



**THE AUGUST 2021 LABOR FORCE SURVEY RESULTS
JOINT STATEMENT OF THE DUTERTE ADMINISTRATION'S
ECONOMIC MANAGERS**

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The August 2021 Labor Force Survey results show improvements in the labor market as the government and the people learn to better manage the risks brought about by the COVID-19 pandemic, despite the heightened quarantine level and the spread of the delta variant. While the unemployment rate slightly increased, net job creation was significant and the underemployment rate decreased substantially.

To better manage the health risks from COVID-19 and enable the people to earn a living, we will continue to accelerate the vaccination program and focus on granular lockdowns, while preventing COVID-19 transmissions. These efforts will complement our recovery program and help our country bounce back from this crisis.

Labor force survey results

As reported by the Philippine Statistics Authority today, the unemployment rate in the country increased between July and August 2021 from 6.9 percent to 8.1 percent. This result is expected, given the stricter quarantine imposed to curb the spread of the delta variant.

On the other hand, the labor force participation increased to 63.6 percent from 59.8 percent as more people re-joined the labor force. While this is one factor for the increase in the unemployment rate, more people were able to find work, leading to an increase in the number of employed by 2.6 million in August compared to July. This brings employment back up to 1.7 million above pre-

pandemic levels. Moreover, the underemployment rate substantially decreased to 14.7 percent from 20.9 percent, given improving job conditions.

After shedding 1.8 million jobs in July, Agriculture regained 1.9 million jobs and was the largest driver of the net employment gain. This was followed by wholesale and retail trade at 1 million jobs and manufacturing at 0.2 million jobs.

Meanwhile, education recorded the largest job loss at -0.2 million jobs. We expect this to gradually improve following the President's approval to begin piloting face to face classes in low-risk areas.

Policy recommendations

We reiterate that the safe reopening of the economy, limiting restrictions to granular lockdowns, and accelerating the vaccination program are key to our recovery.

Based on a 7-day moving average, the number of COVID-19 cases have gone down by around 15 percent since the peak on September 11, 2021. This trend will support the further reopening of the economy and the use of granular lockdowns to allow the majority to return to work and earn a living.

Furthermore, as of September 27, 2021, 23.8 million Filipinos have received their first vaccine dose, while 20.6 million are already fully vaccinated. With further vaccine deliveries in the coming months, we are ready to scale up the inoculation drive. We have already proven that we can quickly administer the shots to our people. For instance, in the National Capital Region, more than seven million residents or 72.4 percent of its target population are already fully vaccinated. Other major cities, such as Iloilo, Angeles, Mandaue, and Lapu-Lapu City, have reached at least 50 percent of their target population. We are now focusing on inoculating more people in the other regions.

On top of this, we are expecting the pharmaceutical companies to deliver more than 125 million doses by the end of this year. In line with President Duterte's recent pronouncement on opening the vaccination program to the general public beginning October 2021, the government is also preparing to inoculate minors

between 12 to 17 years old. This would support the pilot face-to-face classes in low-risk areas.

Finally, we will continue pursuing structural reforms to provide the country with stronger foundations. The economic team reiterates its support for the urgent passage of the economic liberalization bills, especially the amendments to the Public Service Act, which is still pending in the Senate. Opening up the telecommunications and transport sector by relaxing foreign ownership restrictions is crucial to improving internet, logistics, and transportation services, while lowering costs for consumers. This will enable more sectors of society to better transition into the new normal and provide a better quality of life for all Filipinos.

We remain optimistic that our country will be able to recover to our pre-pandemic growth trajectory by the end of 2022 or early 2023 through the accelerated implementation of our recovery program and these pivotal reforms.

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