



Senate Economic Planning Office

Economy

At a Glance

October 2005

AG-11-2005

Trade, by commodity

- Total merchandise exports grew by 4.1 percent from January to August, a much slower pace than the MTPDP target of 10 percent.

- In the same period, electronic products, which account for 69 percent of total merchandise exports, grew at a modest pace of 2.2 percent.
- From January to August, merchandise imports decreased by 0.2 percent due to a 12.1 percent contraction of electronics imports.
- In August, merchandise imports increased by 10.1 percent but only because of a 63 percent increase in the value of imports of oil, petroleum and related products.

Table 1. Trade Performance (FOB in US\$ B)

Item	August			January-August		
	2005	2004	Growth (%)	2005	2004	Growth (%)
Total Merchandise Exports	3.46	3.43	0.83	26.36	25.32	4.09
Electronic Exports	2.29	2.27	1.24	1.72	1.69	2.21
Total Merchandise Imports	4.06	3.69	10.14	29.23	29.29	(0.21)
Electronic Imports	1.75	1.83	(4.47)	13.15	14.95	(12.07)
Trade Balance	(0.60)	(0.26)	(134.10)	(2.87)	(3.97)	(27.65)

Source: NSO

Trade, by country

Figure 1. Philippine Top Exports by Country (Jan-Aug 2005, in %)

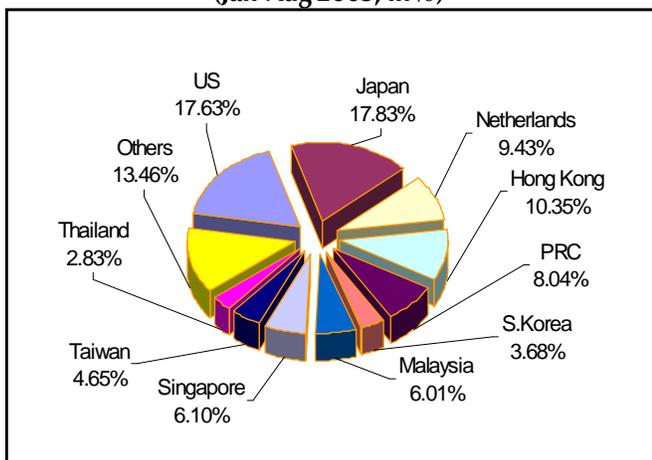
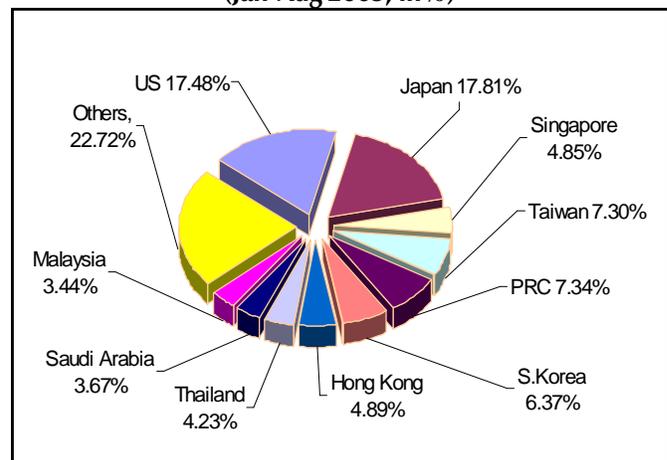


Figure 2. Philippine Imports Performance by Country (Jan-Aug 2005, in %)



- For the first eight months, Japan was the biggest buyer of Philippine exports at 17.83 percent, followed by United States, Hong Kong and Netherlands. In the period 1996 to 2004, it was only last year when Japan overtook the US as the top export destination.
- Likewise, Japan is the biggest source of imports from January to August, accounting for 17.81 percent of the total imports. Historical data show that Japan and the US have alternately been the top importer to the Philippines in the period 1996-2004.

Balance of payments

- The first semester balance of payments (BOP) posted a surplus of US\$2.0 billion as compared to a low US\$70 million a year ago.

Table 2. Balance of Payments (in US\$ Mn)

Particulars	Q2		Growth (%)	Jan-June		Growth (%)
	2005	2004		2005	2004	
Current account	386	247	56.3	1,123	152	638.8
Capital & fin'l account	457	781	(41.5)	1,499	303	394.7
Net unclassified items	355	(580)	161.2	(641)	(385)	(66.5)
Overall BOP	1,198	448	167.4	1,981	70	2,730.0

Source: BSP

- The improvement in the BOP can be attributed to two factors: (1) the big jump in remittances of non-resident OFWs by 28.7 percent; and (2) a rise in the portfolio investment from negative US\$0.1 billion for the same period in 2004 to positive US\$2.1 billion in 2005.

Table 3. Philippine Economic Performance Indicator

Basic Macroeconomic / Real Indicator	Latest Period		Period of Comparison	
Real GDP (growth rate, in %)	4.8	Q2'05	6.5	Q2'04
Real GNP (growth rate, in %)	4.7	Q2'05	7.4	Q2'04
Fiscal Indicator				
Revenue (in Php B)	589.5	Jan-Sep '05	516.4	Jan-Sep '04
Tax revenue (in Php B)	502.8	Jan-Sep '05	441.9	Jan-Sep '04
Expenditures (in Php B)	698.0	Jan-Sep '05	658.3	Jan-Sep '04
NG surplus/deficit (in Php B)	(108.5)	Jan-Sep '05	(141.9)	Jan-Sep '04
Consolidated public sector deficit (in Php B)	(41.6)	1st sem '05	(94.2)	1st sem '04
NG debt (in Php B)	3,931.8	as of July '05	3,578.0	as of July '04
NG debt (as % of GDP)*	76.5	as of July '05	79.1	as of July '04
Public debt (in Php B)	5,330.6	as of Mar '05	5,297.6	as of Mar '04
Public debt (as % of GDP)	107.7	as of Mar '05	109.8	as of Mar '04
Monetary Indicator				
Inflation rate (average, in %)	7.0	Sep '05	7.2	Aug '05
91-day treasury bill rate (average, in %)	5.8	Sep '05	5.6	Aug '05
External Indicator				
Exports (in US\$ billion)	26.4	Jan-Aug '05	25.3	Jan-Aug '04
Imports (in US\$ billion)	29.2	Jan-Aug '05	29.3	Jan-Aug '04
Current account balance (in US\$ M)	1,123	1st sem '05	152	1st sem '04
Current account balance (% of GNP)	2.3	1st sem '05	0.4	1st sem '04
Balance of payments (in US\$ M)	1,981	1st sem '05	70	1st sem '04
Balance of payments (% of GNP)	4.0	1st sem '05	0.2	1st sem '04
External debt (% of GNP)	60.6	as of Jun '05	59.8	as of Mar '05
Gross international reserves (months worth of imports)	4.1	as of Sep '05	3.7	as of Sep '04
Peso per US dollar exchange rate (average)	56.0	Jan-Sep '05	55.2	Jan-Sep '04
Labor and Employment Indicator				
Labor force population (in '000)	35,236	Jul '05	35,126	Apr '05
Labor force participation rate (in %)	64.6	Jul '05	64.8	Apr '05
Unemployment rate (in %)	7.7	Jul '05	8.3	Apr '05
Underemployment rate (in %)	20.5	Jul '05	26.1	Apr '05
Jobs generated (in '000)	889	Jul '05	684	Apr '05

Sources: BSP, DOF, NEDA, NSCB and NSO

* GDP used is sum of Q2 2005 + Q1 2005 + Q4 2004 + Q3 2004 vis-a-vis the same periods of the comparable year.