

**FOR EMBARGO UNTIL THURSDAY, 27 JANUARY 2010, 10:00 A.M.**

**STATEMENT OF NEDA ACTING DIRECTOR-GENERAL  
AUGUSTO B. SANTOS ON THE RELEASE OF THE  
FOURTH QUARTER 2009 NATIONAL INCOME ACCOUNTS**

I am pleased with the NSCB's report that the country's Gross Domestic Product or GDP grew by 1.8 percent in the fourth quarter of 2009. This continued the trend of positive performance amidst the global economic crisis and recent natural calamities. Growth in the full year 2009 stood at 0.9 percent: that is within the DBCC's target range of 0.8 to 1.8 percent, albeit a deceleration from 2008's 3.8 percent. More importantly, our economy has never entered into a recession despite the odds.

Indicators such as the October 2009 Labor Force Survey continued to support our growth. Employment grew by 2.7 percent as the economy gave work to almost another million (944,000). The unemployment rate slightly inched up at 7.1 percent from 6.8 percent a year ago, whereas several economies still struggle with huge layoffs and record joblessness. Note that the unemployment rate is 10 percent in the US, 9.7 percent in the Euro zone, and even 19 percent in Spain.

Having kept the economy from a recession thus far, the tasks ahead are clear. As the Economic Resiliency Plan delivers its primary goals of saving and creating jobs; protecting the most vulnerable; and starting infrastructure development to enhance competitiveness, we must ascertain that the subdued economic recovery this year will benefit most Filipinos.

Looking at available data, we continued to join the economies with positive GDP growth in the fourth quarter: Singapore (3.5%), Vietnam (6.9%), and China (10.7%). We must not waver in our efforts, for the outcome of the race in the unfolding rebound will depend on how fast and how strong is the recovery of each economy.

Overseas Filipinos (OF) remittances delivered once again, boosting Gross National Product (GNP) to 2.4 percent in the fourth quarter. Total OF remittances in dollar terms in (October-November 2009) grew by 8.9 percent, translating into a 7.5 percent growth of Net Factor Income from Abroad (NFIA).

Services (4.2 percent) carried the economy's growth, supported by the industry sector (1.1 percent). Agriculture, which had been growing continuously for 18 quarters, reversed to a 2.8 percent contraction, as damage and losses caused by tropical storm Ondoy and typhoon Pepeng took a heavy toll. Manufacturing returned to positive territory during the quarter (1.3 percent), which bodes well for the revival of exports. In fact, all other subsectors posted positive performances, except agriculture and construction (-5.8 percent).

For 2010, the government will continue to implement the appropriate policies that will provide the right environment for our key growth drivers: trade; BPOs; finance; mining and quarrying; construction; and private services. The NEDA has identified "21st century industries" to include high-value

agribusiness/aquaculture, renewable energy, shipbuilding, tourism, BPOs, information and communications technology (ICT), and mining.

The government would work seriously with the private sector to improve our competitiveness and create more jobs. For instance, we urge farmers to shift from poor rice cultivation towards high-value agriculture, like palm oil, fruits, biofuel, and *halal* livestock. Farmers that produce rice alone are trapped in poverty because rice is a low value crop and it is susceptible to weather changes. There is thus the need to mechanize its production and put farmers to work in high-value agribusiness.

Looking at the many tasks ahead, this year is a welcome start for all of us: the global rebound is underway, our economy has proven itself resilient, and elections will bring fresh mandates and new energy to our society. We are thus optimistic. Our optimism will be matched by measures to address our fiscal challenges, and we trust that our colleagues at the Bangko Sentral will continue with their appropriate monetary policies. We will continue safeguarding the welfare of our overseas workers who faithfully play a very important role in our development. At the same time, we will be developing industries that will create hordes of jobs at home.

The Filipino spirit has shown consistent resilience in the face of difficulties: we aspire to translate such resilience into enduring positive fruits of socio-economic well-being through reduced hunger, affordable basic commodities and better sources of incomes. Maraming salamat.