

## GDP grows 7% in the 2nd Quarter of 2016

The Philippine economy grew faster than expected in the second quarter of 2016. The Philippine Statistics Authority released data on Thursday morning indicating that the Philippine Gross Domestic Product (GDP) increased by 7% in the three months of April to June versus the same period last year. The reported GDP figure beat both consensus estimates of 6.6% and the 1Q2016 figure of 6.8%.

Aside from the boost in election spending from the recently concluded presidential elections last May, the up-tick may also be attributable to the increase in investments, government spending, and consumer spending, growing by 28%, 14%, and 7%, respectively.

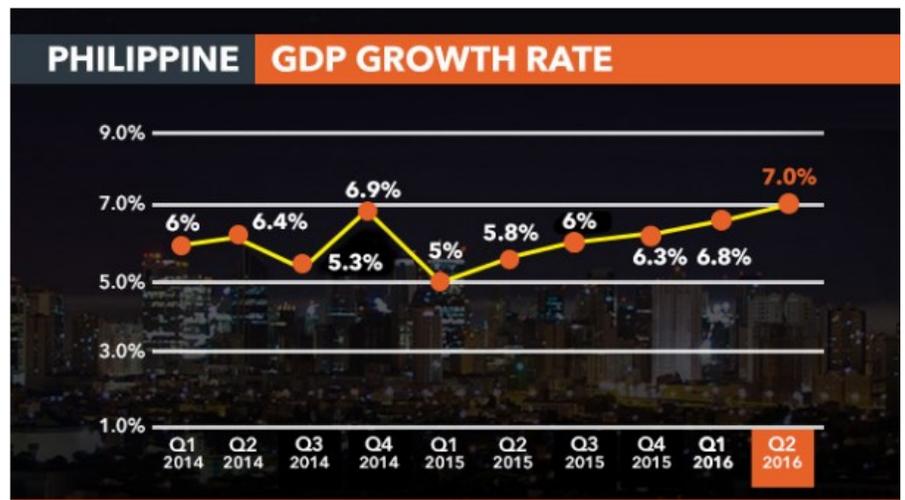
President Duterte has noted that his administration will keep the economic policies of the previous administration, as well as implement initiatives in his 10 point agenda in order to boost growth and promote job creation in support of the growing economy. The Duterte administration has also committed to raise spending which could also translate to better economic development for the Philippines.

The government targets a GDP growth of 6%-7% for 2016.

The better-than-expected GDP figure shows the resiliency of the Philippine economy in withstanding recent global market events and reinforces the claim that the Philippines is one of the fastest growing economies in the region.

As the domestic economy continues to show its strength, this is a great opportunity to ride on the back of the growing economy and invest in Philam Asset Management's (PAMI) mutual funds. PAMI has a wide range of equity, balanced, and fixed income funds that can cater to any type of investor risk profile.

**Chart 1: Philippine GDP Growth Rate**



Source: Rappler

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