

Impact of the Economic Crisis on Labor Mobility: The Philippine Experience



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PECC General Meeting, Concurrent Session
13 May 2009, Renaissance Mayflower Hotel
Washington, D.C.





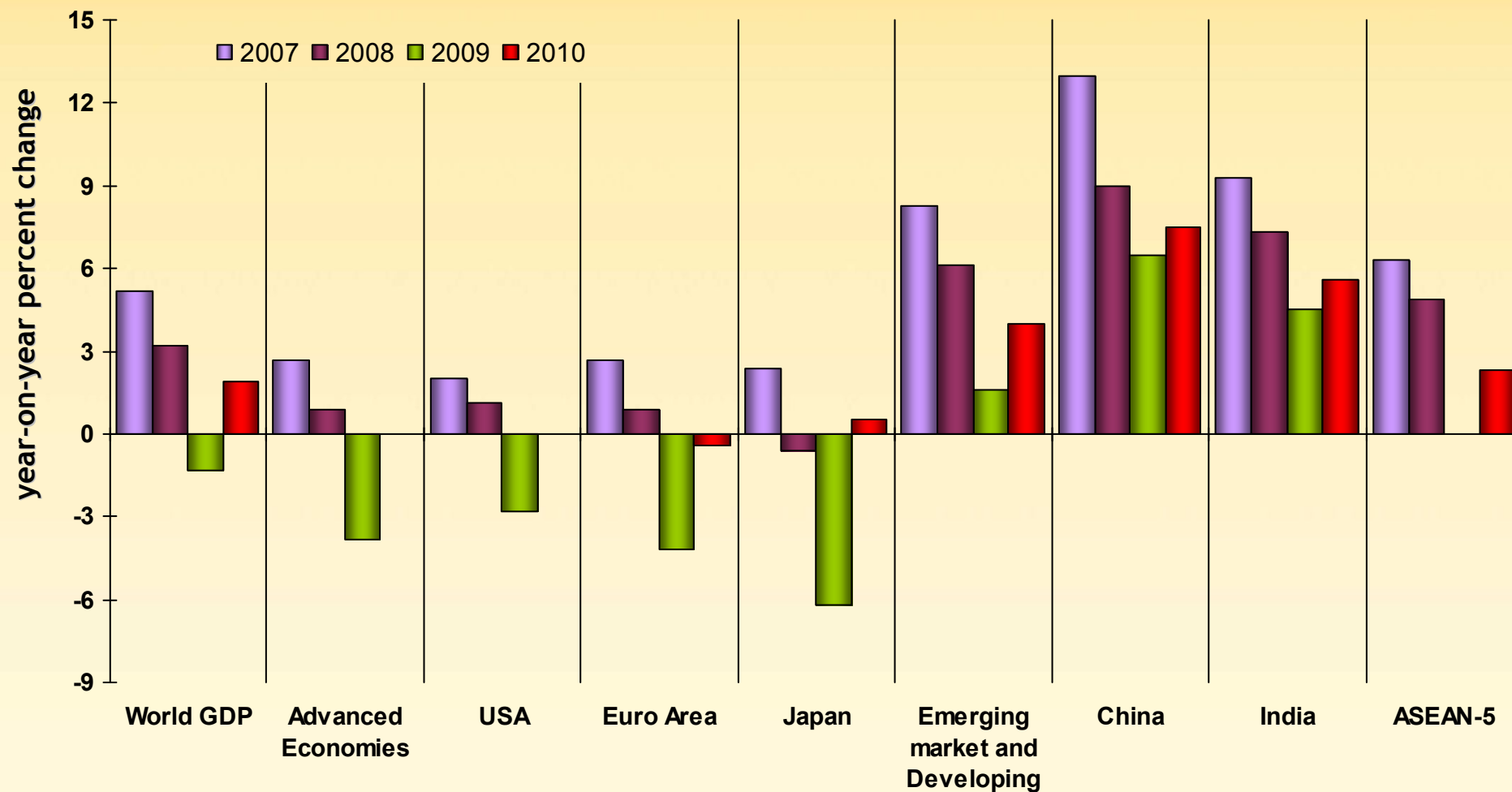
Outline of Presentation

- I. Impact of Global Outlook and Analysts' view on Remittances and Labor Mobility**
- II. Recent Developments on Filipino International Labor Mobility and Overseas Filipinos' Remittances**
- III. Reasons for Resilience**
- IV. Policy Directions of the Government**



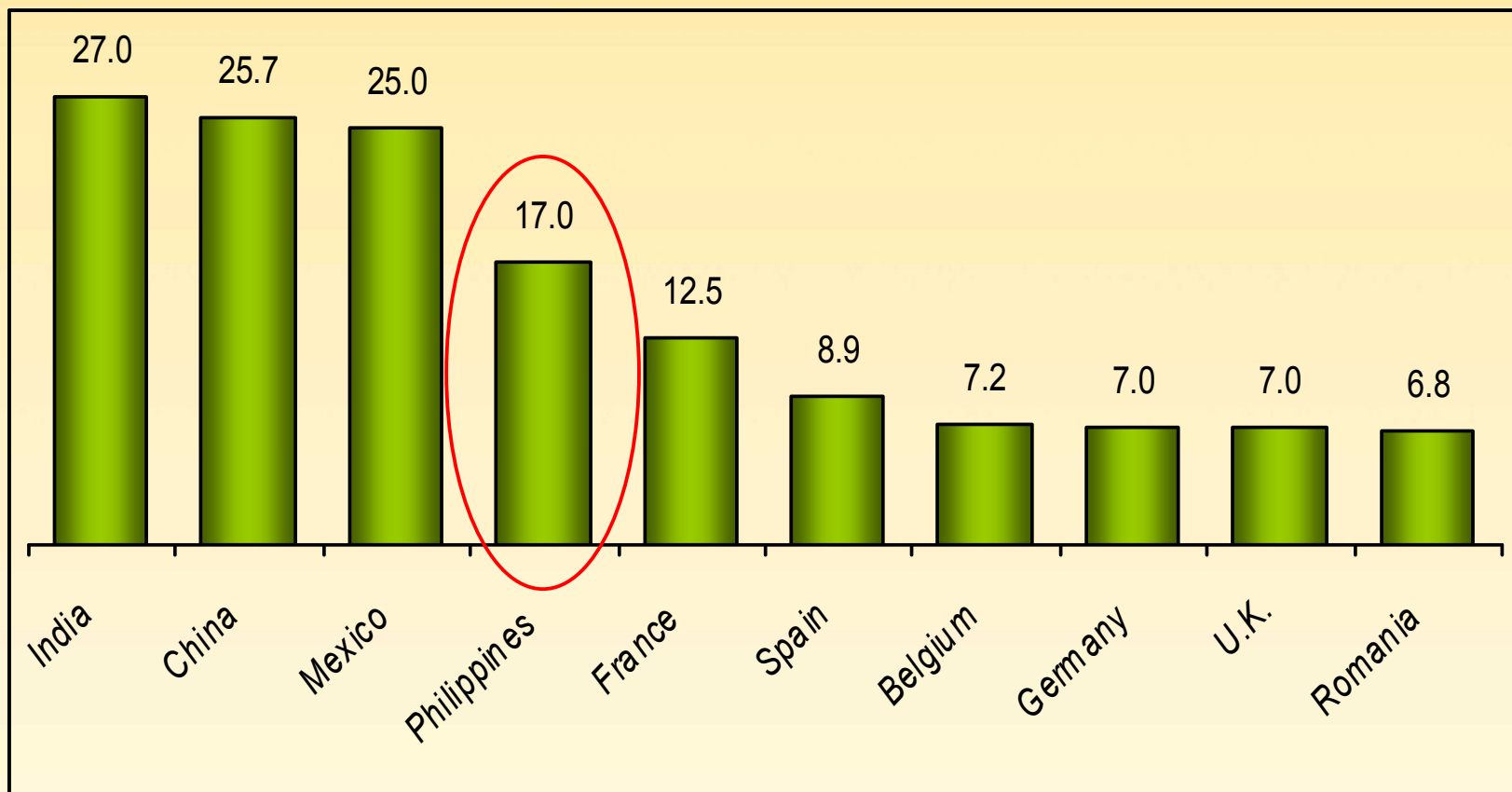
Global Economic Outlook

IMF Growth Projections





Top Remittance-receiving Countries, 2007 (in US\$ billions)



Source: World Bank Global Development Prospects 2007

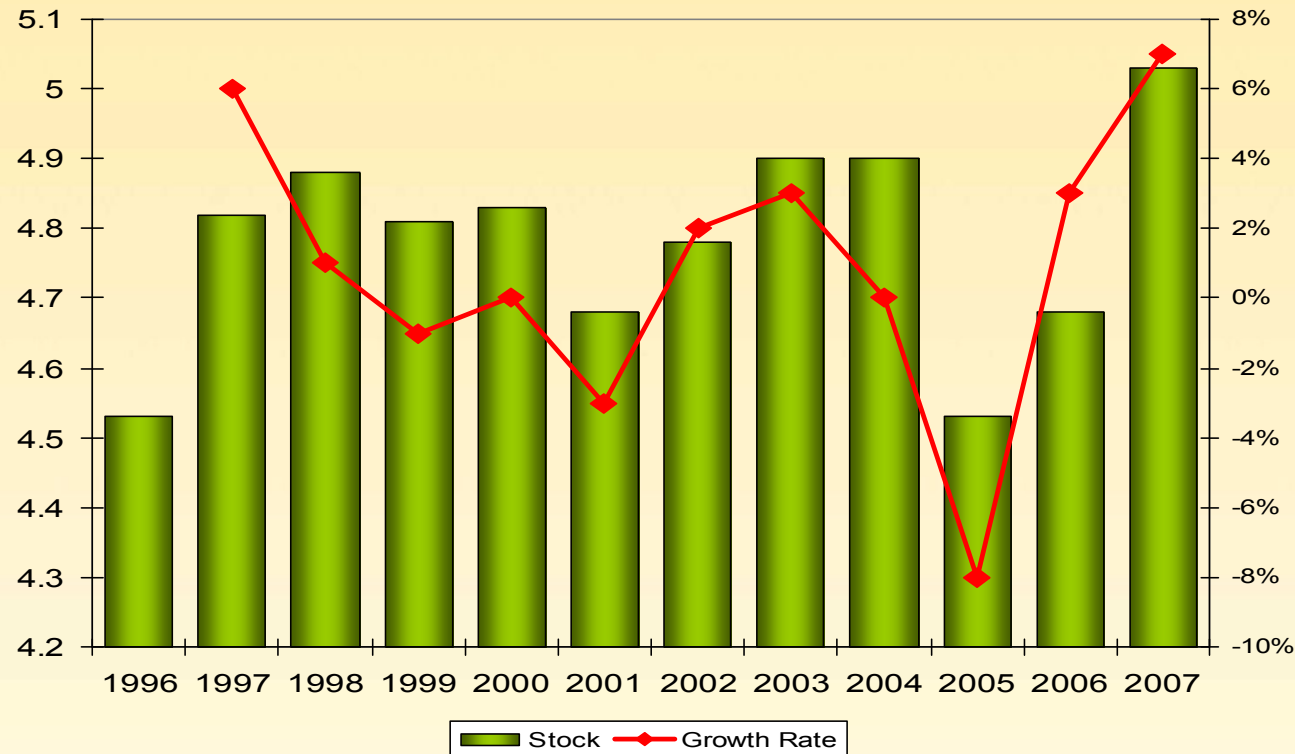


Recent Developments on Filipino International Labor Mobility and Overseas Filipinos' Remittances



Stock of OFWs

- Average of 4.8 million OFWs over the last 12 years



Sources: Commission on Filipinos Overseas

Available data indicate that
Filipino international labor
migration has not been
adversely affected



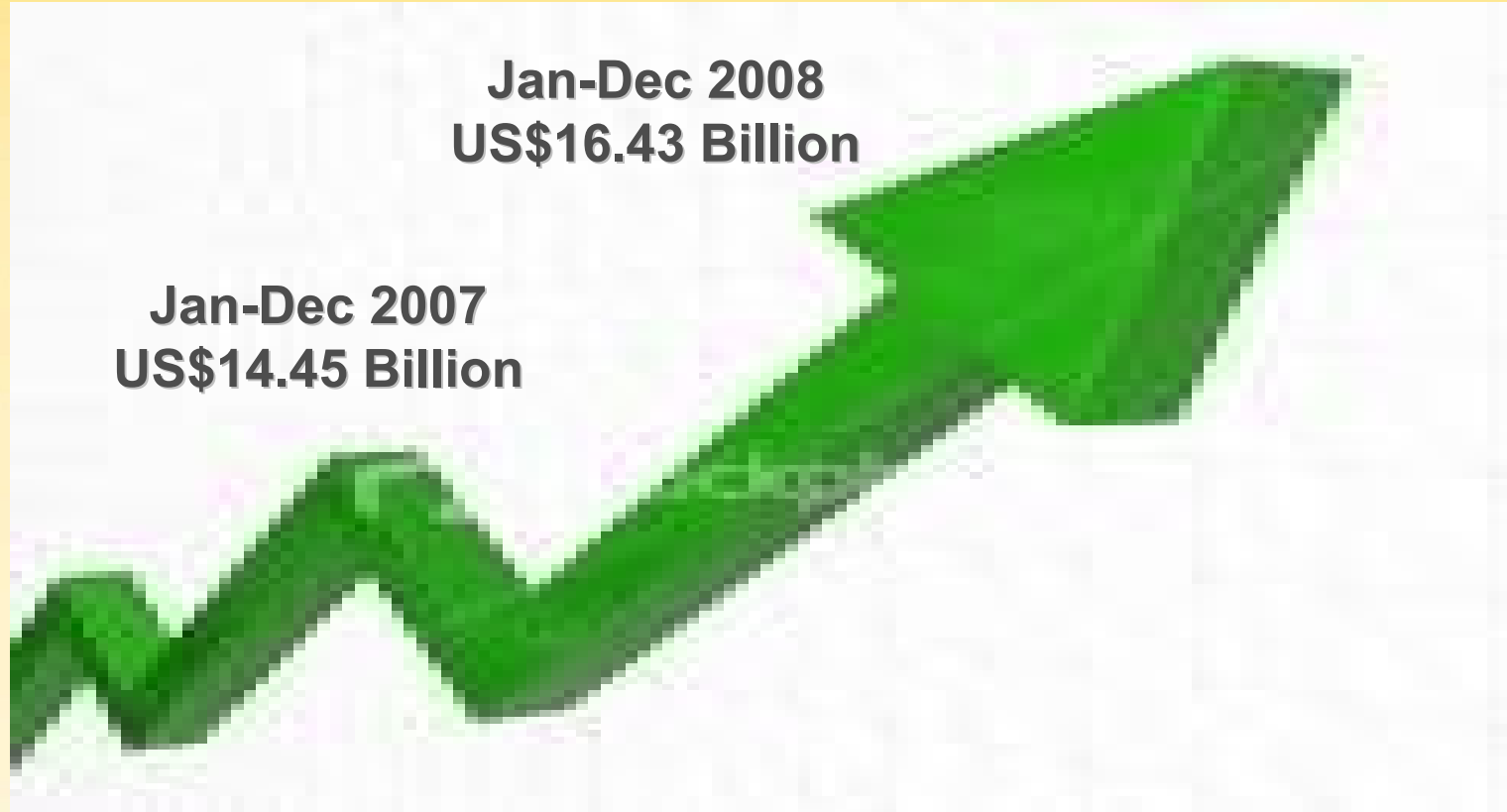


Deployment of
OFWs increased by
27.3 percent



**Jan-Dec 2008
US\$16.43 Billion**

**Jan-Dec 2007
US\$14.45 Billion**



Remittances increased by 13.7 percent



VALUE OF REMITTANCES

	Level (in US\$ Bil) ^{1/}	Growth Rate (%)	Remittances as % of:				
			GDP	XGS	FDI	GIR	DSB
2002	6.89	14.2	9.0	18.2	446.6	42.1	88.7
2003	7.58	10.1	9.5	19.6	1,543.4	44.4	95.3
2004	8.55	12.8	9.9	20.0	1,242.7	52.7	118.5
2005	10.69	25.0	10.8	23.9	576.5	57.8	140.2
2006	12.76	19.4	10.9	24.1	436.9	55.6	161.5
2007	14.45	13.2	10.0	24.4	495.5	42.8	202.0
2008	16.43	13.7	9.7	28.1	1,080.7	43.7	223.4
2009	2.59 (Jan-Feb)	2.5	-	-	9,738.5 (Jan)	6.6 (Jan-Feb)	-

1/ Cash remittances coursed through the banks



Number of Displaced Overseas Filipino Workers and Companies Affected (As of 14 April 2009)


Number of Displaced Overseas Filipino Workers and Companies Affected				
Region/Country of Employment	Companies Affected	OFWs Displaced	Industry	Reason for Displacement
Asia: Taiwan	91	4,339	Electronic, metal works, semi-con	Bankruptcy and retrenchment
Korea	135	227	Electronics	Laid-off/Decided to go home
Brunei	4	112	Garments	Restructuring
Macau ^{2/}	10	169	Construction; hotel	Suspension of const. projects, cost-cutting
Malaysia	3	17	Garments	Retrenchment
Singapore ^{3/}	1	19	Metal work	Retrenchment
Japan	1	14	Information technology	Retrenchment
Oceania (Australia)	3	83	Shipbuilding; construction	Redundancy
Middle East : UAE ^{1/}	53	1,357	Service; const; advtsg; arch; eng	Operation slowdown; redundancy
KSA	3	74	Construction	Workforce reduction
Qatar ^{3/}	1	8	Various (e.g. const, eng etc.)	Retrenchment
Europe: U. Kingdom	3	19	Electrical/Telecom	Reduction in workload
Russia ^{3/}	1	19	Building Construction	Suspension of construction projects
Greece	5	47	Service; Cruise Vessel	Retrenchment
Poland ^{3/}	1	11	Metalwork	Retrenchment
Americas (Canada)	1	180	Oil & gas	Retrenchment
TOTAL	316	6,695		

Source: Philippine Overseas Employment Administration

¹ Based on report of Mission Team.

² Forty (40) hotel workers were promised to be rehired in company's project in Singapore.

³ Based on recruitment agency report.



Number of Approved Overseas Job Orders As of 12 May 2009

Skills	Total	Processed %	Balance %
Professional Workers	155,944	11.8	25.7
Nurses Professionals	36,286	24.6	22.9
Engineers	8,504	4.2	5.8
Engineering Technicians	9,300	8.2	5.3
Teachers	3,869	2.0	2.6
Performing Artists	5,959	5.1	3.5
Managerial Workers	5,683	0.2	1.0
Clerical Workers	37,699	5.7	4.5
Sales Workers	21,357	3.6	2.3
Service Workers	241,853	43.2	25.3
Caregivers & Caretakers	12,743	6.7	3.8
Domestic Helpers	112,315	40.5	52.4
Agricultural Workers	2647	0.4	0.3
Production Workers	288,331	34.6	40.0
Unclassified	4,827	0.4	0.8
TOTAL	758,341	100.0	100.0
Source of Raw Data: Philippine Overseas Employment Administration			



Number of Approved Overseas Job Orders As of 12 May 2009

World Region	Total	Processed	%	Balance	%
Africa	10,866	3,212	29.6	7,654	70.4
Americas	41,767	7,376	17.7	34,391	82.3
Asia	135,684	49,230	36.3	86,454	63.7
Europe	6,119	1095	17.9	5,024	82.1
Middle East	556,091	217,255	39.1	338,836	60.9
Oceania	7,814	1721	22.0	6,093	78.0
TOTAL	758,341	279,889	36.9	478,452	63.1
Source: Philippine Overseas Employment Administration					



Number of Approved Overseas Job Orders As of 12 May 2009

Middle East	556,091
Kuwait	48,680
Libya	13,179
Oman	21,013
Qatar	114,795
Saudi Arabia	206,217

Asia	135,684
Brunei	5,203
Hong Kong	49,628
Japan	1,510
South Korea	4,031
Singapore	12,560
Taiwan	38,123



Number of Approved Overseas Job Orders As of 12 May 2009



MIDDLE EAST

Construction Workers

Saudi Arabia (90,606)
Qatar (60,129)
UAE (44,140)

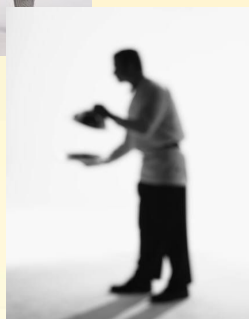
Nurses



Engineers

Service Workers

UAE (45,873)
Saudi Arabia (44,206)
Kuwait (25,352)
Qatar (22,905)



Professionals

Saudi Arabia
(56,169)



Number of Approved Overseas Job Orders As of 12 May 2009

ASIA



Construction Workers

Taiwan (28,825)



Service Workers



Hong Kong
(Domestic Helpers -49,392)
Taiwan (Caregivers-8,117)
Singapore (Domestic Helpers –
3,508; Caregivers – 55)



Professionals

Singapore (Nurses –
1,551)
South Korea
(Musicians/Singers –
2,904)



Reasons for Resilience



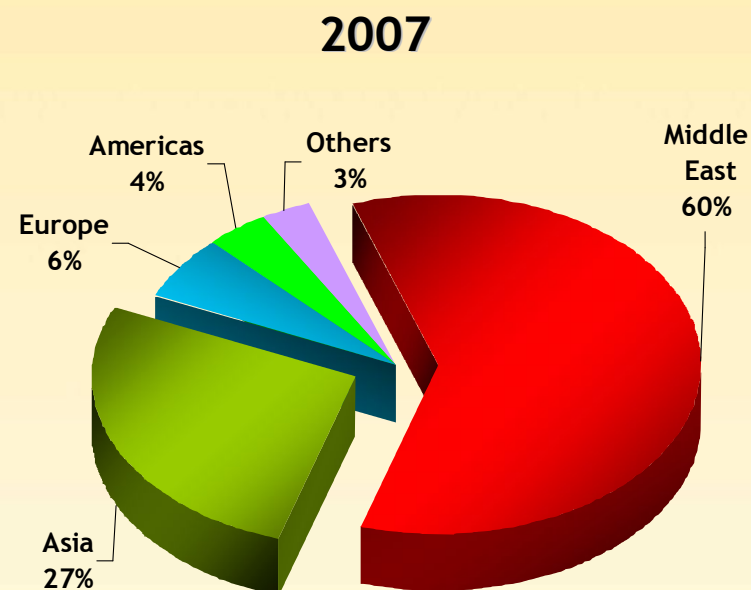
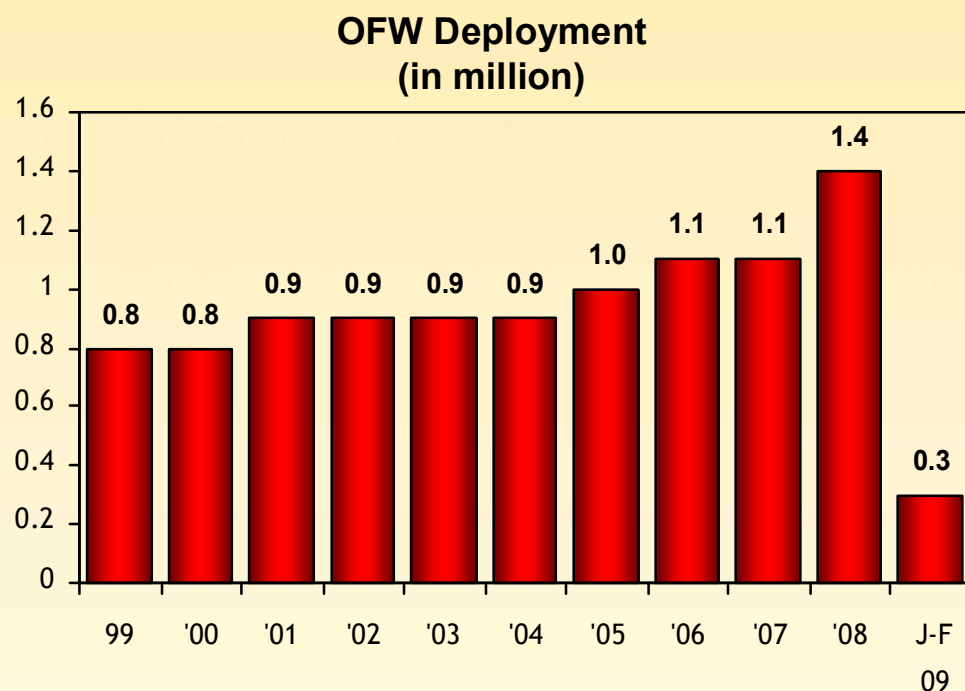
Demographic trends

Aging population in advanced economies:

- Japan
- Europe
- North America

Geographical diversification

- Continued increase in deployment of OFWs, with Asia and the Middle East as the top destinations of deployed land-based workers.

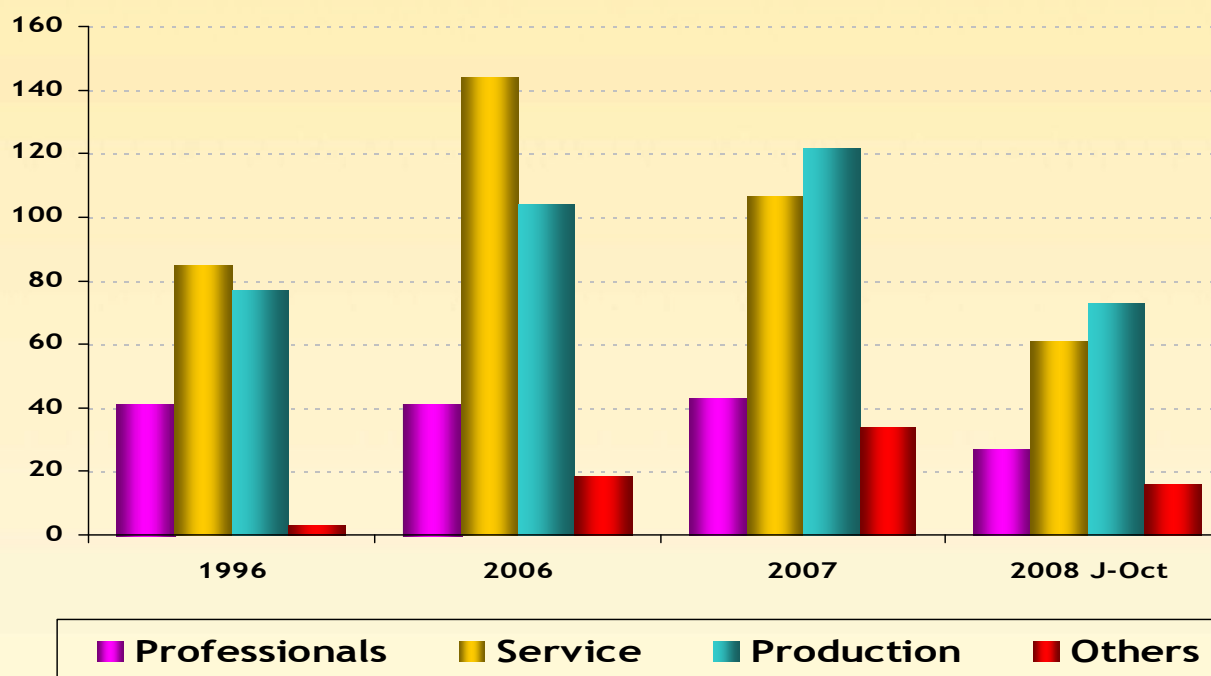


Source: Philippine Overseas Employment Administration (POEA)



Skills Diversification

- OFWs deployed over the last ten years categorized as higher-paid professionals and skilled workers



Source: Philippine Overseas Employment Administration (POEA)



Aggressive marketing efforts of money transfer agents:

Expanded Financial Services

- **Deposit-taking function (e.g. internet/on-line, phone banking)**
- **Servicing of household bills (e.g., utilities, communication)**
- **Direct payment of housing loan amortizations**
- **Expanded services to cover life insurance, educational insurance, tuition fees**



Government's Policy Actions



Bilateral Labor Agreements

Labor-receiving countries:

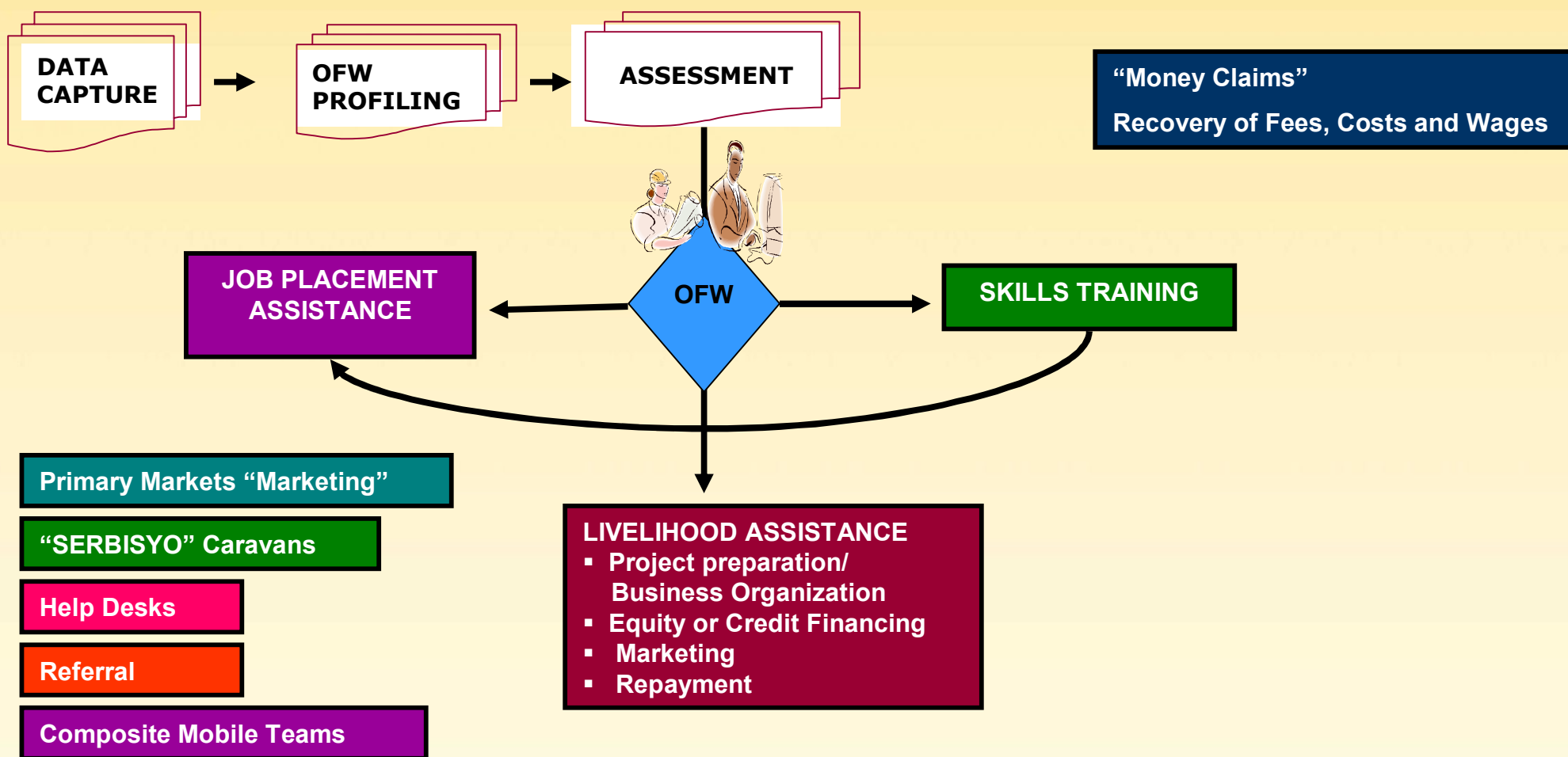
Norway	Libya
United Kingdom	Jordan
Papua New Guinea	Qatar
Taiwan	Iraq
Switzerland	Kuwait
Sweden	Marianas Islands (CNMI)

Labor-sending country:

Indonesia



PROCESS FLOW FOR IMPLEMENTING INTERVENTIONS FOR DISPLACED WORKERS





Initiatives on Remittances

- Encourage the continued flow of remittances
 - Bring down remittance fees and facilitate transfers thru:
 1. Enhancing competition
 2. Improving the channels of remittance transfers
- Mobilize remittances to fund productive activities
 - Improve access to financial services
 - Raise the level of financial literacy awareness



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