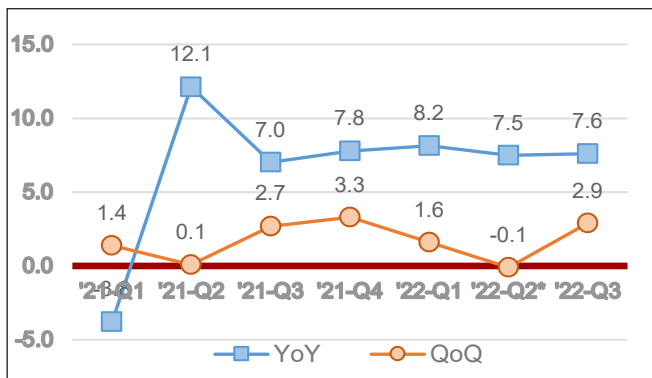


THIRD QUARTER 2022 PHILIPPINE ECONOMIC PERFORMANCE

The Philippine economy posted a 7.6% year-on-year (Y-o-Y) growth in the **Gross Domestic Product (GDP)** for the third quarter of 2022. This is the sixth consecutive period of recorded GDP growth since the second quarter of 2021. Similarly, quarter-on-quarter (Q-o-Q) comparison shows a 2.9% expansion in the third quarter vis-à-vis its preceding period (*Figure 1*).

GDP in the first nine months of 2022 is now valued at P14.37 trillion (at constant 2018 prices), about P1 trillion higher than the recorded GDP of P13.37 trillion in the same period in 2021. In the last quarter of 2022, the economy needs to expand by at least 3.3% to reach the lower-end of the government's full year growth target of 6.5%, or by 6.9% to achieve the higher-end growth target of 7.5%.

**FIGURE 1. GDP GROWTH RATES, 2021 TO 2022 Q3
(CONSTANT 2018 PRICES)**



*2022 Q2 GDP was revised to 7.5% from the preliminary estimate of 7.4%

Net primary income (NPI), comprised mainly of remittances from overseas Filipinos, recovered and rose by 94.6% in the third quarter of 2022, from a contraction of 52.4% in the same period in 2021 (*Table 1*). Gross national income (GNI) growth jumped to 10.5% from 2.8%.

**TABLE 1. GROWTH RATES IN NPI AND GNI,
2021 TO 2022 Q3**

	2021				2022		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
NPI	-75.9	-55.7	-52.4	16.0	105.4	65.3	94.6
GNI	-10.5	6.8	2.8	8.1	10.6	9.3	10.5

*2022 Q2 NPI was revised to 65.3% from preliminary estimate of 64.8%.
Source: PSA

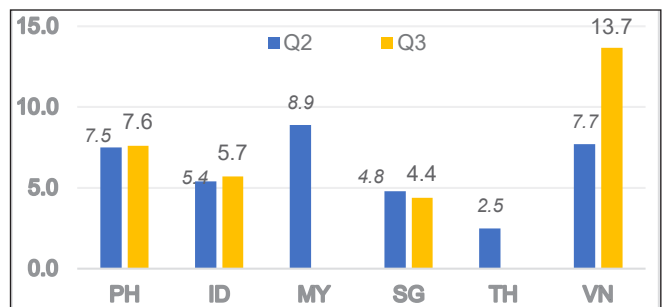
The Philippines ranked second among major ASEAN member states with available GDP growth rates for the third quarter of 2022, following Vietnam's (VN) double-digit expansion of 13.7% (*Figure 2*).

Facts in Figures

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Indonesia (ID) registered 5.7%, while Singapore's (SG) GDP growth figure is 4.4%.

**FIGURE 2. GDP GROWTH RATES OF MAJOR ASEAN
ECONOMIES, 2022 Q2-Q3**



* No available 2022-Q3 data yet for Malaysia (MY) and Thailand (TH). Source: Statistical agencies of ASEAN member states.

SUPPLY SIDE

All production sectors posted expansion in the third quarter of the year (*Table 2*). The **agriculture, forestry and fishing (AFF)** bounced back by 2.2% in the third quarter of 2022, from a contraction of 1.7% in the same period in 2021. Major crops such as palay and corn, both sustained growth of 1% and 2.5%, respectively.

**TABLE 2. GROWTH RATES BY INDUSTRIAL ORIGIN,
2021 TO 2022 Q3**

	2021				2022		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
AFF	-1.3	0.0	-1.7	1.4	0.2	0.2	2.2
IND	-4.2	21.3	8.7	9.6	10.5	6.4	5.8
SERV	-4.0	9.9	7.7	8.0	8.3	9.1	9.1

Source: PSA

The industry (IND) sector maintained an expansion of 5.8% in the third quarter of 2022, from 8.7% in the same period in 2021. All four sub-sectors registered growth with construction at the fore with 12.2%, followed by mining and quarrying with 9.1%,

electricity, steam, water and waste management with 3.9%, and manufacturing with 3.6%.

Services (SERV) also sustained its growth at 9.1% in the third quarter of 2022, from 7.7% in the same period in 2021. All eleven sub-sectors expanded, with accommodation and food service activities (40.6%), other services (38.3%), and transportation and storage (24.3%) posting double-digit growth.

DEMAND SIDE

TABLE 3. GROWTH RATES BY EXPENDITURE, 2021 TO 2022 Q3

	2021				2022		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
HFCE	-4.8	7.3	7.1	7.5	10.0	8.6	8.0
GFCE	16.1	-4.2	13.8	7.8	3.6	11.1	0.8
Investment	-13.9	83.7	20.8	14.2	20.4	21.1	21.7
<i>F. capital</i>	-18.2	39.7	16.0	10.8	11.8	13.6	10.1
<i>Const.</i>	-25.2	35.3	24.9	15.8	14.7	16.3	11.8
<i>Dur. Eqt.</i>	-11.0	94.5	6.2	5.5	9.9	11.9	11.6
<i>BSOD</i>	-3.2	-2.7	-2.2	-5.0	3.5	-0.7	-2.4
<i>IPP</i>	1.1	10.7	18.4	18.7	10.8	5.8	5.3
Exports	-8.4	28.6	9.1	7.7	10.4	4.4	13.1
Imports	-7.5	40.3	12.7	14.3	15.4	13.8	17.3
GDP	-3.8	12.1	7.0	7.8	8.2	7.5	7.6

Note: *Const*= construction. *Dur. Eqt*= durable equipment. *BSOD*= breeding stocks and orchard development. *IPP*= intellectual property products.

Source: PSA.

TABLE 4. GROWTH RATES BY EXPENDITURE GROUP, 2021 Q3 AND 2022 Q1-Q3

Purpose	2021 Q3	2022	
		Q2	Q3
Food & non-alcoholic bev.	2.9	5.7	3.9
Alcoholic bev., tobacco	-7.0	2.7	-10.0
Clothing & footwear	27.9	4.5	-5.5
Housing, water, electricity, gas & OF	3.2	6.9	1.3
Furnishings, HH eqpt. & RHHM	7.9	7.0	9.5
Health	16.3	-2.5	6.9
Transport	17.3	25.2	20.5
Communication	7.5	9.6	7.3
Recreation & culture	21.6	37.9	46.0
Education	14.4	7.5	5.4
Restaurants & hotels	12.5	33.2	38.2
Misc. goods & services	6.5	7.2	8.3
HFCE	7.1	8.6	8.0

Note: OF = other fuels. RHHM = routine HH maintenance.

Source: PSA.

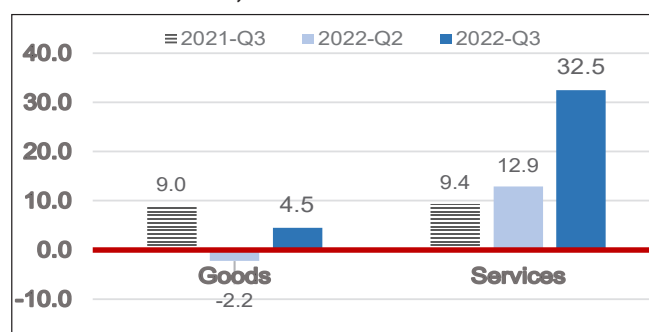
Household final consumption expenditure (HFCE) rose by 8% in the third quarter of 2022, from a 7.1% growth in the same period in 2021 (Table 3). Except for alcohol beverages and tobacco, and clothing and footwear, all HFCE items posted an expansion with

three items registering double-digit growth rates: recreation and culture (46%), restaurants and hotels (38.2%), and transport (20.5%) (Table 4). Food and non-alcoholic beverages, which comprised the bulk of household spending, further grew by 3.9% from 2.9% in the comparable period in 2021.

Government final consumption expenditure (GFCE) slowed down to 0.8% in the third quarter of 2022, from a double-digit expansion of 13.8% in the comparable period in 2021 (Table 3). Investment continued its remarkable expansion of 21.7% in the third quarter of 2022. This is the sixth consistent double-digit growth of the sector since the second quarter of 2021. Four of the five sub-sectors sustained growth rates: construction (11.8%), durable equipment (11.6%), fixed capital (10.1%), and intellectual property products (5.3%).

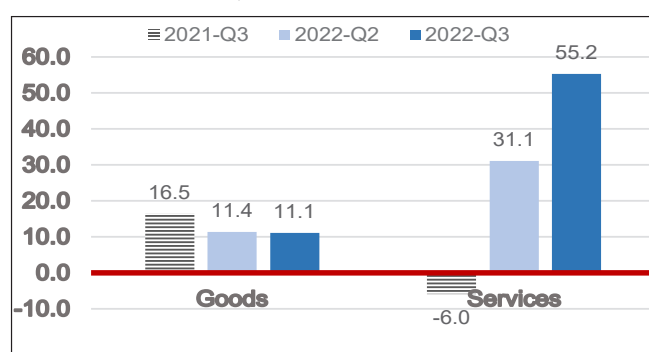
Total exports further grew by 13.1% in the third quarter of 2022, compared to 9.1% in the same period in 2021 (Table 3). Both exports of goods and services expanded by 4.5% and 32.5%, respectively (Figure 3). Total imports also rose by 17.3% in the third quarter of 2022, from 12.7% in the comparable period in 2021 (Table 3). Imports of goods grew at a slower pace of 11.1% (from 16.5%), while imports of services bounced back to a notable rate of 55.2% (from a contraction of 6%) (Figure 4).

FIGURE 3. GROWTH RATES IN EXPORTS OF GOODS AND SERVICES, 2021 Q3 AND 2022 Q2-Q3



Source: PSA.

FIGURE 4. GROWTH RATES IN IMPORTS OF GOODS AND SERVICES, 2021 Q3 AND 2022 Q2-Q3



Source: PSA.