



USDA Foreign Agricultural Service

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Philippines

Agricultural Situation

Philippine GDP Slows to 5.5 Percent in 2nd Quarter 2006

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Report Highlights:

Philippine GDP growth rate in the second quarter of this year slowed to 5.5 percent compared to the 5.7 percent GDP expansion in the first three months of 2006. This translates to a growth rate of 5.6 percent for the first half of the year, higher than the 4.8 percent GDP growth during the same period in 2005. The official GDP growth target for 2006 is between 5.5 to 6.1 percent.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Manila [RP1]
[RP]

Philippine GDP growth rate reached 5.5 percent year-on-year in the second quarter of this year due to the impressive showing of the agricultural and services sector during the period (refer to GAIN6038 for agriculture's performance). The GDP growth was marginally higher than the 5.4 percent expansion during the second quarter of 2005, but slower than the 5.7 percent GDP growth rate recorded in the first three months of 2006, according to the National Economic Development Authority (NEDA).

The second quarter figures translated to a GDP growth of 5.6 percent for the first half of 2006, in line with official GRP projection and higher compared to the 4.8 percent GDP growth during the same period in 2005. The GRP is aiming for a GDP expansion of 5.5 to 6.1 percent for calendar year 2006.

GNP growth, on the other hand, reached 6.6 percent in second quarter of 2006 compared to its growth during the same period last year, buoyed by strong remittances from overseas contract workers. This translates to a GNP growth of 6.5 percent in the first semester of 2006, up from 5.3 percent a year earlier.