EFFECTS OF JAPAN-PHILIPPINE ECONOMIC PARTNERSHIP AGREEMENT ON PHILIPPINE ECONOMIC DEVELOPMENT

Undergraduate Thesis
Submitted to the Faculty of the
College of Economics, Management and Development Studies
Cavite State University
Indang, Cavite

In partial fulfillment of
the requirements for the degree
Bachelor of Science in Economics

HELARELYN P. ARESGADO
MARIA JESSAFER V. LASQUITE
May 2017

ABSTRACT

ARESGADO, HELARELYN P.and LASQUITE, MARIA JESSAFER V. Effects of Japan-Philippine Economic Partnership Agreement on Philippine Economic Development. Undergraduate Thesis Bachelor of Science in Economics major in Development. Cavite State University, Indang, Cavite. May 2017. Adviser Ms. Jenny Beb Ebo.

This study investigates the effects of Japan-Philippine Economic Partnership Agreement (JPEPA) on Philippine Economic Development. The study used Real Gross Domestic Product to measure the Philippine Economic Development and Japan-Philippine Economic Partnership Agreement used the following indicators; total merchandise exports, total merchandise imports, foreign direct investment, and overseas Filipino workers remittances. The study used secondary data. Data used in the study will be obtained through secondary information from the official websites:Foreign Direct Investments from Japan to Philippines were obtained from Philippine Statistics Authority and Philippine Board of Investment, Overseas Filipino workers Remittances were obtained from Bangko Sentral ng Pilipinas, and data of Total value and product share of export and import were obtained from World Integrated Trade Solution.

The study used ordinary least square to determine the effects of Japan-Philippine Economic Partnership Agreement on Philippine Economic Development. The findings clarified that GDP, export, import, remittances from OFW and FDI were found stationary at the second difference and were already fluctuating at zero thus regressing can be done. Regression result shows that only export is positively significant to the GPD having a p-value of 0.0088 passing the 5% level of significance. Coefficient shows that for every 2.49E+8 increase on export, GDP positively increases also by 1.13E+17. Durbin Watson test was used to know if there is serial correlation, Durbin Watson test statistic value is

2.094135, a value near 2and indicates non-auto correlation, that lies between the lower and the upper limit tabulated values of dL = 0.183 and dU = 2.432 respectively, the null hypothesis is accepted.