

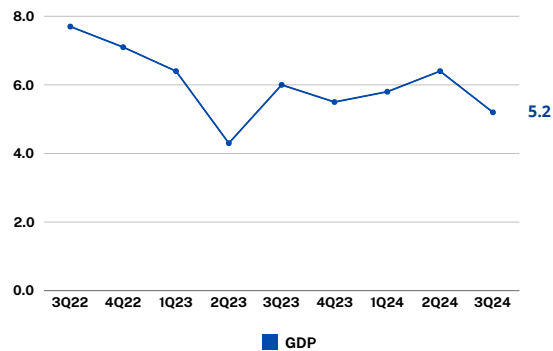
# 5.2%

## Q3 - 2024 GROWTH RATE

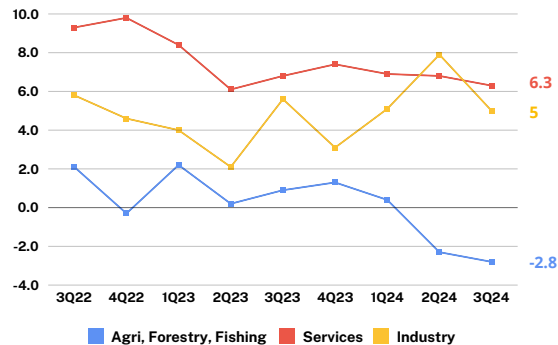
**6.4%** Q2 2024 GDP  
(from 6.0% Q3 2023)

### GROWTH IN %

#### GDP



#### GDP by Production



## PH Q3 GDP DIPS TO 5.2%, FALLING BELOW GOVERNMENT TARGET

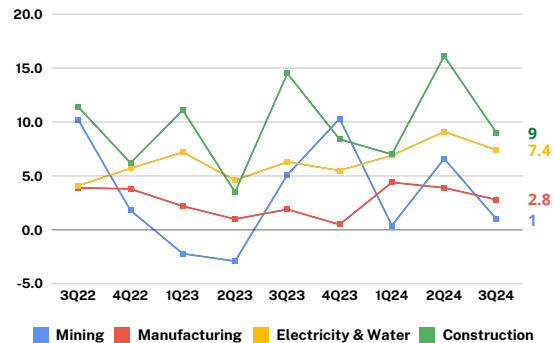
Q3 - 2024

The Philippine economy in Q3 2024 contracted to 5.2% from 6.4% in the previous quarter, falling below the median forecast of economists at 5.7%. This brings the country's annual GDP growth rate to 5.8%, lower than the government's target of 6-7% for the year. According to NEDA Secretary Arsenio Balisacan, "the economy needs to grow at 6.5% to meet the government's target for the last quarter of 2024. We remain optimistic that this growth target is attainable."

On the demand side, Government Spending fell significantly in Q3 2024, slowing to 5.0% from a robust 11.9% growth in the previous quarter. Household Spending was at 5.1%, slightly up from the previous quarter's rate of 4.7%. Investment (gross capital formation) went up to 13.1%, up from just 11.6% in Q2 2024. Conversely, Exports of goods and services contracted by 1.0%, from 4.2% in Q2, while Imports of goods and services grew to 6.4%, from 5.3% in the previous quarter. On the supply side, Services expanded by 6.3% while Industry grew by 5%. Agriculture, on the other hand, contracted by 2.8%.

A contraction in the third quarter GDP of the Philippine economy was anticipated due to strong typhoons during the period. According to Bloomberg, total farm output value fell to 3.7% from the previous year – considered to be the largest quarterly decline since 2020. This is due to Super Typhoon Carina which caused around Php 4.73 billion in agricultural damage. This was acknowledged by Sec. Balisacan: "The combined damage and losses in agriculture from the six typhoons in Q3 2024 and severe typhoon Kristine stood at Php 15.8 billion, while damage to infrastructure, houses and other assets is estimated at Php 9.6 billion." The Philippines is among the world's most climate-vulnerable countries, and agriculture is often affected by typhoons, droughts, and floods. This makes sustainable farming practices and climate adaptation crucial for food security. MBC advocates for partnerships between the government and private entities that are vital to improve rural infrastructure, such as cold storage, logistics, and transportation networks, which reduce post-harvest losses and improve access to markets.

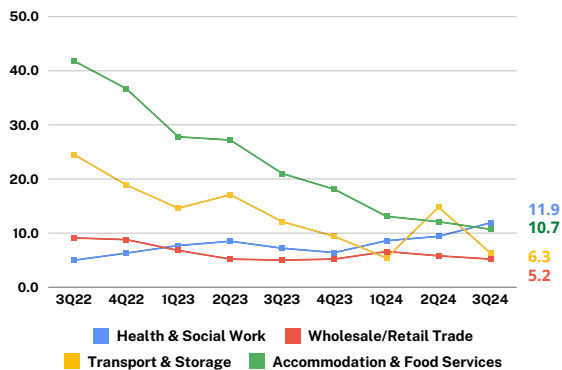
### Key Industry Components



### Key Fixed Capital Components



### Key Services Components



"It is imperative that we intensify efforts to improve the ease of doing business, and elevate our competitiveness to further strengthen investor interest and confidence... We continue to engage in new free trade agreements amid policy uncertainties in the Philippines' major trading partners."



**ARSENIO BALISACAN**  
Secretary, National Economic  
and Development Authority

"The Philippines has been and would still be among the fastest growing economies in ASEAN/Asia, with a GDP growth of about 6%-7% amid the country's favorable demographics. Rate cuts by the US Federal Reserve could be matched locally to help lower borrowing costs, increase demand for loans, boost demand for investments and expansion projects, boost global trade in terms of exports and imports, create more jobs, and increase other economic activities."



**MICHAEL RICAFORT**  
Chief Economist,  
RCBC

"In the 2024 World Risk Index, the Philippines ranked no. 1 as the most at-risk to natural hazards, with agriculture as one of the worst hit sectors. MBC echoes the call to prioritize and support agriculture. Our goal is to engage Philippine business in creating a modern, sustainable agricultural value chain that increases productivity and ensures fair profit distribution for farmers."



**BOBBY BATUNGBACAL**  
Executive Director,  
Makati Business Club



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