



**PASUGUAN NG PILIPINAS EMBASSY OF THE PHILIPPINES
WASHINGTON, D.C.**

FACT SHEET: THE PHILIPPINE ECONOMY IN 2015

PH ECONOMIC GROWTH AND 2015 FORECASTS: In 2014, the Philippines recorded one of the highest GDP growth rates throughout Southeast Asia at 6.1%, thus maintaining the momentum of a strong GDP performance in 2013 at 7.2%. Despite the dimmed global growth prospects, which led it to revise its Philippine forecast from 6.2% to 6% GDP growth in 2015, the IMF noted in its Title IV Country Report on the Philippines that the Philippine economy continued its strong expansion, which is in line with the economy's potential growth of 6.3% in 2016.

GDP PERFORMANCE IN 2015: There was a slow down in economic growth during the first two quarters of 2015—with 5.2% and 5.6% growth, respectively. However, GDP growth recovered in the third quarter, as Philippine real GDP growth was registered at 6.0% on the back of more robust government spending. The economy is now averaging at 5.6% GDP growth for the first three quarters. The government is optimistic that fourth quarter GDP growth will reach 6.9%, which will bring the 2015 year-end average to 6%.

PHILIPPINE STOCK EXCHANGE (PSEi): The Philippine Stock Exchange Index or PSEi, peaked at 8,127 points in April and has generally performed positively, with the index opening above the 7,000 level to start December, with current levels over 6,900 points. During declines, it is believed that stock investors are reacting to external factors that have been affecting quarterly economic growth rather than problems with our macroeconomic fundamentals.

SECTORAL GROWTH: The industry sector has re-emerged as a strong driver of growth for the economy. The manufacturing industry, in particular, posted significant increases in production volume and faster growth compared to previous years as the industry had grown a total of 19.4% in 2014. The services sector continues to be one of the leading drivers of the economy during the third quarter with 7.3% growth compared to 5.6% growth during the same period last year.

EMPLOYMENT: By the end of 2014, the Philippines' labor force had grown to 40.1 million people and had a labor force participation rate of 64.4%. The number of unemployed Filipinos continued to decrease in 2015, as the Philippines Statistics Authority (PSA) reported that the unemployment rate dropped to 6.4%, in line with the Philippine Development Plan (PDP) which targets 6.6% to 6.8% unemployment.

BUDGET DEFICIT AND BALANCE OF PAYMENTS: Under the 2016 Proposed National Budget, the deficit will be kept at 2.0% of GDP or PhP308.72 billion or US\$6.7 billion. From 2004 to 2009, the deficit had been as high as 3.7% of GDP. The country's balance-of-payments position—the summary of all transactions between the Philippines and the rest of the world—is anticipated to post a surplus of about US\$2 billion in 2015.

GOVERNMENT DEBT: As of June 2015, the Philippines' General Government debt stood at PhP4.7 trillion. As a percentage of GDP, the ratio has decreased from 37.3% in the second quarter of 2014 to 36.2% as of June 2015. Our general government debt to GDP ratio has consistently taken a downward trajectory since President Aquino began prioritizing putting the Philippines' fiscal house in order.