

**Column for Business Mirror**  
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### **A Campaign We All Should Support**

THE 3.7-percent economic growth in terms of gross domestic product (GDP) for 2011 did not come as a surprise, given the continuing slide from 4.6 percent in the first quarter to 3.1 percent in the second and 3.6 percent in the third quarter.

The improvement to a 3.7-percent GDP growth in the fourth quarter proved too late and too small to matter. The full-year performance was below the Development Budget Coordination Committee's growth assumption of 4.5 percent to 5.5 percent and the Philippine Development Plan's growth target of 7.0 percent.

Anyway, let us put 2011 behind us and confront what 2012 brings. I welcome President Aquino's message that his administration will focus on the growth of the economy this year. As stakeholders in the national economy, all of us—whether in the government, in the private sector and as ordinary citizens—must support the administration's efforts to drive the economy and put it back on the fast track of 7-percent annual growth rate or higher.

Our economy, like those of other emerging economies, will continue to face external threats, mainly from the crisis in the euro zone and the sluggish recovery of the US economy.

I agree with Bangko Sentral Governor Amando Tetangco's simple observation and recommendation: "If the external environment is not that conducive to growth, then growth must be generated internally and one way to do so is through government spending. Government spending must go up."

The good thing is that our fundamentals remain strong: the remittances from overseas Filipino workers, which were expected to breach the \$20-billion mark by end-2011, are expected to continue increasing; the business-process outsourcing industry continues to attract investors despite attempts by US leaders to discourage outsourcing; the banking system remains strong, and the financial market is very liquid; and the President continues to enjoy high popularity ratings.

As I said before, we have many pluses that can easily negate the impact of challenges in the global economy. The growing consensus is that the Philippine economy will not exceed 5-percent growth in 2012. The World Bank sees growth at 4.2 percent this year, the Asian Development Bank at 4.8 percent and Standard & Poor's at 4 percent to 4.5 percent.

In my view, the government's growth target of 5 percent to 6 percent is not far off the consensus and is, therefore, achievable. But we have to really get things moving.

In 2011 our economy was buffeted by external shocks: the tsunami in Japan, the flooding in Thailand, the weakness of the US economy and the crisis in Europe, which dampened exports.

In addition, we were visited by several destructive typhoons, which triggered floods, affecting agriculture and infrastructure.

The challenges in the global economy are beyond our control. There's no way to stop typhoons, except to implement measures to mitigate their impact on lives and property. But we can do something about another factor behind our economy's low growth in 2011: underspending.

I'm glad to know that the government, based on its pronouncements, has started to address this problem. According to Socioeconomic Planning Secretary Cayetano Paderanga, public construction grew by almost 50 percent in the fourth quarter of 2011, while government consumption expenditure and public administration and defense figures have been showing substantial increases since the second or the third quarter.

As of January 12, 2012, Secretary Paderanga said the government had already released 72.1 percent or P150.2 billion of the P208.3-billion allocation for capital outlays for various infrastructure projects of different agencies like the Department of Public Works and Highways, Department of Education and Department of Agriculture.

For its part, the Department of Budget and Management said that of the 2,187 line-item infrastructure projects nationwide funded in the 2012 budget, already 2,025 projects or 93 percent were bid out and would be given notice to proceed in the first quarter of 2012. The P141.8 billion is part of the P182.2-billion total budget for government infrastructure under the 2012 national budget.

Given these developments, we are on the right track. Hopefully, we will soon move up to the fast track.

The results of the latest survey by the Social Weather Stations should serve as a reminder and provide a sense of urgency in moving up the fast track of economic growth.

The Fourth Quarter 2011 Social Weather Survey, which was conducted from December 3 to 7, 2011, found that about 9.1 million families (45 percent of the total number of families) consider themselves as poor, down from 10.4 million families (52 percent) in September 2011.

The same survey found that the number of families that claimed to have experienced hunger went up from 21.5 percent in September last year to 22.5 percent in December.

SWS said the one-point increase could indicate that some 4.5 million families experienced "involuntary hunger" in December, compared to 4.1 million families in September.

We should all support the campaign to fast track the growth of our nation's economy!

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