



# Macro Economics

Indicator/Year	Growth 1st sem '07	Contribution to Growth
Gross National Product	8%	100%
Gross Domestic Product	7%	83%
<b>Expenditure Share</b>		
Personal Consumption Expenditure	6%	52%
Government Consumption	12%	9%
Capital Formation	8%	15%
Fixed Capital	9%	19%
Construction	19%	16%
Durable Equipment	2%	2%
Breeding Stock & Orchard Development	4%	1%
Changes in Stocks	-444%	-3%
Exports	7%	39%
Less: Imports	-7%	-42%
Statistical Discrepancy	-1348%	-75%
Net Factor Income From the Rest of the World	16%	17%
Trading gain (loss) from changes in the terms of trade	-203%	-52%
Gross National Income	4%	48%

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Gross National Product	8%	100%
Gross Domestic Product	7%	83%
<b>Industrial Origin</b>		
Agriculture Fishery and Forestry	4%	9%
Agriculture and Fishery	4%	8%
Forestry	26%	0%
Industry Sector	7%	27%
Mining and Quarrying	24%	5%
Manufacturing	4%	10%
Construction	21%	9%
Electricity Gas and Water	5%	2%
Service Sector	9%	47%
Transport Communication and Storage	10%	10%
Trade	9%	16%
Finance	13%	9%
Ownership of Dwellings and Real Estate	6%	3%
Private Services	9%	8%
Government Services	3%	1%



# Pockets of Growth

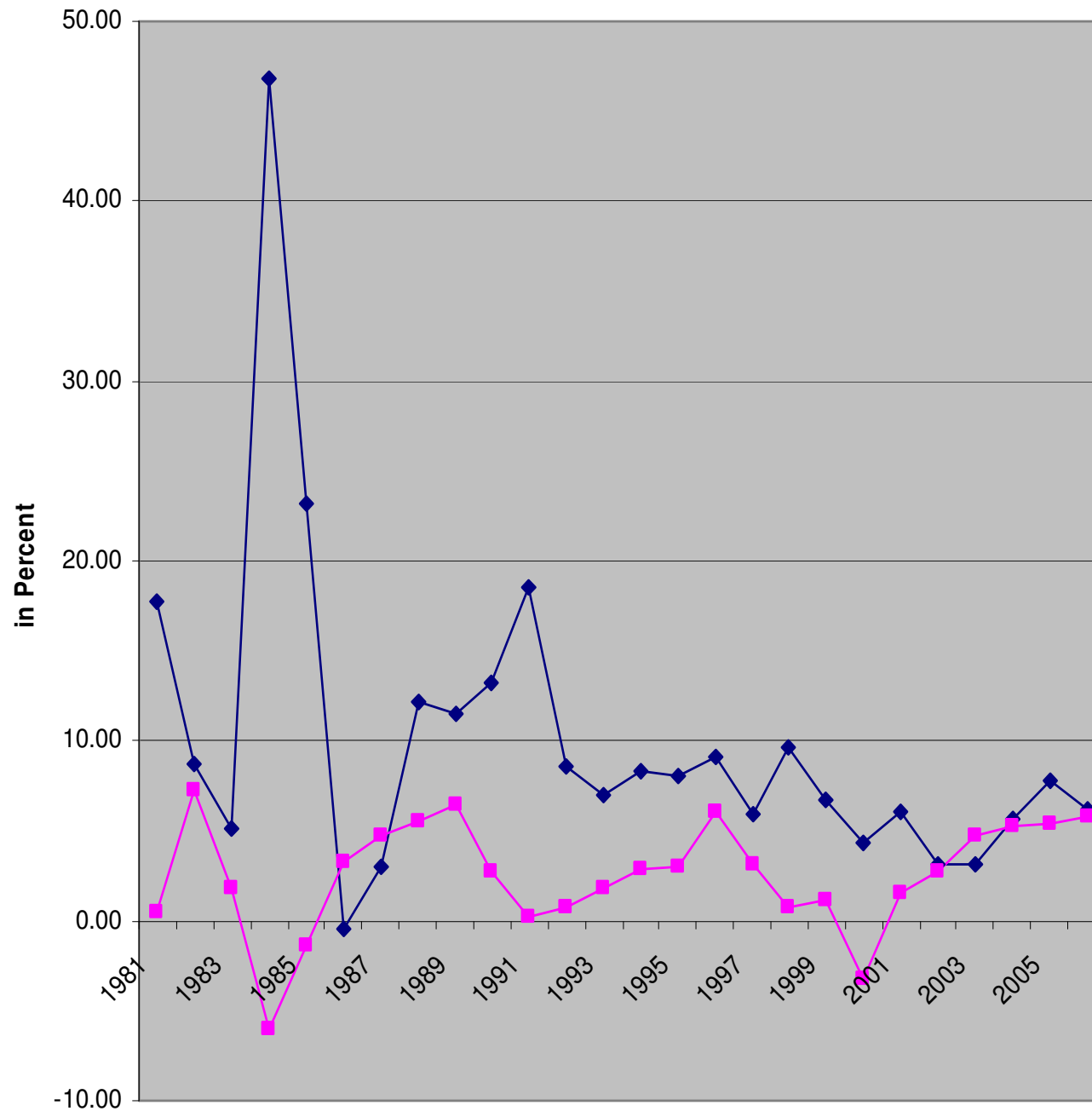
## Consumption-led

- ✓ High PCE
- ✓ Government expenditure on infrastructure
- ✓ NFIA has more or less been growing at trend
- ✓ Investments concentrated on construction, not as fast for Durable Equipment & Inventory
- ✓ Exports slowdown
- ✓ Negative Changes in Stocks shows low demand for inventory



# Growth viewed from Industrial Origin

- ✓ Solid growth in AFF
- ✓ Service Sector at historical growth
- ✓ Fast growth for Industry
  - Slow Exports and Manufacturing sectors
  - Strong in Utilities and Construction
  - Ideally, Manufacturing should grow at pace w/ Construction & Mining
- ✓ Service Sector is at trend
- ✓ ODRE is robust



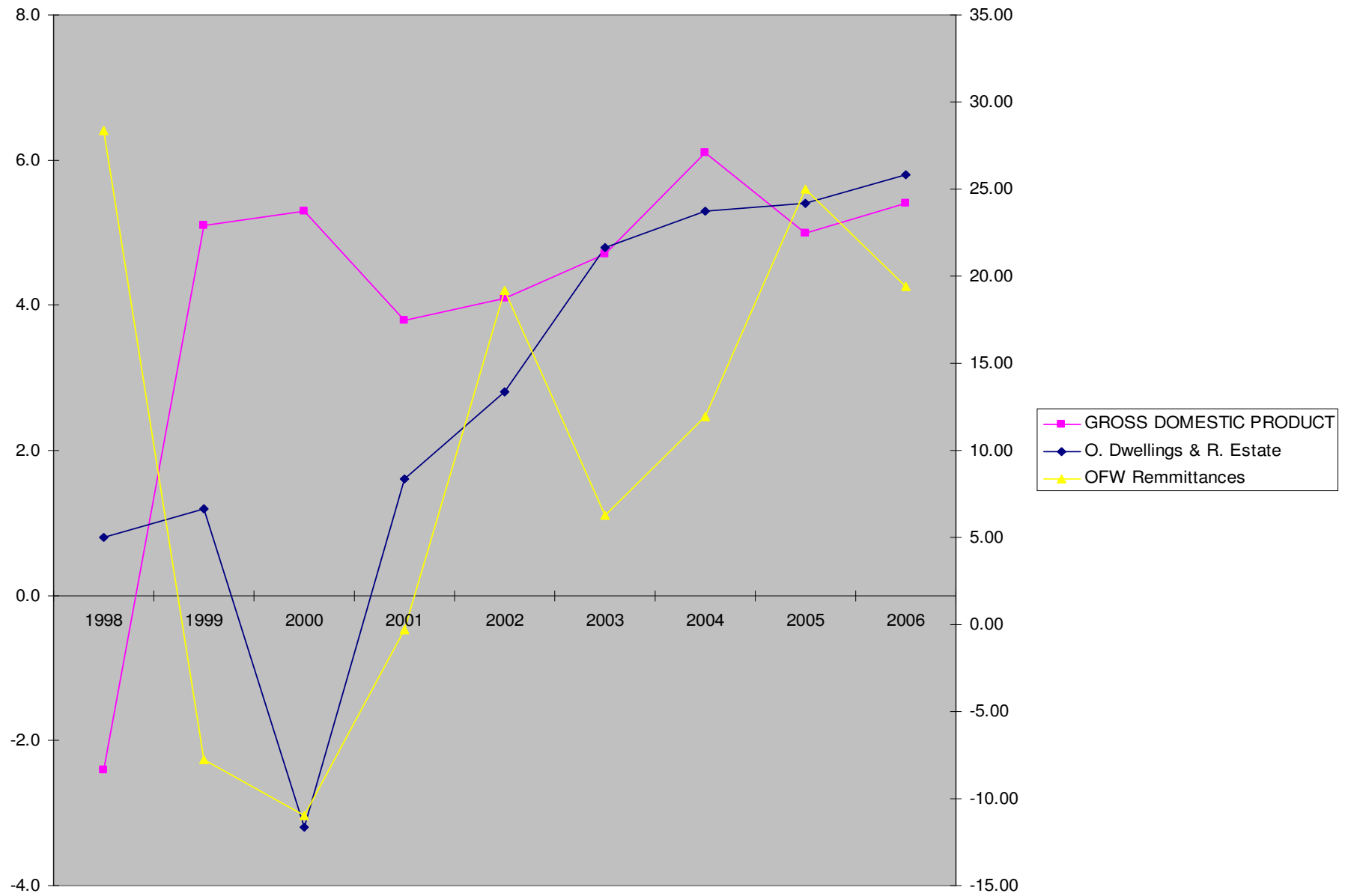
Generally, the two indicators move in contrast

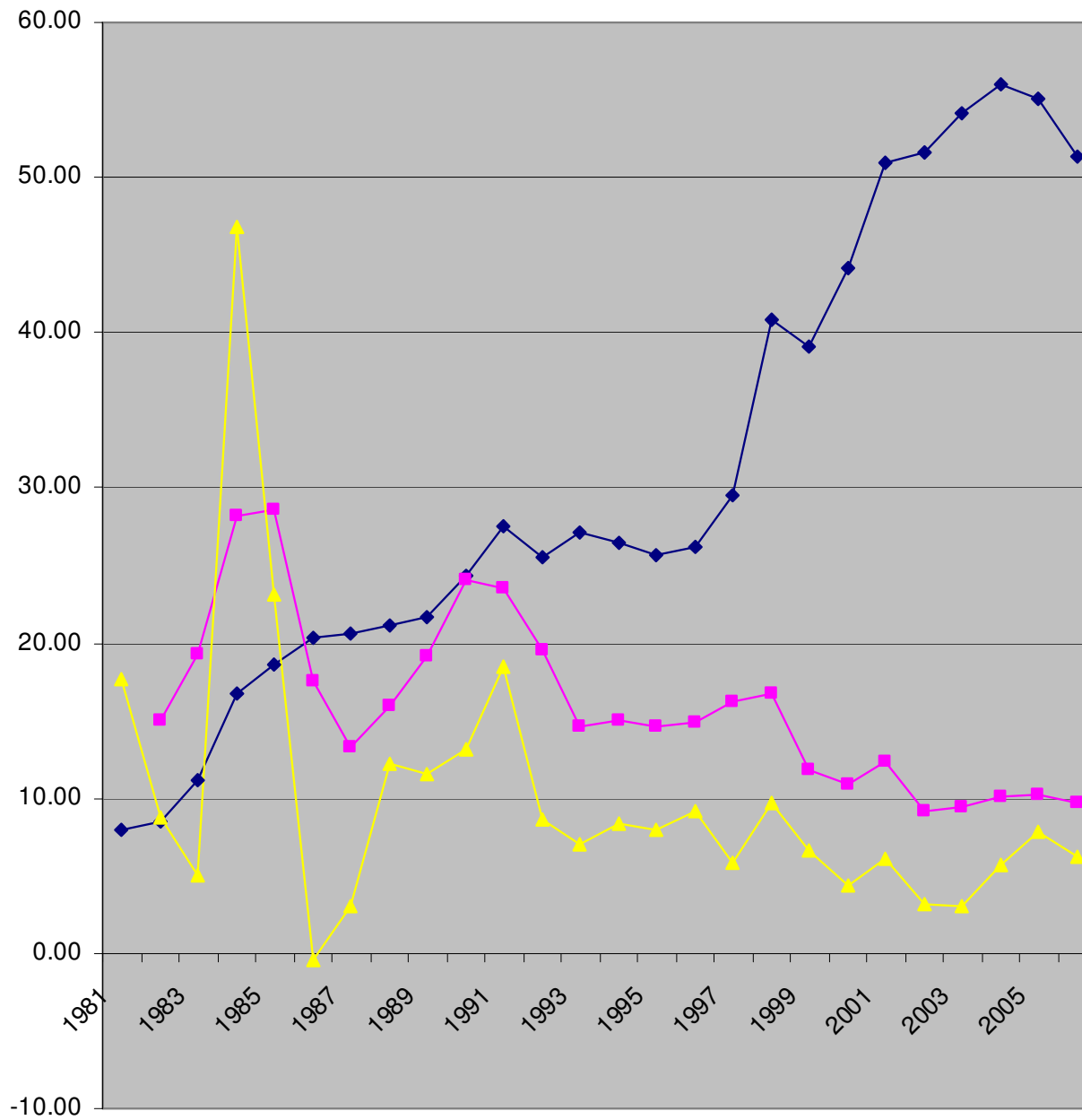
When the economy deflates or reflate, the two indicators moved similarly

Real Estate is recovering

The economy may be reflatting now

Y-O-Y Growth





- Let go of exchange rate
- Low inflation rate and decrease in domestic rate means less demand for dollars
- From 1992 up to present inflation rate is below 10% and averaged 6.66%



