

Highlights, Second Quarter 2020

GDP drops by 16.5 percent in the second quarter of 2020; the lowest starting 1981 series

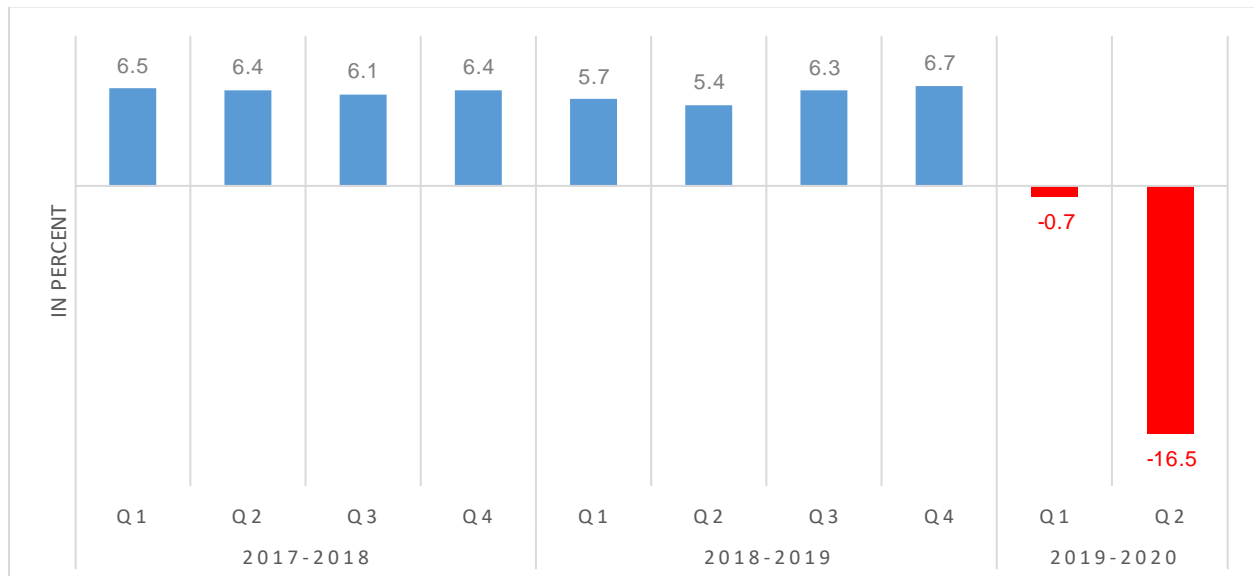
The Gross Domestic Product (GDP) dropped by 16.5 percent in the second quarter of 2020, the lowest recorded quarterly growth starting 1981 series.

The main contributors to the decline were: Manufacturing, -21.3 percent; Construction, -33.5 percent; and Transportation and Storage, -59.2 percent. Among the major economic sectors, only Agriculture, forestry, and fishing increased with 1.6 percent growth. Industry and Services both decreased during the period by 22.9 percent and 15.8 percent, respectively.

On the expenditure side, major items that declined were: Household Final Consumption Expenditure (HFCE), 15.5 percent; Gross Capital Formation (GCF), 53.5 percent; Exports, 37.0 percent; and Imports, 40.0 percent. On the other hand, Government Final Consumption Expenditure (GFCE) posted positive growth of 22.1 percent.

Net Primary Income (NPI) from the Rest of the World and Gross National Income (GNI) both decline by 22.0 percent and 17.0 percent respectively.

Gross Domestic Product, Q1 2018 to Q2 2020 Growth Rates, At constant 2018 prices



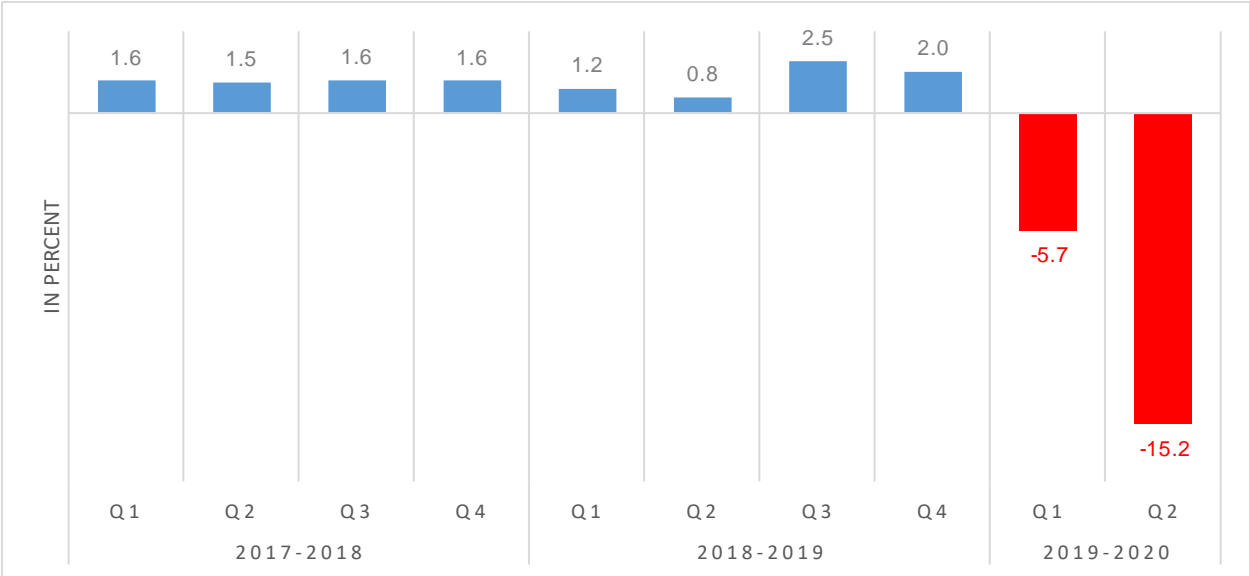
GDP posts quarter-on-quarter decline of 15.2 percent

Gross Domestic Product (GDP) declined quarter-on-quarter by 15.2 percent in the second quarter of 2020. Manufacturing, Construction, and Transportation and Storage were the top drivers of decline for the quarter.

Among the three major industries, only Agriculture posted a growth of 1.2 percent while Industry and Services contracted by 21.7 percent and 14.5 percent, respectively.

Moreover, Gross National Income (GNI) also posted quarter-on-quarter decline of 14.8 percent in the second quarter of 2020.

**Seasonally-Adjusted Gross Domestic Product,
Q1 2018 to Q2 2020 Growth Rates**



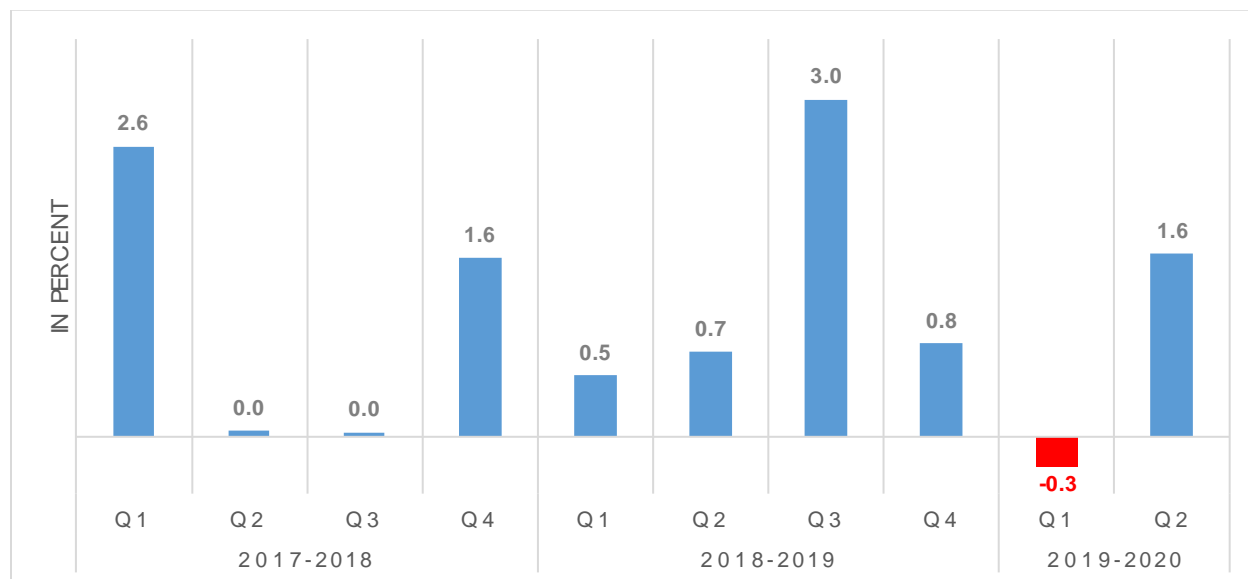
Agriculture, forestry and fishing improves

Agriculture, forestry and fishing (AFF) posted a growth of 1.6 percent in the second quarter of 2020. Contributing the most to the growth were: Palay, which grew by 7.2 percent; Sugarcane, with 76.0 percent growth; Support activities to agriculture, forestry and fishing, with 7.8 percent growth; Corn, with 15.6 percent growth; and Fishing and aquaculture, which expanded by 0.9 percent. Other sub-industries that contributed to the growth were Rubber; Pineapple; Mango; Cacao; and Tobacco.

On the other hand, the following sub-industries declined and dragged down the growth of AFF: Livestock, which dropped by 8.2 percent; Poultry and egg production, which declined by 4.8 percent; Other animal production, with 6.3 percent contraction; Banana, with 1.6 percent decline; and Coconut including copra, which dropped by 3.1 percent. Other sub-industries that declined during the period were Other agricultural crops, n.e.c.; Forestry and logging; Cassava; Coffee; and Abaca.

The share of AFF to GDP in the second quarter of 2020 improved to 10.0 percent as compared with the 8.2 percent in the same period of the previous year.

**Agriculture, forestry and fishing, Q1 2018 to Q2 2020 Growth Rates,
At constant 2018 prices**



Industry posts steepest decline at 22.9 percent

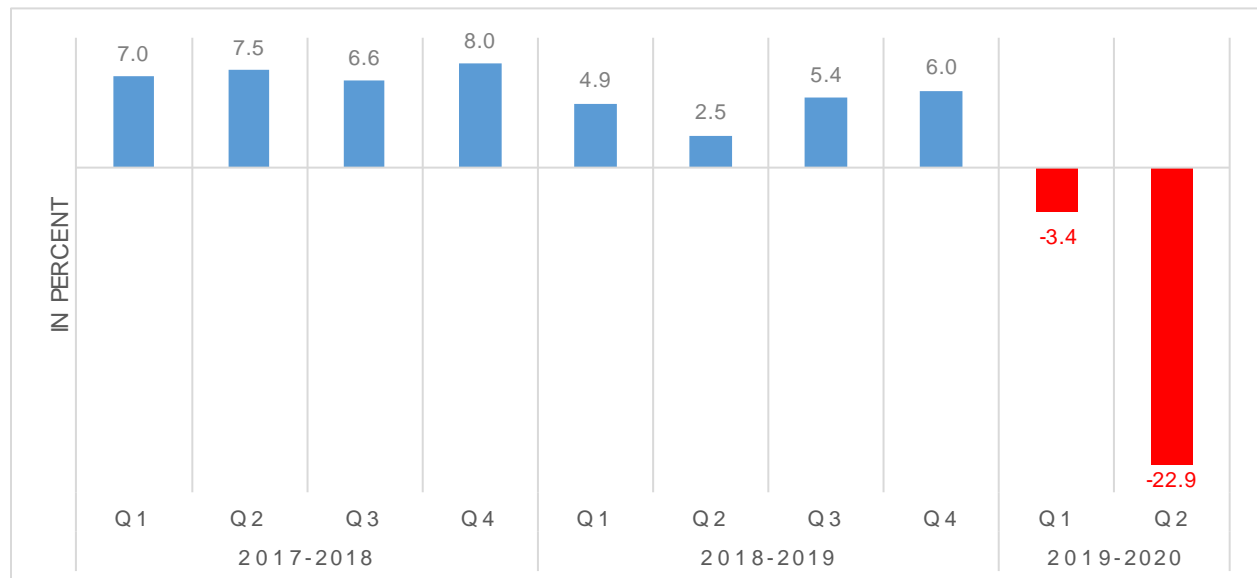
Industry declined by 22.9 percent in the second quarter of 2020, the steepest decline recorded yet.

Manufacturing, which comprised 62.2 percent to total Industry, declined by 21.3 percent. Contributing the most to the decline were the contraction in the manufacture of the following: Food products, 9.1 percent; Computer, electronic and optical products, 28.8 percent; Chemical and chemical products, 22.9 percent; Beverages, 38.4 percent; and Other non-metallic mineral products, 54.0 percent. On the other hand, only 2 of the 22 sub-industries grew during the period, namely: Manufacture of coke and refined petroleum products, by 1.8 percent; and Manufacture of basic pharmaceutical products and pharmaceutical preparations, by 7.7 percent.

Construction, with a share of 21.6 percent to total Industry, likewise declined, recording a 33.5 percent drop during the period. Mining and Quarrying and Electricity, Steam, Water and Waste management also declined in the second quarter of 2020, by 24.5 percent and 5.8 percent, respectively.

Industry accounted to 27.7 percent of the GDP in the second quarter of 2020, down from its 30.0 percent share in the previous year.

**Industry, Q1 2018 to Q2 2020 Growth Rates,
At constant 2018 prices**



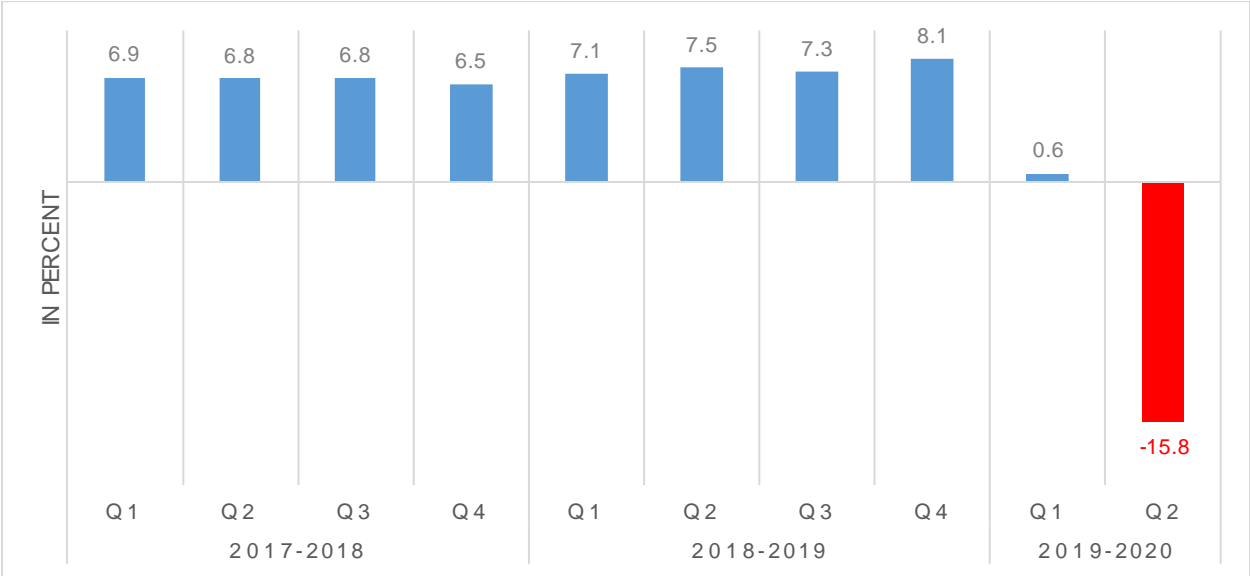
Services plunges; contributed the most to GDP fall

Services declined by 15.8 percent in the second quarter of 2020, the steepest decline ever registered. The following industries dragged down the growth of Services: Transportation and Storage, which declined by 59.2 percent; Wholesale and retail trade; repair of motor vehicles and motorcycles, with 13.1 percent contraction; Other Services, which dropped by 63.0 percent; Accommodation and Food Service Activities, with 68.0 percent contraction; Real estate and ownership of dwellings, with 20.1 percent contraction; Professional and business services, which dropped by 18.4 percent; Education, with 12.2 percent decline; and Human health and social work activities, which was down by 15.4 percent.

On a positive side, Financial and Insurance Activities curbed the fall in Services as it grew by 6.8 percent. Likewise, Public administration and defense; compulsory social activities as well as Information and communication grew by 8.3 percent and 6.6 percent, respectively.

Services continued to have the highest share to GDP with 62.3 percent.

**Services, Q1 2018 to Q2 2020 Growth Rates,
At constant 2018 prices**



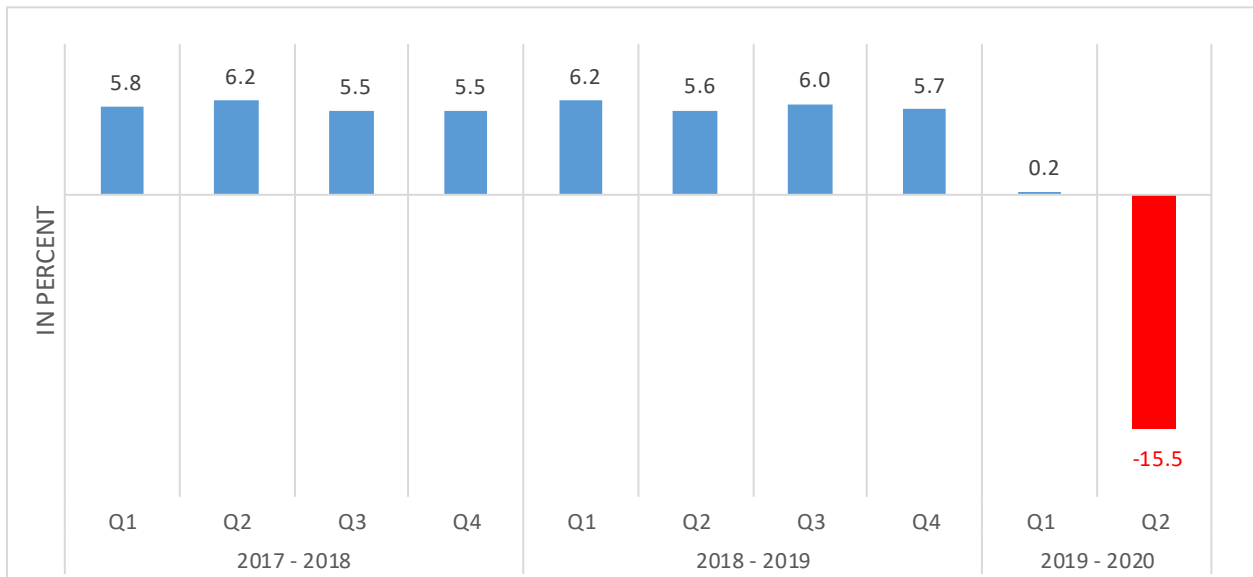
Household Final Consumption Expenditure (HFCE) plummets

HFCE contracted by 15.5 percent in the second quarter of 2020. This was lower than the 5.6 percent growth in the same period of 2019.

Food and non-alcoholic beverages, sharing 42.0 percent of the total household expenditure, grew by 2.4 percent. Also, Housing, Water, electricity, gas and other fuels; and Communication posted a growth of 6.6 percent and 7.4 percent, respectively.

On the other hand, the following items declined: Transport, 60.5 percent; Restaurants and hotels, 66.4 percent; Recreation and culture, 57.2 percent; Clothing and footwear, 40.2 percent; Alcoholic beverages, tobacco, 29.2 percent; Furnishings, household equipment and routine household maintenance, 22.4 percent; Education, 12.7 percent; Health 12.2 percent; and Miscellaneous goods and services, 0.6 percent.

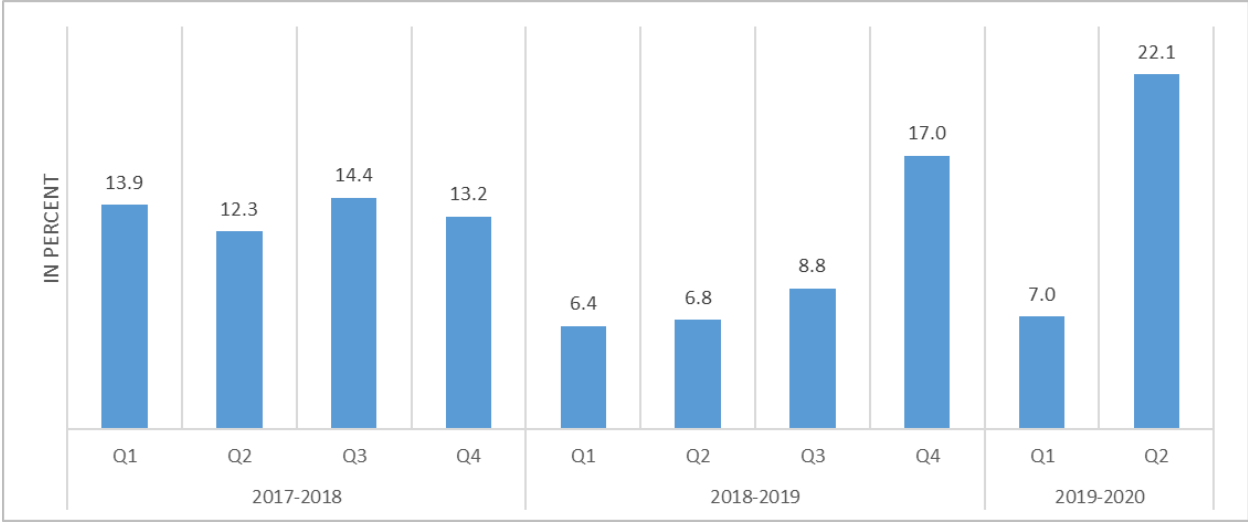
Household Final Consumption Expenditure, Q1 2018 to Q2 2020 Growth Rates, At constant 2018 prices



Government Final Consumption Expenditure (GFCE) accelerates; records the highest growth since Q1 2012

GFCE posted a growth of 22.1 percent in the second quarter of 2020. This was faster than the 6.8 percent growth recorded during the same period in 2019.

Government Final Consumption Expenditure, Q1 2018 to Q2 2020 Growth Rates, At constant 2018 prices



Gross Capital Formation (GCF) further declines; the slowest since Q1 2000

GCF contracted by 53.5 percent in the second quarter of 2020, which is the slowest since the first quarter of 2000.

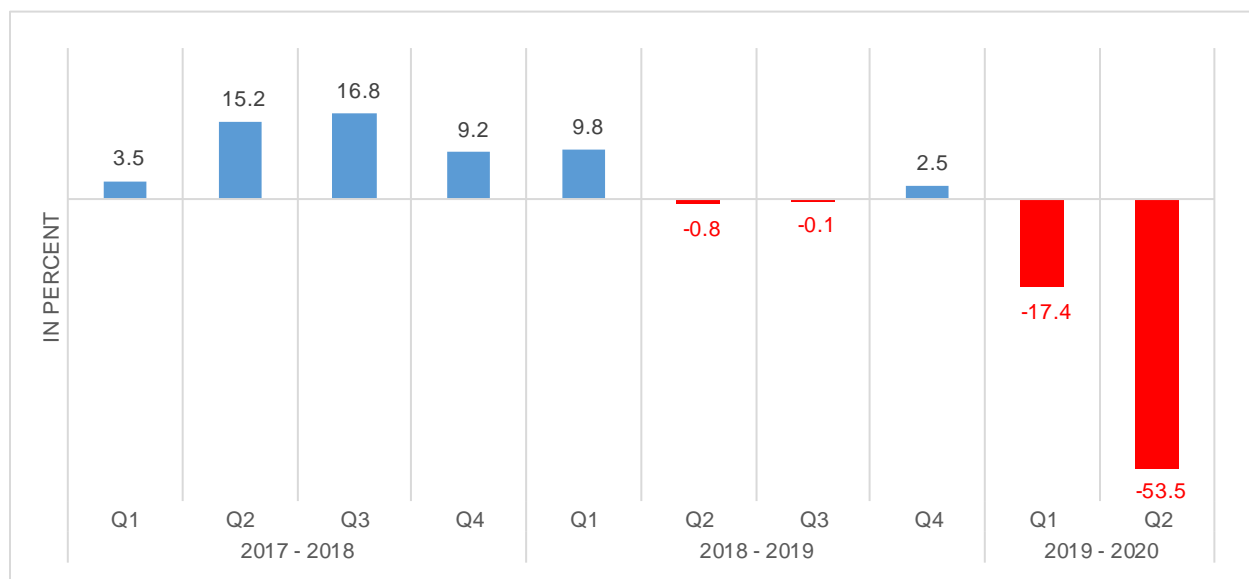
Construction, declined by 32.9 percent. Contributing the most to the contraction were the following: Household and NPISHs, 75.0 percent; Financial and Non-financial corporations, 27.0 percent; and General Government, 0.9 percent.

Likewise, Durable equipment, Intellectual Property Products, and Valuables recorded declines of 62.1 percent, 27.7 percent, and 56.9 percent, respectively.

Recorded as the only component of GCF to have a positive growth, Breeding Stocks and Orchard Development grew by 2.2 percent.

On the other hand, Changes in Inventories posted large withdrawals of Php 204.9 billion during the period.

Gross Capital Formation, Q1 2018 to Q2 2020 Growth Rates,
At constant 2018 prices



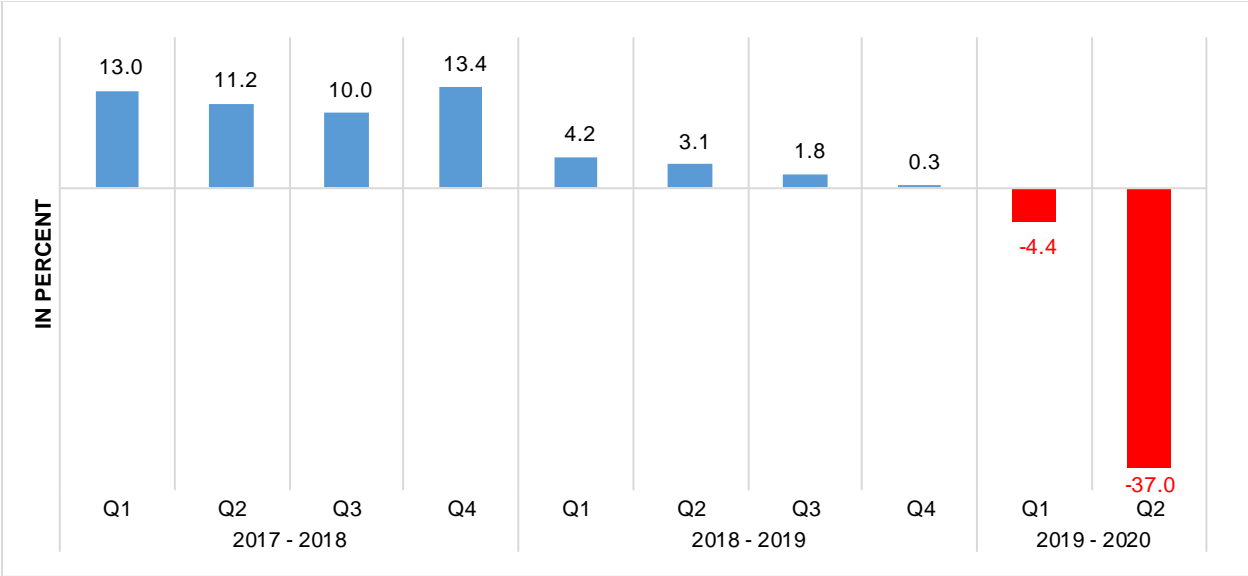
Exports of goods and services declines for the second consecutive quarter

Exports of goods and services contracted by 37.0 percent in the second quarter of 2020 compared with the 3.1 percent growth recorded during the same period in 2019.

Exports of goods declined by 31.1 percent during the period. The following commodities that pulled down the growth were: Other exports of goods, 46.7 percent; Components/devices (semiconductors), 20.0 percent; Electronic data processing, 40.1 percent; Machinery and transport equipment, 43.9 percent; and Office equipment, 55.5 percent.

Likewise, Exports of services declined by 43.4 percent during the period. The following items contributed to the contraction: Travel, 93.1 percent; Telecommunications, Computer, and information services, 46.9 percent; and Business services, 15.1 percent.

Exports of Goods and Services, Q1 2018 to Q2 2020 Growth Rates, At constant 2018 prices



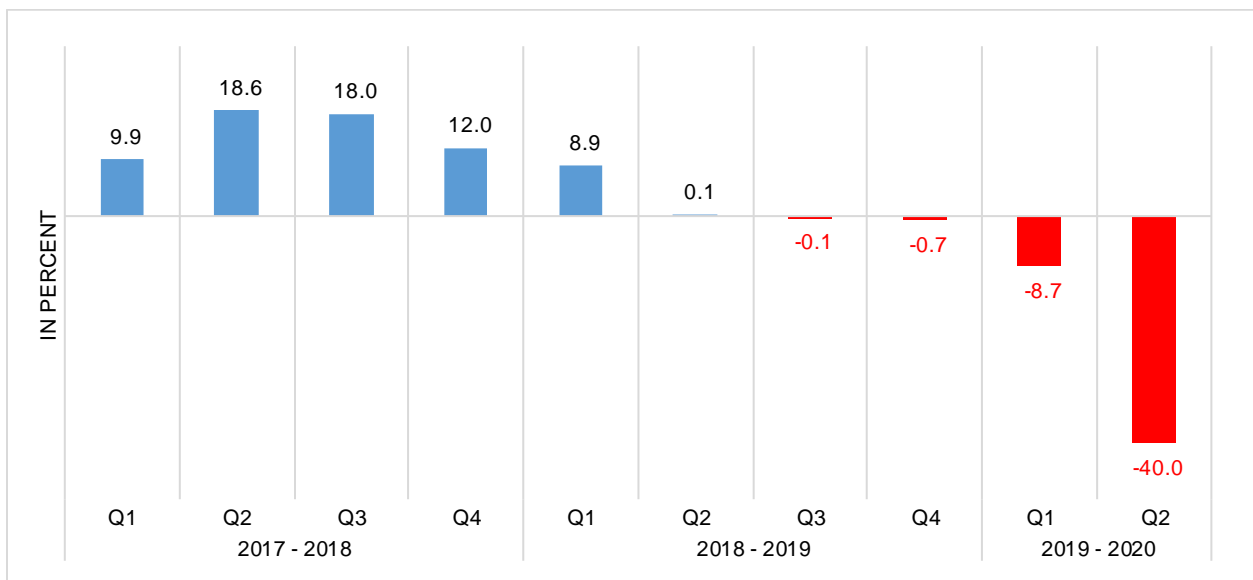
Imports of goods and services posts the largest decline

Imports of goods and services declined by 40.0 percent in the second quarter of 2020.

Imports of goods recorded a decline of 42.3 percent during the period. The following components contributed to the decline: Mineral fuels, lubricants and related materials, 56.3 percent; Transport equipment, 74.3 percent; Other imports of goods, 27.2 percent; Base metals, 48.0 percent; and Industrial machinery and equipment; 48.7 percent.

Imports of services also declined by 27.6 percent. Travel, Transport, and Business services contributed the most to the decline which posted 29.5 percent, 41.3 percent, and 13.5 percent, respectively.

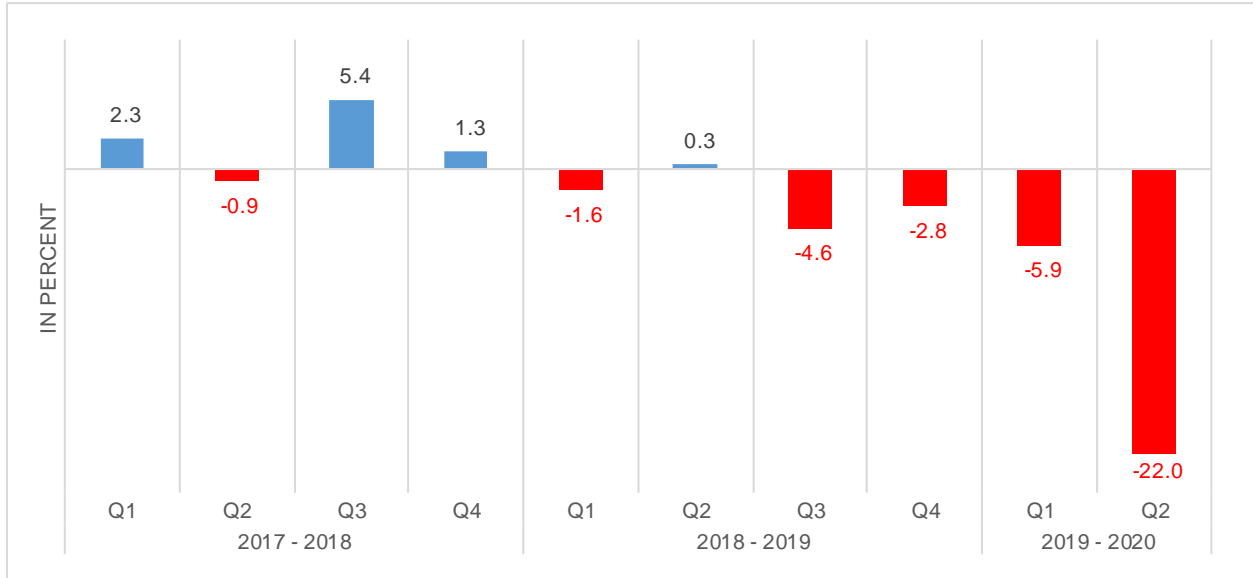
**Imports of Goods and Services, Q1 2018 to Q2 2020 Growth Rates,
At constant 2018 prices**



Net Primary Income (NPI) declines for four consecutive quarters; brings Gross National Income (GNI) to contract

NPI declined by 22.0 percent during the second quarter of 2020 bringing GNI to post a contraction of 17.0 percent. Compensation inflow from the rest of the world recorded a decline of 25.7 percent during the period.

**Net Primary Income, Q1 2018 to Q2 2020 Growth Rates,
At constant 2018 prices**



**Gross National Income, Q1 2018 to Q2 2020 Growth Rates,
At constant 2018 prices**

