



Global Recession Impact News (GRIN) and Positioning for the Rebound

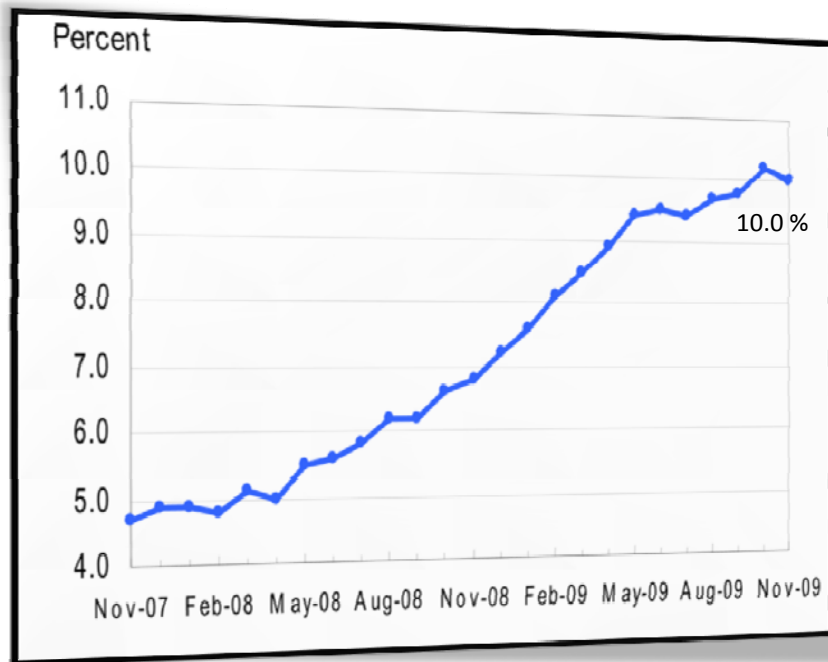
**Acting Secretary Augusto B. Santos
National Economic and Development Authority**

December 29, 2009

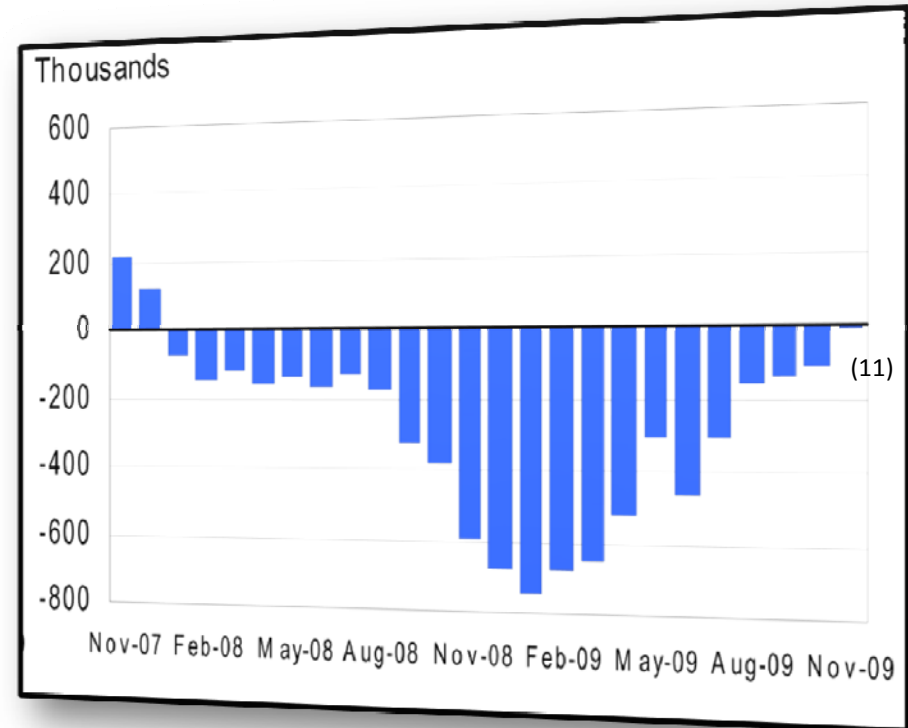
GLOBAL DEVELOPMENTS

US unemployment eases slightly

Unemployment rate, seasonally adjusted, Nov '07 – Nov '09



Source: <http://www.bls.gov>



Nonfarm payroll employment over-the-month change, seasonally adjusted, Nov '07 – Nov '09

But threat to jobs far from over...

- Employment in developed countries may not return to pre-crisis levels before 2013
- Estimated 5 million workers at risk of losing their jobs in 51 countries
- In developing countries, high quality jobs lost and affected workers likely to move into informal economy

Source: http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/presentation/wcms_118385.pdf

World Bank chief economist wants stimulus till 2012

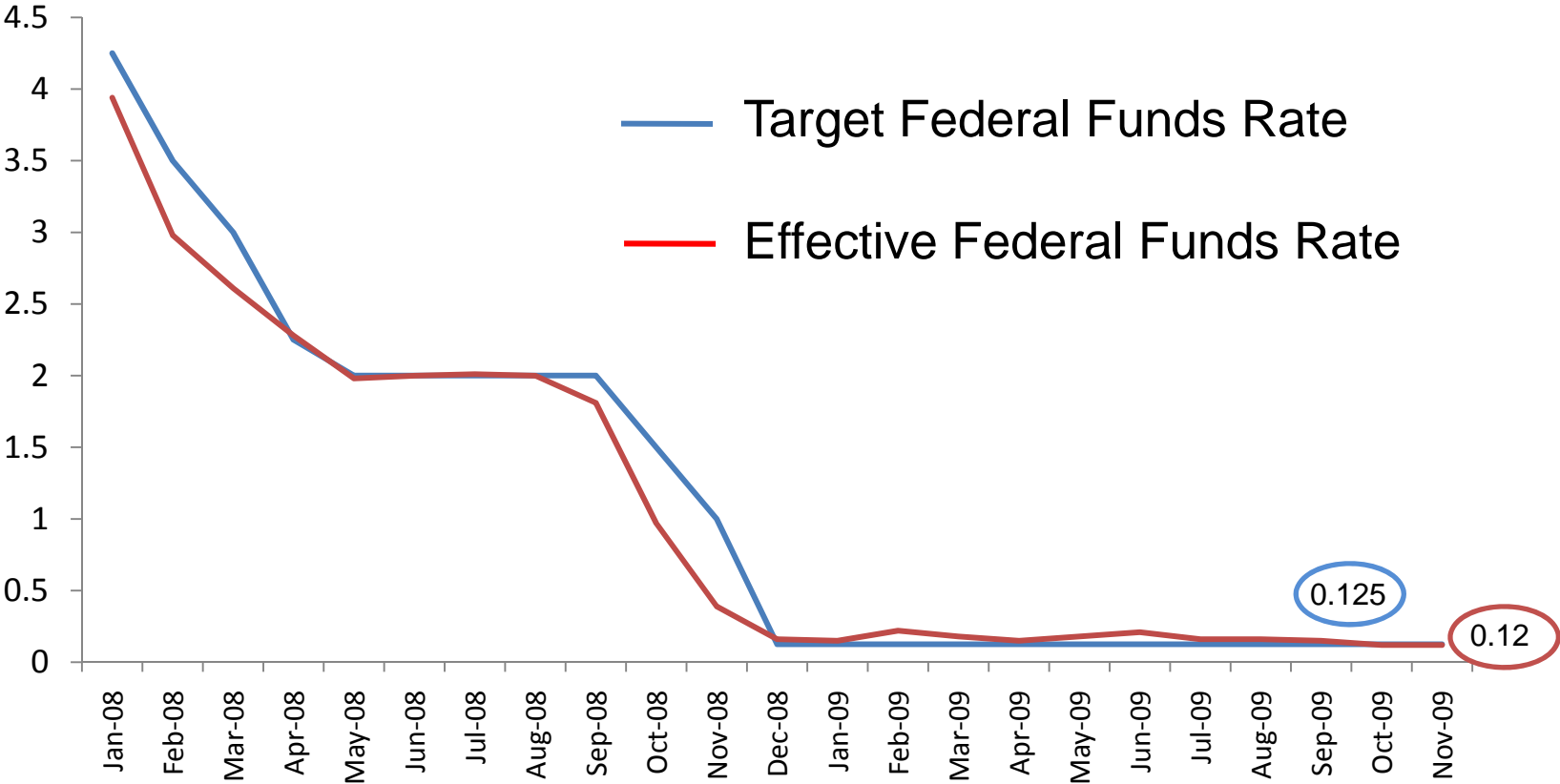
“Countries should keep fiscal measures in place until 2012...despite risks of inflationary measures. It is more important to talk about how to improve the quality of fiscal stimulus, use the money in a way that can enhance the growth in the future.”

Justin Yifu Lin,

World Bank Chief Economist and Senior Vice President

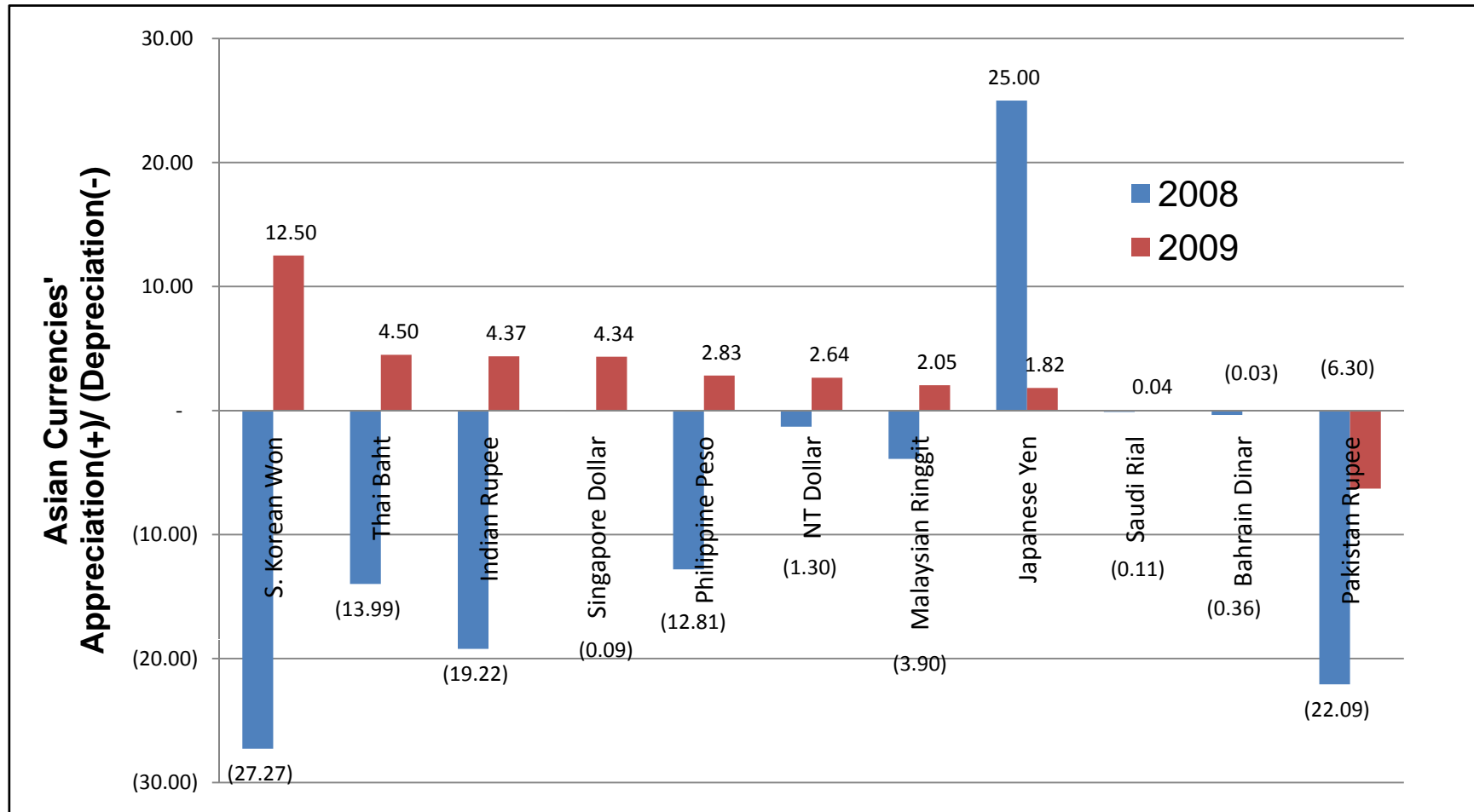
(quoted from an interview with the Reuters Group)

US Federal Reserve hints of continued low interest rates well into 2012



Source: US Federal Reserve

Dollar pressured in Asia



Source: Bangko Sentral ng Pilipinas

Consumer spending rebounding in Asia

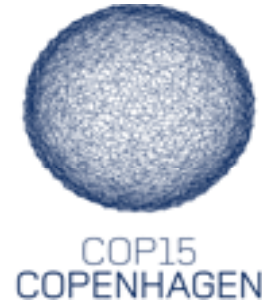
ASIA

- Households have become a key driver in the region's recovery
- Seen in double-digit growth of shopping purchases and car sales across Asia

PHILIPPINES

- Remittances strengthened consumption offsetting the effects of typhoons, weak labor and rising inflation pressures

Copenhagen Accord disappoints, but it's still a step forward



15th UN Climate Change Conference (COP15), Dec. 07 – 18, 2009

- Did NOT spell out greenhouse gas emission targets. Pledges are merely voluntary and not binding.
- Commitment to limit global warming to 2 degrees Celsius
- Rich nations pledge \$ 30 billion in fast-track finance for poor countries' adaptation and mitigation measures for 2010-2012. Will mobilize \$ 100 billion by 2020.
- Philippines benefits from \$ 380 million in aid pledges.



Thai and Vietnamese rice endangered by climate change -- ADB

- Can lead to drier weather conditions in Thailand, Vietnam, Indonesia in the next two to three decades
- Thailand: around half of world export total
- Vietnam: threat to rice grown along low-lying Mekong and Red River deltas

New \$ 350 million fund for green tech for developing nations

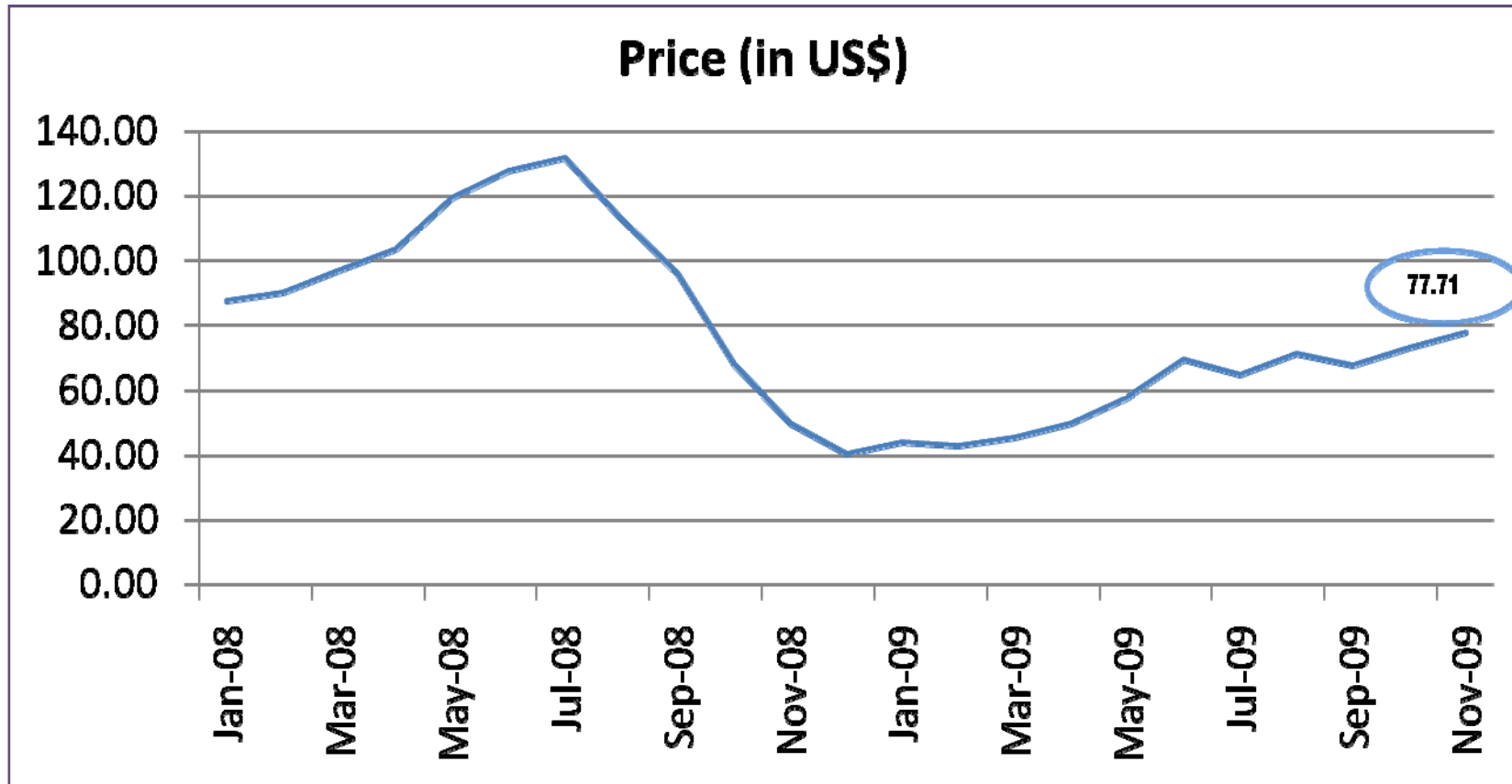
- Funded by US, Australia, Britain, Netherlands, Norway and Switzerland



For 10 key technologies:

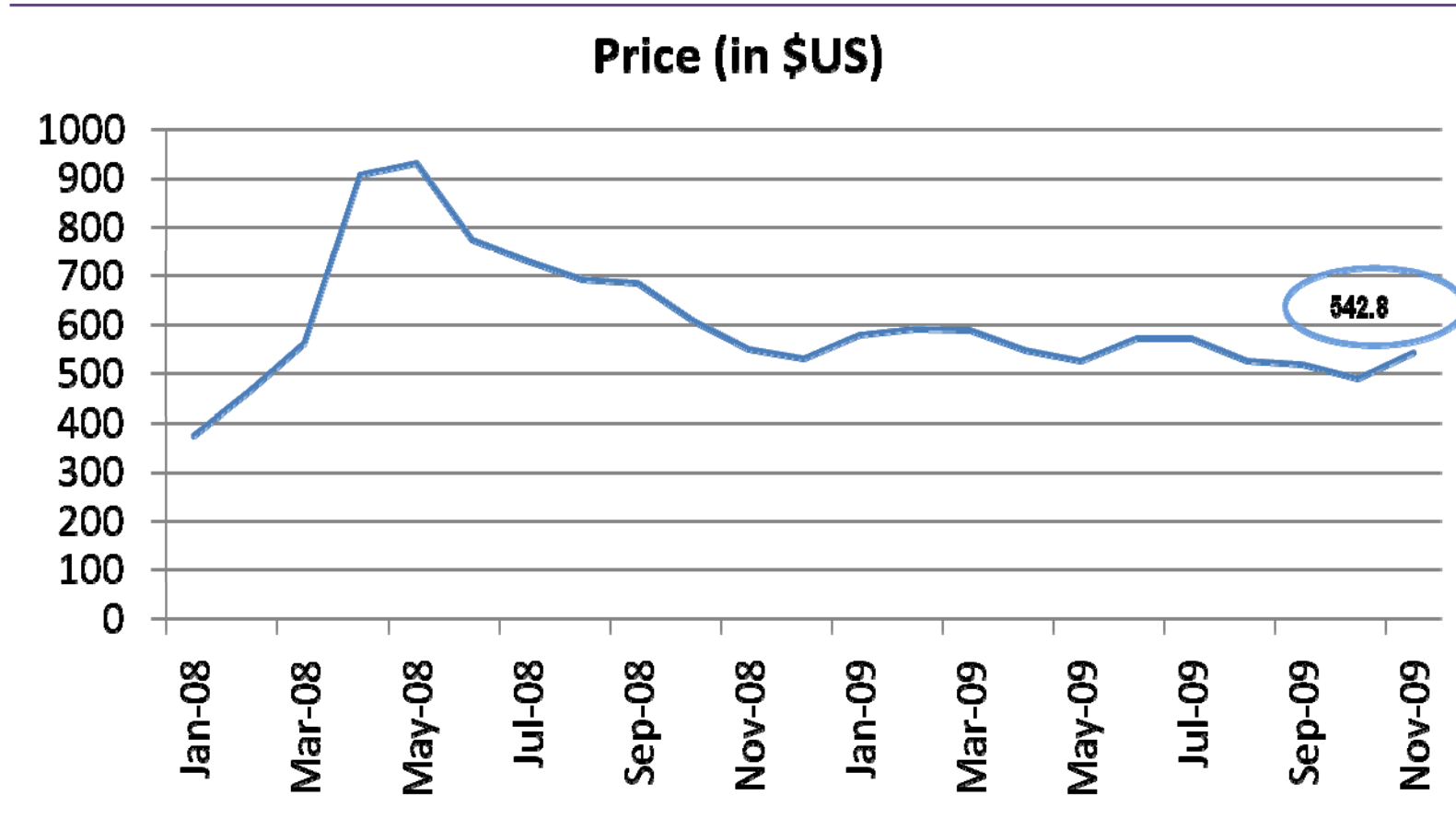
- advanced vehicles
- bio-energy
- building energy efficiency
- carbon capture and storage
- cleaner coal
- industrial energy efficiency
- smart grid
- marine energy
- solar energy
- wind energy

Dubai oil prices



Source: Department of Energy

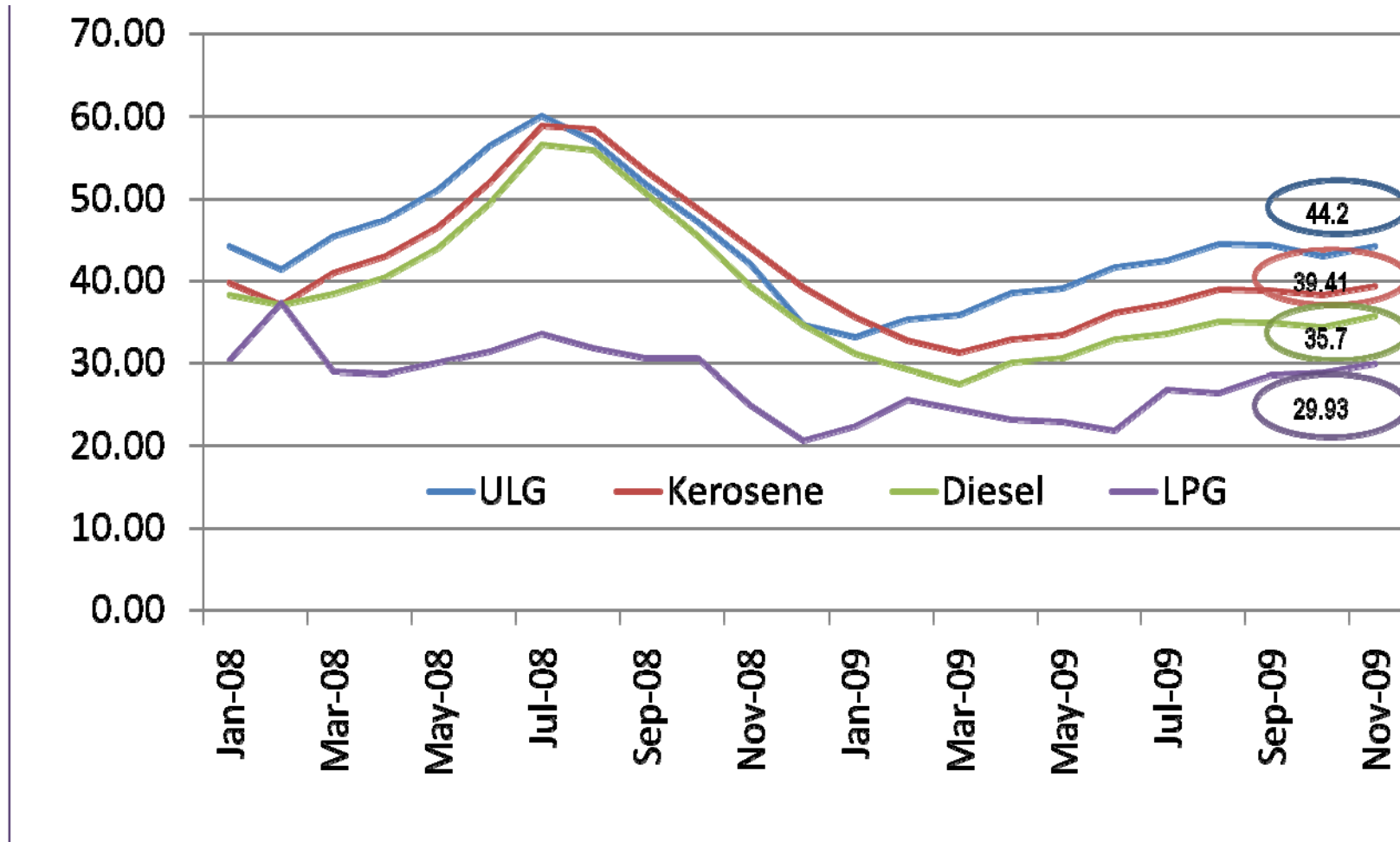
International rice prices



Source: Worldbank Commodity Pinksheet

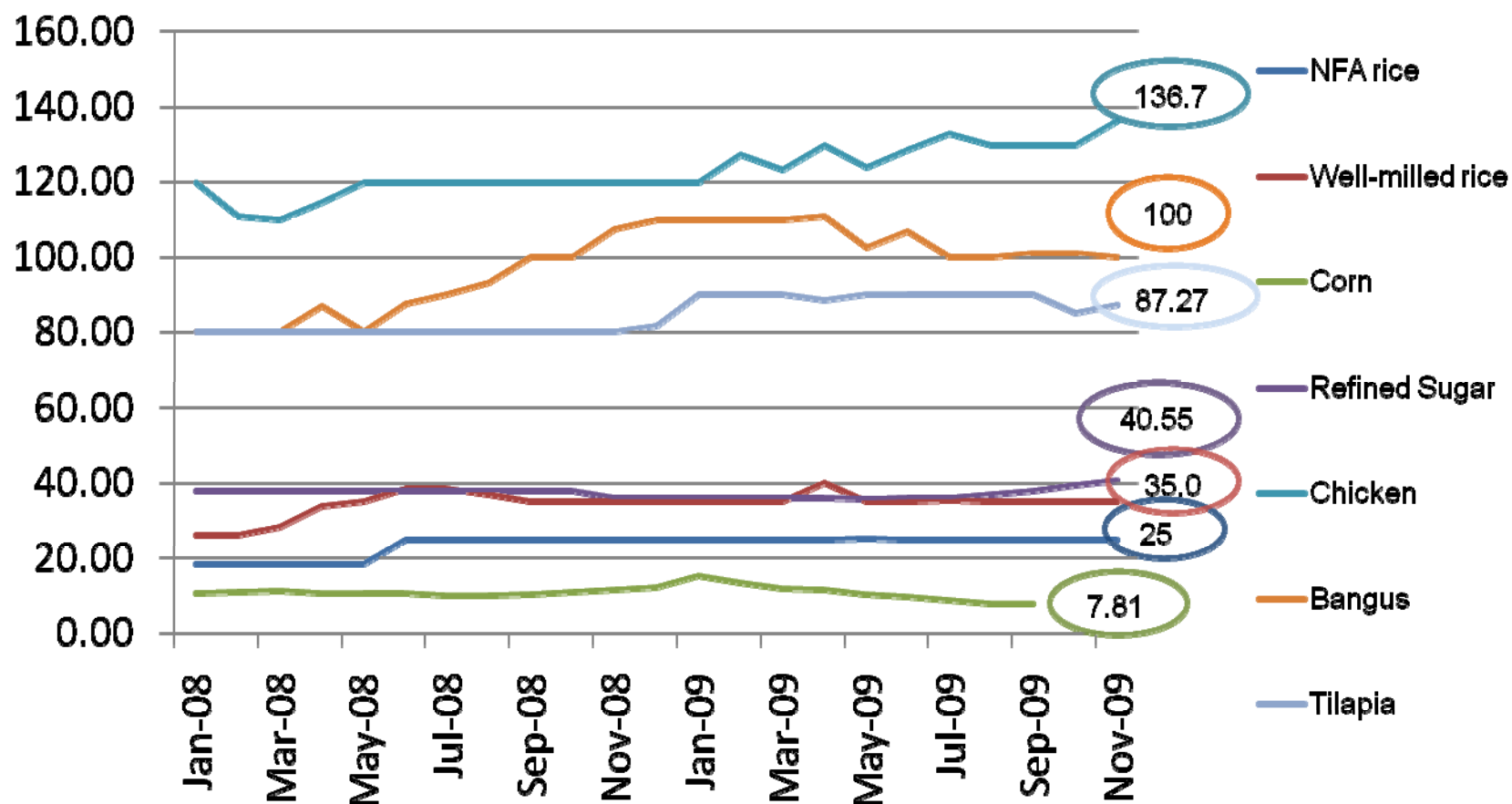
LOCAL DEVELOPMENTS

Domestic pump prices



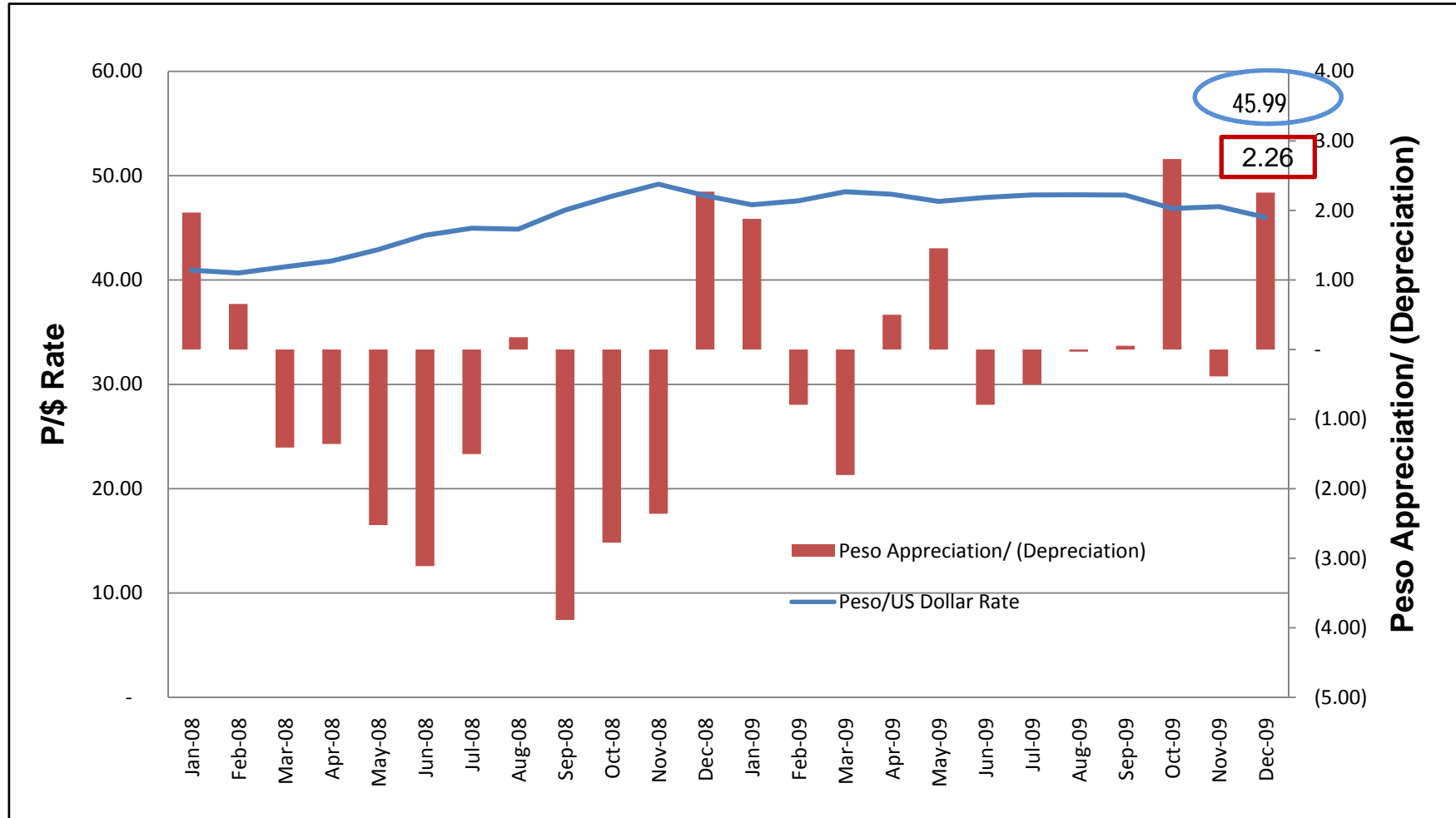
Source: Department of Energy

Domestic selected commodity prices



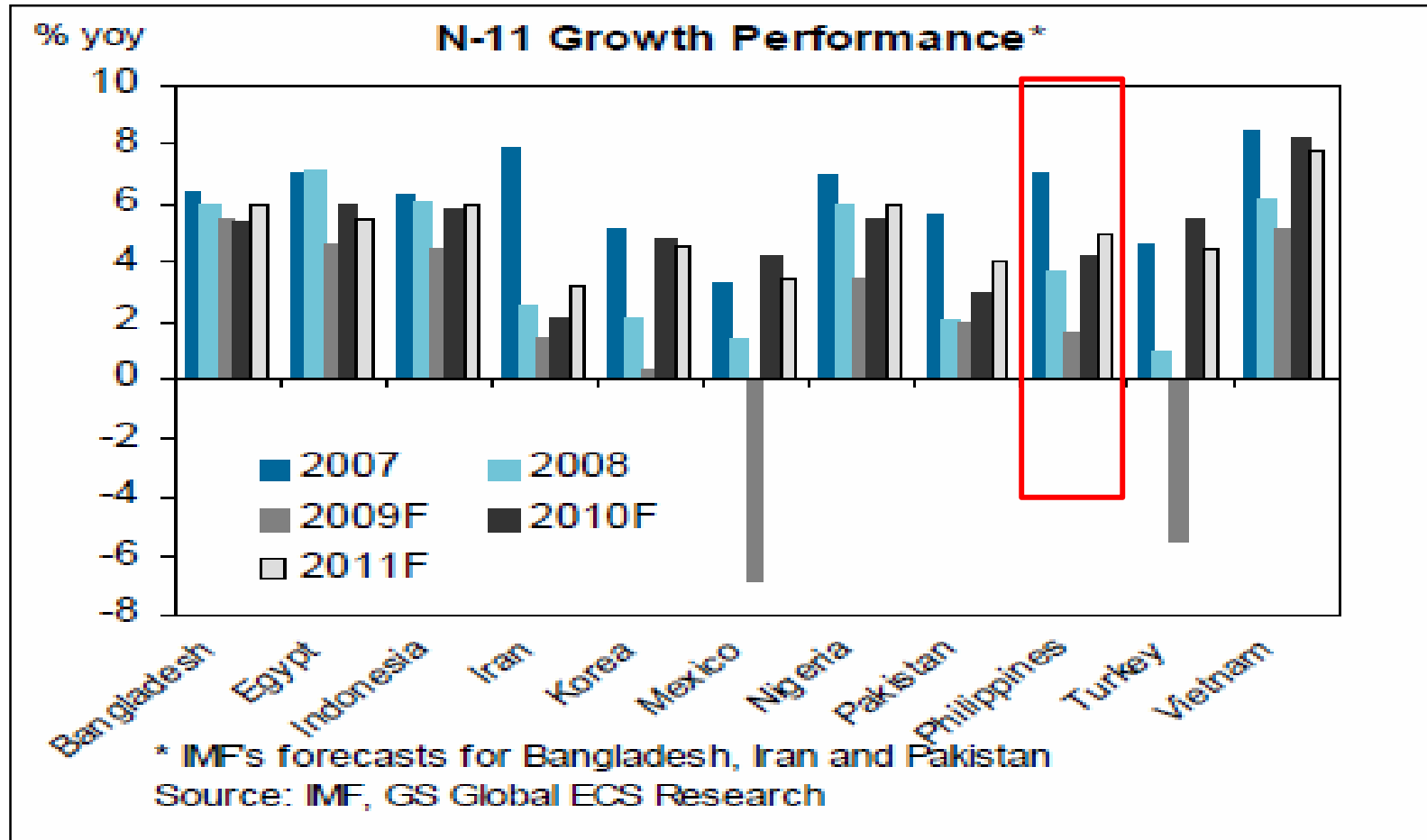
Source: Bureau of Agricultural Statistics

Peso-Dollar Exchange Rate

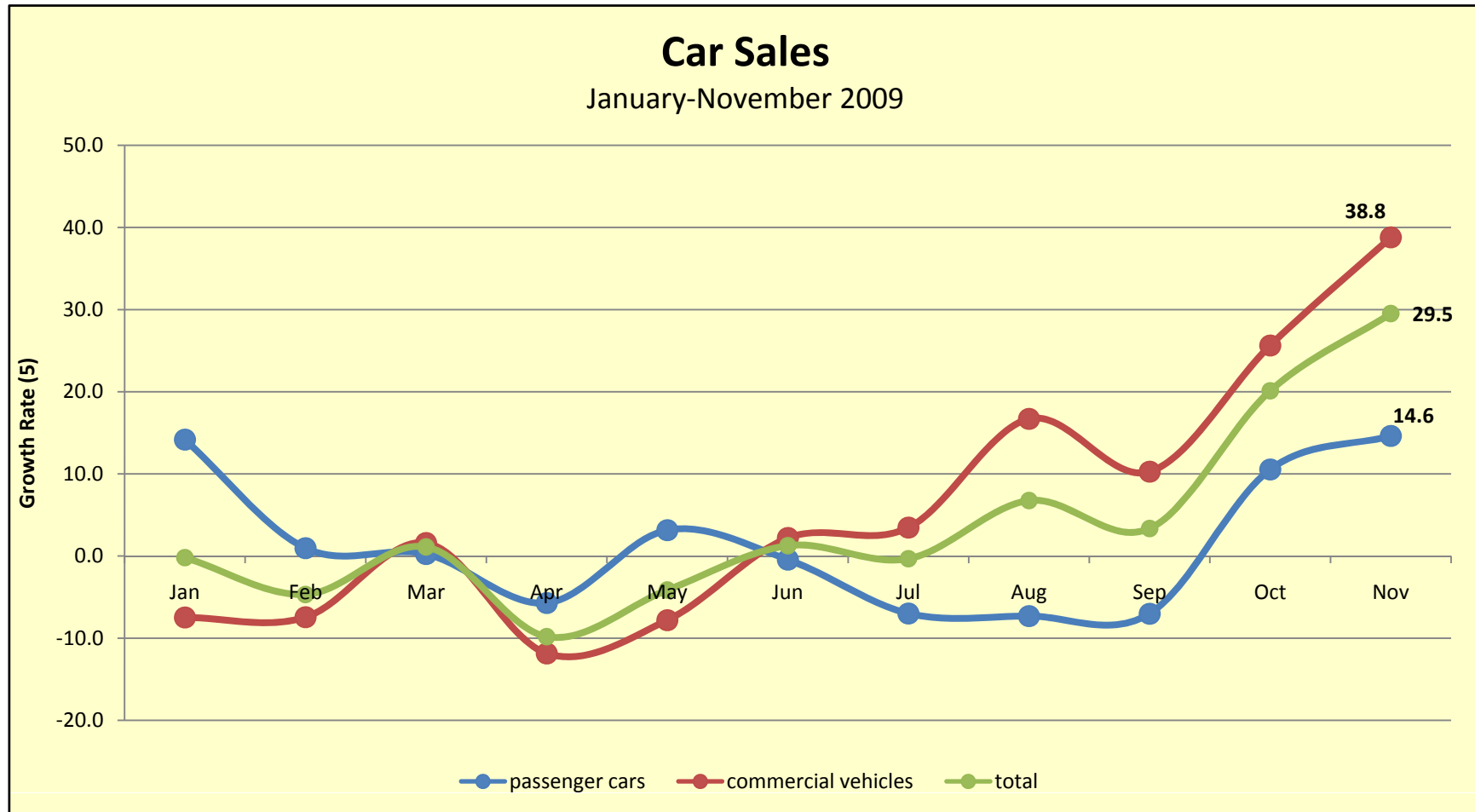


Source: Bangko Sentral ng Pilipinas

Goldman Sachs: Philippines doing better than most emerging economies



Car sales in November up 29.5% -- largely due to typhoons



Source: Chamber of Automotive Manufacturers in the Philippines

Cheap fares push up air travel, tourism

Domestic passengers for Q1-Q3 reached 11.1 million, or an increase of 29.5%.

- Cebu Pacific: 5.35 million passengers
- Philippine Airlines: 4.64 million
- Zest Airways: 0.66 million
- PAL Expres: 0.32 million

Competition, budget airfares, promos, encourage domestic travel and fuel local tourism.



PLDT readies broadband over power lines (BPL)



- PLDT to roll out BPL service in 6 to 12 months.
- BPL will enable Meralco customers to avail of broadband services.
- Breakthrough technology will multiply access to broadband and fuel the growth of Internet usage.

DOE will sign 80 new renewable energy contracts

- On top of 87 such contracts already awarded
- Renewable Energy Act of 2008 continues to bear fruit
- To generate 4,042 megawatts (MW) of electricity, of which 1,257 MW is additional capacity.
- The projects entailed investments of P90.4 billion



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