Input-Output Multiplier Analysis for Major Industries in the Philippines

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ABSTRACT

The study aims to assess the impact of the different major industries of the Philippines using Input-Output Multiplier Analysis. It attempts to do this by using the 2000 Input-Output Accounts of the Philippines (I-O Accounts), the most recently published tables by the National Statistical Coordination Board (NSCB). As the economic importance of the 11 major industries is growing among the policy makers and researchers, this study applied input-output technique in determining economic effects to gauge the significance of these industries in generating output, income and employment. Key sectors are identified in term of multipliers; the higher the multiplier, the stronger is the ability of the corresponding sector to create multiple impacts in the economy. The obtained multipliers showed that among major industries, the Manufacturing Industry showed the highest final demand-to-output multiplier; the Construction Industry gained the highest output-to-output multiplier; and Private Services Industry is found to have the highest income and employment multipliers.

Key words and phrases: input-output, multiplier, output, income, employment

1 One of the in-house research undertakings conducted by the Research and Information Technology Division (RITD) of the Statistical Research and Training Center (SRTC) of the National Economic and Development Authority (NEDA)

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