



Republic of the Philippines
DEPARTMENT OF FINANCE

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DOF Economic Bulletin on the 2021-Q3 Economic Performance

- Year-on-year, the country's economic output increased by 7.14% in the third quarter of 2021, partially recovering lost output in the same quarter of last year when the economy tanked by nearly 11.6%. This growth is higher than the median private sector outlook of 4.7% for the quarter. For the first three quarters, output increased modestly by 4.88% compared to the 10.06% decline in the same period last year.
- From the expenditure side, household final consumption increased by 7.13%; government consumption, by 13.62%; capital formation by 22.03%, and; exports, by 9.04%. Construction activities remained robust in the third quarter, with general government construction expenditure increasing by nearly 55.33% as the "Build, Build, Build" program maintains its course. Of the 7.14% GDP growth, general government construction expenditures contributed 1.59 percentage points.
- From the supply side, both the industry and services groups posted respectable growth, the former by 7.86% and the latter by 8.19%, helping temper the decline in agricultural production. The agriculture sector declined by 1.67%, largely on account of livestock production declining by 15.64%, no great thanks to the lingering effects of the African Swine Fever (ASF), but partially offset by the 5.61% increase in rice production.
- Quarter-on-quarter, the economy grew by 3.8%, reversing the 1.4% decline in the previous quarter.

DOF View

- The arrival of more vaccine supplies and the ramping up of the vaccination program will help provide protection to the population from the spread of the virus. It is important that the risks posed by the epidemic be effectively managed to minimize the collateral damage on the economy and, consequently, people's incomes.
- The passage of CREATE and other tax reforms and the continued infrastructure drive will help the country's economic competitiveness. To complement these, restrictions on foreign participation in the economy should be eased. Amendments to the Public Service Act, Retail Trade Liberalization Act, and Foreign Investments Act will improve the country's standing in mobilizing more foreign capital to the country.

Table 1 Economic Growth and Sources of Growth by Expenditure

Expenditure	Growth (%)					Contribution to Growth (percentage points)				
	20-Q3	21-Q2	21-Q3	20 Q1-Q3	21 Q1-Q3	20-Q3	21-Q2	21-Q3	20 Q1-Q3	21 Q1-Q3
Household Consumption	- 9.18	7.28	7.13	- 8.21	2.93	- 6.55	5.13	5.22	- 5.86	2.13
Government Consumption	5.84	- 4.17	13.62	12.39	6.82	0.72	- 0.86	2.01	1.58	1.08
Gross Capital Formation	-39.52	80.34	22.03	- 35.29	22.07	-10.46	12.22	3.99	- 9.16	4.12
Fixed Capital Formation	-38.03	39.82	16.02	- 26.47	9.76	-10.66	8.08	3.15	- 7.00	2.11
Construction	-45.43	35.13	23.85	- 28.04	9.02	- 7.84	4.90	2.54	- 4.54	1.17
General Government	-27.11	44.52	55.33	- 7.09	42.53	- 0.95	2.90	1.59	- 0.27	1.70
Corporations	-44.14	- 24.12	-12.18	- 25.05	- 29.19	- 3.66	- 1.53	- 0.64	- 1.91	- 1.86
Households	-59.08	318.25	62.60	- 50.19	50.93	- 3.23	3.52	1.59	- 2.36	1.32
Durable Equipment	-33.82	95.67	7.98	- 31.47	15.82	- 2.69	3.16	0.48	- 2.37	0.91
Export of Goods & Services	-15.06	27.78	9.04	- 18.05	7.65	- 4.69	6.76	2.71	- 5.57	2.15
Goods	- 1.26	35.95	8.82	- 11.35	13.85	- 0.23	4.68	1.83	- 1.89	2.27
Services	-35.38	18.37	9.55	- 25.83	- 0.96	- 4.46	2.08	0.88	- 3.69	- 0.11
Less: Imports	-20.70	39.84	13.19	- 22.02	12.70	8.56	-12.09	- 4.89	9.11	- 4.55
Goods	-18.87	48.32	16.33	- 22.51	19.00	6.35	-12.17	- 5.04	7.63	- 5.55
Services	-28.66	- 1.66	- 2.32	- 19.83	- 14.98	2.21	0.09	0.14	1.48	1.00
Gross Domestic Product	-11.59	12.02	7.14	- 10.06	4.88	-11.59	12.02	7.14	- 10.06	4.88
Net Primary Income from ROW*	-32.64	- 54.37	-52.32	- 21.86	- 62.38					
Gross National Income	-13.54	6.79	2.83	- 11.16	- 0.65					

Note: * ROW – Rest of the World

Source of Basic Data: PSA

Table 2 Economic Growth and Sources of Growth by Sector

Industrial Source	Growth (%)					Contribution to Growth (percentage points)				
	20-Q3	21-Q2	21-Q3	20 Q1-Q3	21 Q1-Q3	20-Q3	21-Q2	21-Q3	20 Q1-Q3	21 Q1-Q3
Agriculture, Forestry, Fishing	1.22	0.02	- 1.67	0.81	- 0.98	0.10	0.00	- 0.16	0.07	- 0.10
Rice	15.41	1.22	5.61	5.77	5.19	0.19	0.02	0.09	0.09	0.10
Livestock	- 7.74	-19.45	-15.64	- 4.80	- 19.69	0.09	- 0.26	- 0.19	- 0.06	- 0.25
Industry	-17.60	20.98	7.86	- 14.20	7.62	- 5.09	5.98	2.12	- 4.25	2.18
Mining & Quarrying	-13.02	- 0.03	0.57	- 19.62	0.46	0.08	- 0.00	0.00	- 0.18	0.00
Manufacturing	-10.41	22.25	6.28	- 11.73	9.10	- 1.71	3.88	1.04	- 2.15	1.64
Utilities	0.17	9.47	2.91	- 0.69	4.46	0.01	0.33	0.12	- 0.02	0.16
Construction	-39.70	27.09	16.81	- 25.26	6.05	- 3.31	1.78	0.95	- 1.90	0.38
Services	-10.56	9.82	8.19	- 9.61	4.55	- 6.60	6.03	5.18	- 5.88	2.80
Wholesale and retail trade	6.27	5.37	6.36	- 6.81	3.03	- 1.25	0.97	1.35	- 1.21	0.56
Transportation and storage	-29.50	24.68	14.79	- 34.22	1.69	- 1.06	0.52	0.43	- 1.38	0.05
Accommodation & food service activities	-54.59	56.71	11.49	- 45.35	2.24	- 1.25	0.44	0.13	- 1.00	0.03
Information and communication	3.00	12.29	8.51	6.33	9.25	0.08	0.46	0.26	0.18	0.30
Financial and insurance activities	4.17	5.22	6.37	5.90	5.29	0.37	0.59	0.66	0.53	0.56
Real estate and ownership of dwellings	-19.20	16.70	4.66	- 17.66	2.03	- 1.35	0.89	0.30	- 1.18	0.12
Professional and business services	-11.07	9.64	11.48	- 10.34	5.93	- 0.71	0.64	0.74	- 0.64	0.37
Public administration	4.66	5.14	5.18	5.85	5.84	0.20	0.32	0.27	0.26	0.30
Education	-16.71	12.56	13.79	- 10.32	8.64	- 0.65	0.58	0.51	- 0.43	0.36
Human health and social work activities	- 3.31	13.48	17.74	- 5.61	14.77	- 0.05	0.24	0.32	- 0.10	0.27
Other services	-48.66	37.56	20.31	- 40.17	- 7.86	- 0.91	0.38	0.22	- 0.90	- 0.12
Gross Domestic Product	-11.59	12.02	7.14	10.06	4.88	-11.59	12.02	7.14	10.06	4.88
Net primary income from ROW*	-32.64	-54.37	-52.32	- 21.86	- 62.38					
Gross National Income	-13.54	6.79	2.83	- 11.16	- 0.65					

Note: * ROW – Rest of the World

Table 3 Quarter-on-Quarter Growth Based on Seasonally-Adjusted Accounts (%)

	20-Q1	20-Q2	20-Q3	20-Q4	21-Q1	21-Q2	21-Q3
Agriculture, Forestry, & Fishing	-0.4	0.3	-0.3	-1.9	1.1	1.0	-0.7
Industry	-6.0	-21.1	12.6	6.2	0.6	1.0	-0.3
Services	-3.8	-15.3	8.5	3.6	0.8	-3.0	6.6
GDP	-4.2	-15.6	8.7	3.8	0.8	-1.4	3.8
Household Consumption	-4.9	-15.2	5.8	3.0	-3.1	1.2	1.6
GNI	-2.9	-13.7	7.9	1.3	1.2	-2.8	7.0
Source: PSA							

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