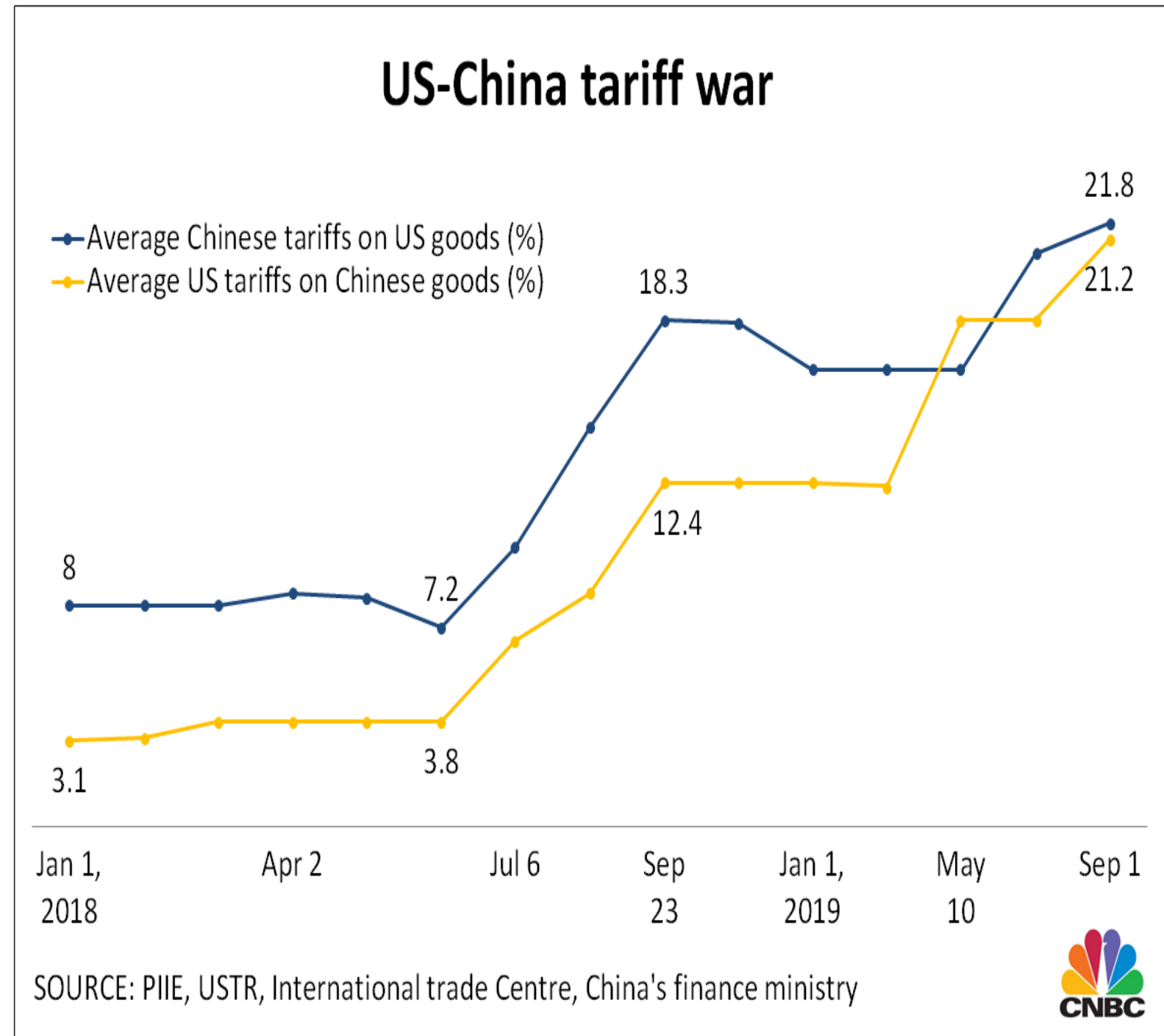
political (military coup attempts)

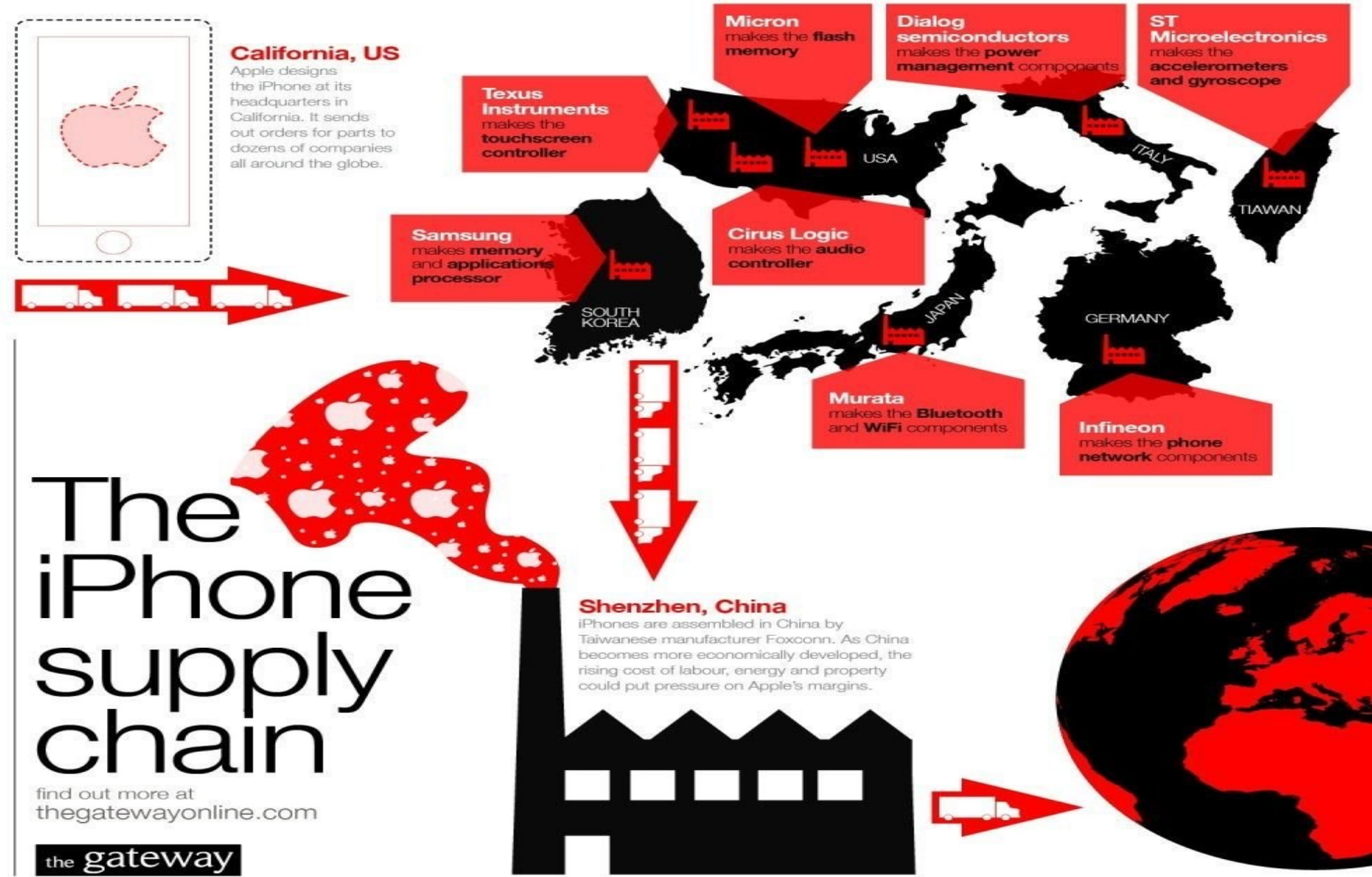


economic (foreign exchange and energy crises)



natural calamities (typhoons, earthquake and volcano eruptions).





Source: Apple, IHS iSuppli, IDC Worldwide

Two (2) Major Advantages of the Philippines



PLACE

PEOPLE



"The Philippines is expected to be the fastest growing economy in Southeast Asia and second fastest in the world over the next two years as it remains resilient to external shocks."

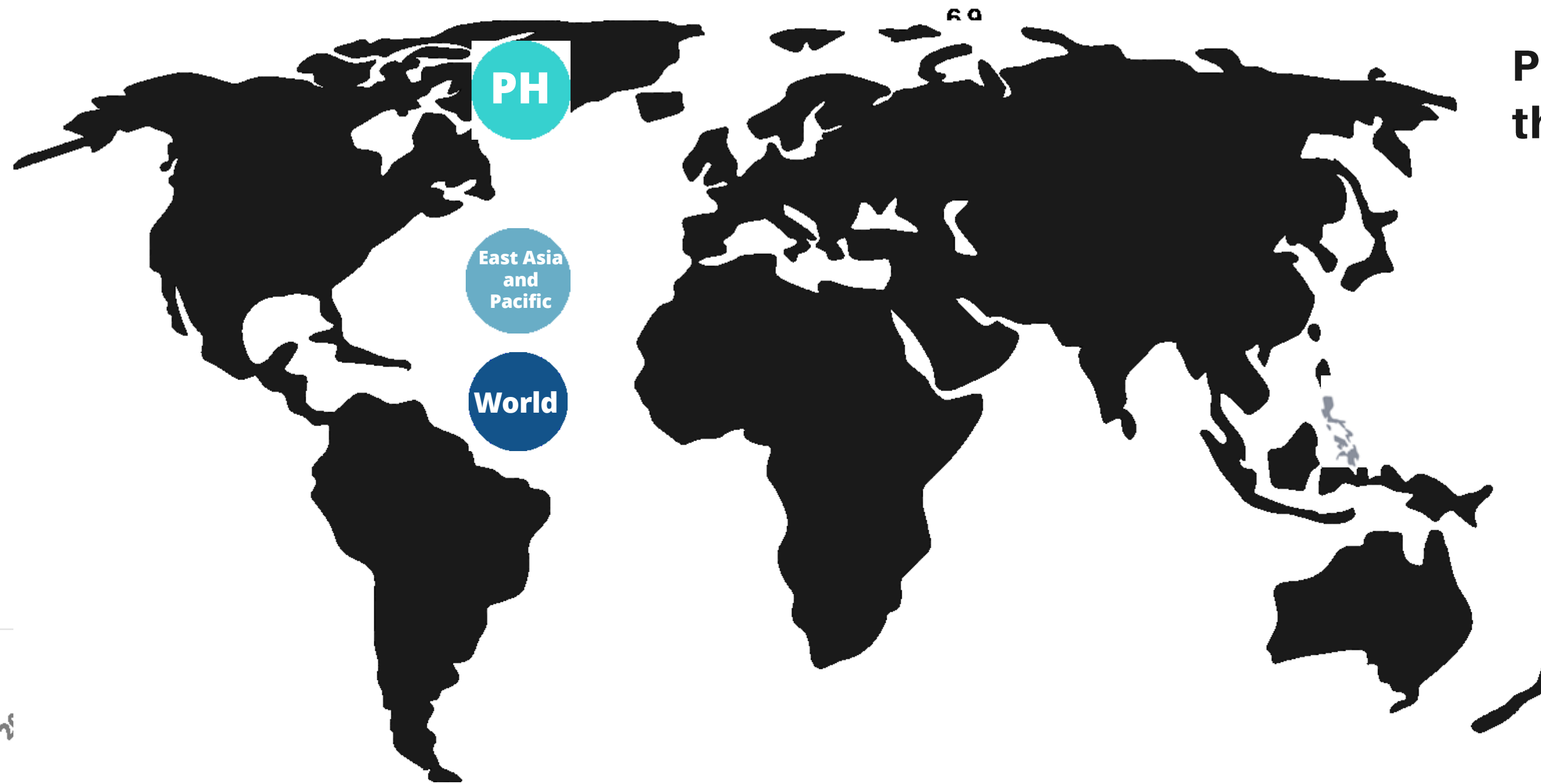
International Monetary Fund, April 2018

22ND
biggest economy
in the world by
2033

Growth of
more than
5x
its current
economic size

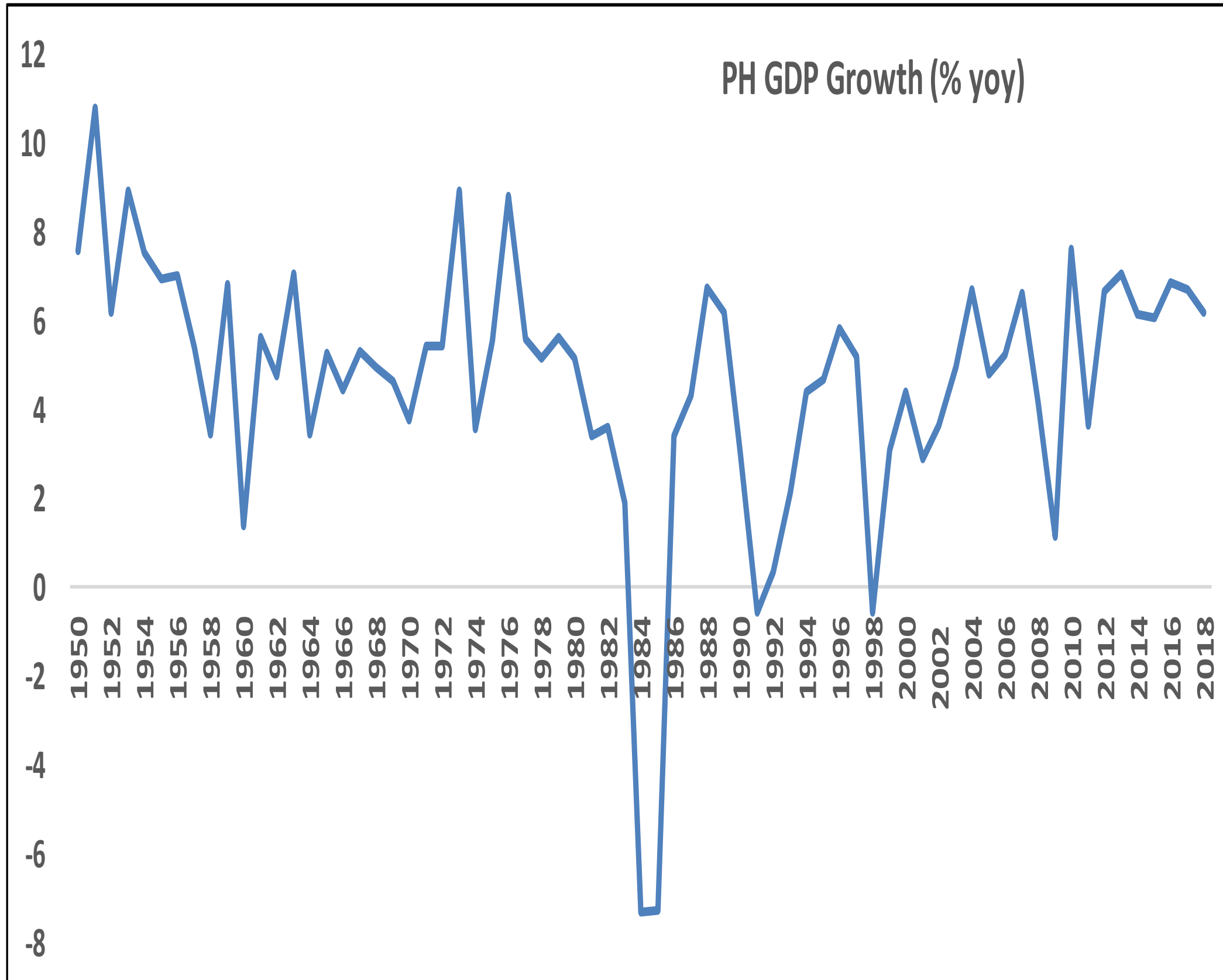
STRONG AND SUSTAINABLE ECONOMIC GROWTH

Strong and Sustainable Economic Growth



Philippines is one of the best performing economies in Asia.

Robust PH Economic Growth



□ Since 1999, PH GDP has sustained 80 consecutive quarters of positive growth, breaking the “boom-bust” cycle.

□ Ave. PH GDP growth rates by decade:

□ 1950 – 1959: 7.1%

□ 1960 – 1969: 4.7%

□ 1970 – 1979: 5.8%

□ 1980 – 1989: 2.0%

□ 1990 – 1999: 2.8%

□ 2000 – 2009: 4.5%

□ 2010 – 2018: 6.3%

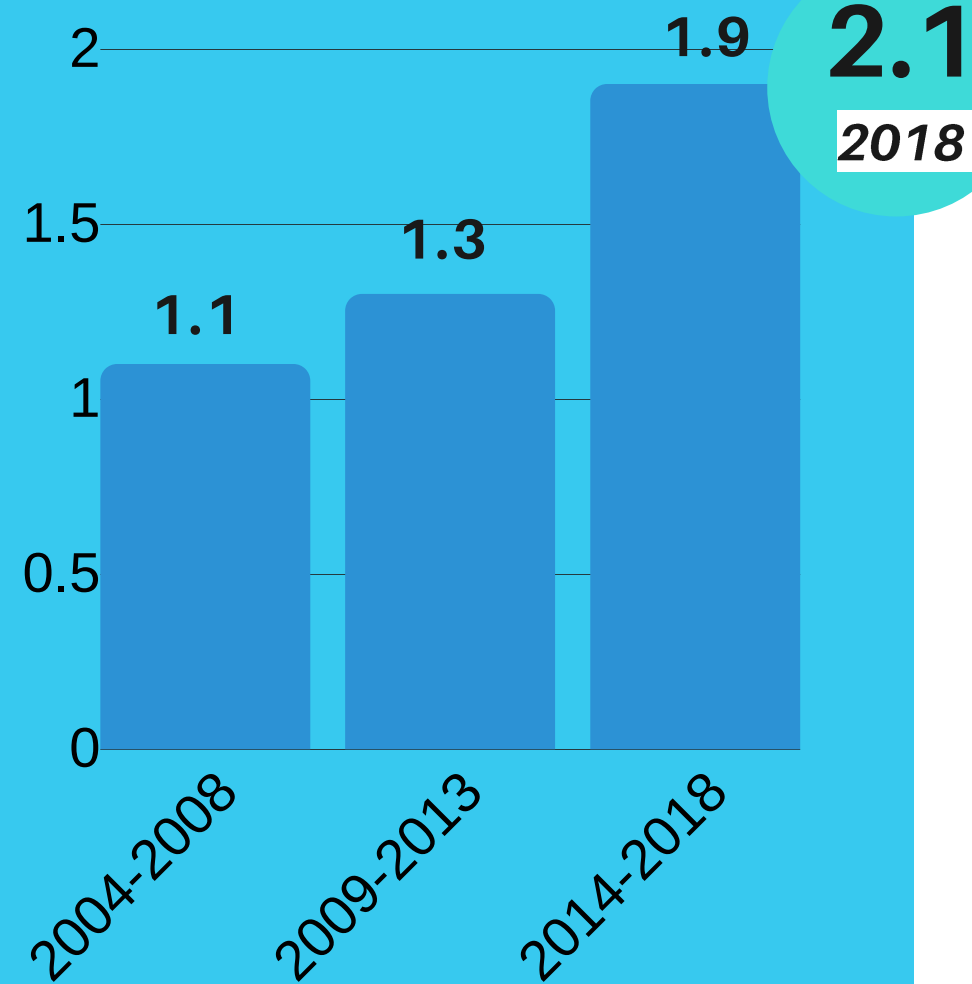
□ GDP growth at 6.1% in Q4 2018 and 6.2% in 2018, posting at least 6.0% for 15 straight quarters and 7 consecutive years.

□ In the first 10 quarters of Duterte administration, GDP growth averaged 6.5%, higher than the 5.5% posted during the first 10 quarters of the previous administration.

MANUFACTURING RESURGENCE

MANUFACTURING VALUE ADDED

(average value in PHP trillion)



MANUFACTURING VALUE ADDED

(average annual growth - %)



Manufacturing
23.3%

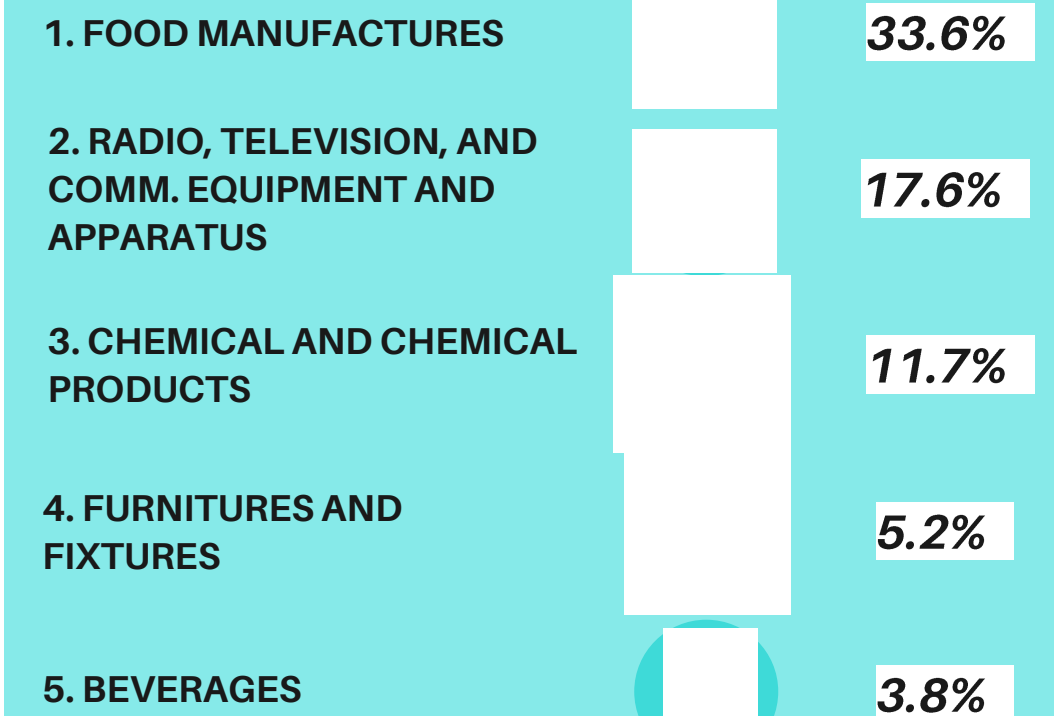
Others
76.7%

SHARE TO GDP

(% distribution, as of 2018)

TOP MANUFACTURING SECTORS

(contribution to GVA)



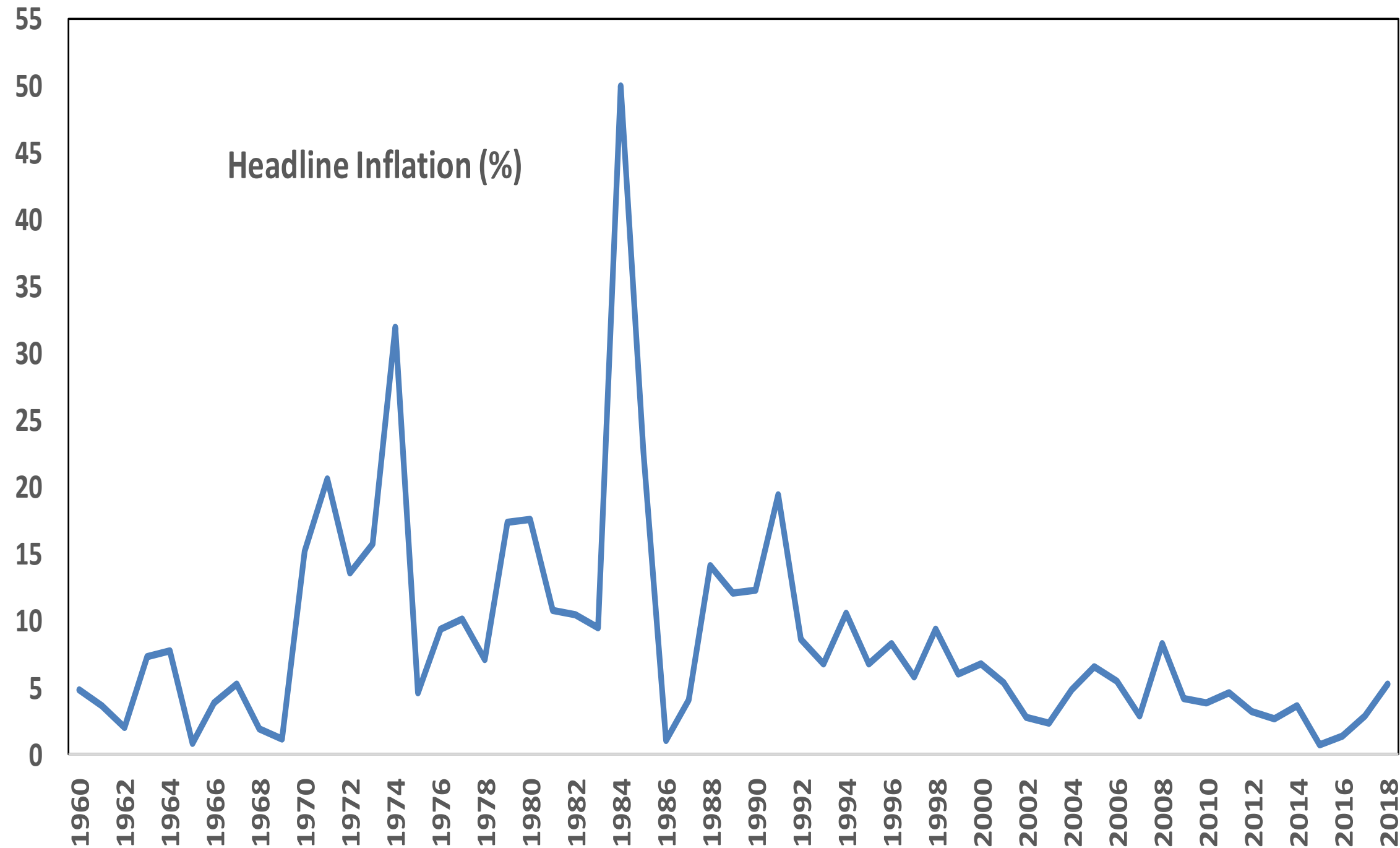
PH GDP per capita on the rise

- PH real GDP per capita increased at a faster pace in 2016 – Q1-Q3 2018 at 5.0%, a record-high and higher than 4.5% in 2010-2015. Standard of living has improved in recent periods.

PERIOD	Ave. Real GDP per capita growth (yoy %)
1970-1979	2.9%
1990-1999	0.4%
2010-2015	4.5%

Manageable PH Inflation

- ❑ PH inflation manageable, averaging 3.1% in 2016-2018, low relative to previous decades.
- ❑ PH inflation averaged 5.2% in 2018, expected to settle within gov't target range of 2% - 4% in 2019.

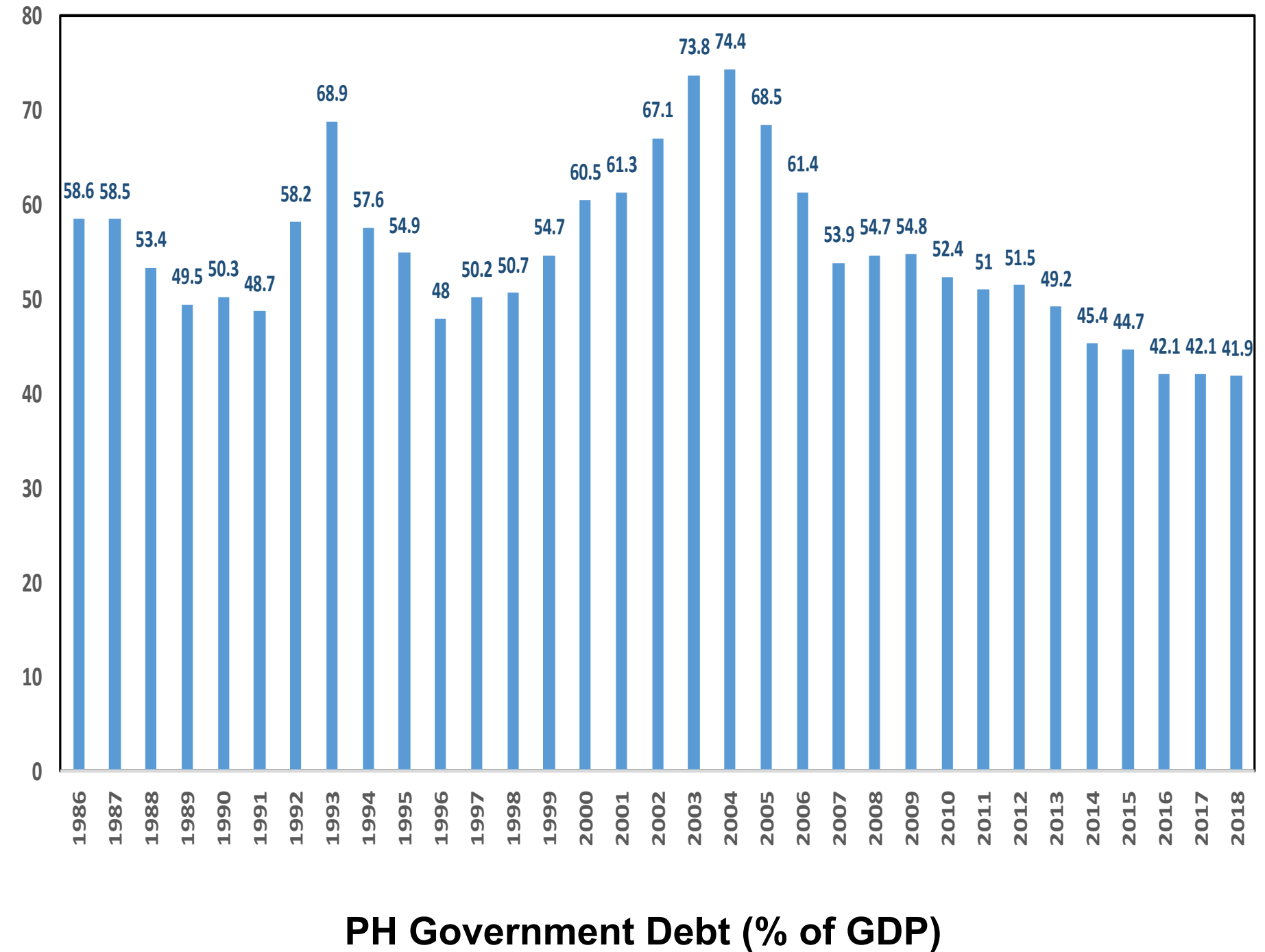
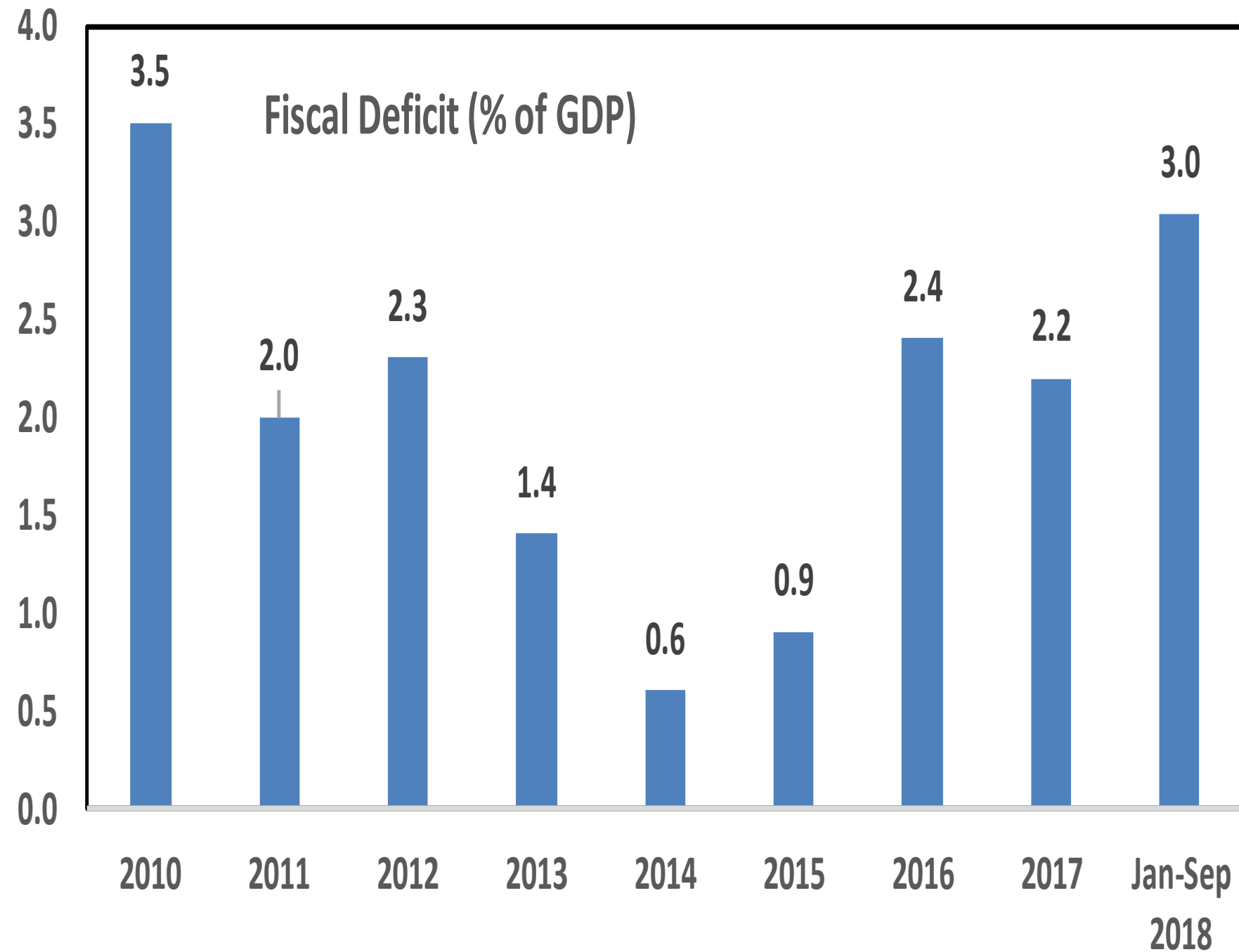


PERIOD	AVERAGE INFLATION
1970-1979	14.6%
1990-1999	9.4%
2010-2018	3.1%

Healthy PH Fiscal Position

PH Fiscal Deficit at 3.0% of GDP in Q1-Q3 2018, within 2018 gov't target amid better tax effort and deficit spending.

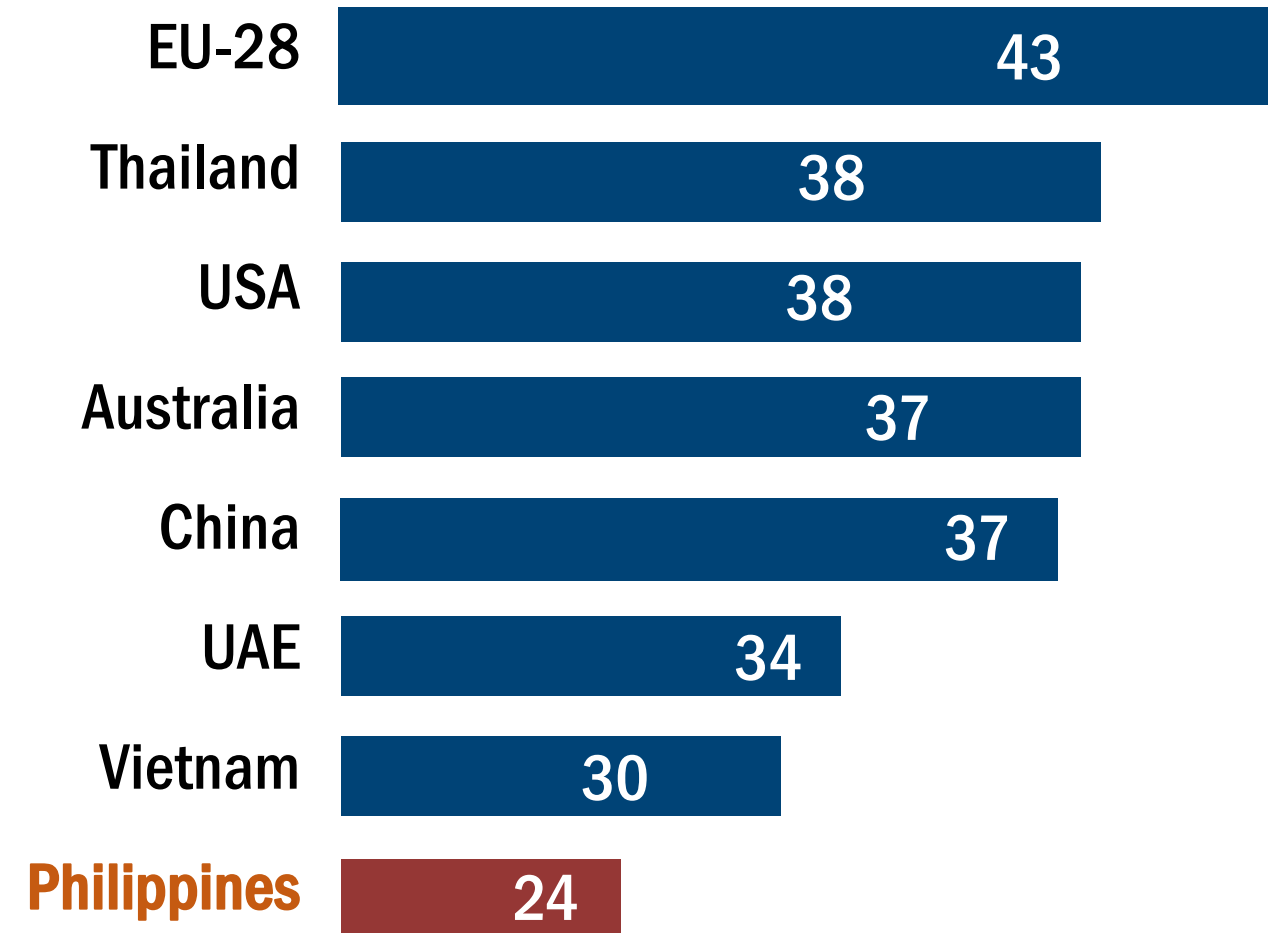
PH Gov't Debt relatively low, at 41.9% in 2018



PH in Demographic Sweet Spot

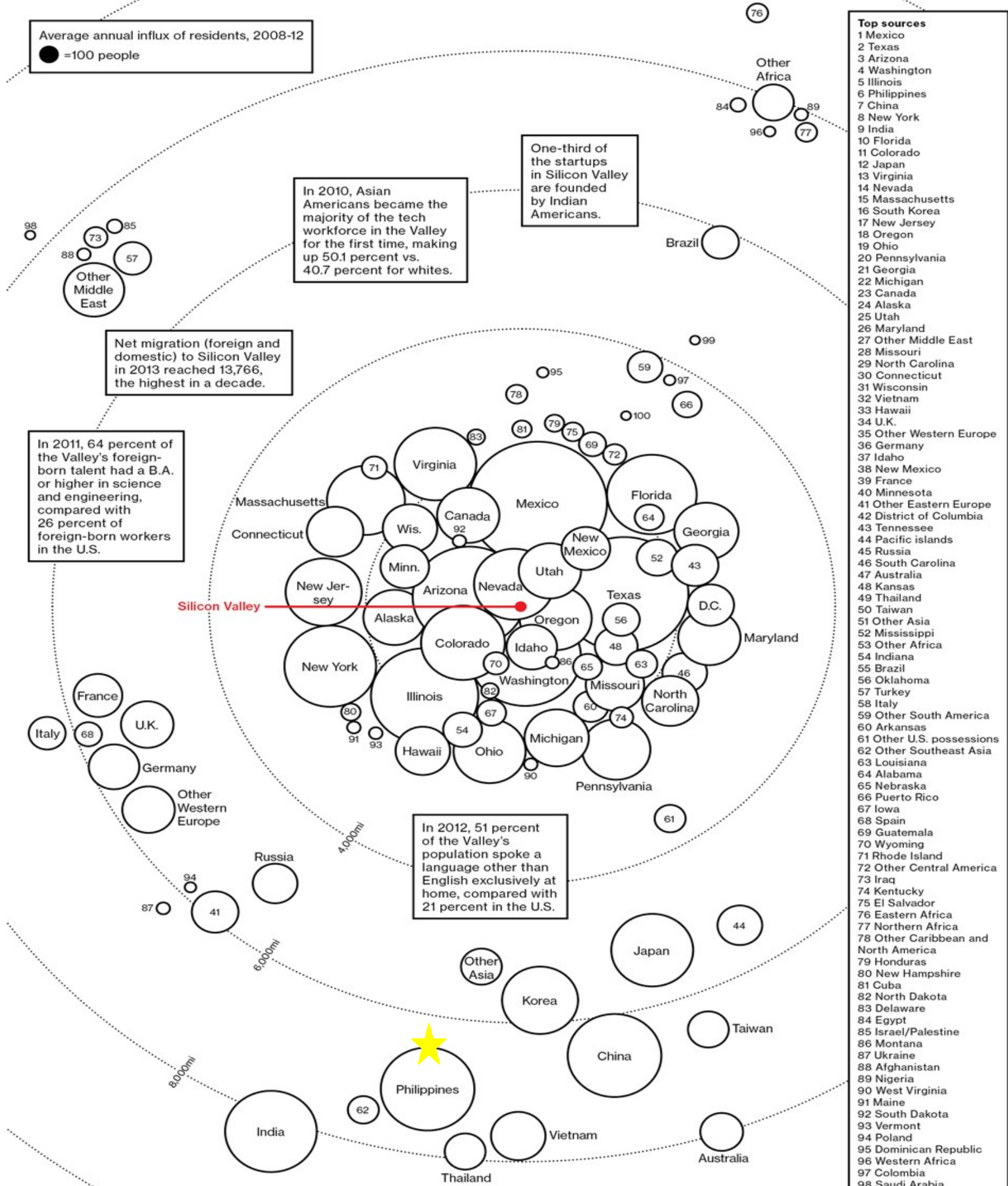


107 M
Population
(as of Jan 2019)



FILIPINOS ARE YOUNGER COMPARED TO THE REST OF THE WORLD

The median age in the Philippines is about 24 years old. This is equivalent to the age of someone who recently graduated from college.



Tech Immigrants: A Map of Silicon Valley's Imported Talent

Bloomberg Businessweek, 05 June 2014

**Silicon Valley imports its brains.
Where do they come from?**

- Top sources**
- 1 Mexico
 - 2 Texas
 - 3 Arizona
 - 4 Washington
 - 5 Illinois
 - ★ 6 Philippines
 - 7 China
 - 8 New York
 - 9 India
 - 10 Florida
 - 11 Colorado
 - 12 Japan
 - 13 Virginia
 - 14 Nevada
 - 15 Massachusetts
 - 16 South Korea
 - 17 New Jersey
 - 18 Oregon
 - 19 Ohio
 - 20 Pennsylvania

GRAPHIC BY BLOOMBERG BUSINESSWEEK. DATA: 2008-2012 AMERICAN COMMUNITY SURVEY FIVE-YEAR ESTIMATES COMPILED BY INTEGRATED PUBLIC USE MICRODATA SERIES, VERSION 5.0; 2014 SILICON VALLEY INDEX; INTERNATIONAL BUSINESS TIMES; SAN JOSE MERCURY NEWS

International Trade Perspective



There is a need to promote a stable and predictable legal and policy regime in the country.

Clear and Coherent Trade and Economic Policies

International Commitments through FTAs

THANK YOU

