

Macroeconomic Situation and Outlook

Despite the global economic slowdown of 2002, the Philippine economy continued to show robustness. Real gross domestic product (GDP) in 2002 surpassed both the 3.2 percent growth of 2001 and the target growth rate of 4.0-4.5 percent as it grew by 4.6 percent during the year. The service sector displayed the strongest expansion, increasing by 5.4 percent from 2001's 4.4 percent growth rate. The industry sector grew by 4.1 percent in 2002 from 1.3 percent in 2001. Expansion was also fueled by the satisfactory performance of the agriculture sector, which registered 3.5 percent growth in 2002 compared to 3.7 percent in 2001.

The real gross national product (GNP) grew by 5.2 percent in 2002 compared to the previous year's 3.4 percent, and also surpassed the projection of 4.5-5.0 percent. The aforementioned sectoral gains were boosted by the huge rise in the net factor income from abroad, which more than doubled from 2001's 7.2 percent to 15.5 percent in 2002 (NEDA, 2003). Overseas Filipino workers' (OFWs) remittances amounted to about US\$7 billion in 2002, an amount almost as large as the total output of the agriculture, fishery, and forestry sectors (*Philippine Daily Inquirer*, March 17, 2003).

The industry sector's performance is attributable mostly to the mining and quarrying sub-sector, which increased by almost 50 percent. The manufacturing, electricity, gas, and water subsectors also witnessed an upward trend although in marginal proportions (2-3 percent). The service sector, on the other hand, was beefed up by the continued popularity of mobile and Internet services and the increased role of information and communication technology in public governance (NEDA, 2003). Agriculture for its part grew moderately in 2002 as a result of the weakened growth of rice and negative growth of corn due to the mild El Niño. The distribution of high-yielding seeds and expansion of irrigated areas mitigated the slide in rice production (NEDA, 2003).

The National Economic Development Authority's (NEDA) forecast of real GDP growth in 2003 is in the neighborhood of 4.2-5.2 percent. The World Bank (*Philippine Daily Inquirer*, April 25, 2003) and Asian Development Bank (*Manila Bulletin*, April, 29, 2003), however, slightly downgraded this government target as both forecasted only a 4.0-percent GDP growth this 2003. They both attribute this pessimism to the downside risks in the global economy exacerbated by the war in Iraq, the spread of the Severe Acute Respiratory Syndrome (SARS) virus, and the uncertain repercussions of these factors on the Philippines in terms of exports, oil prices, remittances, and access to global capital (World Bank, 2003, as cited in *PDI*, April 25, 2003). By 2004, however, growth is expected to pick up to 4.5 percent.

Concerning the ban on fresh deployment of domestic helpers bound for Hong Kong amid the outbreak of the SARS virus, the Philippines risks losing as much as \$33.6 million in overseas remittances each year (*Bangko Sentral ng Pilipinas*, 2003). The same study

reported that the regional panic over the outbreak would also suppress local tourism, but noted that the adverse impact could somehow be offset by the slowdown in foreign exchange outflow from spending for overseas travel.

Nonetheless, the Philippine government views the perceived adverse impact of SARS on growth to be marginal. In the past, the country had grown less dependent on exports and foreign demand to spur internal productivity (Camacho as cited in *PDI*, April 24, 2003). The main driving forces behind the robust growth in the last 3 years or so were strong domestic demand and improved exports. To date, there are no major developments for economic growth to be dominated by other factors than strong domestic consumption. The nature of the Philippine economy remains not export-dependent or externally dependent.

Growth in the industry and services sectors is anticipated to remain strong in 2003. NEDA (2003) projects a 3.0-4.0 percent growth in the agricultural sector, a 3.4-4.4 percent rise in the industry sector, and a 5.2-6.2 percent expansion in the services sector for the 2003.

In the industry sector, policies to boost mining, housing, and small and medium enterprises (SMEs) have been reemphasized. Tariff rates for capital goods and other inputs not locally produced have been reduced to 1 percent in December 2002, a move that should buffer manufacturing firms as they cope with potential oil price increases. Tariffs on about 40 -IT-related product lines were also reduced to zero.

In addition, present policies favor the liberalization of air transportation and expansion of housing projects. In banking and finance, the implementation of the Special Purpose Vehicle Act is envisioned to pave the way for greater financial activity in 2003 and over the medium term.

Food Prices and Consumption

In 2002, the inflation rate fell to 3.2 percent compared to 6.1 percent and 4.4 percent in 2001 and 2000, respectively. Food inflation rate of 2.0 percent in 2002 cushioned the 4.3-percent inflation on non-food items. Abundant supply led to lower prices of some food items. Aside from the influx of cheaper imported food items, the year experienced favorable weather conditions that contributed to an ample food supply.

As of March 2003, the inflation rate had slowed down to 2.9 percent from 3.1 percent the previous month and 3.6 percent a year ago as lower price increases for food and beverages mitigated the faster increase in prices of fuel, light, and water (National Statistics Office, 2003). Prices of some commodities such as fruits and vegetables (-0.1 percent), eggs (-0.1 percent), and meat (-0.3 percent) were lower in March compared to a year ago (NEDA, 2003).

NEDA (2003) expects inflation to remain manageable in the coming months as Dubai oil prices fell to US\$23.54 as of April 2, 2003, compared to an average of US\$30 dollars in February 2002 and US\$27.38 in March 2003. The exchange rate has also appreciated to PhP 53.337 as of April 2, 2003, compared to the March average of PhP 54.591. The inflation rate in 2003 is forecasted by NEDA (2003)

to be between 4.5-5.5 percent.

As in previous years, expenditures on food represented more than 50 percent of the total. However, levels of nutrition still fall short, especially in areas where income generation is a problem. To many Filipinos, income remains a major determinant of food access. In turn, many Filipinos are not meeting dietary recommendations. Income received has not been sufficient to finance all expenditures, on average.

Agricultural Production and Trade

AGRICULTURAL SECTOR PERFORMANCE. The agricultural sector grew by 3.5 percent in 2002 compared to 3.7 percent in 2001. This slight fall in growth can be explained by the decline in productivity of some major agricultural crops, specifically rice and corn. From 4.6-percent growth in palay in 2001, production slid to 2.4 percent in 2002 due to the mild El Niño. Corn production was even worse. From a growth rate of 0.3 percent in 2001, it slipped to a negative 4.5-percent change in 2002. Owing primarily to an expanding domestic market, the livestock sector expanded from 2.9 percent in 2001 to 4.1 percent in 2002, while poultry grew 6.2 percent in 2002 from 7.8 percent in 2001.

The distribution of fingerlings expanded the growth in the fishery sector to 6.4 percent in 2002 from 6.1 percent in 2001. The forestry sector also expanded to 9.1 percent in 2002 from 2001's negative 33.5 percent. This cushioned the agriculture sector's downward slide from 3.7 percent in 2001 to 3.5 percent in 2002.

EXPORTS AND IMPORTS. Though the percent share of exports to GNP declined to 39.7 percent in 2002 from 40.4 percent in 2001, exports in 2002 grew by 3.3 percent from the 5.2-percent contraction in 2001. This was an improvement from the zero growth rate projected by NEDA for the export sector in 2002. Growth in exports can be attributed to a good merchandise export performance, which expanded from negative 1.6 percent in 2001 to 4.8 percent in 2002, upsetting the 7.2-percent contraction in the non-factor services exports. As of February 2003, merchandise exports registered a 3.6-percent increase, and the electronic components sector, which accounted for 53.7 percent of the aggregate export revenue for the month, increased by 4.5 percent. Still, the United States and Japan remain the top two destinations of Philippine exports with 21.6 percent and 15.2 percent shares, respectively.

With the United States as the country's top trading partner, Philippine export growth in 2003 will somehow be affected by the U.S. budget reallocation for the U.S.-led war. As of February 2003, exports to the United States dropped by 10.5 percent from last year. Exports to Japan further declined by 3.0 percent. On the other hand, China's market is seen to be a good place for expansion for Philippine exports. In fact, from 1997-2002, exports from the Philippines to China have increased by an average of 35 percent annually (*PDI*, March 7, 2003). But again, due to the worldwide threat of SARS, analysts say that the weakening of China's economy due to the SARS outbreak could weigh down the rest of East Asia, including the

Philippines, because of China's growing importance as a key export market for its neighbors (*PDI*, April 29, 2003).

Net exports for 2002 strengthened from negative 45.9 percent in 2001 to negative 15.9 percent, as exports supported economic growth (NEDA, 2003).

Total external trade in goods for January to February 2003 amounted to US\$11.148 billion or 15.3 percent higher than 2002's US\$9.669 billion. Foreign-made merchandise grew by 30.0 percent from US\$4.409 billion to US\$5.734 billion. Likewise, exports posted a year-on-year growth rate of 2.9 percent to aggregate dollar revenue of US\$5.414 billion from US\$5.259 billion a year ago. The balance of trade deficit for the Philippines reached US\$319 million, or 137.6 percent lower than last year's US\$850 million.

Food Processing and Manufacturing

The manufacturing sector grew by 3.3 percent in 2002 compared to 2.9 percent in 2001. Together with this, gross value-added in food manufacturing, which accounted for a 35.9-percent share of total manufacturing, moved up by 5.5 percent in the first 9 months of 2002 from the 2.8 percent rate recorded in 2001. This was attributed to the increased production of bakery products, coconut products, and processed fruits and vegetables.

Food and Agricultural Policy

In 2002, agricultural policies reflected the firm commitment of the Philippine government to uphold the move to strengthen and modernize the agricultural sector. As mentioned in an earlier PECC-PFO report, the Agriculture and Fisheries Modernization Act, or AFMA, was signed into law on December 22, 1997, in response to the compelling need "to modernize the agriculture and fisheries sectors of the country in order to enhance their profitability, and prepare said sectors for the challenges of globalization through an adequate, focused and rational delivery of necessary support services, appropriating funds therefore and for other purposes." It defines the necessary policy environment and deliberate public investment stream that will transform the rural economy into one that is modern, science and technology-based, more integrated into national and international markets, and thus highly productive and competitive.

The following are being implemented under the *Ginintuang Masaganang Ani* (GMA) programs to support AFMA

GMA Rice. The rice program aims to progressively increase sufficiency in domestic production as called for by AFMA. Major strategies for the medium term include a massive promotion of certified seeds; a shift in focus to the rehabilitation of existing systems, particularly communal systems and the promotion of small, farmer-controlled systems; and a nationwide expansion of Farmers' Field Schools using knowledge-intensive modalities in technology promotion and extension, post-harvest loss reduction, and the promotion of hybrid rice technology.

GMA Corn. The corn program aims to transform the current farm clusters into modern agribusiness systems by establishing Corn-based Agribusiness Systems Technology (COAST) demonstration projects, which will generate private sector investments through joint venture or “cooperative” arrangements with farmer cooperatives in the farm clusters. COAST projects will cover mechanized production and post-harvest activities on irrigated corn and corn-based farming systems.

GMA High-Value Crops. The high-value crops program aims to promote income, employment, and livelihood diversification among existing farming systems within the context of the Strategic Agriculture and Fisheries Development Zones. The program’s major strategies include the nationwide development and promotion of high-quality planting materials, and the development of harmonized product standards, cold chain systems, and other appropriate modern, post-harvest, loss reduction systems.

GMA Livestock. The livestock program seeks increasing competitiveness and sufficiency in meat and meat products as a major component of the food security program. Major thrusts include improving and conserving the genetic pool, controlling and eradicating all major livestock pests and diseases nationwide, particularly foot-and-mouth disease, and promoting modern production and post-production technologies, targeting both the domestic and international markets.

R.A. 7394, otherwise known as the Consumer Act of the Philippines, best illustrates the demand-side thrust in reinforcing supply-related food and agricultural policies. It is the government’s policy to protect consumers’ interests, promote their general welfare, and establish standards of conduct for business and industry. This policy was signed into law for the following objectives: (a) protection of consumers against hazards to health and safety; (b) protection of consumers against deceptive, unfair, and unconscionable sales acts and practices; (c) provision of information and education to facilitate sound choices and the proper exercise of rights by the consumer; (d) provision of adequate rights and means of redress; and (e) involvement of consumer representatives in the formulation of social and economic policies.

Demography and Food System Interface

The Philippine population is growing as fast as, or faster than, any other developing country in Asia. Though the country managed to trim its annual growth rate from 3 percent in the 1960s to 2.3 percent in the 1990s, such a decrease is considered very slow. In fact, it has not improved since the last two decades as the growth rate got stuck at 2.3 percent per year. The National Statistics Office (NSO) estimated population growth for 2002 at 2.12 percent. The Medium-Term Philippine Development Plan projection is about 2 percent for the next 2 years. However, there is a certain degree of optimism regarding curbing population increases, with the growth rate projected to go down to 1.1 percent between 2020 and 2025 (World Population Prospects, 2002).

The population estimate for 2002 and 2004 are 79.5 million and 82.6 million, respectively (NSO, 2003). Projected populations from the 2002 World Population Data Sheet for 2025 and 2050 are 115.5 and 145.7 million, respectively.

Fertility explains most of the population increase. Filipinos have historical fertility levels way above the fertility replacement level. While the total fertility rate (TFR) decreased from about 6 in 1973 to 3.23 in 2002 (NSO, 2003), this level is still high by Asian standards. Japan, South Korea, Singapore, Taiwan, and Thailand have already reached replacement fertility. Most likely, the TFR will remain flat in the next few years to come unless more drastic measures are established to reduce fertility rates. The World Population Prospects projects a TFR of 3.24 for 2000-2005. Interestingly, while high unemployment rates, the high cost of living, and other economic barriers may have discouraged many women from having more children in developed countries, the Philippines experienced the opposite.

One major factor in the country’s high population growth is the government’s ineffective family planning program. For one, the degree of implementation has been inconsistent over the years—from a strong commitment to reduce population growth under the Marcos administration, to a lack of commitment, if not outright rejection of the policy, under the Aquino administration, to a resurgence of commitment in fertility/population growth reduction under the Ramos and Estrada administrations, and then to an ambiguous commitment under the Arroyo administration (Herrin, 2002). But what seems to explain much of the recurrent ambiguity on population control programs in the Philippines is the underlying opposition to implementing such a policy by the politically influential Catholic Church hierarchy. About 83 percent of Filipinos are Roman Catholic.

The *infant mortality rate* (IMR) is high in the country as are deaths from preventable causes such as heart disease and injury. In 2002, the IMR was estimated at 26 and is projected to stand in the neighborhood of 29 during the period 2000-2005 (World Population Prospects, 2002).

Disparities in health status largely due to poverty, sedentary lifestyles, and poor or unhealthy diets explain much of the mortality. However, improvements in life expectancy brought by advances in public health and rapid economic development reduced the crude birth rate to 5.77 in 2002 (NSO, 2002).

Curbing population growth would be a welcome development. By 2025, with an estimated 116 million people, the Philippines may find poverty eradication an elusive goal. The pressure exerted by the mounting population on limited land resources and complementary inputs makes growth and equity more difficult to address.

Age Structure (Dependency Ratios). Based on NSO (2000), 37.0 percent and 3.8 percent, respectively, of the total population comprise the young (0-14) and the old (65+). This combined proportion is relatively close to the proportion of the population aged 15 to 64 years. In 2000, the dependency burden rate is computed at about 70 percent.

This is a significant improvement from the 94 percent dependency burden rate four decades ago.

The dominance of the young along with high fertility has two crucial consequences: (1) with high fertility, the Philippine population will continue to increase, and (2) even if fertility declines, the population will likely grow for a long time unless more aggressive measures are taken today.

Employment. The high degree of dependency is, unfortunately, compounded by the lack of employment opportunities. Recently, about 15.3 percent were underemployed, and the remaining 10.2 percent were unemployed (NSO, 2002). If it were not partly neutralized by the continued flow of overseas contract workers over the years, the Malthusian hypothesis regarding the negative impact of rapid population growth on poverty via the distribution effect may have been proven in the Philippines. Under this situation, it is not difficult to imagine real wage rates being either stagnant or falling, in the same manner as returns to the poor's main asset—their labor—would likewise be falling (Orbeta and Pernia, 1999; Orbeta, 2002). Under a skewed asset distribution situation, as is the case in the Philippines, such a phenomenon could further widen inequality and, in turn, promote unequal income generation and diverse access to food.

Migration. Income at the destination and unemployment at the origin were significant pull and push factors of migration (Orbeta, 2002). Based on the Philippine Overseas Employment Administration (POEA) data, the number of Overseas Filipino Workers (OFWs) deployed to about 193 countries is continuously rising. From 1975 to 2002, the number of deployed OFWs per year increased from 36,035 to 891,908. As of December 2001, the number of OFWs is estimated at 7.4 million, 97 percent of which are land-based. Moreover, 1.3 million are in other Asian countries, 1.4 million in the Middle East, and 3.4 million in America and the U.S. Trust Territories. The dexterity in different jobs and the hard-working attitude of many Filipinos has served as an employment demand-pull factor in many countries. Literacy, not to mention the secondary and tertiary education levels in the Philippines, has been consistently respectable.

The consequence of external migration is generally not so much one of volume but is related instead to the selectivity of migration because it usually involves the more able and more educated. Theoretically, external migration may cause shortages of specific skills that can hamper growth in any country especially if it involves highly skilled personnel. However, given the usual lack of high-paying jobs in the country, employment abroad has generally been beneficial.

It should be noted that employment abroad not only served as an important source of foreign exchange earnings but also as a skill-enhancing catalyst for many Filipinos. From 1975 to 2002, POEA estimated a total of almost \$70 billion worth of remittances from the 13.6 million OFWs deployed in 27 years.

On the domestic front, on the other hand, uneven employment and income opportunities across regions have paved the way for inter-

nal migration. In rural-to-rural migration, the flow of population is usually from high- to low-density areas and from less-endowed areas to areas with rich natural resources, while in rural-to-urban migration, the major pull factor is basically the perceived better employment opportunities and the presence of relatives in urban areas (Cabrido, 1994).

Furthermore, despite the increase in urban unemployment levels, people from rural areas are still expecting to find jobs and better pay in industrialized urban areas due to the concentration of business centers, factories, malls, and other business establishments. At present, the most significant migration-sensitive policy instrument in the country is the Urban Development and Housing Act of 1992 (UDHA) (Republic Act 7279). This act provides for a “comprehensive and continuing urban development and housing program” and explicitly provides interagency coordination among NEDA, NSO, and POPCOM in monitoring population movements and providing population projections to aid planning.

From 1995-2000, average annual growth in population in urban areas was almost 4 percent, while the change in rural population ranged from zero to negative. It was also in the mid-1990s that the urban population surpassed the rural. The percent of rural to urban populations declined from 67 percent (1970) to 41 percent (2000). As of 2000, the urban population was 59 percent of the Philippines' total population. The high urban population growth rate is due to: (1) massive migration of the rural poor, especially the unemployed, and (2) the urbanization of rural areas (Cabrido, 1994).

If rural-urban migration and urbanization persist and continue at current rates, the domestic food supply would not be nearly deficient because of land conversion away from agriculture.

Demographic Changes Affecting Food Demand, Spending Patterns, and Nutrition

At constant prices, personal consumption expenditures continue to be dominated by food, representing about 53-54 percent of the total. The rest are for household operations, transportation, fuel, light and water, clothing and footwear, household furnishings, beverages, tobacco, and miscellaneous. The share of food to the total has been more or less constant in the past 3 years or so. In terms of family expenditure, food consumed at home represented 38.7 percent in 2000, down from 39.5 percent 3 years ago, while food consumed outside the home increased slightly from 4.7 percent to 5.0 percent in 2000 (NSO, 2000). This can be expected to widen further in the near future considering several developments. First, the growth in both urban areas and urban populations has resulted in busy lifestyles, and office work has taken much time away from household chores. This has shifted consumption from traditional foods to a fast-food diet to cope with or to go with fast-paced lifestyles. Second, the growth in the number of fast-food chains like Jollibee, McDonald's, Kentucky Fried Chicken, Kenny Rogers, and even mobile canteens has caused a shift in food demands from the traditional rice-fish-vegetable Filipino diet to a more Westernized bread-noodles-meat combination. Third, the proliferation of different

establishments, specifically gasoline stations on major roads and highways, is associated with the proliferation of fast-food chains and mini-marts. These, in many ways, have affected the food demands and consumption patterns of Filipino consumers.

Comparing the urban and rural populations, urban dwellers are heavy consumers of prestige foods such as meat, poultry, and eggs as well as milk and milk products. The amounts consumed by those in the urban areas were twice the amount consumed in the rural areas. However, rural areas consumed more of the cheaper, lower quality foods such as rice and rice products, corn and corn products, starchy roots and tubers, and all types of vegetables (FNRI-DOST, 1993).

Further analysis of the food consumption pattern of Filipinos showed that the vulnerable groups, namely preschoolers (3-59 months), pregnant women, and lactating women barely met their energy requirements. They are consuming only about 70 percent of their estimated energy needs. Likewise, mean iron and calcium intakes at 45.1 percent and 42.6 percent, respectively, were found to be grossly inadequate for the three groups (especially for lactating women). Pregnant women had relatively high vitamin A intakes (125.7 percent) (FNRI-DOST, 1993).

The Philippine population doubled between 1965 and 1995, and is projected to increase by 55 percent in 2025. During the same period, the urban population also increased by about 71 percent from 1965 to 1995 and is projected to increase by another 33 percent by 2025. In response to the growing needs of the population, energy requirements also increased, although marginally. Between 1965 and 1995, average daily per caput energy requirement increased from 2073 to 2,108 kCal. In the same period, average daily per caput dietary energy supply (DES) increased from 1,799 kCal to 2,366 kCal (FNRI-DOST, 1993).

Demographic Changes Affecting Food Supply

Based on national trends and projections, the rural population is expected to decrease in proportion and also become older in the next quarter of this century. Paunlagi et al., in their working paper on the aging population, stated that projections indicate a tremendous increase in the number of elderly Filipinos in the first quarter of the 21st century, that is, from 2000 to 2035, an increase from 6 percent to 13 percent of the total population.

The agricultural population decreased over the years from 42.4 percent of the total population in 1995 to 38.8 percent in 1999. This may be partly attributed to the conversion of agricultural lands into residential and commercial areas (DA-BAS, 1999). If this trend con-

tinues, the years to come will result in land and agriculture retirement for the old, but few people to take over what agricultural lands remain in the area that are not converted and urbanized.

These trends have negative implications for agriculture and the food supply in the Philippines. Considering patterns of land conversion—from agricultural to industrial, commercial, and residential due to high urbanization—agricultural lands not only tend to decrease but also affect agricultural produce. To worsen the situation, there is a further decline in productivity due to the use of marginal lands and the overuse of lands, both of which cause early land degradation in some areas. The expansion of urban areas usually occurs in agricultural lands because their topography and geographic location are ideal for locating urban development. On the other hand, the expansion of agricultural areas moves toward the uplands. Population pressure leads to the cultivation of marginal lands (Cabrido, 1994).

In the case of the Philippines, demographic factors such as changes in population size and density significantly influence land use. The Philippines are becoming densely populated; the population grew from 202 persons per square kilometer in 1990 to 255 in 2000 (NSCB, 2000). The FAO estimated that for every person added to the population, about 0.05 of a hectare of land is taken away from agricultural use to meet the land-use requirement for settlements, roads, power, recreation, commercial and industrial, and other purposes (as cited from Cabrido, 1994). This implies that the country's land area may not be enough to support the increasing population unless land productivity is improved via agricultural modernization.

Moreover, population pressures lead to cultivating marginal lands, clearing forest for agriculture, and cutting trees for firewood and timber, causing further forest conservation problems (Cabrido, 1994). Consequently, the declining land productivity eventually affects the employment and income status of the farming population, thus leading to outmigration (Cabrido, 1994).

Further, as more people migrate to urban areas, the ratio of agricultural producers to consumers decreases over time. Theoretically, an increase in population would mean a diminishing supply of food at increasing prices for the non-agricultural, mostly urban population, with implied social and political consequences.

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THE PHILIPPINES

	Units	2000	2001	2002	2003
INCOME AND FOOD PRICES					
Per-capita GNP					
Current	US\$	1,007.30	945.30	1,003.00	
Real	US\$, in 1985 prices	694.00	704.90	726.70	
Gross domestic product					
Growth rate	%, in 1985 prices	4.40	3.20	4.60	4.2-5.2
Prices	in constant 1994 prices				
CPI (all items)	Average % change	4.40	6.10	3.10	2.9 <i>a</i>
CPI (food, beverages, and tobacco)	Average % change	2.00	4.10	2.00	1.9 <i>a</i>
CPI (non-food)	Average % change	6.90	8.50	4.30	4.1 <i>a</i>
Personal consumption					
Expenditures spent on:					
Food	%	53.93	53.53	53.11	
Beverages	%	2.27	2.25	2.23	
Tobacco	%	2.38	2.33	2.28	
Others	%	46.07	46.47	46.89	
Growth rate	%		3.60	3.90	
Food	%		2.80	3.10	
POPULATION					
Total population	Million	76.50	77.90	79.50	81.10
Population growth rate	%	2.14	2.12	2.12	
Female labor force participation	%	48.40	51.80	52.73	
Life expectancy					
Males	Years	66.33	66.63	66.93	67.23
Females	Years	71.58	71.88	72.18	72.48
ROLE OF AGRICULTURE IN THE ECONOMY					
Agriculture as a share of GDP	%	19.90	19.99	19.97	20.81 <i>f</i>
MACROECONOMIC INDICATORS					
GDP growth (1985=100)	%	4.40	3.20	4.60	4.50 <i>b</i>
Sectoral breakdown: Growth rate					
Agriculture, fishery, and forestry	%	3.40	3.70	3.50	3.0-4.0
Industry	%	4.90	1.30	4.10	3.4-4.4
Services	%	4.40	4.40	5.40	5.2-6.2
Expenditure breakdown: Growth rate					
Private consumption	%	3.50	3.60	3.90	3.8-4.3 <i>b</i>
Government consumption	%	6.10	0.30	1.80	0.7-1.2 <i>b</i>
Investments	%	0.80	5.50	1.30	9.1-9.6 <i>b</i>
Exports	%	17.70	(5.20)	3.30	8.9-9.4 <i>b</i>
Imports	%	4.00	(0.80)	4.90	9-9.5 <i>b</i>
Inflation rate	%	4.40	6.10	3.20	3.3 <i>c</i>
Interest rate*	Average % p.a.	9.86	9.86	5.43	6.9 <i>c</i>
Exchange rate	PHP/US\$	50.00	51.40	53.10	54.88 <i>d</i>
Unemployment rate	Average %	11.20	11.10	11.40	12.2 <i>e</i>

Sources: NSO, BSP, PIDS, NSCB

a. January - April

b. MTPDP projections

c. As of July 2003

d. As of August 14, 2003

e. As of April 2003

f. As of first quarter, 2003

* T-bills 91 days