



REPUBLIC OF THE PHILIPPINES
NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY

PRESS CONFERENCE ON THE Q3 2020 PERFORMANCE OF THE PHILIPPINE ECONOMY

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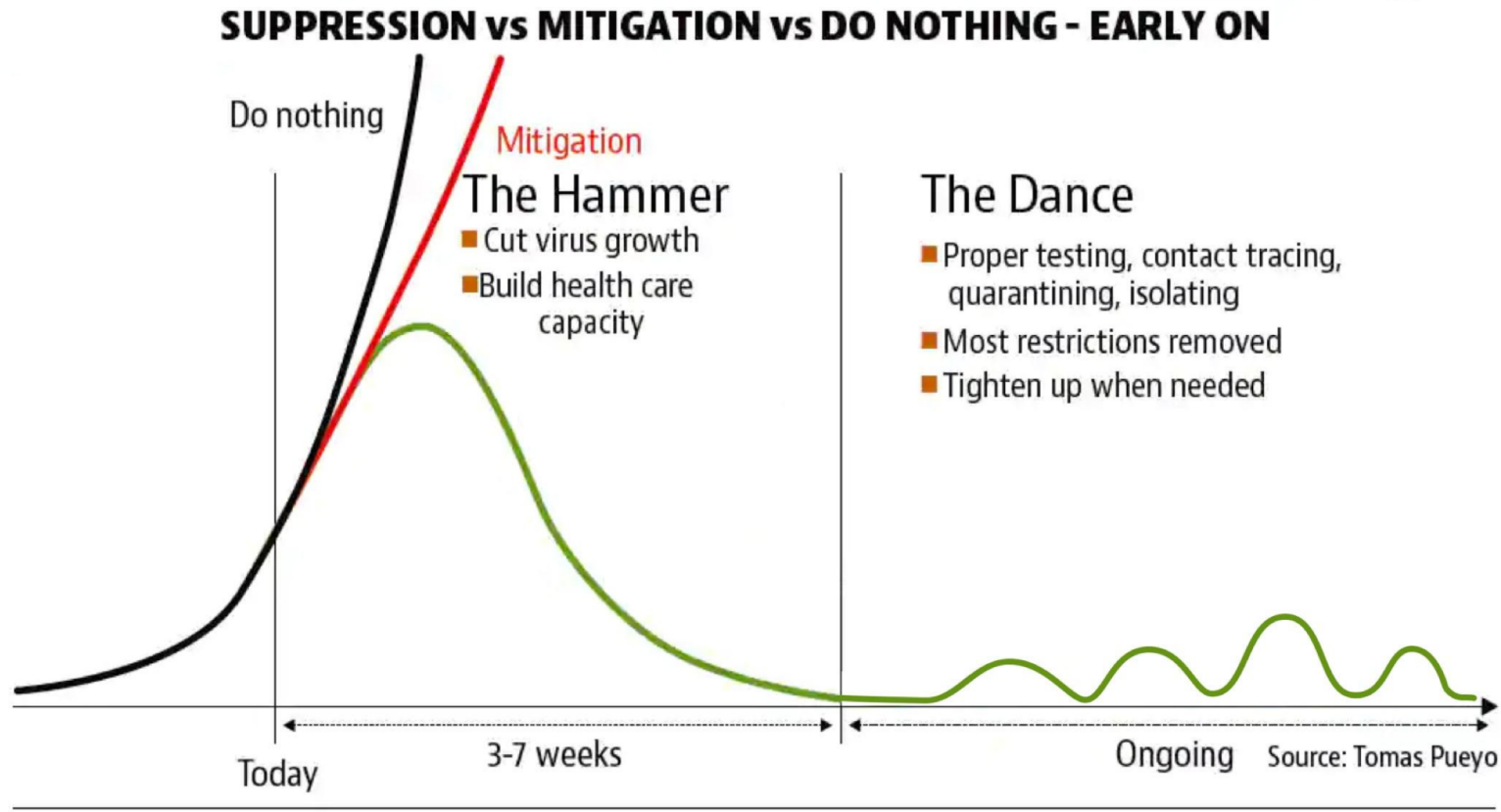
Acting Socioeconomic Planning Secretary

Our experience with COVID-19 tells us two things.

1. The economy is strong enough to recover if we enable it to do so.
2. Our best recourse to help the economy is to manage risks.

The third quarter of 2020 saw the country dance with the virus: two steps forward and one step back

Hammer-and-dance theory



In August, NCR reverted to MECQ for two weeks, while Cebu City also reverted to ECQ and then the MECQ to give the healthcare system time to recover.

Month	% of economy	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
NCR	32											
Region III, IV-A	26											
Others	42											

Legend:

- ECQ
- MECQ
- GCQ
- MGCQ
- No CQ

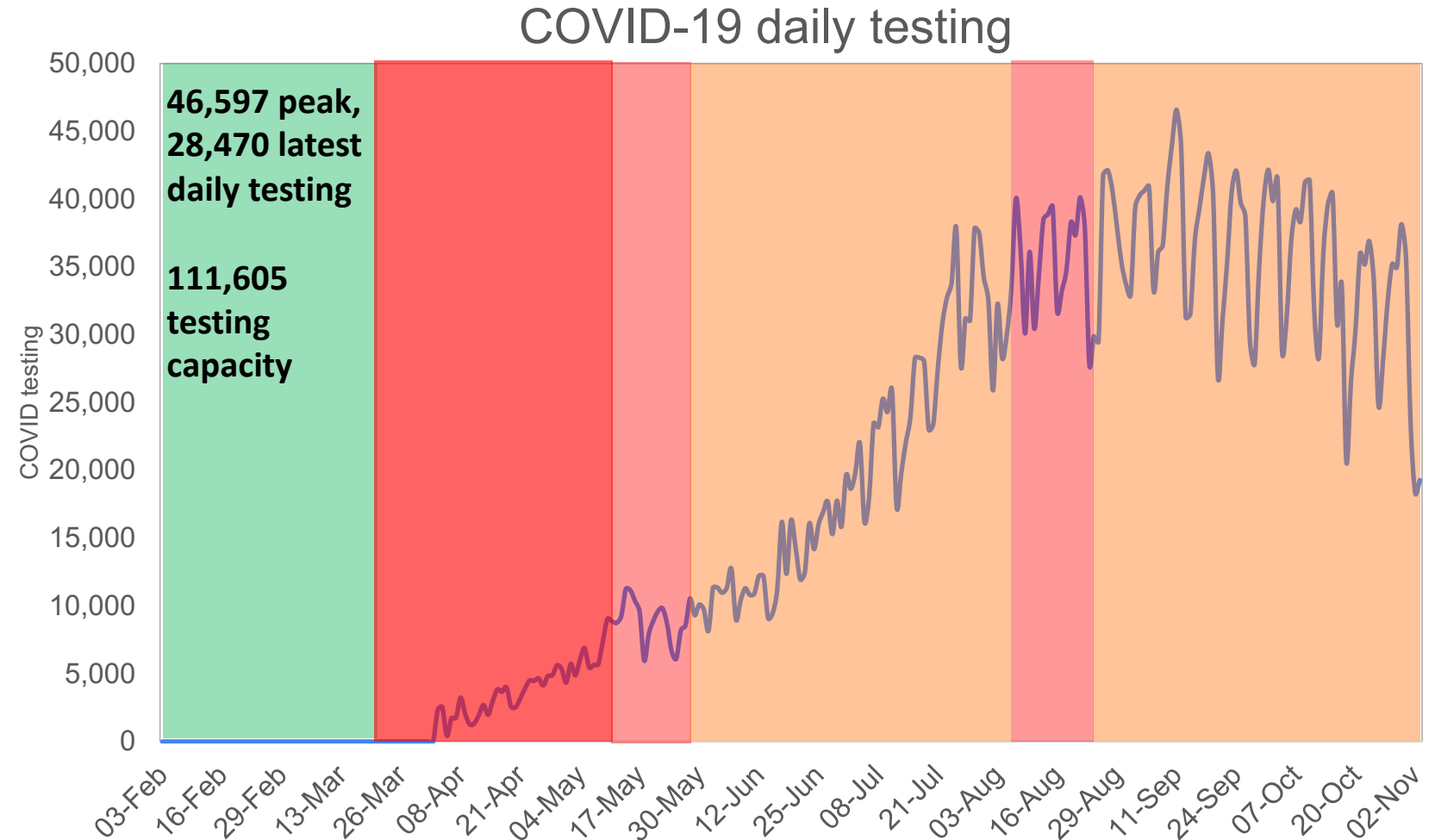
Note: As of Nov 1, outside of NCR and its adjacent regions: Iloilo city, Bacolod, Tacloban, Iligan, and Lanao del Sur are under GCQ. All other areas are under MGCQ.

Testing has significantly increased in the past two months.



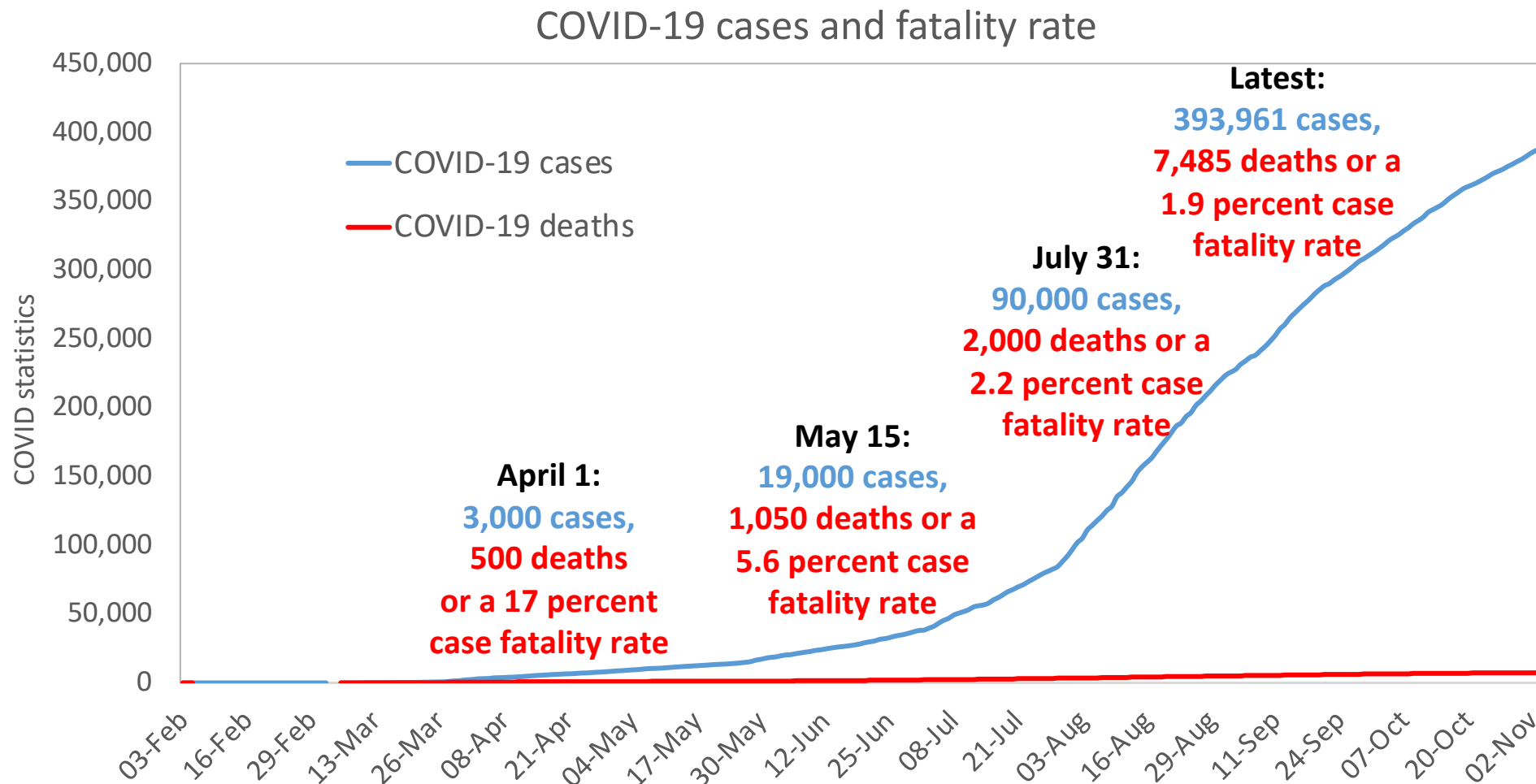
Legend:

- ECQ
- MECQ
- GQC
- MGCQ
- No CQ



Source: DOH

Increased testing led to more confirmed cases, but the case fatality rate (deaths) declined significantly.



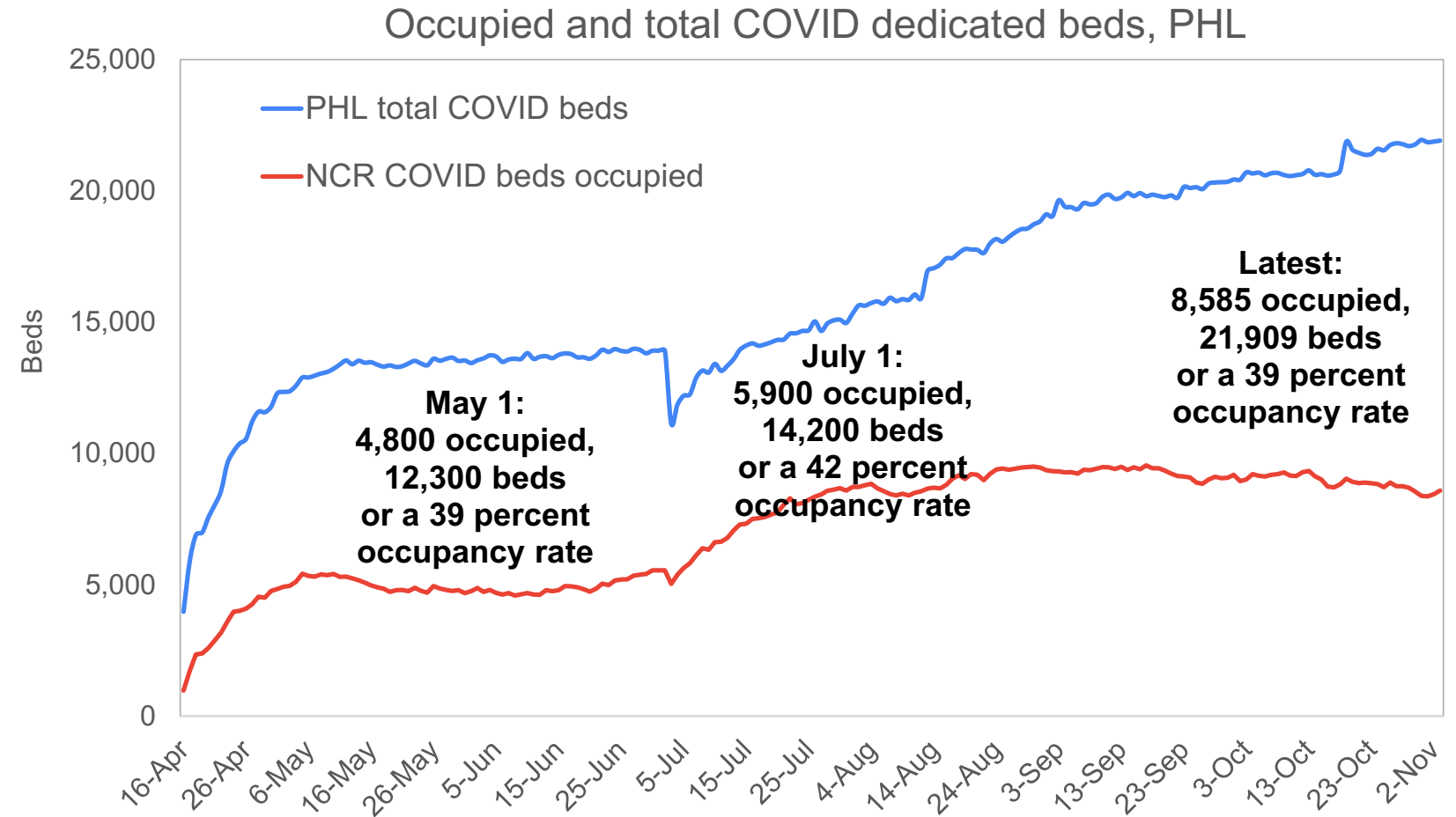
Source: DOH

The far majority, or around 94 percent, are mild or asymptomatic cases.

Breakdown of COVID-19 active cases as of 7 Nov 2020.

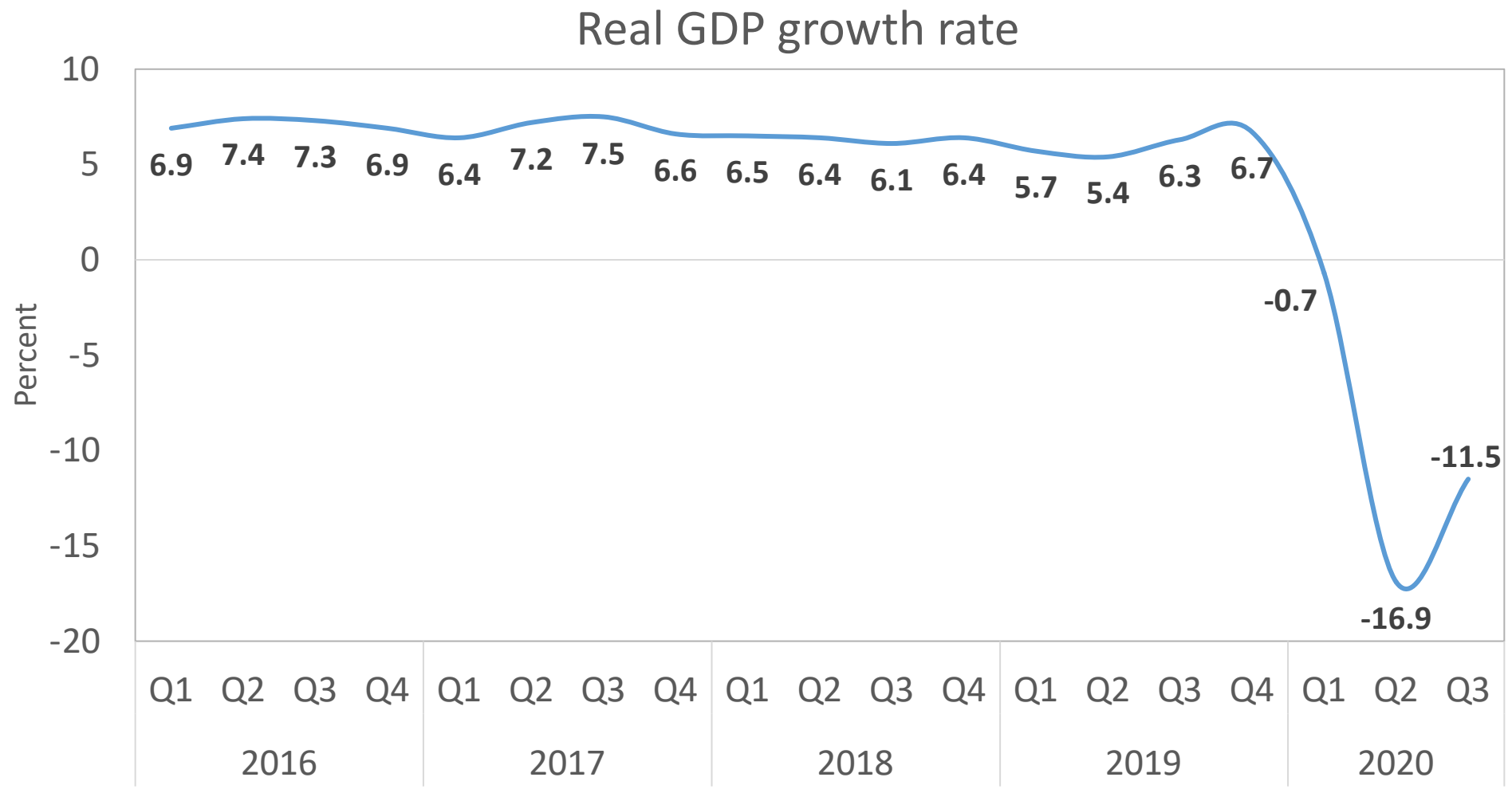
Status	Counts	Share to total active
Total cases	393,961	
Total active cases	36,260	100.0
Asymptomatic	3,615	10.0
Mild	30,362	83.7
Severe/critical	2,283	6.3
Source: DOH		

COVID-19 dedicated beds in Philippines have also increased over time, while occupancy rate remained less than half, and is currently at 39 percent.



Source: DOH

The smaller GDP contraction of 11.5 percent in the third quarter from a contraction of 16.9 percent in the second quarter indicates that the Philippine economy is on the mend.



Source: PSA



In Q3, GCQ without optimizing public transport did not really open up the economy as workers cannot go to work.



NCR economy that is open per IATF guidelines
(in terms of workers going to work):

58.2%

NCR economy that is effectively open due to reduced vehicle capacity per IATF guidelines and low operator turnout:

35.5%

GAP: 22.7%
(no means to go to work)

Households and firms have begun to recover, with smaller contractions in household consumption, firm investment, exports, and imports

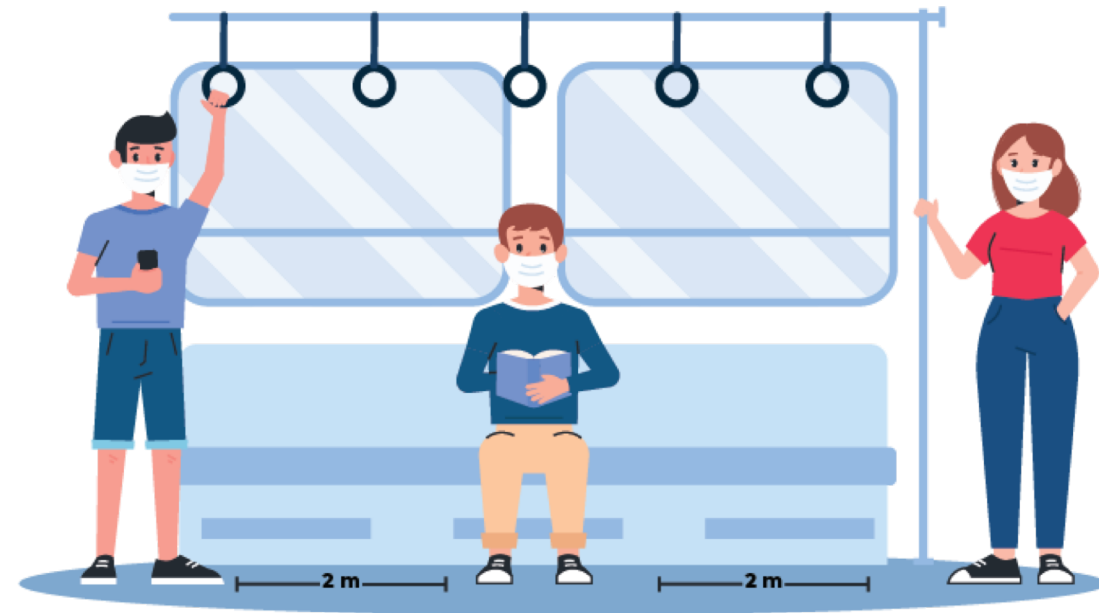
Demand side	Q2 2020 growth	Q3 2020 growth
GDP growth	-16.9	-11.5
Consumption	-15.3	-9.3
Government spending	21.8	+5.8
Investment	-53.7	-41.6
Public construction	3.6	-28.0
Exports	-35.8	-14.7
Imports	-37.9	-21.7
Source: PSA		

On the supply side, agriculture grew by 1.2 percent, and both industry and services showed a smaller contractions.

Supply side	Q2 2020 growth	Q3 2020 growth
GDP growth	-16.9	-11.5
Agriculture	1.6	+1.2
Industry	-21.8	-17.2
Manufacturing	-20.7	-9.7
Services	-17.0	-10.6
Source: PSA		

The Cabinet has recently approved measures to further open up the economy in the fourth quarter, subject to minimum health standards and PDITR.

1. Starting October, new guidelines by the Department of Trade and Industry (DTI) allow more sectors to expand capacity to between 75 and 100 percent.
2. The Department of Transportation (DOTR) has also issued guidelines to increase public transport capacity.
3. At the same time, as the economy opens up, the government continues to ensure hospitals are equipped and preparation for vaccine procurement is underway.



The economic team is hopeful that Congress will pass the pending recovery bills within the year.

1. 2021 Budget or GAA
2. CREATE
3. FIST
4. GUIDE

The timely passage of this bill is crucial in helping attain the 6.5 to 7.5 percent growth target for next year.

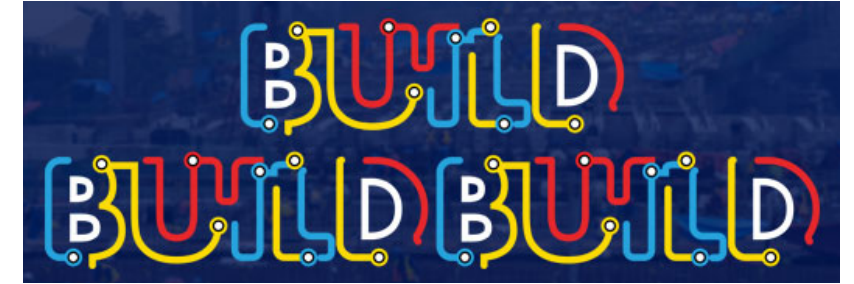
FY 2021 Proposed Budget

P4.506T

9.9% year-on-year growth
21.4% of GDP



Republic of the Philippines
DEPARTMENT OF BUDGET AND MANAGEMENT



The 2021 proposed national budget includes 1.121 trillion pesos for infrastructure, which can help create some 1.7 million jobs.