



Press Statement

30 May 2013

MBC LAUDS THE PHILIPPINES' FIRST QUARTER GDP PERFORMANCE

MBC commends the Aquino administration for the continued very strong performance of the Philippine economy, again surpassing expectations. We note that the 7.8% first quarter GDP growth is the highest since the second quarter of 2010, the third consecutive quarter of greater than 7% GDP growth, and the fastest in Asia for this period. Once again, this is a testament to the sound macroeconomic foundations of the country, the capable leadership of our economic managers, and the steadily growing confidence of investors in the economy.

The more than double growth of the agriculture sector, from last year's 1.1% in the first quarter to 3.3% this quarter, led by the recovery of the fisheries subsector from -3.8% to 5.5%; and of industry, from last year's 5.3% to 10.9%, due to the acceleration of manufacturing and construction, are welcome developments. Significantly, the industry sector outpaced the growth of the services sector. On the demand side, although household and government consumption decelerated and exports contracted, there was a remarkable recovery in capital formation from -31.3% to 47.7%, illustrating an increase in investment spending on construction and durable equipment.

MBC believes that the economy is on track to attain the 6%–7% target full-year GDP growth for 2013, and thus encourages greater partnership between the private sector and government in various areas to surpass this goal. Indeed, there is more work to be done, particularly in creating a policy environment conducive to a sustained increase in investments, which will address the challenges of unemployment and underemployment, and ultimately, inclusive growth.

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