

Table 3.11 also tells us that, in general, Philippine households consumption of manufactures is largely limited to non-durable consumer goods. In fact, the only durable consumer goods items on which the households allocated at least one per cent of their budget in 1961 are furniture and fixtures. Their purchases of other consumer durables such as refrigerators, radio and TV sets, cars, and gas ranges, average no more than one-third of one per cent of their total outlay, which is about the same proportion as they spent towards purchases of domestic services (i.e., maids and similar help hands).

Table 3.12 classifies in broader categories the types of goods Philippine households bought in 1961. Forty and seventy-nine hundredths per cent (40.79%) or ₱4.9 billion of these were purchases of manufactures, 34.21% consumer services, and 18.29% unprocessed farm and fish products.

The above-mentioned tables emphasize distribution of household purchases. In the next two tables, interest is focused on the relative importance of these purchases in the total sales of each industry or sector. One of these suggests, to some extent, which industries are more or less consumer goods or capital goods industries, depending on whether the bulk of sales go into consumption or into capital formation.

TABLE 3.12

Major Sectoral Distribution of Household Expenditures, 1961

<u>Sector</u>	<u>Industry Purchases as Per Cent of Total Household Expenditures</u>	<u>Value of Household Expenditures (P1000)</u>
Manufactures	40.79%	P 4,914,266
Services	34.21	4,121,625
Agriculture, Forestry, Fishing, Mining	18.29	2,203,319
Imports	3.70	
Indirect Taxes	2.10	252,516
Depreciation (cars, etc.)	0.60	72,759
Domestic Services (Maids)	0.31	36,796
	<u>100.00%</u>	<u>P12,047,623</u>

TABLE 3.13

Distribution of Industries in Terms of Sales to Households as Percentage of Total Industry Sales, 1961

<u>Sector</u>	<u>Sales to Households as Per Cent of Total Industry Sales</u>	<u>Value of Sales to Households (P1000)</u>	<u>Value of Total Industry Output (P1000)</u>
Furniture and Fixtures	94.83%	P 124,371	P 131,151
Tobacco Products	93.93	446,763	475,630
Beverages	88.14	207,012	234,865
Transport Services	74.32	1,472,582	1,981,331
Food Manufactures	73.32	2,802,317	3,821,843
Footwear	69.98	151,647	216,688
Agriculture, Forestry and Fishing	55.92	2,203,319	3,939,885
Chemicals	51.57	372,779	722,791
Textile Products	51.33	274,934	535,586
Other Services (Health, Education, etc.)	39.57	563,081	1,423,147
Trade, Wholesale and Retail	38.23	810,324	2,119,396
Construction	37.36	195,542	523,442
Printed Materials	36.34	52,949	145,718
Rubber Products	33.52	54,226	161,754
Electrical Machinery	33.21	46,153	138,994
Communication	32.22	13,008	40,370
Paper and Paper Products	31.28	62,655	200,289
Wood Products	30.75	113,545	369,232

TABLE 3.13 (cont.)

<u>Sector</u>	<u>Sales to Households as Per Cent of Total Industry Sales</u>	<u>Value of Sales to Households (P1000)</u>	<u>Value of Total Industry Output (P1000)</u>
Banking, Insurance and Real Estate	29.04%	P 994,774	P 3,426,006
Imports	26.94	446,342	1,656,811
Indirect Taxes	26.64	252,516	947,972
Electricity, Gas and Water	24.01	72,3	301,131
Transport Equipment	21.15	39,097	184,880
Petroleum Products	20.95	95,052	453,621
Non-Metallic Products	18.96	40,971	216,108
Miscellaneous Manufactures	7.95	9,576	120,427
Non-Ferrous Metal Products	6.21	11,099	178,804
Depreciation	5.56	72,759	1,308,049
Non-Electrical Machinery	3.97	8,382	211,129
Leather and Leather Products	1.87	738	39,508
Domestic Services (maids)	1.00	36,796	3,675,467

TABLE 3.14

Distribution of Major Industries in Terms of Sales
to Households as Percentage of Total Major
Industry Sales, 1961

Manufactures	56.04%	P 4,914,266	P 8,769,310
Agriculture, Forestry, Fishing and Mining	52.87	2,203,319	4,167,126
Services	41.99	4,121,625	9,814,823
Imports	26.94	446,342	1,656,811
Indirect Taxes	26.64	252,516	947,972
Depreciation (Cars, etc.)	5.56	72,759	1,308,049
Domestic Services (maids)	1.00	36,796	3,675,467

Thus, Table 3.13 indicates that the furniture and fixtures, tobacco products, beverages, transport services, food manufactures and footwear are relatively more consumer goods industries rather than capital goods industries, insofar as significantly more than 60% of the total output or sales of these industries terminate in consumption instead of capital formation.

Table 3.14 on the other hand, distributes sales to households on the basis of the structure of economic production, i.e., whether they are an output of primary, secondary, or tertiary lines of production. Thus, 56.04% of all the sales of the manufacturing sector end up as household purchases, so do 52.87% of the sales of the agricultural sector and 41.99% of those of the service sector.

2. Government Current Expenditures

These amounted to ₱1.53 billion or 9.08% of the final expenditures of the Philippine economy in 1961. Government expenditures on new construction and comparable capital outlays have been excluded from this figure.

Forty six and fifty-eight hundredths per cent (46.58%) of current expenditures of the government represented purchases of labor which went into the operation of the Philippine bureaucracy. The complete distribution of government expenditures is tabulated in Table 3.15 .

TABLE 3.15

Distribution of Government Expenditures by
Industry, 1961

<u>Sector</u>	<u>Industry Purchases as Per Cent of Government Expenditures</u>	<u>Value of Government Expenditures (P1000)</u>
Compensation of Employees	46.58%	P 712,436
Wood Products	6.31	96,490
Electricity, Gas and Water	5.72	87,427
Printed Materials	5.46	83,450
Imports	4.91	75,080
Banking, Insurance, Real Estate	4.53	69,216
Construction	4.48	68,592
Miscellaneous Manufactures	3.74	57,261
Other Services	3.26	49,857
Non-Metallic Products	3.07	47,011
Agriculture, Forestry and Fishing	2.39	36,500
Transport Equipment	2.28	34,846
Transport Services	2.07	31,595
Trade, Wholesale and Retail	1.91	29,185
Non-Ferrous Metal Products	0.79	12,105
Petroleum Products	0.73	11,177
Depreciation	0.53	8,070
Indirect Taxes	0.44	6,747
Paper and Paper Products	0.25	3,905
Non-Electrical Machinery	0.16	2,457
Communication	0.16	2,395
Chemicals	0.11	1,772
Rubber Products	0.06	973
Electrical Machinery	0.05	717
Food Manufactures	a/	35
Footwear	a/	18
	<u>1 00.00%</u>	<u>P1,529.317</u>

a/ - Less than 0.01 percent.

TABLE 3.16

Distribution of Government Expenditures in
Broader Industry Categories, 1961

Compensation of Employees	46.58%	P 712,436
Manufactures	23.03	352,217
Services	22.12	338,267
Imports	4.91	75,080
Agriculture, Forestry, Fishing and Mining	2.39	36,500
Depreciation	0.53	8,070
Indirect Taxes	0.44	6,747
	<u>100.00%</u>	<u>P1,529,317</u>

Table 3.16 , on the other hand, presents a breakdown of government expenditures in terms of broader industry categories. Besides purchases of labor, other major purchases of the government in 1961 consisted of manufactures 23.03%, and services 22.12%.

Thus far, government expenditures have been considered only in terms of purchases. However, one could also look at them as industry sales. When considered in this sense, one could scale industries in terms of the proportion of their total sales that gets absorbed by the government sector. Such a scaling of industries is shown in Table 3.17 . Industries which sell at least 10% of their output to the government sector are: printed materials, 57.27%; miscellaneous manufactures, 47.55%; electricity, gas and water, 29.03%; wood products, 26.13%; non-metallic products, 21.75%; compensation of employees, 19.38%; transport equipment, 18.85%; and construction, 13.10%. Table 3.18 presents a comparable distribution in this case in broader industry categories. Here, one can see that 19.38% or ₱712 million of household sales of labor go to the government sector, so do 4.53% of sales of imports, 4.02% of all manufactures sold, and 3.45% of the sales of services.

TABLE 3.17

Distribution of Government Purchases as Per Cent
of the Total Sales of Industry, 1961

	Government Purchases as Per Cent of Total Industry Sales	Value of Government Purchases (₦1000)	Value of Total Industry Sales (₦1000)
Printed Materials	57.27%	₦ 83,450	₦ 145,718
Miscellaneous Manufactures	47.55	57,261	120,427
Electricity, Gas and Water	29.03	87,427	301,131
Wood Products	26.13	96,490	369,232
Non-Metallic Products	21.75	47,011	216,108
Compensation of Employees	19.38	712,436	3,675,467
Transport Equipment	18.85	34,846	184,880
Construction	13.10	68,592	523,442
Non-Ferrous Metal Products	6.77	12,105	178,804
Communication	5.93	2,395	40,370
Imports	4.53	75,080	1,656,811
Other Services	3.50	49,857	1,423,147
Petroleum Products	2.46	11,177	453,621
Banking, Insurance, Real Estate	2.02	69,216	3,436,006
Paper and Paper Products	1.95	3,905	200,289
Transport Services	1.59	31,595	1,981,331
Trade, Wholesale and Retail	1.38	29,185	2,119,396
Non-Electrical Machinery	1.16	2,457	211,129
Agriculture, Forestry and Fishing	0.93	36,500	3,939,885
Indirect Taxes	0.71	6,747	947,972
Depreciation	0.62	8,070	1,308,049
Rubber Products	0.60	973	161,754
Electrical Machinery	0.52	717	138,994
Chemicals	0.25	1,772	722,791
Footwear	0.01	18	216,688
Food Manufactures	a/	35	3,821,843

a/ - Less than 0.01 percent.

TABLE 3.18

Distribution of Government Purchases as Per Cent
of Total Sales of Major Production Types, 1961

Compensation of Employees	19.38%	₦ 712,436	₦3,675,467
Imports	4.53		1,656,811
Manufactures	4.02	352,217	8,769,310
Services	3.45	338,267	9,814,823
Agriculture, Forestry, Fishing and Mining	0.87	36,500	4,167,126
Indirect Taxes	0.71	6,747	947,977
Depreciation	0.62	8,070	1,308,049

3. Gross Capital Formation

a. Expenditures on New Fixed Assets

In 1961, purchases of new fixed assets amounted to 10.8% of the gross national expenditures, or ₦1.83 billion. A distribution of these purchases as a proportion of the total sales made out by each industry is presented in Tables 3.19 and 3.20.

In the following industries, at least 10% of their individual sales represented purchases of new fixed assets: non-electrical machinery, 81.71%; non-ferrous metal products, 55.23%; transport equipment, 49.15%; electrical machinery, 40.60%; non-metallic products, 21.16%; ferrous metal products, 20.84%; petroleum products, 17.12%; imports, 16.38%; and construction, 14.61%.

In terms of broader production categories, purchases of new fixed assets formed 8.25% of the total sales of manufactures, 16.38% or ₦271 million of the sales of imports, 7.45% of the total outlays for indirect taxes, 6.69% of the sales of services, and 2.59% of the sales of agriculture, fishing, forestry, and mining products.

Tables 3.21 and 3.22 show the distribution of purchases of new fixed assets by industry and major line of production. Of the total outlay for new fixed assets in

TABLE 3.19

Distribution of New Fixed Assets Purchases as Per
Cent of the Total Sales of Industry, 1961

Sector	New Fixed Assets Purchases as Per Cent of Total Sales of Industry	Value of New Fixed Assets (₹1000)	Value of Total Industry Sales (₹1000)
Non-Electrical Machinery	81.71%	172,514	₹ 211,129
Non-Ferrous Metal Products	55.23	98,753	178,804
Transport Equipment	49.15	90,863	184,880
Electrical Machinery	40.60	56,438	138,994
Non-Metallic Products	21.16	45,719	216,108
Ferrous Metal Products	20.84	43,817	210,292
Petroleum Products	17.12	77,645	453,621
Imports	16.38	271,484	1,656,811
Construction	14.61	76,469	523,442
Trade, Wholesale and Retail	9.85	208,682	2,119,396
Rubber Products	9.20	14,885	161,754
Transport Services	8.95	177,287	1,981,331
Communication	8.40	3,393	40,370
Indirect Taxes	7.45	70,678	947,972
Textile Products	6.76	36,225	535,586
Beverages	5.16	12,112	234,865
Banking, Insurance, Real Estate	5.11	174,989	3,426,006
Mining	3.22	7,318	227,241
Wood Products	2.88	10,648	369,232
Agriculture, Forestry and Fishing	2.56	100,766	3,939,885
Chemicals	2.27	16,433	722,791
Paper and Paper Products	2.13	4,262	200,289
Miscellaneous Manufactures	2.12	2,561	120,427
Electricity, Gas, Water	2.02	6,082	301,131
Printed Materials	1.99	2,904	145,718
Footwear	1.21	2,630	216,688
Leather and Leather Products	0.98	387	39,508
Tobacco Products	0.89	4,235	475,630
Food Manufactures	0.79	30,124	3,821,843
Other Services	0.71	10,044	1,423,147
Furniture and Fixtures	0.21	277	131,151

TABLE 3.20

Distribution of New Fixed Assets Purchases
as Per Cent the Total Sales of Major
Production Type, 1961

Imports	16.38%	₹ 271,484	₹ 1,656,811
Manufactures	8.25	723,432	8,769,310
Indirect Taxes	7.45	70,678	947,972
Services	6.69	656,946	9,814,823
Agriculture, Forestry, Fishing and Mining	2.59	108,084	4,167,126

TABLE 3.21
Industry Distribution of Expenditures
on New Fixed Assets, 1961

<u>Sector</u>	<u>Industry Purchases as Per Cent of Total Expenditures on New Fixed Assets</u>	<u>Value of Total Expenditures on New Fixed Assets (P1000)</u>
Imports	14.83%	P 271,484
Trade, Wholesale and Retail	11.40	208,682
Transport Services	9.68	177,287
Banking, Insurance, Real Estate	9.56	174,989
Non-Electrical Machinery	9.42	172,514
Agriculture, Forestry and Fishing	5.55	100,766
Non-Ferrous Metal Products	5.39	98,753
Transport Equipment	4.96	90,863
Petroleum Products	4.24	77,645
Construction	4.18	76,469
Indirect Taxes	3.86	70,678
Electrical Machinery	3.08	56,438
Non-Metallic Products	2.50	45,719
Ferrous Metal Products	2.39	43,817
Textile Products	1.98	36,225
Food Manufactures	1.64	30,124
Chemicals	0.90	16,433
Rubber Products	0.81	14,885
Beverages	0.66	12,112
Wood Products	0.58	10,648
Other Services	0.54	10,044
Mining	0.40	7,318
Electricity, Gas and Water	0.33	6,082
Paper and Paper Products	0.23	4,262
Tobacco Products	0.23	4,235
Communication	0.19	3,393
Printed Materials	0.16	2,904
Footwear	0.14	2,630
Miscellaneous Manufactures	0.14	2,561
Leather and Leather Products	0.02	387
Furniture and Fixtures	0.01	277
	<u>100.00%</u>	<u>P1,830,624</u>

TABLE 3.22
Distribution of Expenditures on New Fixed Assets
in Terms of Major Production Types, 1961

Manufactures	39.52%	723,432
Services	35.89	656,946
Imports	14.83	271,484
Agriculture, Fishing, Forestry & Mining	5.90	108,084
Indirect Taxes	3.86	70,678
	<u>100.00%</u>	<u>P1,830,624</u>

1961, 14.83% was expended on imports, 11.40% on trade services, 9.68% on transport services, 9.56% on banking, insurance, 9.42% on non-electrical machinery, 5.55% on agriculture, forestry and fishing, 5.39% on non-ferrous metal products, 4.96% on transport equipment, 4.24% on petroleum products, 4.18% on construction 3.86% on indirect taxes, and 3.08% on electrical machinery.

In terms of the major type of production, P723 million or 39.52% of the total expenditures on new fixed assets represented purchases of manufactures, 35.89% purchases of services, 14.83% purchases of imports, 5.90% purchases of agriculture, fishing, forestry and mining, and 3.86% outlays for indirect taxes.

b. Net Inventory Change

These expenditures accounted for P1.76 billion or 10.46% of the gross national expenditures for 1961. Their distribution in terms of individual industry purchases and in terms of the major lines of production is tabulated in Tables 3.23 and 3.24 .

Forty two and forty-nine hundredths per cent (42.49%) of P749 million of these expenditures represent net inventory change realized in the agriculture, forestry and fishing industry. This magnitude largely reflects the working capital

TABLE 3.23

Distribution of Net Inventory Change,
by Industry, 1961

<u>Sector</u>	<u>Industry Purchase as Per Cent of Total Net Inventory Change</u>	<u>Value of Total Net Inventory Change (P1000)</u>
Agriculture, Forestry, Fishing	42.49%	P 749,190
Trade, Wholesale and Retail	9.18	161,917
Transport Services	9.18	161,917
Imports	7.04	124,069
Ferrous Metal Products	5.88	103,666
Construction	3.30	58,215
Rubber Products	3.1	53,044
Indirect Taxes	2.92	51,529
Non-Ferrous Metal Products	2.44	42,961
Chemicals	2.43	42,777
Leather and Leather Products	1.33	23,405
Non-Metallic Products	1.27	22,451
Petroleum Products	1.18	20,748
Non-Electrical Machinery	1.11	19,606
Textile Products	1.05	18,465
Electrical Machinery	0.94	16,468
Footwear	0.84	14,711
Miscellaneous Manufactures	0.81	14,314
Food Manufactures	0.78	13,758
Paper and Paper Products	0.60	10,583
Beverages	0.55	9,754
Transport Equipment	0.45	7,894
Tobacco Products	0.31	5,398
Mining	0.21	3,591
Other Services	0.18	3,149
Printed Materials	0.17	3,099
Wood Products	0.16	2,905
Furniture and Fixtures	0.15	2,747
Electricity, Gas and Water	0.04	631
	<u>100.00%</u>	<u>P1,762,962</u>

TABLE 3.24

Distribution of Net Inventory Change,
by Major Production Types, 1961

Agriculture, Forestry, Fishing and Mining	42.70%	P 752,781
Manufactures	25.45	448,754
Services	21.89	385,829
Imports	7.04	124,069
Indirect Taxes	2.92	51,529
	<u>100.00%</u>	<u>P1,762,962</u>

requirements of agriculture in terms of seeds, fertilizers and so forth. Other industries which account for at least 5% of the total expenditures on net inventory change are: trade, transport services, imports, and ferrous metal products.

If one distributes these expenditures by major type of production, the agriculture, forestry, fishing and mining sector constitutes 42.70% of the net inventory change; manufactures, 25.45%; services, 21.89%; imports 7.04%; and indirect taxes 2.92%.

A different distribution of net inventory change is shown in Tables 3.25 and 3.26. Here, the emphasis is on proportion of the total sales of any one industry absorbed as net inventory change.

c. Derivation of Net Capital Formation

Gross capital formation is the sum of expenditures on new fixed assets and net inventory change. In 1961, this amounted to ₱3.59 billion. For the same period, depreciation allowances amounted to ₱1.31 billion or 36.49% of gross investment. Net capital formation or net investment was therefore ₱2.28 billion.

Gross national product was ₱16.85 billion. If one subtracts from this value ₱1.31 billion representing depreciation

TABLE 3.25

Distribution of Net Inventory Change as Per Cent
of Total Industry Sales, 1961

Sector	Net Inventory Change as Per Cent of Total Sales	Value of Net Inventory Change (P1000)	Value of Total Sales (P1000)
Leather and Leather Products	59.24%	P 23,405	P 39,508
Ferrous Metal Products	49.30	103,666	210,292
Rubber Products	32.79	53,044	161,754
Non-Ferrous Metal Products	24.03	42,961	178,804
Agriculture, Forestry and Fishing	19.02	749,190	3,939,885
Miscellaneous Manufactures	11.89	14,314	120,427
Electrical Machinery	11.85	16,468	138,994
Construction	11.12	58,215	523,442
Non-Metallic Products	10.39	22,451	216,108
Non-Electrical Machinery	9.29	19,606	211,129
Transport Services	8.17	161,917	1,981,331
Trade, Wholesale and Retail	7.64	161,917	2,119,396
Imports	7.49	124,069	1,656,811
Footwear	6.79	14,711	216,688
Chemicals	5.92	42,777	722,791
Indirect Taxes	5.44	51,529	947,972
Paper and Paper Products	5.28	10,583	200,289
Petroleum Products	4.57	20,748	453,621
Transport Equipment	4.27	7,894	184,880
Beverages	4.15	9,754	234,865
Textile Products	3.45	18,465	535,586
Printed Materials	2.13	3,099	145,718
Furniture and Fixtures	2.09	2,747	131,151
Mining	1.58	3,591	227,241
Tobacco Products	1.13	5,398	475,630
Wood Products	0.79	2,905	369,232
Food Manufactures	0.36	13,758	3,821,843
Other Services	0.22	3,149	1,423,147
Electricity, Gas and Water	0.21	631	301,131

TABLE 3.26

Distribution of Expenditures on Net Inventory Change
as Per Cent of Major Industry Sales, 1961

Agriculture, Forestry, Fishing and Mining	18.06%	P 752,781	P4,167,126
Imports	7.49	124,069	1,656,811
Indirect Taxes	5.44	51,529	947,972
Manufactures	5.12	448,754	8,769,310
Services	3.93	385,829	9,814,823

allowances, the difference would be ₱15.54 billion which is the net national product of the Philippine economy for 1961.

Thus, in 1961 net capital formation accounted for 14.66% of the net national product. If this ratio has been maintained since 1961, it would partly suggest, along Rostow's terms that the Philippine economy has taken off to some self-sustained growth. Clearly, until more recent evidence establishes this trend, the above suggestion takes on the nature of a mere probability.

4. Exports of Goods and Services

As can be seen in Table 3.27, the structure of Philippine exports continues to be biased towards food manufactures such as sugar and coconut products, and primary production, such as forestry and mining. These together accounted for 65.63% of the total export sales of the country in 1961.

A significant amount of exportation is also turned out by banking, insurance and real estate (9.18%), other services (8.17%) and textile products (5.24%). Other industries which do at least one per cent of total exportation include chemicals (3.39%), wood products (2.91%), footwear (2.22%), re-exports (1.50%) and tobacco products (1.29%).

Table 3.28 collapses the distribution of exports in

TABLE 3.27

Distribution of Exports by Industry, 1961

<u>Sector</u>	<u>Industry Exports as Per Cent of Total Exports</u>	<u>Value of Total Exports (P1000)</u>
Food Manufactures	40.06%	₱ 533,718
Agriculture, Fishing, Forestry	13.83	184,167
Mining	11.75	156,510
Banking, Insurance, Real Estate	9.18	122,354
Other Services	8.17	108,933
Textile Products	5.24	69,759
Chemicals	3.39	45,124
Wood Products	2.91	38,800
Footwear	2.22	29,550
Re-exports	1.50	19,966
Tobacco Products	1.29	17,175
Ferrous Metal Products	0.16	2,153
Leather and Leather Products	0.11	1,434
Other Manufactures	0.09	1,226
Beverages	0.06	752
Furniture and Fixtures	0.04	469
All Other Exports <u>1/</u>	<u>0.01</u>	<u>170</u>
	<u>100.00%</u>	<u>₱1,332,260</u>

1/ Represents printed materials, rubber products, petroleum products, non-metallic product, non-ferrous metal products, and non-electric machinery.

TABLE 3.28

Distribution of Exports by Major Industry Groups, 1961

<u>Sector</u>	<u>Industry Exports as Per Cent of Total Exports</u>	<u>Value of Total Exports (P1000)</u>
Manufactures	55.57%	₱ 740,330
Agriculture, Forestry, Fishing and Mining	25.57	340,677
Services	17.36	231,287
Re-exports	<u>1.50</u>	<u>19,966</u>
	<u>100.00%</u>	<u>₱1,332,260</u>

terms of major industry groups. Manufactures account for 55.57% of the total exports sales, agriculture, forestry, fishing and mining 25.57%, services 17.36% and re-exports 1.50%.

The composition of exports of manufactures is again limited for the most part to consumer commodities such as food, textiles and tobacco products, the income-elasticity of demand for which can be expected to be rather low, and probably also the price elasticity of demand for them. Thus, the prospects of enlarging foreign exchange receipts by way of these exports are rather limited.

This is so, for the following considerations: If the coefficient of price-elasticity of demand is low, efforts to increase productivity about the production of the commodity in question do not pay off in terms of enlarged revenue to the extent that such gains in productivity would inevitably translate in lower prices. If the coefficient of income-elasticity of demand also happens to be low, then, there is an immediate ceiling ^{on sales} to the amount of sales on the commodity in question. The only avenue of increasing total receipts under these conditions would be additional sales due to relatively high coefficient of population elasticity of demand if this latter condition obtains.

Tables 3.29 and 3.30 present a different configuration of the export data. Here, the emphasis is focused on the relative proportion of the total sales of an industry that gets exported. On this basis, only the mining industry appears to be thoroughly an export industry insofar as ₱156.5 million or roughly 70% of its output is exported rather than domestically consumed.

In the following industries, at least 10 per cent of total output is exported: food manufactures 13.96%, footwear 13.64%, textile products 13.02%, and wood products 10.51%.

In terms of broader industry categories, 8.44% of the output of manufactures is exported, 8.17% of the output of agriculture, forestry, fishing and mining, 2.36% of the output of services, and 1.20% of the imports get re-exported.

✓ In conclusion, to the extent that Philippine exports are largely biased towards commodities characterized by low coefficients of price and income elasticity of demand, their potential to increase capital formation in the country insofar as this depends on imports of machinery, equipment and working capital requirements is fairly limited. One possible qualification to this would be enlarging exports of raw materials such as forestry and mining products. But this prospect hinges on the expansion of income streams of our

TABLE 3.29

Exports as Per Cent of Total Sales of
Each Industry, 1961

<u>Sector</u>	<u>Export as Per Cent of Total Sales of Industry</u>	<u>Value of Total Exports (P1000)</u>	<u>Value of Total Sales of Industry (P1000)</u>
Mining	68.87%	P 156,510	P 227,241
Food Manufactures	13.96	533,718	3,821,843
Footwear	13.64	29,550	216,688
Textile Products	13.02	69,759	535,586
Wood Products	10.51	38,800	369,232
Other Services	7.65	108,933	1,423,147
Chemicals	6.24	45,124	722,791
Agriculture, Forestry and Fishing	4.67	184,167	3,939,885
Leather and Leather Products	3.63	1,434	39,508
Tobacco Products	3.61	17,175	475,630
Banking, Insurance, Real Estate	3.57	122,354	3,426,006
Imports (re-exports)	1.20	19,966	1,656,811
Ferrous Metal Products	1.02	2,153	210,292
Other Manufactures	1	1,226	120,427
Furniture and Fixtures	0.36	469	131,151
Beverages	0.32	752	234,865
Printed Materials	0.05	67	145,718
All Other Exports 1/	0.02	53	453,621
Non-Metallic Products	0.01	31	216,108
Rubber Products	0.01	19	161,754

1/ Represents petroleum products, non-ferrous metal products, non-electrical machinery, and transport equipment.

TABLE 3.30

Exports as Per Cent of Total Sales of
Major Industry Groups, 1961

Manufactures	8.44%	P 740,330	P8,769,310
Agriculture, Forestry, Fishing and Mining	8.17	340,677	4,167,126
Services	2.36	231,287	9,814,823
Imports (re-exports)	1.20	19,966	1,656,811

trading partners in the first place, on a low coefficient of elasticity of substitution (i.e., cross elasticity of demand) in the second place, and in the third, on high elasticity of domestic supply of such exportables. One might continue to expect increasing trends about world income especially among Japan, the United States, and Western Europe which purchase most of our raw material exports. However, there have been instances where industrial research by our trading partners has fructified in technological substitutes potentially cutting down on our exports of raw or semi-processed materials such as coconut oil and abaca and other natural fibers. As to domestic supply elasticities, the evidence on this seems to be unfavorable since our primary production is characterized by prolonged gestation periods even if one allows a regime of benign weather condition.

✓5. Imports of Goods and Services

Imports of goods and services in 1961 amounted to P1.65 billion or 9.87% of the expenditures on Philippine gross product. A little over P920 million or 56.55% of these represent ^① absorption of imports by final demand sectors and the other 43.45% ^② by intermediate demand sectors.

A complete distribution of imports is presented in Tables 3.31 and 3.32 , comprising individual industries

TABLE 3.31

Distribution of Imports by Industry, 1961

<u>Sector</u>	<u>Industry Imports as Per Cent of Total Imports</u>	<u>Value of Industry Imports (P1000)</u>
Households	26.94%	₱ 446,342
Gross Fixed Capital Formation	16.39	271,484
Agriculture, Forestry and Fishing	7.57	125,385
Net Inventory Change	7.49	124,069
Food Manufactures	5.16	85,569
Government	4.53	75,080
Chemicals	3.98	65,933
Ferrous Metal Products	3.91	64,790
Construction	2.04	33,872
Non-Ferrous Metal Products	2.02	33,440
Transport Services	1.79	29,648
Electrical Machinery	1.34	22,185
Petroleum Products	1.31	21,788
Transport Equipment	1.30	21,490
Exports	1.21	19,966
Textile	1.20	19,954
Non-Electrical Machinery	1.18	19,530
Paper and Paper Products	1.12	18,556
Tobacco Products	1.10	18,221
Mining	1.06	17,606
Non-Metallic Products	1.01	16,708
Footwear	0.92	15,283
Printed Materials	0.89	14,811
Other Services	0.61	10,099
Electricity, Gas and Water	0.57	9,492
Trade, Wholesale and Retail	0.56	9,219
Other Manufactures	0.56	9,213
Wood Products	0.55	9,098
Rubber Products	0.48	7,885
Furniture and Fixtures	0.43	7,068
Beverages	0.33	5,481
Banking, Insurance, Real Estate	0.26	4,318
Leather and Leather Products	0.12	1,979
Communication	0.07	1,243
	<u>100.00%</u>	<u>₱1,656,811</u>

TABLE 3.32

Distribution of Imports by Major
Industry Groups, 1961

<u>Sector</u>	<u>Major Industry Imports as Per Cent of Total Imports</u>	<u>Value of Industry Imports (P1000)</u>
Manufactures (I) ✓	28.91%	P 478,988
Households (F)	26.94	446,342
Gross Fixed Capital Formation (F)	16.39	271,484
Agriculture, Forestry, Fishing and Mining (I) ✓	8.63	142,991
Net Inventory Change (F)	7.49	124,069
Services (I) ✓	5.91	97,891
Government (F)	5.53	75,080
Exports (F)	1.20	19,966
	<u>100.00%</u>	<u>P1,656,811</u>
Final Demand (F)	56.55%	936,941
Intermediate Demand (I)	<u>43.45</u>	<u>719,870</u>
	<u>100.00%</u>	<u>P1,656,811</u>

as well as major industry groups. The household and capital formation sectors together account for 50.82% of the total imports. Capital formation includes both fixed and working capital requirements. Individual industries which, in 1961, absorbed at least two per cent of the entire imports included agriculture, forestry, and fishing (7.57%) food manufactures (5.16%), chemicals (3.98%), ferrous metal products (3.91%).

In Table 3.33 , imports are distributed in terms of a much broader industry classification. Manufactures as a group appear to have absorbed 28.91% of all the imports, though the rate of importation for individual industries ranges from as high as 5.16% of total imports in the case of food manufactures to as low as 0.12% in the case of leather and leather products. Service industries are not characterized by high rates of importation. This is true, whether one considers them as a group distinct from agriculture and manufacturing or as individual activities.

The relative importance of imports to particular industries is described in Tables 3.33 and 3.34 . The measure used here is the proportion of imported inputs to industry output, i.e., the import coefficient (Table 3.33) and of imports to total requirements (Table 3.34). There is a wide variation in the value of the import coefficient among indi-

TABLE 3.33

Distribution of Industries in Terms of the Magnitude of Import Coefficients, 1961

(Direct import coefficients)

<u>Sector</u>	<u>Import as a Per Cent of Industry Output</u>	<u>Value of Imports (P1000)</u>	<u>Total Value of Industry Output (P1000)</u>
Ferrous Metal Products	30.81%	P 64,790	P 210,292
Non-Ferrous Metal Products	18.70	33,446	178,804
Electrical Machinery	15.96	22,185	138,994
Transport Equipment	11.62	21,490	184,880
Printed Materials	10.16	14,811	145,718
Paper and Paper Products	9.26	18,556	200,289
Non-Electrical Machinery	9.25	19,530	211,129
Chemicals	9.12	65,933	722,791
Mining	7.75	17,606	227,241
Non-Metallic Products	7.73	16,708	216,108
Other Manufactures	7.65	9,213	120,427
Footwear	7.05	15,283	216,688
Construction	6.47	33,872	523,442
Furniture and Fixtures	5.39	7,068	131,151
Leather and Leather Products	5.01	1,979	39,508
Rubber Products	4.87	7,885	161,754
Petroleum Products	4.80	21,788	453,621
Tobacco Products	3.83	18,221	475,630
Textile Products	3.72	19,954	535,586
Agriculture, Forestry and Fishing	3.18	125,385	3,939,885
Electricity, Gas and Water	3.15	9,492	301,131
Communication	3.08	1,243	40,370
Wood Products	2.46	9,098	369,232
Beverages	2.33	5,481	234,865
Food Manufactures	2.24	85,569	3,821,843
Transport Services	1.49	29,648	1,981,331
Other Services	0.71	10,099	1,423,147
Trade, Wholesale and Retail	0.43	9,219	2,119,396
Banking, Insurance, Real Estate	0.12	4,318	3,426,006
B. Major Industry Groups			
Manufactures	5.44%	P 478,988	P8,769,310
Agriculture, Forestry Fishing and Mining	3.43	142,991	4,167,126
Services	1.00	97,891	9,814,823