

Import export imbalance

Countries, Philippines



Lumba, Luelah Lae D. 10/01/2012 B222 Mr. Darwin Pantig Import-Export Imbalance in the Philippines This is a problem long time ago the imbalance of import-export products due to the industrialized neighboring countries, Philippine has nothing to do to compete them because of their low cost labors and raw materials. Agricultural products and aqua cultured products are the possible advantages of Philippine in terms export because of the country's vast water premises. also human resource for foreign employment.

Import-Export Imbalance: Among the many economic problems faced by the Philippines, one is the imbalance of imports and exports. The negative trade is heavy and only counterbalanced by the service account surplus. Over the last two decades, Philippine exports have shifted from commodity-based products to manufactured goods. However, in the midst of the current global economic recession, the exports of electronics, garments and textiles are yet to reach a level of import neutralization.

Decline of the Philippine Peso: The economic downturn has resulted in the devaluation of the Philippine peso and subsequently, a fall in the stock market. The fiscal conservatism strategy adopted by the Philippine government has yet to reflect a positive effect on acceleration of economic growth. 6% growth in the gross domestic product (GDP) in 2004 and 7.3% in 2007 has yet to accelerate to the linear GDP growth projected by the government.

Reliance on Remittances: President Gloria Macapagal-Arroyo has pledged complete development of the economy by the year 2020. There have been a number of tax reforms put in place, alongside extensive asset privatization. Nevertheless, Philippines' dependency on remittances from non-resident investors is large. Neighboring competitors have been siphoning away big investors in

infrastructure and outsourcing. This has resulted in an uneven regional development. These are just some of the economic challenges looming large over the Philippines. The government is taking extensive steps to ensure even distribution of economic growth within the nation, by promoting overseas and home-bound investments in the Philippine Islands. The country is facing significant decline in industrial production, gross domestic product, income and employment and sales. Nevertheless, the crossover from import substitution to promotion of exports are slowly adding quality to various fiscal incentives.