



Senate Economic  
Planning Office

# Economy

## At a Glance

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The remarkable performance of the agriculture sector is one of the factors that has driven the 5.5 percent economic growth in the first quarter of 2006. It rebounded to 3.9 percent during the period from -0.6 percent in the first quarter last year. The significant growth of the crops subsector at 6.3 percent from a decline in the same period last year is the major factor of the sector's positive performance. Increases in the livestock and the fishery subsectors at 2.2 percent and 5.4 percent, respectively, have also contributed to the growth.

### Crops subsector

- Agricultural crop production accounts for half of total agricultural output.
- Palay and corn grew significantly by 6.9 percent and 22.1 percent, respectively, in the first quarter of 2006 compared to the same period a year ago. Both crops contributed 21.6 percent to total agriculture output.
- These improved performances were due to the use of quality seeds, better weather conditions, and expansion of its harvest area. Preliminary data show that area harvested and production of hybrid rice grew by 60 percent.

Table 1. Q1 Agricultural Crop Performance, 2005 -2006

	Volume (in million Mt)		Value of Production (constant prices, %)		Share to Total Agri Output
	2005	2006	2004-2005	2005-2006	2006
Agri Crops	22.9	24.4	-3.3	6.3	49.6
Major Crops					
Palay	3.4	3.6	-1.5	6.9	15.1
Corn	1.3	1.5	-18.4	22.1	6.5
Coconut	3.5	3.5	4.9	2.1	8.6
Sugarcane	11.3	12.0	-7.1	6.5	5.0
Banana	1.3	1.5	3.4	14.6	3.6
Mango	0.2	0.2	-9.0	-10.1	2.1
Other Crops	2.3	2.0			

Source: Bureau of Agricultural Statistics

### Livestock subsector

Table 2. Q1 Livestock Performance, 2005-2006

	Volume (in thousand Mt)		Value of Production (constant prices, %)		Share to Total Agri
	2005	2006	2004-2005	2005-2006	2006
Livestock	545.4	556.8	0.2	2.2	12.8
Carabao	30.5	28.6	-1.7	-6.1	0.5
Cattle	58.5	56.4	-5.0	-3.6	1.5
Hog	435.5	450.3	1.1	3.4	10.6
Goat	17.9	18.3	5.7	2.2	0.2
Dairy	3.0	3.2	6.3	4.3	0.02

Source: Bureau of Agricultural Statistics

- Livestock subsector grew by 2.2 percent in the first quarter due to increases in the production of hog, goat and dairy. These commodities comprise more than 75 percent of the total livestock production.
- Hog production, a major component of the livestock subsector, grew by 3.4 percent due to the increase in the stock of fatteners.

## Fishery subsector

- The production of the fishery subsector grew by 5 percent due to increases in both municipal fishery and aquaculture.
- Aquaculture, which accounts for half of the total fishery production, improved by 14 percent due to increase in area for milkfish production in Northern and Western Samar, Leyte, and Zambales and high market demand for seaweeds.

Table 3. Q1 Fishery Performance, 2005-2006

	Volume (in thousand Mt)		Value of Production (constant prices, %)		Share to Total Agri Output
	2005	2006	2004-2005	2005-2006	2006
Fishery	1,024.9	1,073.8	5.6	5.4	22.6
Commercial	278.9	242.3	2.0	-13.1	4.8
Municipal	279.6	298.1	1.3	6.6	5.5
Aquaculture	466.4	533.5	9.9	14.4	12.3

Source: Bureau of Agricultural Statistics

INDICATOR	Latest Period		Period of Comparison	
<b>BASIC MACROECONOMIC/REAL</b>				
Real GDP (growth rate, in %)	5.5	Q1'06	4.2	Q1'05
Real GNP (growth rate, in %)	5.8	Q1'06	4.9	Q1'05
<b>FISCAL INDICATOR</b>				
Revenue (in PhP B)	471.1	Jan-June '06	384.4	Jan-June '05
Tax revenue (in PhP B)	417.8	Jan-June '06	332.8	Jan-June '05
Expenditures (in PhP B)	502.6	Jan-June '06	451.9	Jan-June '05
NG surplus/(deficit) (in PhP B)	(31.5)	Jan-June '06	(67.5)	Jan-June '05
Consolidated public sector surplus/(deficit) (in PhP B)	(100.7)	Jan-Dec '05	(232.0)	Jan-Dec '04
Consolidated public sector surplus/(deficit) (as % of GDP)	(1.9)	Jan-Dec '05	(4.8)	Jan-Dec '04
NG debt (in PhP B)	3,996.0	as of Apr '06	3,867.1	as of Apr '05
NG debt (as % of GDP)	71.8	as of Apr '06	70.6	as of Apr '05
Public debt (in PhP B)	5,063.9	end 2005	5,297.6	end 2004
Public debt (as % of GDP)	93.4	end 2005	109.0	end 2004
<b>MONETARY</b>				
Inflation rate (average, in %)	7.0	Jan-June '06	7.7	Jan-June '05
91-day treasury bill rate (average, in %)	4.9	Jan-June '06	6.8	Jan-June '05
<b>EXTERNAL</b>				
Exports (in US\$ billion)	18.7	Jan-May '06	16.1	Jan-May '05
Imports (in US\$ billion)	20.0	Jan-May '06	18.5	Jan-May '05
Current account balance (in US\$ M)	1,166	Jan-Mar '06	546	Jan-Mar '05
Current account balance (% of GNP)	4.1	Jan-Mar '06	3.0	Jan-Mar '05
Balance of payments (in US\$ M)	204.0	Jan-June '06	197.9	Jan-June '05
Balance of payments (% of GNP)	6.4	Jan-June '06	7.0	Jan-June '05
External debt (US\$ B)	55.3	Jan-Mar '06	54.2	Jan-Mar '05
External debt (as % of GNP)	49.7	Jan-Mar '06	57.5	Jan-Mar '05
Gross international reserves (in US\$ M)	21,147.3	as of June '06	17,723.1	as of June '05
Gross international reserves (months worth of imports)	4.3	June '06	3.9	June '05
Pesos per US dollar exchange rate (monthly average)	53.2	June '06	55.2	June '05
<b>LABOR AND EMPLOYMENT INDICATOR</b>				
Labor force population (in '000)	35,954	Apr '06	35,224	Jan '06
Labor force participation rate (in %)	64.9	Apr '06	63.8	Jan '06
Unemployment rate (in %)	8.2	Apr '06	8.1	Jan '06
Underemployment rate (in %)	25.4	Apr '06	21.3	Jan '06
Jobs generated (in '000)	803	Apr '06	750	Jan '06

Sources: National Statistical Coordination Board, National Statistics Office, Bureau of the Treasury, Bangko Sentral ng Pilipinas & Department of Finance