PHILIPPINES

<table>
<thead>
<tr>
<th>GDP (current US$, billions):</th>
<th>$292.45</th>
<th>Population (thousands):</th>
<th>102,250</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share of GDP in developing Asia-Pacific:</td>
<td>1.4%</td>
<td>GDP per capita (current US$):</td>
<td>$2,904.10</td>
</tr>
<tr>
<td>Share of GDP in South-East Asia:</td>
<td>10.1%</td>
<td>Average inflation (2016):</td>
<td>1.8%</td>
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</tbody>
</table>

- Economic growth in the Philippines sped up to 6.8 per cent in 2016 from about 6 per cent in the preceding two years.

- Robust private consumption drove economic expansion thanks to higher workers’ remittances, stronger domestic employment and modest inflation. Fixed investment also surged in 2016 as a result of a pre-election spending cycle and a notable increase in public works projects.

- Unlike domestic demand, external demand was much weaker. Total exports, in which electronics components account for a large proportion of the total, declined in 2016.

- In an effort to further increase spending on social services, the Government recently raised the ceiling on the fiscal budget from 2 per cent of GDP to 3 per cent in the period to 2022.

- Years of rapid economic growth have helped reduce the poverty rate, although it remained relatively high at almost 22 per cent in 2015.

- The growth outlook is optimistic, with projected growth of 6.9-7 per cent in 2017 and 2018.

- Higher oil prices would help boost economic activities in the Middle East, which hosts many Filipino overseas workers. In addition to higher workers’ remittances, fiscal support would support household consumption.

- Budgeted government spending in 2017 is more than 10 per cent higher than that in 2016, with the increase being focused on education and infrastructure development.

- Capital investment is expected to expand favourably, given that industrial capacity utilization is at a multi-year high level.

- Inflation rates in 2017 and 2018 are projected to remain below the past trend.