Philippine Economy IN 6 CHARTS

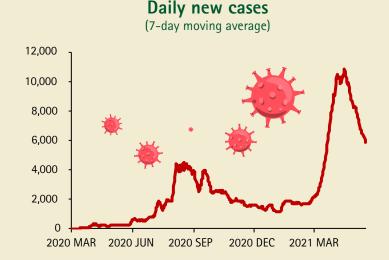


Economic recovery from the recession in 2020

Resurgent infections weaken recovery momentum and raise downside risks

(Year-on-year, percent) 8 6 4 2 2020 0 2018 2019 2021F 2022F -2 -4 -6 -8 -9.6 -10

GDP growth



4 Monetary policy remains accommodative Faster vaccination rollout is needed 100 Policy rate and inflation Vaccinated at (Percent per annum; year-on-year, percent) 90 least one 8 dose as of 80 May 18 2021 Target 6 70 To be 60 vaccinated 4 50 2 40 0 30 2017 2018 **2**019 2020 2021 -2 20 10 -4 Real policy rate Policy rate Headline CPI 0

Continued expansionary fiscal policy 6 Policy space to buffer downside risks Cyclical adjusted fiscal Public debt stress test (Percent of GDP) impulse vs output gap 70 70% of GDP Counter-cyclical Pro-cyclical expansionary expansionary ulse (% of GDP) 65 60 2021b Fiscal impu 2 2016 55 2018 2020 2017 50 2019 Pro-cyclical contractionary 2020 2021F 2022F 2023F 2024F 2025F 2022b Counter-cyclical contractionary Baseline Interest rate shock Growth shock -12 -10 -8 -6 -4 0 -2 ---- Exchange rate shock Primary balance shock Contingent liabilities Output gap (% of potential GDP) Combined shock



