



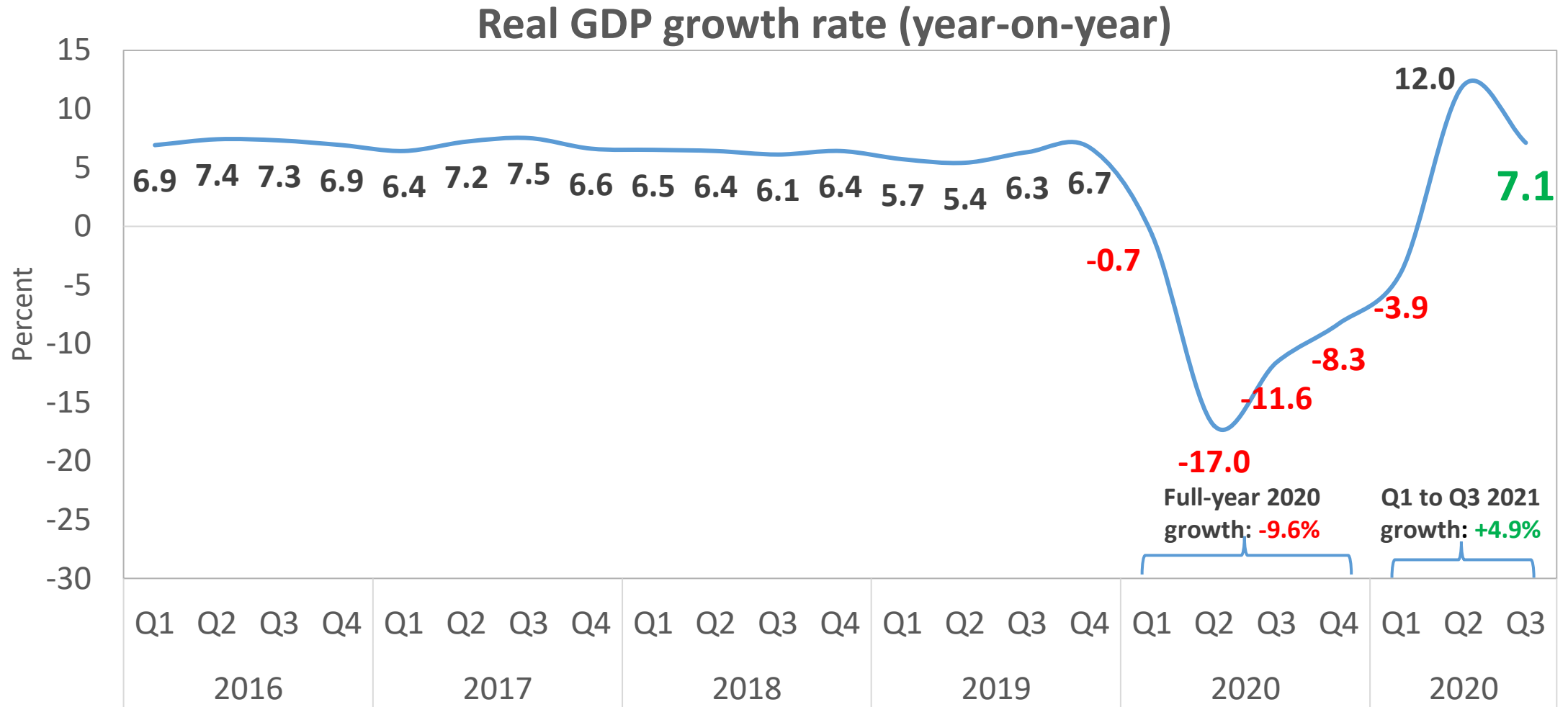
REPUBLIC OF THE PHILIPPINES  
NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY

# Inclusive innovation: The Philippines' engine for growth

**KARL KENDRICK T. CHUA**

Socioeconomic Planning Secretary

**In 2021, we achieved a record high gross domestic product growth rate of 11.8 percent in the second quarter. We sustained this recovery and grew by 7.1 percent in the third quarter.**



Source: PSA



**We are estimated to recover to the pre-pandemic level in early 2022, a year ahead of the government's initial projections.**

	YTD 2021 growth (actual)	FY 2021 (target)	FY 2022 (target)
Estimated economic growth (%)	4.9	5 to 5.5	7 to 9



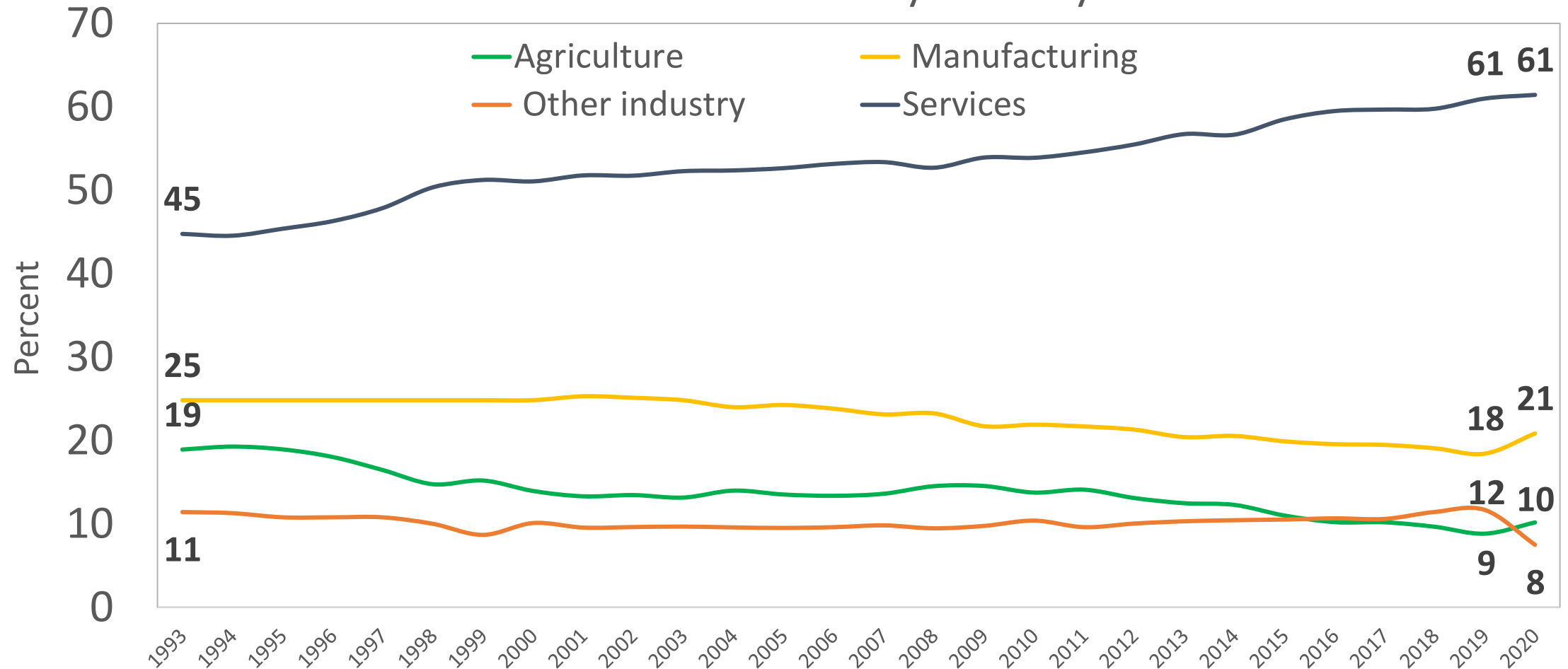
To attain our 2040 vision of eradicating extreme poverty and becoming a high-income country, we need to continuously innovate to ensure that our development gains are inclusive and sustainable.



# Philippines' structural transformation

# A long history of policy distortions slowed the growth of agriculture and manufacturing in the past decades.

Shares of GDP by industry

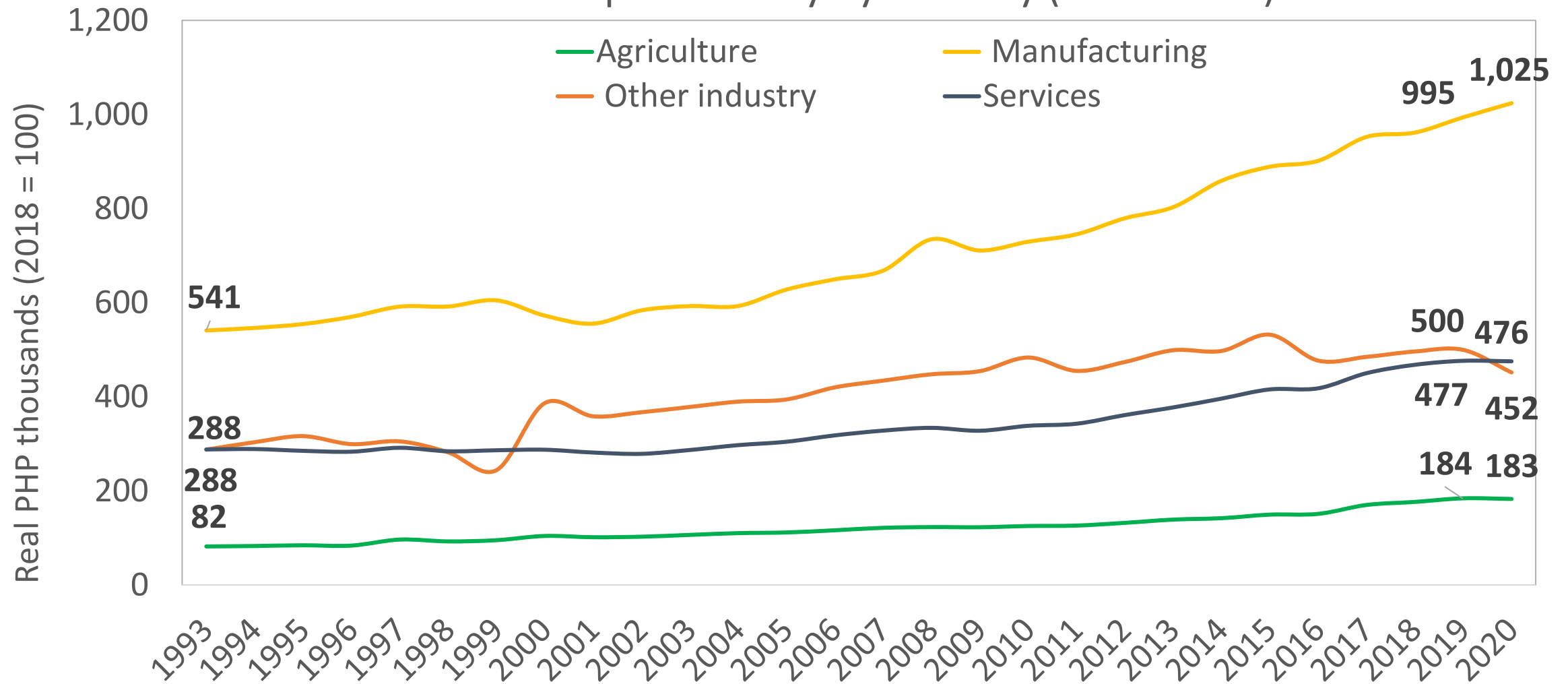


Source: PSA



# Agricultural and manufacturing productivity have potential to grow even more.

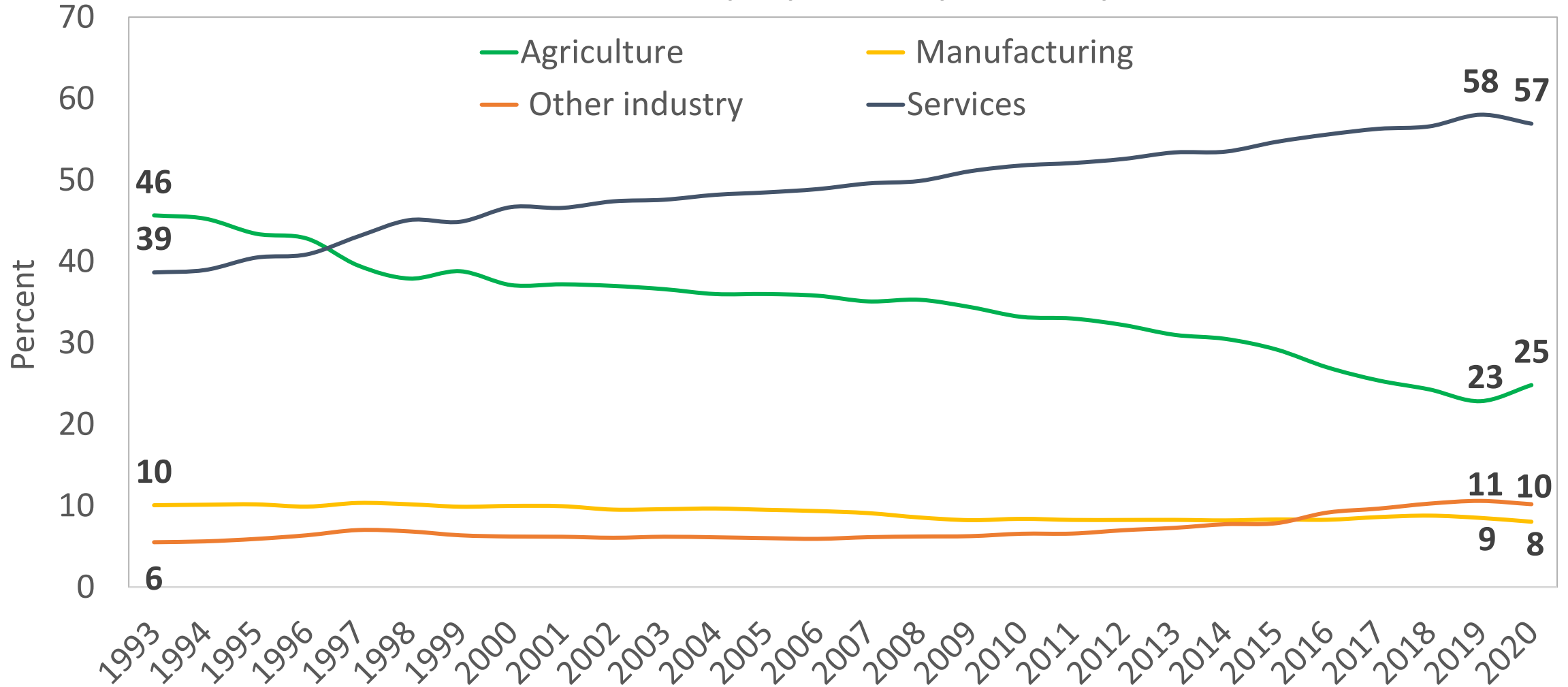
Real labor productivity by industry (2018 = 100)



Source: PSA

# Employment shifted from agriculture to informal services sector, instead of manufacturing.

Shares of employment by industry



Source: PSA

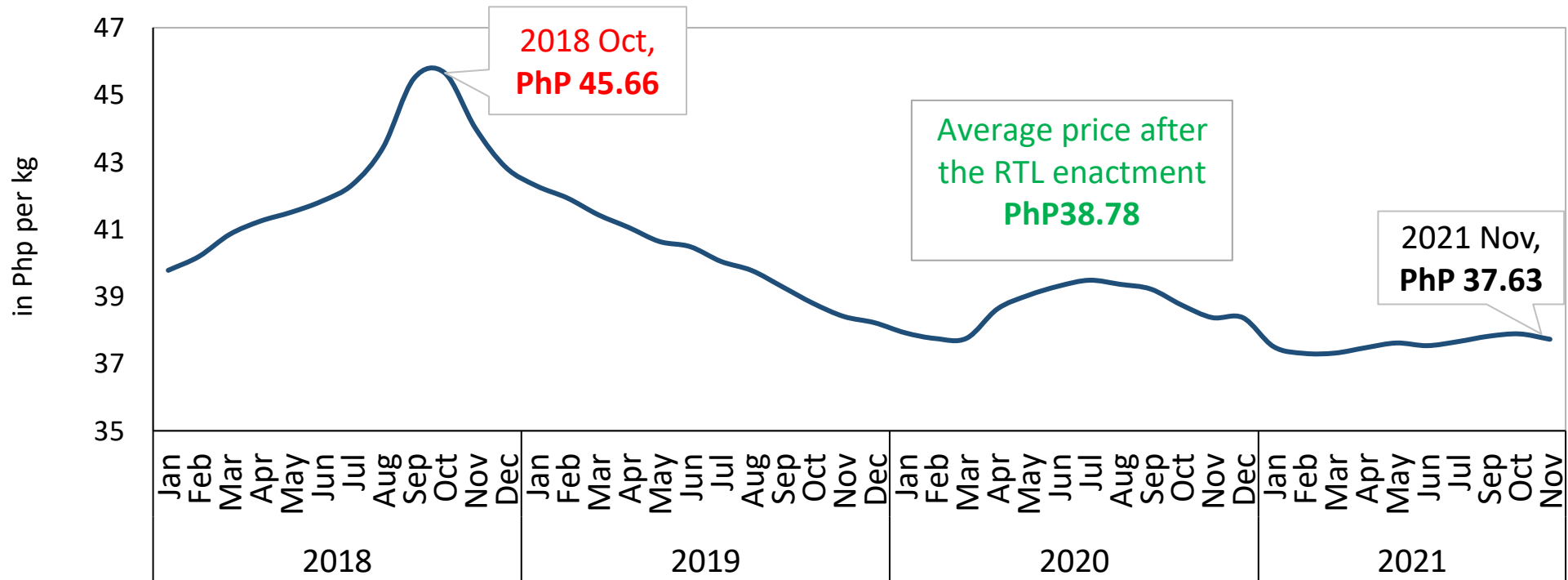




# The Rice Tariffication Law brought down rice prices for all while increasing the productivity and income of rice farmers.

## Lower rice prices due to more open importation.

### Monthly retail prices of regular milled rice

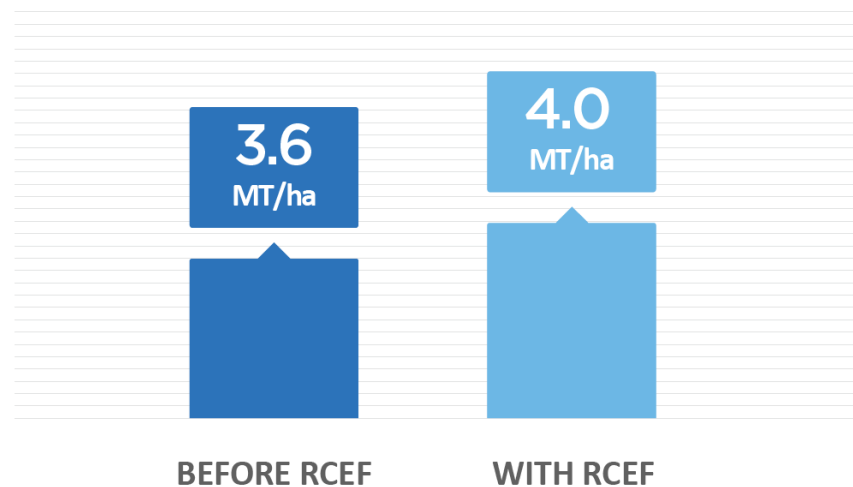


Source: PSA

# The Rice Tariffication Law brought down rice prices for all while increasing the productivity and income of rice farmers.



## RICE PRODUCTIVITY



This translates to an additional income of PHP 7,000 per ha  
Source: DA



## RICE PRODUCTION

Period	Production (million mt)	Percent growth over Q1 to Q3 2018
Q1 to Q3 2021	12.5	4.8



Source: DA Communications Group <https://www.da.gov.ph/understanding-the-rice-tariffication-law-rtl-or-ra-11203-and-its-ramifications/>

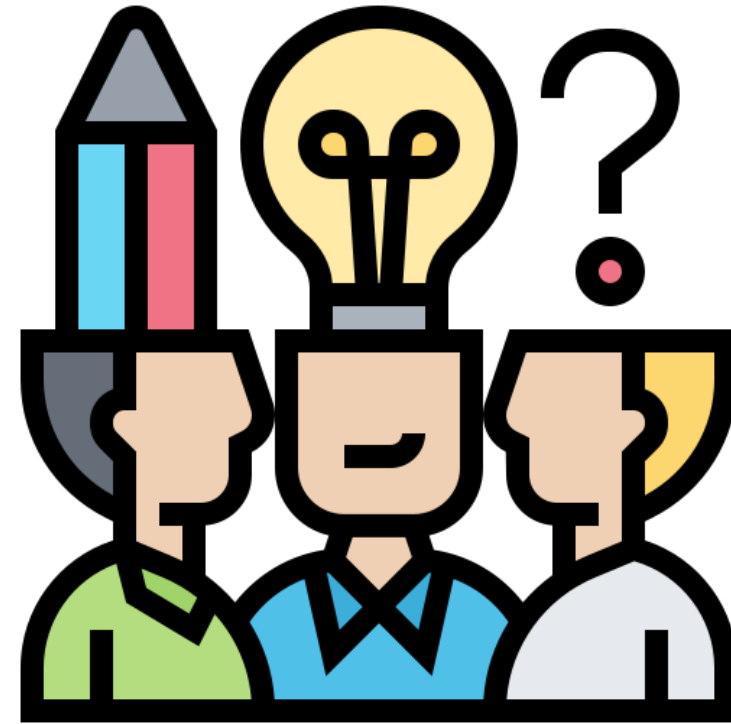


# Reforms to spur innovation

# The urgent passage of the amendments to the Public Service Act will enable the country to compete globally.



✓ More investments and job opportunities



✓ Exposure to new ideas and best practices

**The Duterte administration has achieved its 2021 target of 50 million PhilSys registrations, despite the challenges brought about by the COVID-19 pandemic.**



**50,014,382**

**STEP 2\***

Biometrics capture  
(in the registration centers)

**6,786,939**

Bank account openings



**4,414,393**

**STEP 3\***

PhilSys Number and PhilID issuance

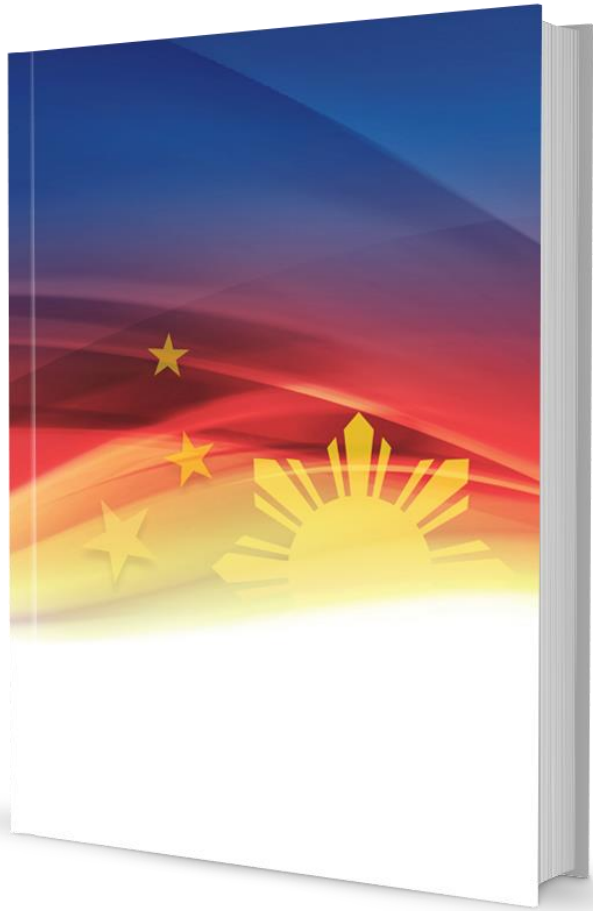
*\*as of 10 December 2021*





# **Gearing up for the full implementation of the Philippine Innovation Act**

**With the full implementation of the Philippine Innovation Act, we will further solidify our growth prospects.**



The National Innovation Agenda and Strategy Document (NIASD) is a 10-year foresight plan to weave and harmonize existing policies and strategies based on the evolving innovation ecosystems.

**The National Innovation Council will also manage the one-billion-peso innovation fund, to strengthen enterprises engaged in developing innovative solutions.**



**Startups**

**MSMEs**

**R&D community**

**Academia**

**Government  
agencies**





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**Innovation is about working together to  
find the best solutions to our most pressing problems.**



**Thank you and stay safe.**