

**Column for Business Mirror**  
**MANNY VILLAR**  
**December 19, 2011**

**The Entrepreneur**

### **A Positive look at things**

I HAVE decided that this piece, four days before Christmas, should have a positive tone. December 25, after all, is a day of celebration for most Filipinos and for many peoples in the world.

We have to accept that the economy did not perform well. The economy's growth in terms of gross domestic product (GDP) for the first nine months at 3.6 percent was "quite a distance even from the lower end of the whole year target of 4.5 percent," according to the National Statistical Coordination Board.

I admire the optimism of Socioeconomic Planning Secretary Cayetano Paderanga Jr., who was quoted in news reports last week as having said there was a "good chance" of achieving a 5.5-percent GDP growth for the whole year, the upper end of the government's growth forecast of 4.5 percent to 5.5 percent.

Estimates from the National Economic and Development Authority (Neda) showed that the economy in the fourth quarter of the year has to expand by 7.8 percent for full-year growth to hit 5.5 percent.

I think that 7.8-percent growth in the last three months of the year was a bit high. Many business establishments were winding down, except those in retail and the banks (at least their consumer lending).

In keeping with our positive note, however, I really hope we get that 7.8 percent in the fourth quarter so we can claim growth was still within target.

Looking back at the economy's performance in the first three quarters, we can cite some positive factors amid the negatives: the double-digit drop in exports, the weak global market brought about by the euro crisis and the sluggish US economy, the conflicts in the Middle East and the disasters in Japan.

The underspending in infrastructure, which has been cited as one of the major factors behind the slow GDP growth, is what I call a self-inflicted problem. We did it to ourselves.

We cannot do anything about the euro crisis or the weak US economy or the disasters in Japan, but we can do something about our self-inflicted problem.

Being self-inflicted means we can make the necessary correction, and I think that's the purpose of the P72-billion quick-disbursing program launched, albeit late, by the administration.

The signing of the national budget for 2012 is another positive development, which should continue the spending program for infrastructure and other capital projects.

The P1.816-billion spending program includes at least P140 billion worth of infrastructure projects to be rolled out as early as the second day of January 2012.

Also on the issue of self-inflicted problems, I think the slow economic growth in the first nine months can be traced, in part, to management.

In the private sector, management is always accountable for the performance of a company. Likewise, I believe that, at least partly, the slow growth of the Philippine economy reflects the kind of management we have.

My own estimate is that we could be growing one or two percentage points higher than the actual figures if the economy was better managed.

Looking at it positively, improving the management of the economy will be a plus factor for growth. Overall, I believe we still have many pluses that can easily negate the negative impact of the global challenges.

Our fundamentals remain strong: the business-process outsourcing industry continues to attract investors, the banking system is very strong, the domestic financial market is very liquid, and the administration continues to enjoy high popularity ratings.

Our overseas Filipino workers (OFWs) will again keep our economy afloat and growing this year, as they have been doing for more than four decades. Remittances from OFWs, which account for 10 percent of our GDP, posted a record monthly high of \$1.777 billion in October, despite the conflicts in the Middle East and North Africa, as well as the problems in the US and Europe.

The amount brought to \$16.5 billion the total remittances for the first 10 months of 2011, up 7 percent year-on-year, and on track to the \$20-billion mark. In 2010 remittances reached a record \$18.76 billion, up 8.2 percent from 2009.

So, in keeping with our positive mood, let's celebrate the 3.6-percent growth for the first nine months, hope for the 7.8 percent in the fourth quarter, and pray for the 5.5 percent by year-end.

Merry Christmas!

You may send your comments/feedback to [mbv\\_secretariat@yahoo.com](mailto:mbv_secretariat@yahoo.com).

LINK:

<http://www.businessmirror.com.ph/home/opinion/20932-a-positive-look-at-things>