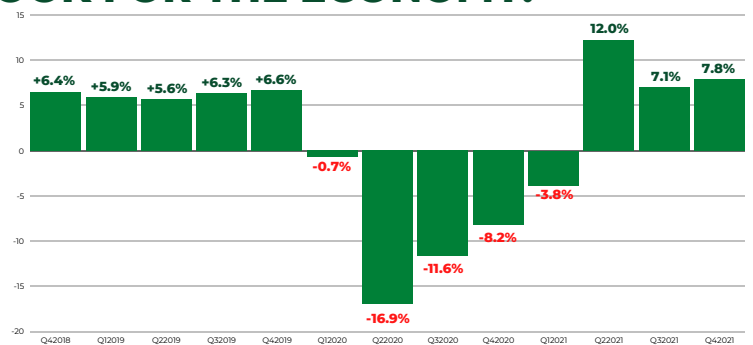


PHILIPPINE ECONOMIC REPORT

YEAR-END REPORT FOR 2021

THE PHILIPPINES SURPASSED GROWTH TARGETS AND RECORDED POSITIVE ANNUAL GROWTH, REFLECTING IMPROVED ECONOMIC CONDITIONS AND A POSITIVE OUTLOOK FOR THE ECONOMY.

The Philippine economy's growth turns positive and bounces back to 5.7 percent in 2021 after experiencing a drop in growth in 2020 due to the COVID-19 pandemic.

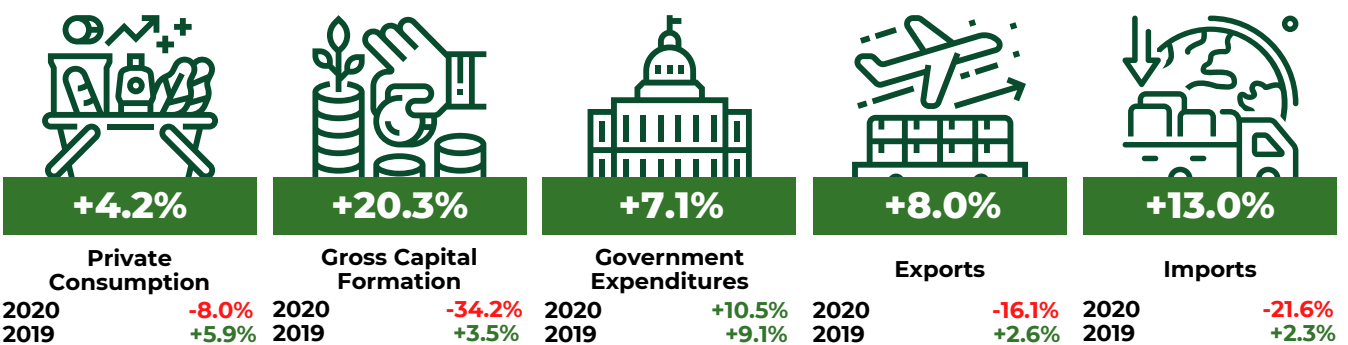


+5.7% 2021 GDP Growth

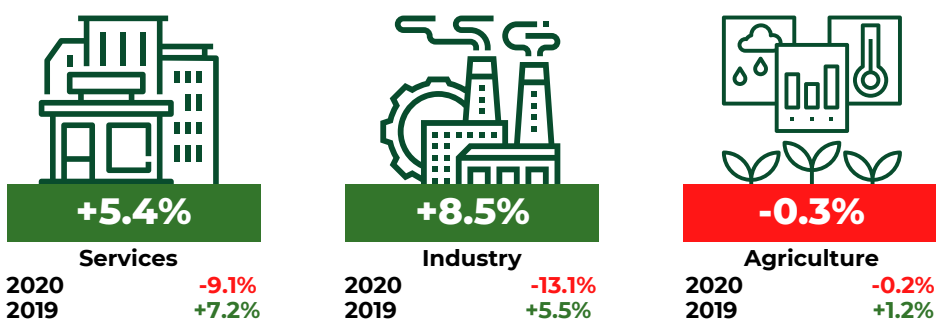
-9.5% 2020

+6.1% 2019

DEMAND-SIDE COMPONENTS



SUPPLY SIDE COMPONENTS



ROAD TOWARDS SLOW ECONOMIC RECOVERY

QUARTERLY HIGHLIGHTS

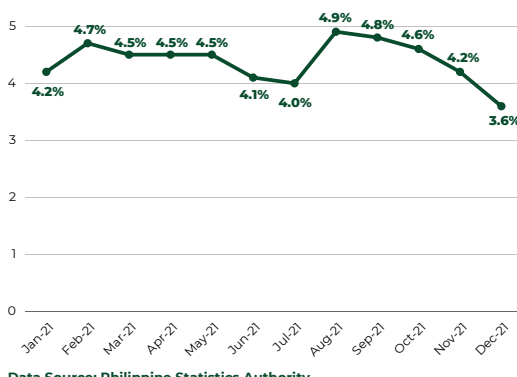
Q1 The drastic impact of the pandemic persisted in the first quarter of 2021 as year-on-year (y-o-y) growth was -4.2%

Q2 Growth skyrocketed by 11.8% in the second quarter of 2021, showing a substantial improvement over the -16.9% growth posted in 2020's second quarter

Q3 Growth in the third quarter continued to be positive but slowed down, posting a 7.1% rise in GDP growth

Q4 With a 7.7% economic growth after expanding in the two prior quarters, the economy was now recovering, albeit slowly, and concluded the year on a strong note

INFLATION RATES (Y-O-Y)



2022 PROSPECTS/CHALLENGES

The Philippines is expected to sustain positive growth in 2022, reflecting a clear path to economic recovery

The local spread of the Omicron variant threatens consumer mobility, business operations, and hospital capacity

Geopolitical tensions within the Russia-Ukraine border place upward pressures on inflation as well as risk higher prices on key commodities like oil

A new administration following the May 2022 elections will inherit new economic measures and retains the burden of pandemic recovery

OTHER ECONOMIC DEVELOPMENTS IN 2021

UNEMPLOYMENT GRADUALLY DECREASED AS EACH QUARTER IN 2021 PROGRESSED



AVERAGE HEADLINE INFLATION SPIKES, WHILE AVERAGE CORE INFLATION REMAINS MILD



PSEI PERFORMANCE RECOVERS IN 2021 AFTER A HUGE DIP IN 2020



PESO-DOLLAR EXCHANGE RATE GRADUALLY DEPRECIATES ON A QUARTER-ON-QUARTER BASIS



CONSUMER CONFIDENCE IMPROVES AS THE ECONOMY GRADUALLY RECOVERS FROM THE PANDEMIC



DEBT BALLOONED TO P11.73 TRILLION AT 2021 END BUT GREW SLOWER YEAR-ON-YEAR

