

RP economy up 1.5% in second quarter

THE Philippines' gross domestic product has increased by 1.5 percent in the second quarter of 2009, the government said today.

The economic growth from April to June is much slower than the 4.2 percent recorded in the same period last year as the global financial crisis crippled the country's manufacturing sector, the National Statistical Coordination Board said.

The manufacturing sector contracted by 4.81 percent in the second quarter.

But the figure is better than the government's forecast of -0.1 to 0.9 percent.

Increased investment in the construction sector and increased spending of the government and households helped support the second quarter's

growth, keeping the Philippines economy from falling into recession.

"The development occurred amidst signals that the global economic recovery was underway," acting Socio-economic Planning Secretary Augusto Santos said in a press briefing.

Santos said the government's fiscal stimulus program which provided jobs and boost investments in infrastructure projects "helped cushion the economy's growth and employment from the global recession."

The steady inflow of remittances continues to support the Philippine economy, pushing the GNP (gross national product) in the second quarter to grow 4.4 percent. (Philstar.com)

Exports seen posting growth in 2010

by MICHELLE REMO
Inquirer.net

THE export sector, battered by the slump in global demand since last year, is expected to start posting modest growth in earnings next year, Deutsche Bank said.

Norbert Walter, chief economist of the Deutsche Bank Group who was in Manila last Aug. 26, said in a briefing that the world economy would "marginally" recover next year after bottoming out this year. As a consequence, he said, the Philippines and other emerging economies might already see slight growth in export earnings in 2010.

"Economies are getting better because of very active central banks and stimulus packages implemented by governments. Most of the effects of the stimulus measures will be felt next year," Walter said.

Walter said demand for consumer goods—including consumer electronics like cellular phones, personal computers, laptops, among others—was expected to pick up next year as consumers around the world

start to increase spending with the world economy's gradual recovery.

The Philippines is expected to benefit from the likely rise in global demand for consumer electronics, as the bulk of its export revenue comes from intermediate electronic goods that are used to produce things like cellular phones and computers.

Walter said, however, that the growth in export revenue next year would be minimal, as global recovery would be measly as well.

"After the recession, the world will not go back to registering growth rates prior to the crisis," he said. For instance, he said, while consumption in the United States would improve a bit, American households are not expected to revert to their old practice of credit spending. This will mean demand from the US, a major export market, will grow minimally.

Walter said other countries that plunged into recession, such as those in Europe, were also expected to grow next year but not substantially.

The Philippine export sector has been contracting since late last year with the shrinking of the economies of its two biggest markets, the US and Europe.

Philippine exports fell 32.8 percent to \$17 billion in the first half of the year.

The anemic exports were partly blamed for the country's slower economic growth. In the first quarter, the economy grew by only 0.4 percent, the slowest pace in 10 years. Exports account for about 29 percent of the economy.

Walter said that in 2010, Philippine exports could already post a low, single-digit growth rate.

He said the projected rebound in exports would help the Philippines accelerate its economic growth rate to 4 percent. This year, the government expects the economy, measured in terms of gross domestic product, to grow by between 0.8 and 1.8 percent.

Walter said growth in domestic demand might also accelerate next year, although not dramatically, with the likely pickup in economic activity. ■

Layoffs in export sector have stopped—PMAP

by ELISA P. OSORIO
Philstar.com

CORPORATE layoffs due to the global financial crisis has abated with some firms even rehiring the displaced workers, the People Management Association of the Philippines (PMAP) said last Aug. 26.

"The displacement of workers especially in the export sector has stopped," PMAP president Grace Zata said.

Zata said that during the early part of the year, companies laid off some of the workers given

the economic crunch that has plagued most countries worldwide. "There is no more panic."

"During the first part of the year the companies were scared," she explained. However, now she said confidence is slowly coming back as evidenced by the rehiring of the displaced work force.

Zata said the process may take a long time. She admitted that not all the workers who lost their jobs during the crisis may be rehired because rehiring, she said has a lead time.

She said things may return

back to normal during the first part of 2010. "But right now they are already starting to operate normally," she noted.

Zata said that during the early part of this year when there is a vacant position, firms will opt not to fill it in especially if someone can do the same job.

Zata said that firms are even starting to invest in training again.

"Now the companies are investing in training this means that the optimism is already coming back," Zata said. ■

SSS overshoots revenue targets

by RONNEL DOMINGO
Inquirer.net

MEMBERS of the Social Security System should rest assured that the pension fund will remain viable in the next few decades and be able to provide benefits and pay out claims.

Romulo L. Neri, SSS president and chief executive, said last Aug. 26 that contribution collections in the first semester exceeded benefit disbursement by P650 million.

"This means SSS has consistently posted a surplus of contributions over benefits since 2005," Neri said.

He said that before 2005, SSS benefit payments had repeatedly outpaced contribution collections.

The official explained that a surplus meant an assurance to members that SSS remained strong and financially stable despite the effects of the global financial crisis on the domestic economy.

"(SSS) will be around for the next 50 years or longer," he said. "There is nothing to worry about so far."

According to Neri, total revenue from January to June reached P47.48 billion, or 3-percent higher than the target of P46.35 billion.

However, this was a 10-percent drop from the year-ago level of P53.17 billion.

The reduction in total revenue was attributed to lower investment income, which reached only P11.18 billion or 41.4 percent lower than last year's

P19.07 billion.

However, income on investments for the first half was 20.9-percent higher than the target of P9.25 billion.

Contribution collections reached P36.3 billion, surpassing both the target of P36.8 billion and the P34.1 billion in the first half of 2008.

Taking out operation expenses and benefit disbursements, SSS posted a net revenue of P8.37

billion in the first half.

This was only half of the P16.75 billion generated a year ago, but was 38.3-percent higher than the goal of P6.05 billion.

"SSS has remained a reliable source of social security protection," Neri said. "SSS has paid a total of P35.65 billion in benefits for the first half, which is 7 percent more than what was disbursed in the same period last year." ■

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Bro. Mike names...

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10 million members of the organization to throw their support to the candidate that he would endorse.

But Bacani recalled that Velarde has never openly endorsed a candidate, but just gave hints or sounded off. "He would not say to the people to vote for this particular candidate. But you would notice it sa mga pina-pahiwatig niya."

Bacani added that the country's next leader should be someone who has integrity, principled and would not put his and his family's interest over the welfare of the Filipino people. ■