

**Column for Manila Bulletin**  
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## **Of Trees and Forest**

### **Wishes for the New Year**

MANILA, Philippines — In three days, another year will end. It is time to ponder, but not to despair and be bitter. This time, it is better to talk about the good things.

The National Statistical Coordination Board (NSCB), for instance, recently reported a drop in the unemployment rate to 6.4 percent in October, 2011, the lowest level in four years or since October, 2007, when the jobless rate was at 6.3 percent. And the NSCB's Labor Force Survey shows that 1.2 million new jobs were created from January to October this year.

Another good news is the report of the Bangko Sentral ng Pilipinas that remittances reached a record monthly high of \$1.777 billion in October, up by 6.2 percent compared to remittances in the same month last year. Thus, remittances for the first 10 months of 2011 stood at \$16.5 billion, up 7 percent year-on-year, and on track to reaching the \$20-billion target for the whole year. Last year, remittances from overseas Filipinos totaled \$18.76 billion.

Last December 15, President Aquino signed into law the R1.816-trillion General Appropriations Act for 2012. The budget includes at least R140 billion, which the government intends to use for infrastructure projects to boost economic growth.

Growth in terms of Gross Domestic Product (GDP) was a low 3.6 percent for the first nine months of 2011, which means full-year growth will likely not exceed 4 percent.

It's really not all bad news. I believe a big part of the reason behind the low growth was self-inflicted: We under-spent. The government's pledge to increase spending, based on the budget for 2012, should cure that self-inflicted problem.

I just want to caution our economic planners not to spend for the sake of spending, but to maintain prudence and transparency. Otherwise, we will just be committing another mistake to correct a previous one.

Another reason for the slow economic growth, which also affected many other countries, was the crisis in Europe, the continuing weakness of the United States, and the disasters in Japan last March.

The US and Japan are among the top markets for Philippine exports, so the problems in these countries were also behind the continuing decline in our exports.

According to the National Statistics Office, export earnings decreased by 14.6 percent to \$4.08 billion in October, 2011, compared with \$4.78 billion in the same month last year. For the ten-month period ending October, 2011, export earnings totaled \$41.29 billion, a 4.3 percent decline from \$43.15 billion for the same period last year.

The good news is that despite all these challenges, we have many pluses that can negate the impact of problems in the global markets.

Our fundamentals remain strong: The remittances continue to drive consumption and the real estate boom, the business process outsourcing continues to attract foreign

companies and generate employment, the Philippine banking system is very strong and profitable, the financial system is very liquid, and the President is enjoying high popularity ratings.

It has been a tradition among Filipinos to celebrate the end of the year with expressions of hope that the New Year will be happy.

There are two types of hope. One is wishful hope, which is empty because nothing is happening. The other is concrete hope, which gives us conviction that things are getting better and we are on track to recovering from slow growth and improving the lives of our people.

I cited several developments – remittances, job creation, and a new budget – plus our strong fundamentals that give meaning to our hope.

The implementation of growth-inducing programs like infrastructure will substantiate this hope. The impact of such programs in terms of new jobs, more businesses and finally, on the economic reports, will be the clear signals that the economy is improving, and that our hope is no longer wishful but reality.

So let me greet you all: Happy and Prosperous New Year!

(Please send comments to: [mbv\\_secretariat@yahoo.com](mailto:mbv_secretariat@yahoo.com))

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