



## **Goa, India**

### **September 26, 2013**

#### **1. Current economic and political situation in the country**

##### **Economy and labour market situation**

Local stocks recently wiped out all gains for the year while the peso depreciated to a three-year low against the dollar as rising global oil prices triggered by geopolitical tension in the Middle East heightened risk aversion across global markets. The main-share Philippine Stock Exchange Index (PSEi) slumped by another 178.93 points or 3.02 per cent to close at 5,738.06. The market is now trading at its lowest level for 2013 and lagging its end-2012 level by 1.3 per cent, reversing as much as 27 per cent in gains earlier in the year. The peso, on the other hand, lost 25 centavos to close at 44.75 to \$1, weaker than the previous close of 44.50 to \$1.

The Philippines is set to release its second quarter economic report. Market consensus points to a 7.3 per cent GDP expansion in the second quarter.

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In the labour front, the International Labour Organization (ILO) is noting improvements in the Philippine labour sector due to strong economic growth.

In a study released recently, ILO said that the jobless rate has been trending down with more male workers being employed and the youth having better chances of clinching jobs.

It noted that unemployment rate in the Philippines went down to 6.9 per cent in 2012, compared with 7.2 per cent the previous year. This decline has been driven by trends in male unemployment: the unemployment rate for Filipino men declined from 7.6 per cent to 7.0 per cent during the same period. The unemployment rate for women remained unchanged at 6.7 per cent for the same period. It also noted that in the Philippines and Indonesia, the two countries with the largest labour force in the region, youth unemployment is going down.

## **Political situation**

The Philippines has been embroiled recently in a serious accusation that some people are involved in the irregular use and disbursement of P10 billion worth of public funds, through the Priority Development Assistance Funds (PDAF) or “pork barrel” of senators and congressmen. According to

reports, the funds are allegedly being used to fund fake non-government organizations (NGOs) projects. There was, in fact, a recent protest march organized through the social media, calling for the gathering of 1 million people to demand from the government the scrapping of the PDAF.

The principal accused has already surrendered to the Philippine President. In the meantime, there is an ongoing investigation being done by the Blue Ribbon Committee of the Senate in order to primarily pass laws that will ensure that public funds are appropriately used in the future, and secondarily, to unearth who among the politicians are involved in the alleged scam.

In the meantime, Philippines President Benigno C. Aquino III continues to enjoy a good trust rating among the majority of Filipinos. Known to be a man of integrity, he recently delivered his State of the Nation Address, detailing the achievement of his administration after 3 years in office, and highlighting what he plans to do within the last 3 years of his 6-year term as President. The achievements and plans he presented were quite impressive and many Filipinos are hopeful that they will bring the Philippines to progress in the future.

## **2. HR challenges**

The 3 main challenges facing the HR profession in the Philippines at present are:

- Leadership development
- Talent management
- Succession management

## **3. PMAP projects and initiatives**

Major areas of PMAP activity include the following:

- Pulse Survey 2013-06 on “On-the-Job and Apprenticeship Program” Best Practices
- PMAP, together with 15 other professional and industry associations, has called for the review of the concept and implementation of the PDAF amidst the serious allegations of irregularity in relation to the use and disbursement of the said fund.
- The association also sought the help of its member-companies for the victims of the recent Typhoon Maring which devastated some parts of

the country. The heavy rains and floods have forced many people to leave their homes and stayed in evacuation centers.

#### **4. Scheduled Conference**

- 50<sup>th</sup> PMAP Annual Conference  
September 25-27, 2013  
Philippine International Convention Center (PICC)

**Ernesto G. Espinosa**  
**Past President**  
**People Management Association of the**  
**Philippines (PMAP)**