

Philippine Economic Outlook 2016-2017

**Mr. Aekapol Chongvilaivan
Country Economist
Philippines Country Office**



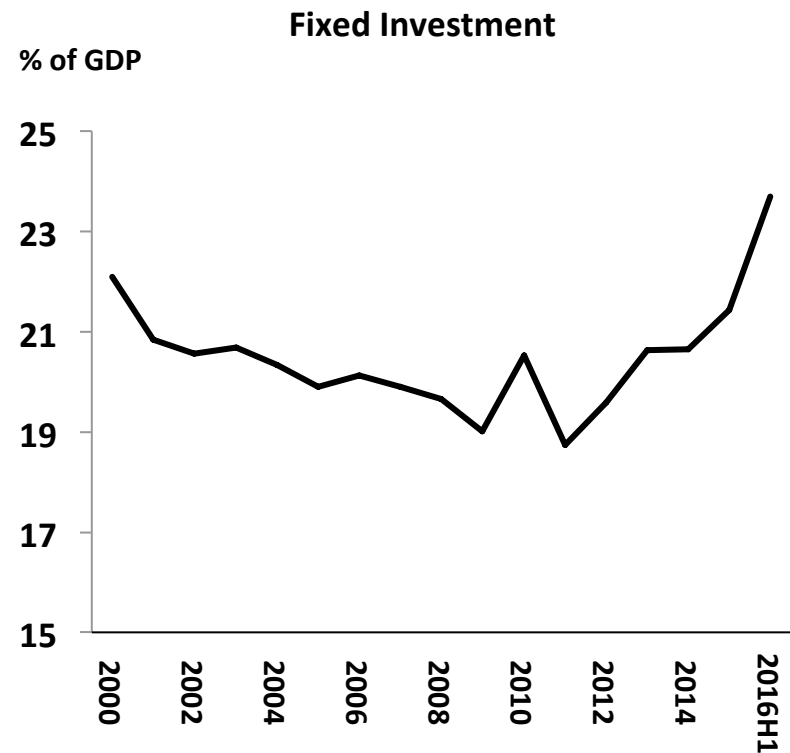
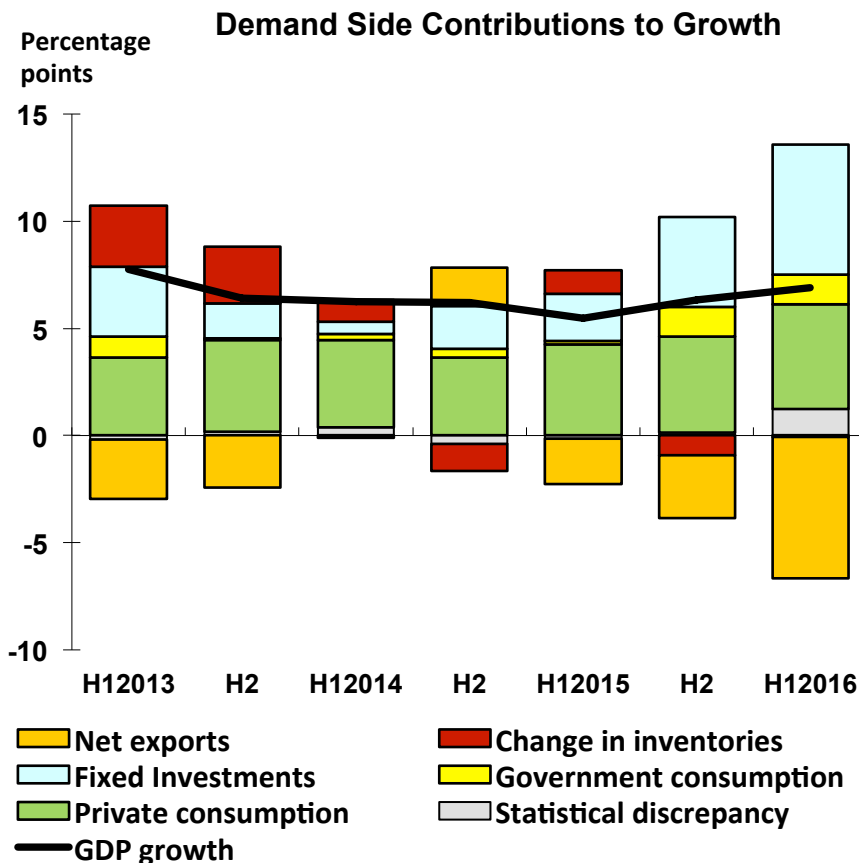
Key Messages

- **Strong growth despite external headwinds**
 - Robust broad-based domestic demand
 - Growth forecasts for 2016 and 2017 are raised from March ADO
 - Favorable macroeconomic fundamentals provide a solid foundation
- **Further reforms to sustain growth and address development challenges**
 - High underemployment
 - Regional growth disparities and poverty
 - More revenues to raise public investments
 - Further improvements in the investment climate

Economic Growth

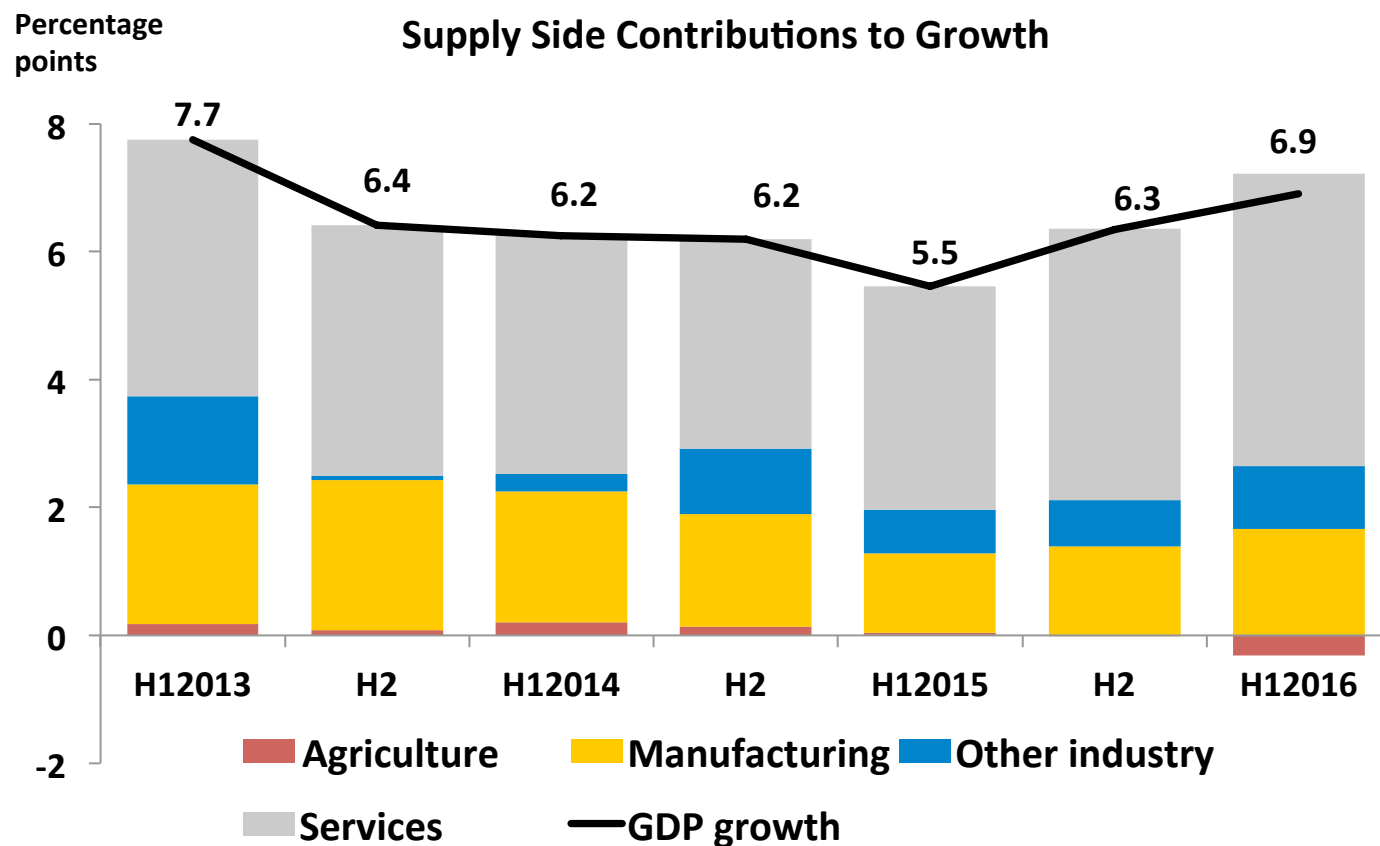
Robust broad-based domestic demand

- Growing contribution of investments to GDP growth

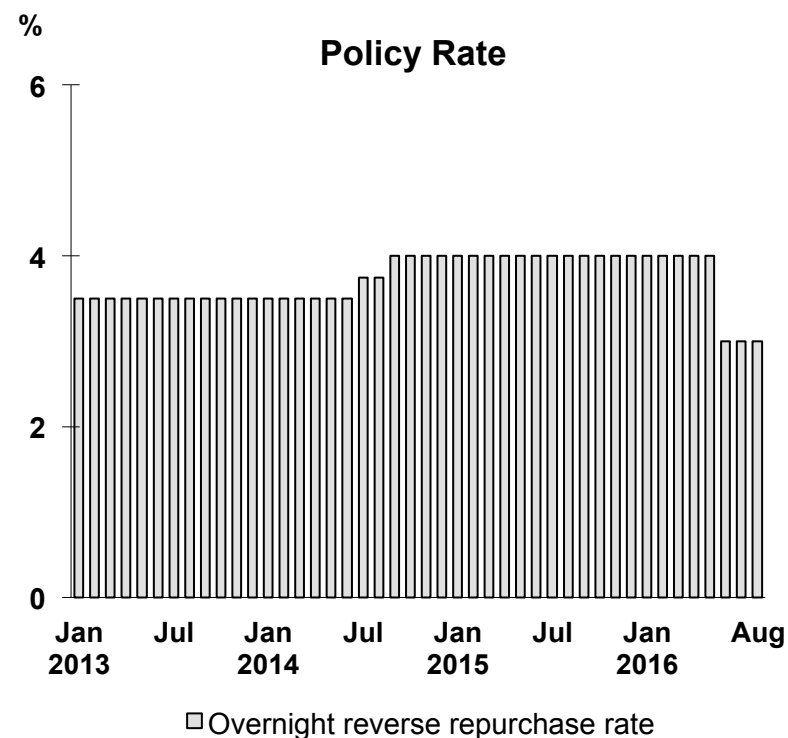
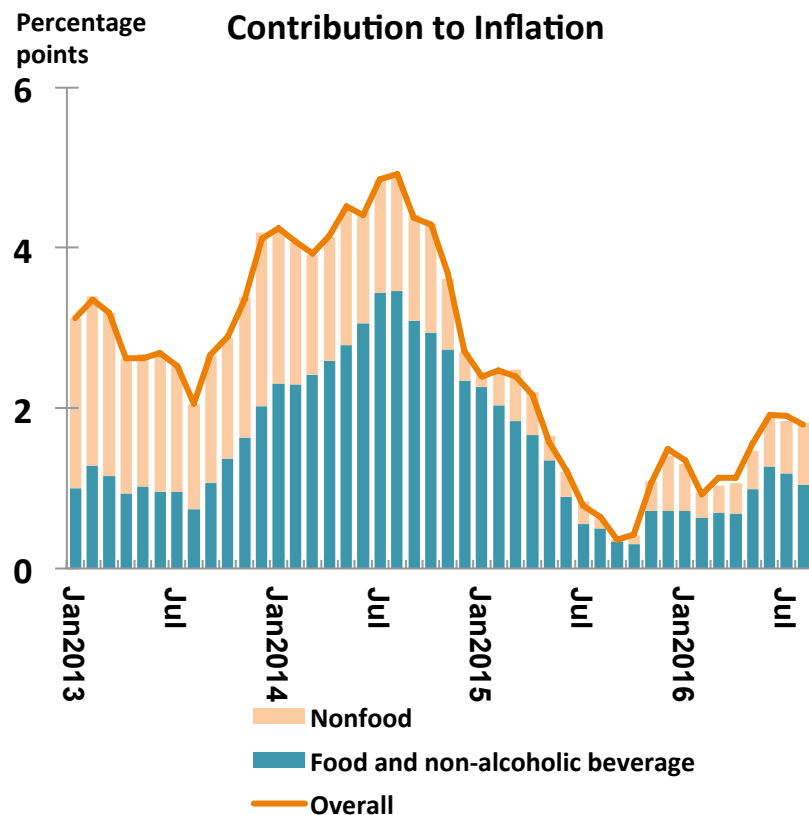


Economic Growth

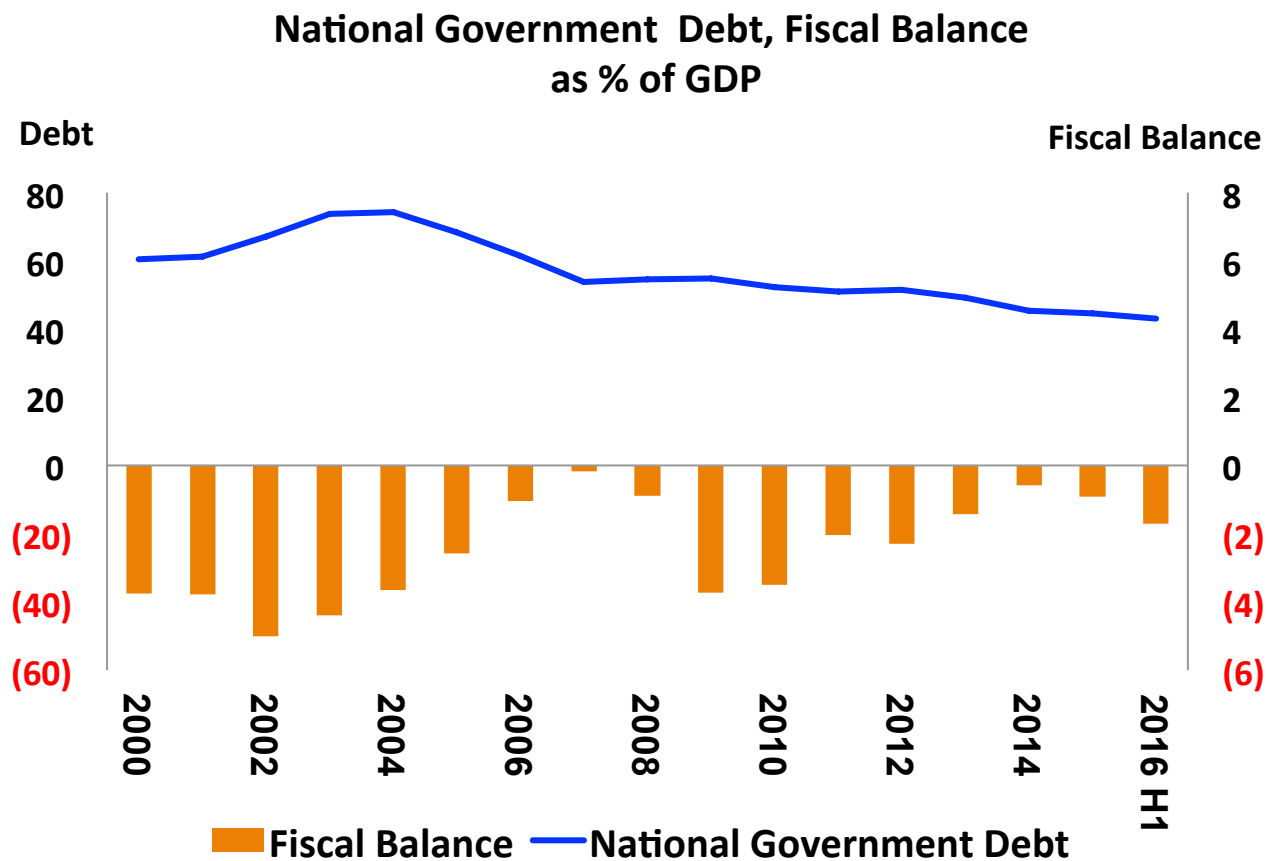
Services and manufacturing were the key drivers



Low inflation, accommodative monetary policy

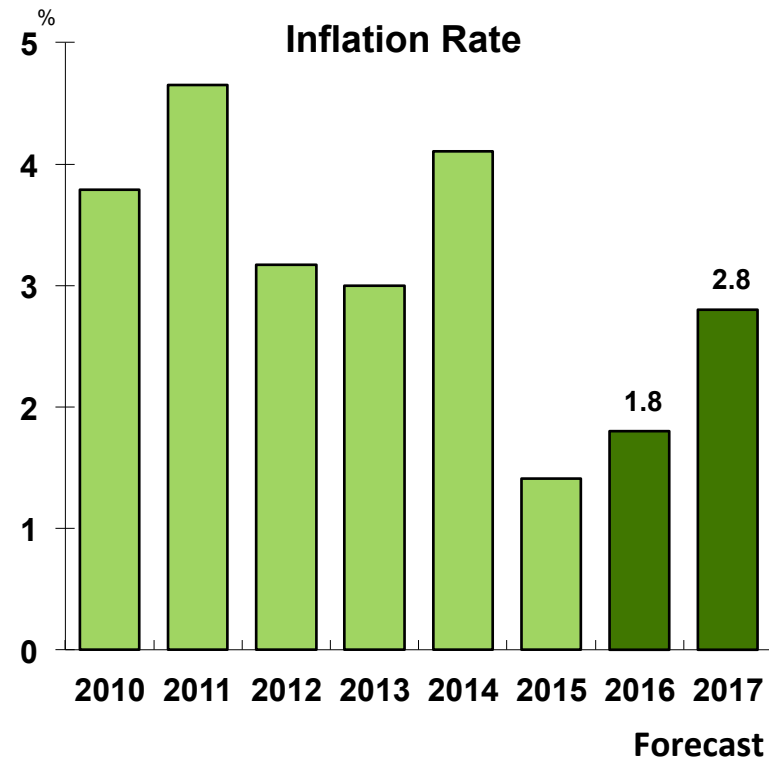
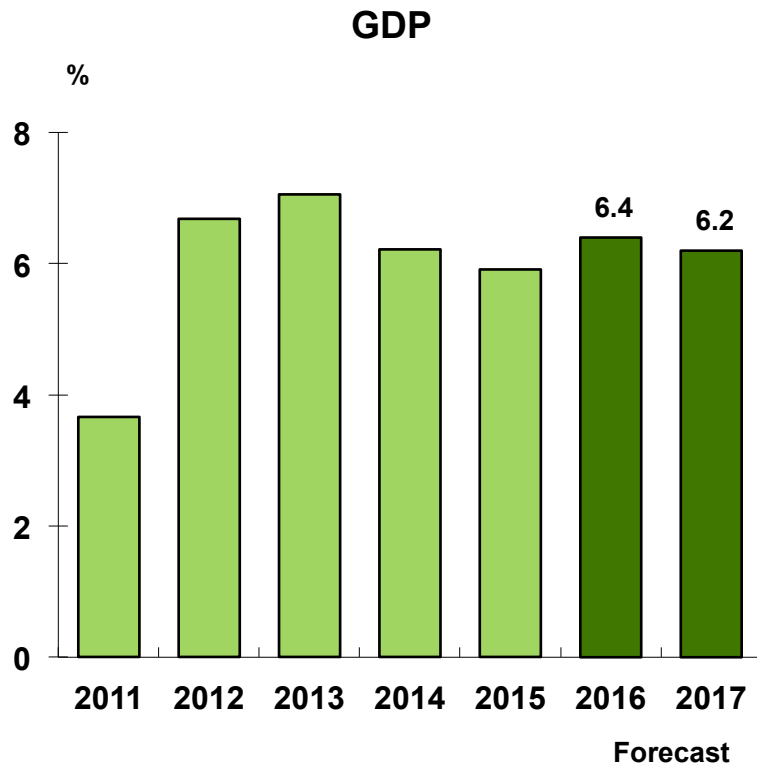


Prudent fiscal management



Growth and inflation outlook

- Expansion in domestic consumption and investment
- Inflation to pick up, still expected to remain modest

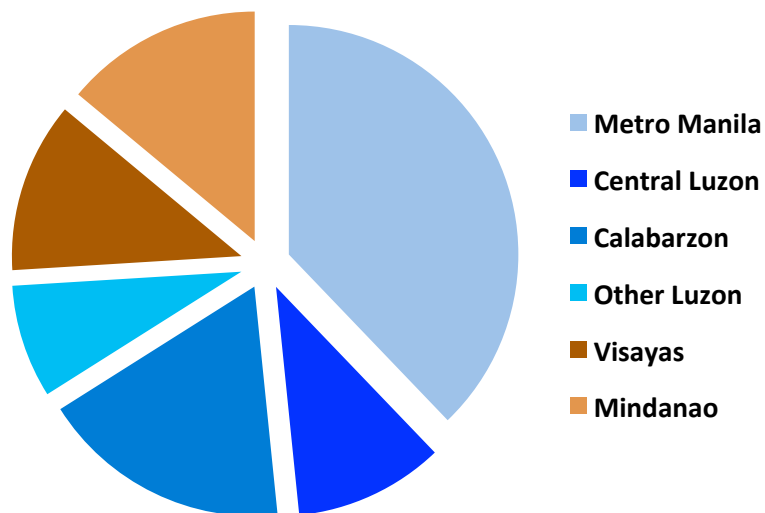


Risks to the Outlook

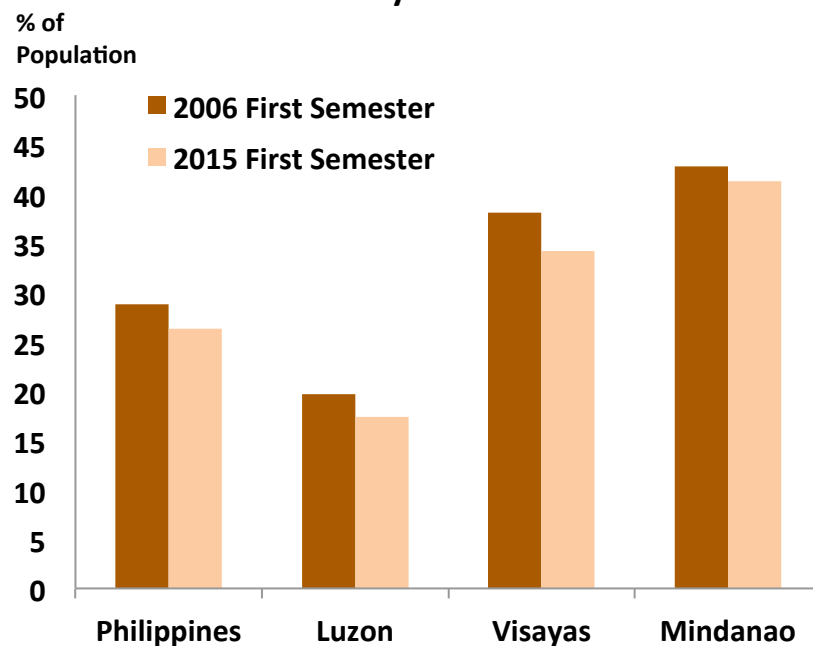
- **Weaker than expected economic growth in major trading partners**
- **Advancing the reform agenda will be vital**

Key Development Challenges: Regional Growth Disparity

Contribution to GDP Growth
2010-2015 Average

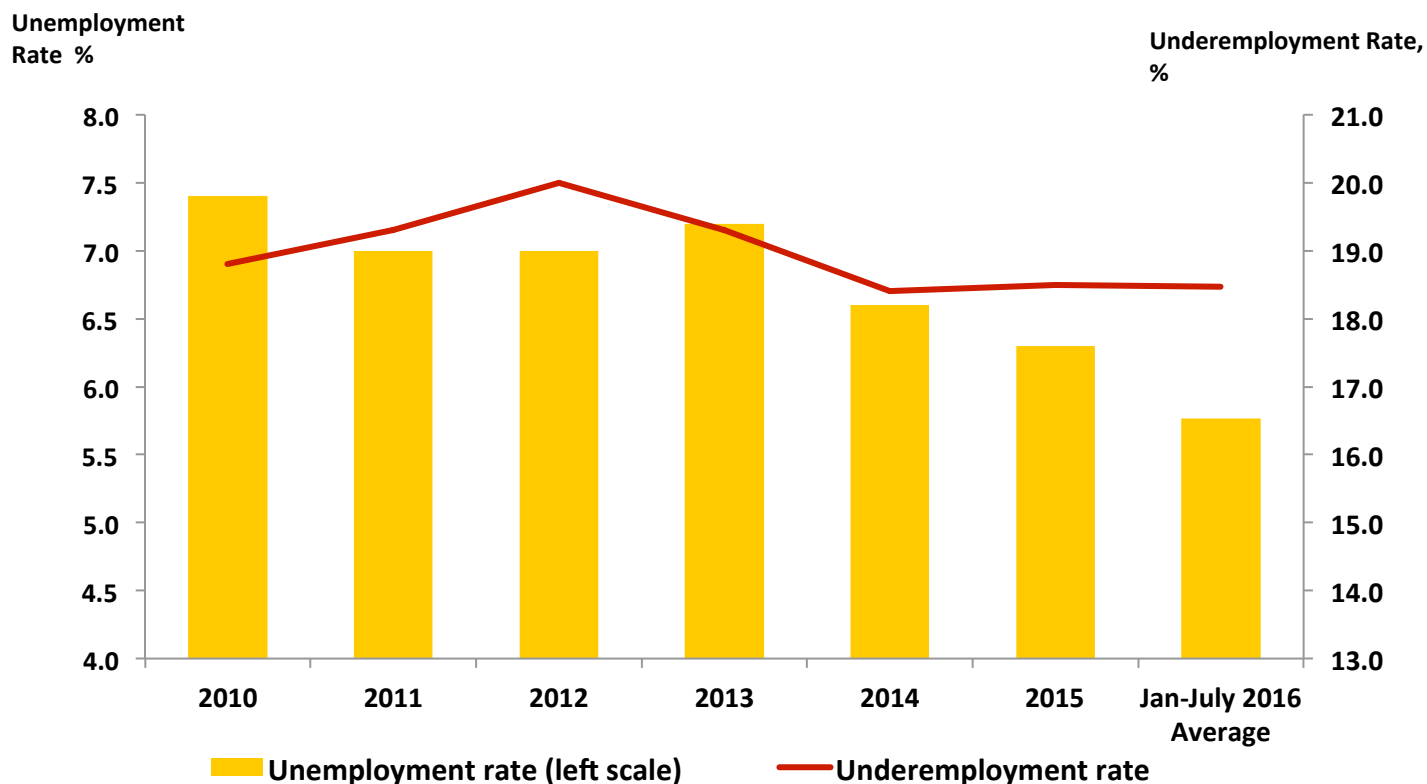


Poverty Incidence

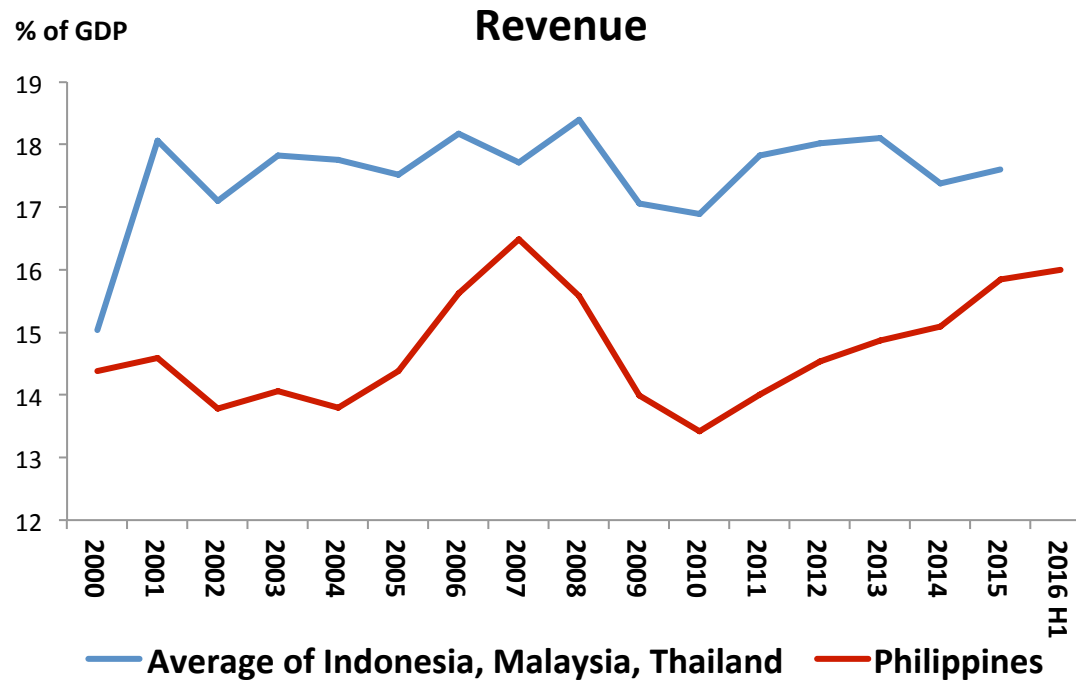


Key Development Challenges: Creating More and Better Jobs

Unemployment and Underemployment

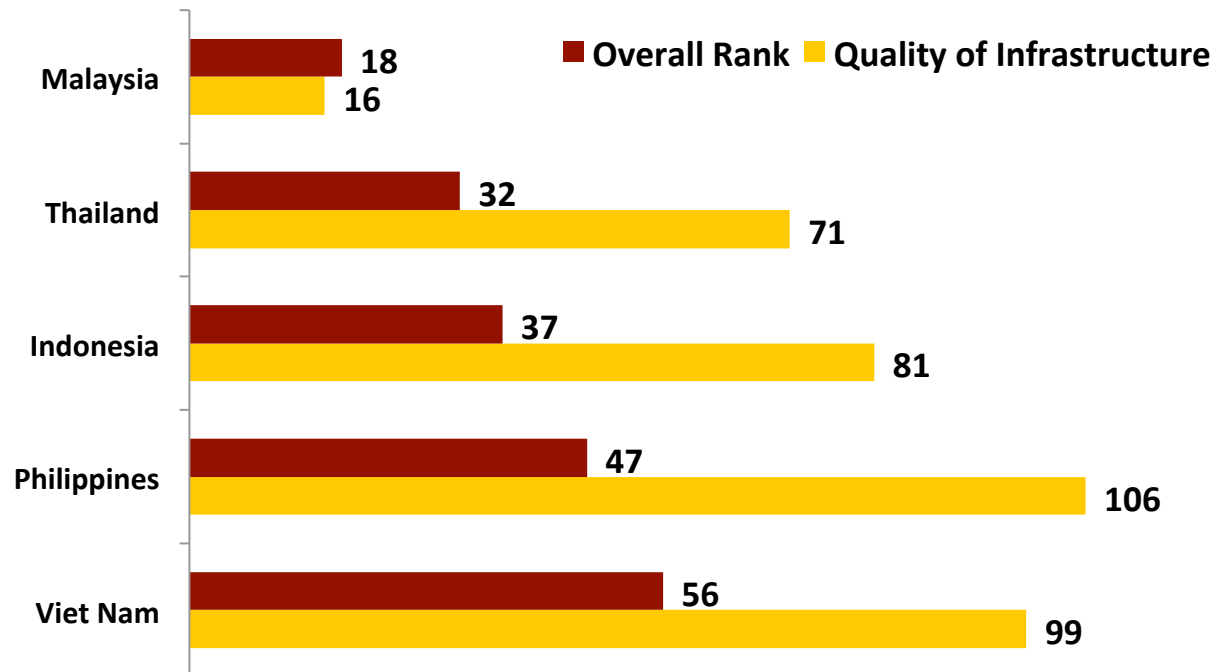


Key Development Challenges: Higher revenues to support public investments



Key Development Challenges: Further enhance competitiveness

2015-2016 Global Competitiveness
(rank out of 140 countries)



Conclusion

- **Favorable economic outlook despite external headwinds**
- **Increasing public investment in areas such as social sectors, especially connectivity infrastructure to raise access to opportunities, competitiveness, regional growth**
- **Maintaining the momentum of reforms to support the development agenda for sustainable growth, job creation, poverty reduction**

**For further information:
achongvilaivan@adb.org**