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UNIVERSITY OF ASIA AND THE PACIFIC

PROSPECTS FOR THE PHILIPPINE ECONOMY IN 2019 & BEYOND

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Current Developments in the Global Economy

1. Possible US recession: US Dollar will weaken as Federal Reserve stops raising interest rates.
2. Brexit uncertainties and trade wars could lead to slowdown in Eurozone at 1.8%.
3. Slowdown in Chinese economy
4. World oil prices to settle at US\$ 50-60 per barrel
5. End of easy money will lead to greater volatility in financial markets.



LONG TERM PROSPECTS: FROM AMERICAN TO ASIAN CENTURY

American Century

Country/Group	GDP (2017) US\$B	GDP Growth (%) year on year (2017)	Current Account Balance (% of GDP)	Inflation (%) year on year	Unemployed (%)
US	19,390.60	2.3	-2.4	2.1	4.4
Eurozone	12,607.49	2.3	3.5	1.5	9.1
Japan	4,872.14	1.7	4.0	0.5	2.9

Asian Century

Country/Group	GDP (2017) US\$B	GDP Growth (%) year on year (2017)	Current Account Balance (% of GDP)	Inflation (%) year on year	Unemployed (%)
China	12,014.61	6.9	1.4	1.6	3.9
India	2,611.01	6.7	-2.0	3.6	n.a.
ASEAN-5	2,319.11	5.3	2.1	3.1	n.a.

n.a. - not available; ASEAN-5 composed of Indonesia, Malaysia, Philippines, Thailand and Vietnam
Sources: World Economic Outlook Database, IMF, April 2018; Asian Development Outlook, ADB, April 2018



THE ASEAN IN BRICS

BRICA + South Africa	Population (in Millions)	GDP Value (in current prices, US\$B)	Foreign Exchange Reserves (US\$B)	Real GDP Growth		Inflation	
				2017	2018 ^f	2017	2018 ^f
	2017	2017	2016	2017	2018 ^f	2017	2018 ^f
Brazil	207.8	2,054.97	365.0	1.0	2.3	3.4	3.5
Russia	144.0	1,527.47	389.1	1.5	1.7	3.7	2.8
India	1,316.9	2,611.01	361.5	6.6	7.3	3.7	4.6
China	1,390.1	12,014.61	3,298.0	6.9	6.6	1.6	2.4
ASEAN	634.5 ¹	2,559.46 ¹	728.2 ²	5.2	5.2	2.8	3.0
South Africa	56.5	349.30	49.1	1.3	1.5	5.3	5.3

^f-forecasts

¹2016 Data

²2015 Gross International Reserves

Sources: IMF World Economic Outlook, April 2018; ADB Asian Development Outlook April 2018; Selected Basic ASEAN Indicators 2016, asean.org.

The Next 11: Emerging Engines of Growth

Country	Population 2017 (in millions)	GDP 2017 (current US\$ B)
Bangladesh	163.2	261.37
Egypt	94.8	237.07
Indonesia	262.0	1,015.41
Iran	81.4	431.92
Mexico	123.5	1,149.24
Nigeria	188.7	376.28
Pakistan	197.3	303.99
Philippines	105.3	313.42
South Korea	51.5	1,538.03
Turkey	80.8	849.48
Vietnam	93.64	220.41

Source: IMF estimates, World Economic Outlook Database, IMF April 2018

Ten Leading Emerging Markets that will Dominate the Global Economy in the Next Decade



1. India



2. Philippines



3. Indonesia



4. China



5. Malaysia



6. Turkey



7. Thailand



8. Chile



9. Poland



10. South Africa

Source : Oxford Economics 2019

MACROECONOMIC STABILITY

Philippine GDP Growth, 2000-2017



Source: IMF World Economic Outlook, April 2017

Asian Financial Crisis in 1997-2000

Country	1997	1998	1999	2000
Brazil	3.4	0.3	0.5	4.4
Hong Kong	5.1	-5.9	2.5	7.7
Indonesia	4.7	-13.1	0.8	5.0
South Korea	5.9	-5.5	11.3	8.9
Malaysia	7.3	-7.4	6.1	8.7
Philippines	5.2	-0.6	3.1	4.4
Singapore	8.3	-2.2	6.1	8.9
Thailand	-2.8	-7.6	4.6	4.5
Vietnam	8.2	5.8	4.8	6.8

World Recession in 2008-2012

Country	2008	2009	2010	2011	2012
Brazil	5.1	-0.1	7.5	4.0	1.9
Hong Kong	2.1	-2.5	6.8	4.8	1.7
Indonesia	7.4	4.7	6.4	6.2	6.0
South Korea	2.8	0.7	6.5	3.7	2.3
Malaysia	4.8	-1.5	7.5	5.3	5.5
Philippines	4.2	1.1	7.6	3.7	6.7
Singapore	1.8	-0.6	15.2	6.4	4.1
Thailand	1.7	-0.7	7.5	0.8	7.2
Vietnam	5.7	5.4	6.4	6.2	5.2

IN CASE OF ANOTHER GLOBAL FINANCIAL CRISIS

Philippine Resiliency

Gross domestic product,
In constant prices

Source: International Monetary Fund, World Economic
Outlook Database, April 2018

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