

People Management Association of the Philippines (PMAP)
Philippines Country Report
March 10, 2011, Hongkong

Economic Situation:

- The Philippine economy, measured in terms of the gross domestic product (GDP), grew 7.3% in 2010, the fastest pace in 34 years.
- Still riding the euphoria that followed the incumbent Philippine President Benigno Aquino III's victory last year, Filipino businessmen now count themselves as among the most optimistic in the world, the 3rd most optimistic, according to a recent worldwide survey by the Grant Thornton International. About 87% of businessmen said that they were more confident about business prospects for 2011.
- Despite the accelerated growth in 2010, inflation stood at 3.8% versus the target of between 3.5% and 5.5%.
- In 2011, inflation is expected to accelerate as the impact of higher growth influences demand. The Philippine government targets inflation to settle at 3 to 5% in 2011 and in 2012.
- With the build-up of inflationary pressures, however, some analysts said that the Central Bank of the Philippines might be forced to raise interest rates soon.
- Price pressures are also building up due to the growing tension in the Middle East, with crude oil prices surging past \$100 a barrel. The Philippines imports about 90% of its fuel requirements.

Political Situation:

- The Philippine Ombudsman, who is tasked to investigate complaints made against individuals for abuses or capricious acts of government officials, was voted upon by the House Committee of Representatives to be impeached by a vote of 39-9 with 1 abstention. The Ombudsman was cited for her “unconscionably low” conviction rate in cases including the graft charges filed against former Philippine President Gloria Macapagal Arroyo and her husband. The impeachment proceedings, after the House of Representatives, will go to the Senate for the final vote whether or not to impeach the Ombudsman.
- Nearly 10,000 Filipino workers travelled home to the Philippines from Libya where there is an uprising. Some 26,000 to 30,000 Filipinos, mostly workers were in Libya before the uprising against Moammar Gadhafi began on February 17 in Benghazi, Libya’s second largest city.

Labor Situation:

- The Philippine Air Lines Employees Association (PALEA) recently filed a notice of strike, the second this year, after the Philippine Air Lines (PAL) management refused to negotiate a new collective bargaining agreement (CBA) with the ground crew union. PAL, however, indicated and assured the public that the strike threat will not affect PAL operations.
- The labor front remains to be relatively peaceful. The once active militant unions are no longer as active as they used to be.

People Management Association of the Philippines (PMAP) Updates:

- A new PMAP President was elected, Mr. Schubert Caesar C. Austero, who will be serving for the entire 2011.
- The PMAP Board 2011 decided that the national conference this year will be held in Thailand. Details have yet to be finalized.

Prepared by: Ernesto G. Espinosa