

The Philippine Review of Economics

Editor-in-Chief

EMMANUEL F. ESGUERRA

Editorial Advisory Board

EMMANUEL S. DE DIOS

RAUL V. FABELLA

HAL CHRISTOPHER HILL

CHARLES Y. HORIOKA

KIAN GUAN LIM

ROBERTO S. MARIANO

JOHN VINCENT C. NYE

GERARDO P. SICAT

JEFFREY G. WILLIAMSON

Associate Editors

LAWRENCE B. DACUYCUY

FRANCISCO G. DAKILA JR.

JONNA P. ESTUDILLO

MARIA S. FLORO

GILBERTO M. LLANTO

SER PERCIVAL K. PEÑA-REYES

Managing Editor

HONLANI RUTH R. RUFO

SPECIAL ISSUE ON INDUSTRIAL POLICY

ARTICLES

Philippine industrial policy?
Why not? **Manuel F. Montes**

Industrial policy and
complexity economics **Josef T. Yap
John Faust M. Turla**

Mapping feasible routes
towards economic
diversification and industrial
upgrading in the Philippines **Annette O. Balaoing-Pelkmans
Adrian R. Mendoza**

Industrial policy for
innovation: why does it
matter? **Rafaelita M. Aldaba
Fernando T. Aldaba**

Exploring the prospects of
services-led development
for the Philippines **Ramonette B. Serafica**

Natural gas and transitioning
to renewable fuels:
considerations from
industrial policy **Dante B. Canlas
Karl Robert L. Jandoc**

How might China-US
industrial policies affect
the Philippines?: a
quantitative exercise **Ma. Joy V. Abrenica
Anthony G. Sabarillo**

COMMENTS

Felipe M. Medalla, Raul V. Fabella, Hal Hill,
Emmanuel S. de Dios, Mead Over, Ramon L. Clarete,
Gonzalo Varela



A joint publication of the
University of the Philippines
School of Economics
and the **Philippine Economic Society**



The Philippine Review of Economics

Vol. LXI No. 2
December 2024

p-ISSN 1655-1516
e-ISSN 2984-8156
DOI: 10.37907/ERP4202D

- iv Preface
- 1 Philippine industrial policy? Why not?
Manuel F. Montes
Comment, *Felipe M. Medalla*
- 24 Industrial policy and complexity economics
Josef T. Yap
John Faust M. Turla
Comment, *Raul V. Fabella*
- 55 Mapping feasible routes towards economic diversification
and industrial upgrading in the Philippines
Annette O. Balaoing-Pelkmans
Adrian R. Mendoza
Comment, *Hal Hill*
- 82 Industrial policy for innovation: why does it matter?
Rafaelita M. Aldaba
Fernando T. Aldaba
Comment, *Emmanuel S. de Dios*
- 114 Exploring the prospects of services-led development
for the Philippines
Ramonette B. Serafica
Comment, *Mead Over*
- 144 Natural gas and transitioning to renewable fuels: considerations
from industrial policy
Dante B. Canlas
Karl Robert L. Jandoc
Comment, *Ramon L. Clarete*
- 171 How might China-US industrial policies affect the Philippines?:
a quantitative exercise
Ma. Joy V. Abrenica
Anthony G. Sabarillo
Comment, *Gonzalo Varela*

Preface

Special issue on Industrial Policy

Industrial policy, a term once eschewed in “serious” discussions of development policy and strategy, is back in currency. This renewed interest is evident in the increasing body of both academic and popular literature that explicitly references the term in recent years. *The Philippine Review of Economics* initiated a roundtable discussion to take stock of the current state of knowledge on the subject, particularly as it relates to the Philippine experience. The articles in this issue were first presented during the roundtable discussion on October 17-18, 2024 held at the University of the Philippines School of Economics and revised for publication.

The *Review* thanks the authors of the papers for the revisions done on the earlier drafts and the discussants—Ramon Clarete, Emmanuel de Dios, Raul Fabella, Hal Hill, Felipe Medalla, Mead Over, and Gonzalo Varela—for their incisive comments which have also been included in this issue. We are grateful to the Philippine Center for Economic Development for supporting the initiative.

We hope this issue provokes further discussion and research on the subject of industrial policy and its implications for the future of Philippine development.

Emmanuel F. Esguerra
University of the Philippines
School of Economics