



# **Perspectives on Enhanced PH-PL Economic and Commercial Relations**

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# The Philippines

Capital: Manila



**GDP** (US\$)  
376.8 billion (2019)



**GDP Per Capita** (US\$)  
8,943 (2019)



**Economic Structure**  
(in terms of GDP composition, 2019)

Agriculture (8.82%)  
Industry (30.17%)  
Services (61.01%)



**External Trade** (% of GDP)  
68.6% (2019)



**Currency**  
(Period Average)  
Philippine Peso  
51.80 per US\$ (2019)



**Political System**  
Unitary republic



**Religion**  
Christians (92.4%)  
Muslims (5.7%)  
Folk religions (1.6%)



**Population**  
109 million (2019)  
World ranking: 12/192



**Median Age**  
25.7 (2020)  
World ranking: 130/201



**Language**  
Filipino (Official)  
English (Official)



**Land Area**  
298,170 sq km



**Approximate Flight Time**  
(HKG-MNL)  
2 hours 15 minutes

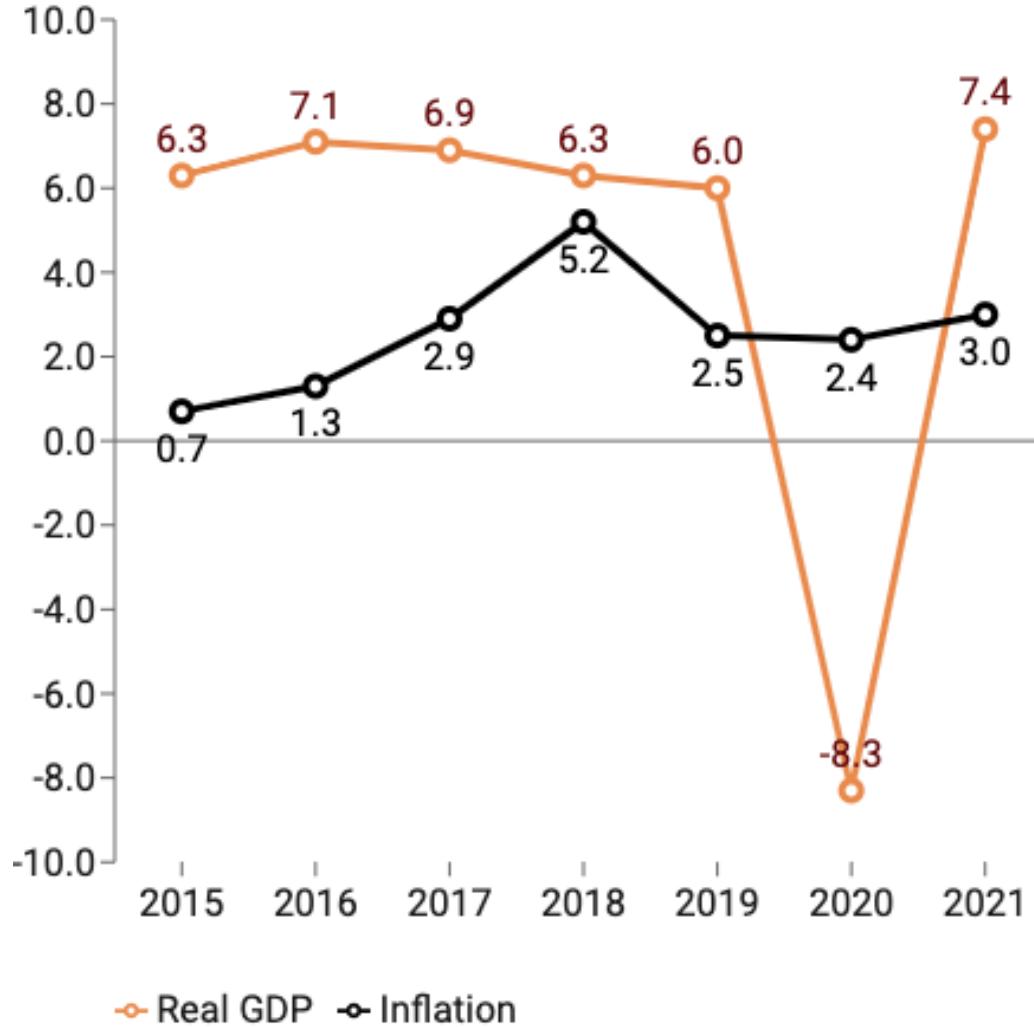
\* Estimate

Source: CIA World Factbook, Encyclopædia Britannica, IATA, IMF, Pew Research Center, United Nations, World Bank



PHILIPPINES boasted **very strong economic fundamentals**, growing at an average of **6.6%** from 2016 to 2019 and becoming the **3<sup>rd</sup>** fastest growing economy in Asia.

# Real GDP and Inflation



2020 (estimate); 2021 (forecast)

Source: IMF

Date last reviewed: January 24, 2021



# ECONOMIC PERFORMANCE OF THE PHILIPPINES

Fourth Quarter 2020 and Annual 2020



As of January 2021  
MAS03-IG-01-28012021

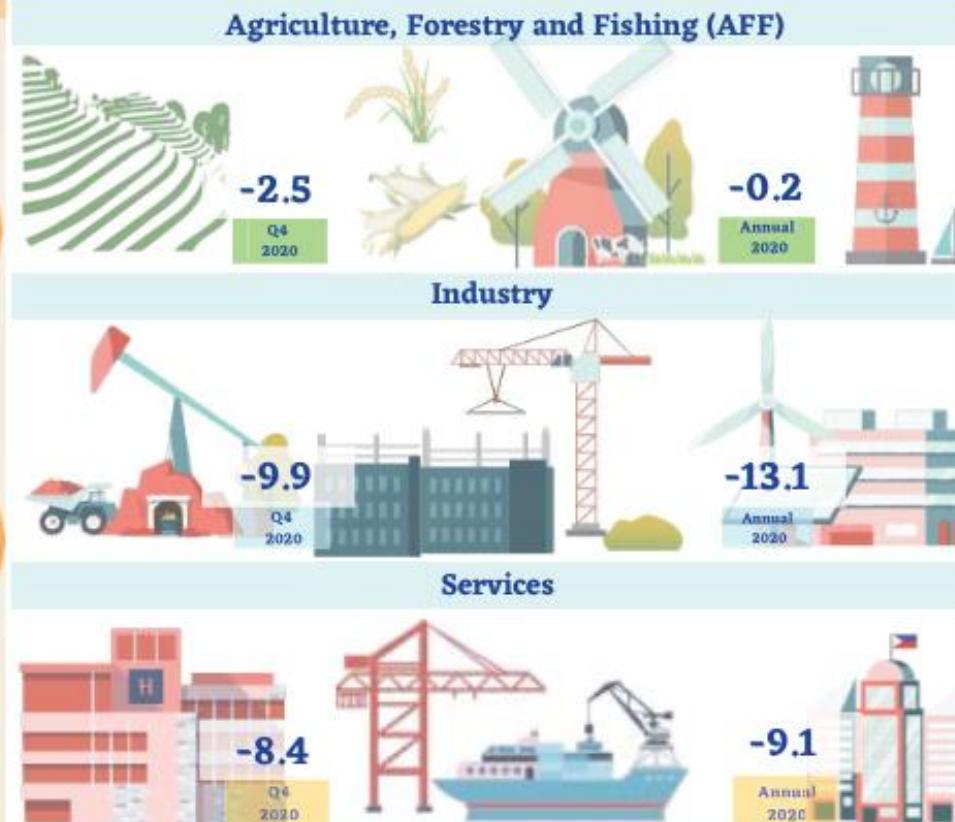
## Q4 2020 and Annual 2020 Major Expenditure Items: Growth Rates (%) At Constant 2018 Prices



## Q4 2020 Seasonally-Adjusted (SA): Growth Rates (%) At Constant 2018 Prices



## Q4 2020 and Annual 2020 Major Industries: Growth Rates (%) At Constant 2018 Prices



# COVID-19 Response

- « **Bayanihan I and II Packages** » - ensured the safe but continued movement of essential goods and services
- Continued rollout of **Build, Build, Build Program** – reprioritizing the 92 flagship infrastructure projects, which includes new projects that are responsive to the Philippines' post-pandemic needs
- **Repurposing of manufacturing activities** to address shortage in PPEs and medical equipment
- Signing of the **CREATE Law**



# Repurposing Manufacturing towards Personal Protective Equipment (PPE)

## 1. N88

9 firms

80 M pieces per month

Domestic & Export markets

## Filter

2 firms (equipment arrived)

## 2. N95

3 firms

4.2M pieces per month

## 3. PPE Coverall

CONWEP + 4 firms

3.5M pieces per month

## 4. Ventilators

1 firm producing ; 1 firm ready to produce; 1 firm equipment arrived

6,050 units per month

(Data as of September 2020)



Ibiden Philippines

# Corporate Recovery and Tax Incentives for Enterprises (CREATE)

Signed by President Duterte on 26 March 2021

## Key Features

- Reduction in Corporate Income Tax (CIT) from 30% to 25% for big firms and for [SMEs] to 20%
- Granting of a clearer set of incentives with 4-7 years of Income Tax Holidays (ITH) and followed by 10 years of Special Corporate Income Tax (SCIT) / Enhanced Deductions (ED) for exporters, or 5 years ED for domestic market enterprise
- Removal of restriction for providing incentives to foreign companies

# REBUILD and Rebound in 2021

Growth Outlook	2021	2022
National Economic Development Authority	6.5 – 7.5%	8.0 – 10.0%
World Bank	5.9%	6.0%

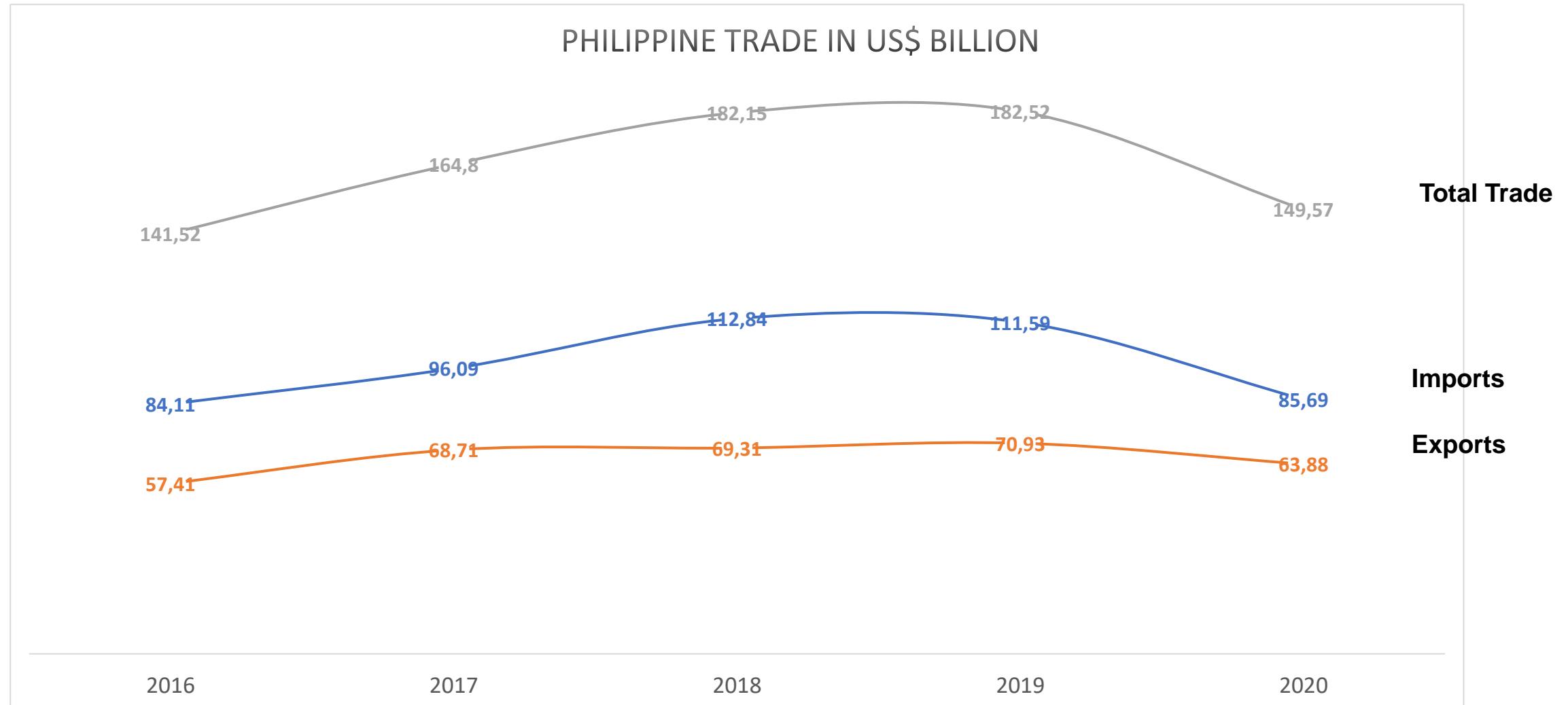


The screenshot shows the CEO Magazine homepage with a navigation bar including links for BUSINESS, NEWS, EXECUTIVE INTERVIEWS, FAMILY OFFICES & INVESTING, OPINION, LIFESTYLE, EVENTS, and SHOP. The main article headline is "10 best countries to invest in post-COVID" with a subtext "The best places to do business for 2020 have been revealed." Below the headline is a photograph of a city skyline at sunset, likely Prague, with the Prague Castle visible. The author's bio shows a photo of Emily Pidgeon and a "FULL BIO" link. Social media sharing icons for LinkedIn, Facebook, Twitter, and Email are at the bottom.

**“The tech hub of Asia”**  
Philippines as one of the ten best countries to invest in post-COVID

**18th BIGGEST economy in 2050**  
CAPITAL ECONOMICS forecast

# An Overview of Philippine Trade with the World



5-year CAGR (2016 to 2020)  
Total Trade: 1.39%      Export: 2.71%      Import: 0.47%

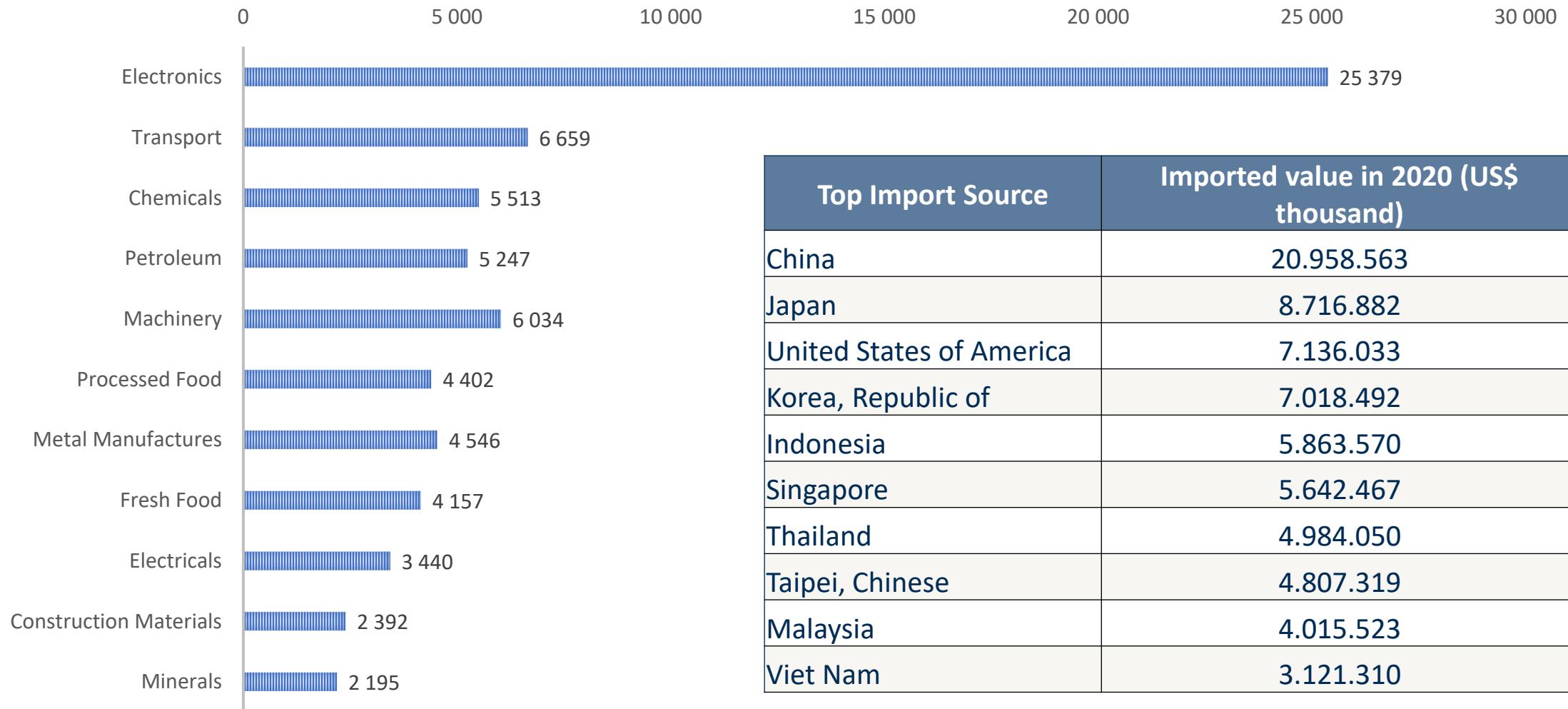
# Philippine Exports to the World

2020 PH MERCHANDISE EXPORTS TO THE WORLD  
TOTAL: US\$63.88 BILLION



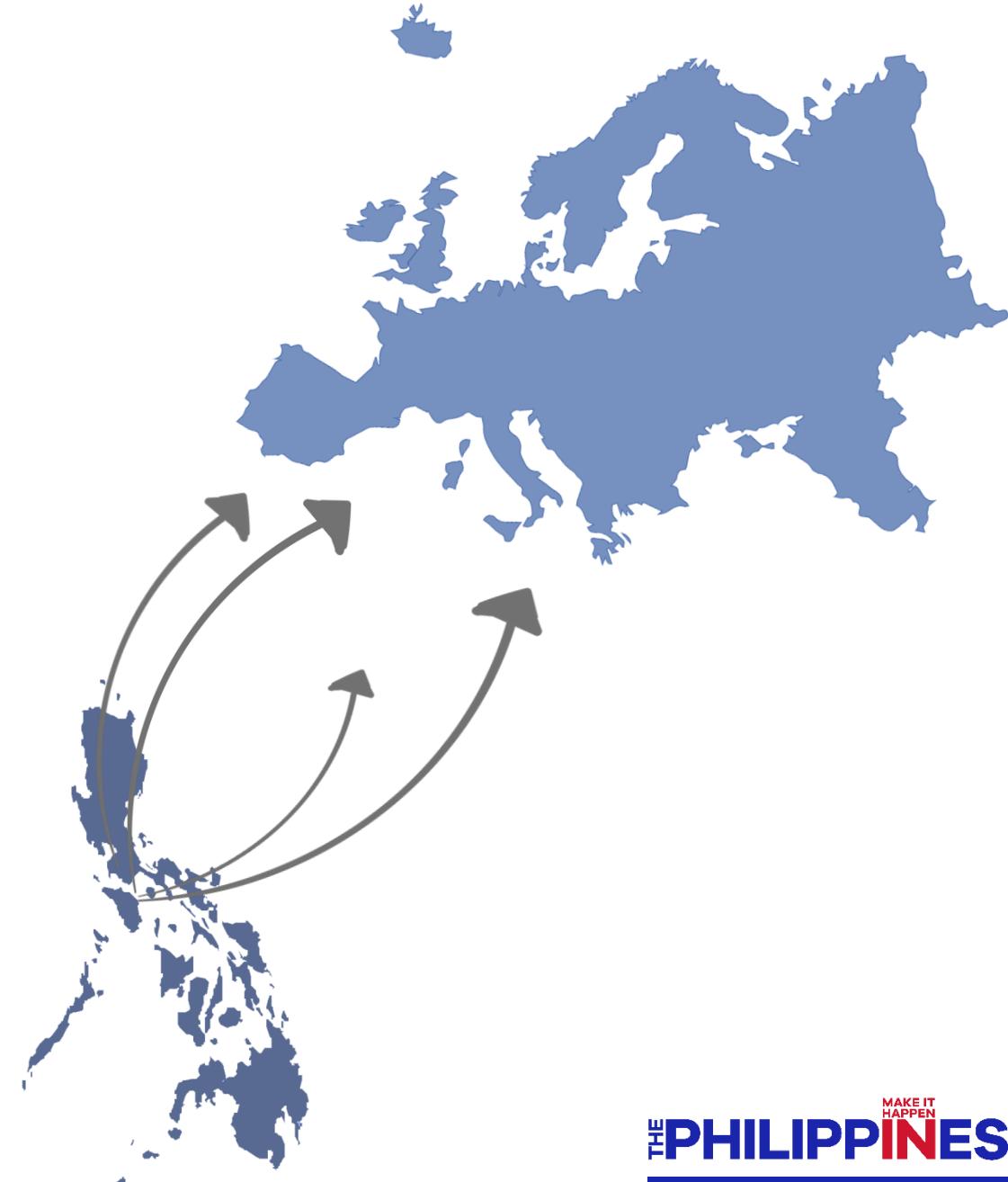
# Philippine Imports from the World

2020 PH MERCHANDISE IMPORTS FROM THE WORLD  
TOTAL VALUE: US\$ 85.69 BILLION



# The Philippines enjoys a special trade relationship with Europe

- Free Trade Agreement (**FTA**) with the European Free Trade Association (**EFTA** – Switzerland, Norway, Liechtenstein, Iceland)
- The only country in the **ASEAN** to benefit from the European Union's (**EU**) Generalised Scheme of Preferences Plus (**or GSP+**)





# EUROPE

an important trading partner  
and investment source

5th

13.8B  
US\$

Largest trading  
bloc in 2020

6th

7.28B  
US\$

Export market

Export  
market value

6th

Top import  
supplier

6.55B  
US\$

Import  
supplier Value



# PH-PL BILATERAL TRADE & INVESTMENT RELATIONS

## RANKING AS PH TRADE PARTNER (2020)

32nd **TOTAL TRADE**  
298.92 M

26th **EXPORT MARKET**  
188.06 M

41st **IMPORT SOURCE**  
110.86 M

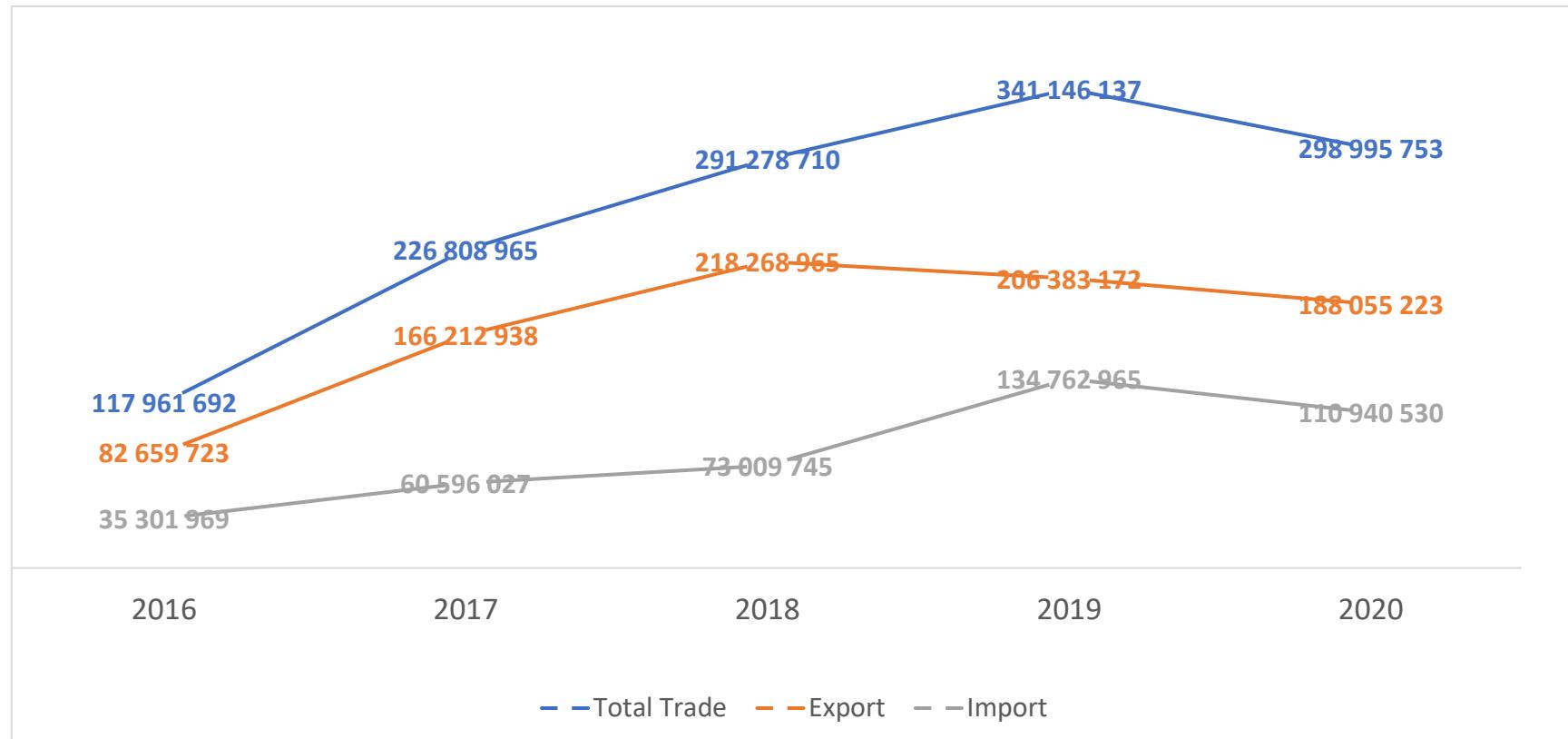
**2020 BOT**  
**\$ 77.19 M**

## PREFERENTIAL TRADING ARRANGEMENTS

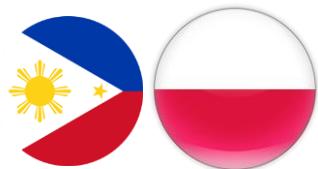
- EU-GSP+

## PH – PL MERCHANDISE TRADE

**Value in US\$ Million**



**5-year Growth Rate (2016 to 2020)**  
**Total Trade: 26.18 %**    **Export: 22.81 %**    **Import: 33.14 %**



# PH-PL BILATERAL TRADE & INVESTMENT RELATIONS

## PH-PL INVESTMENTS



### Philippines - Poland Trade by Top Commodities, 2020

#### IMPORTS

Milk and cream, in powder, granules or other solid forms, of a fat content  
\$21.09 million (19.02%)

Helicopters  
\$13.14 million (11.85%)

Materials, accessories and supplies imported on consignment basis for the manufacture of electrical and electronic machinery, equipment and parts  
\$11.46 million (10.34%)

Buttermilk, curdled milk and cream, kefir and other fermented or acidified milk and cream, whether or not concentrated or containing added sugar or other sweetening matter or flavoured or containing added fruit, nuts or cocoa  
\$6.86 million (6.19%)

Other kraftliner, uncoated, in rolls or sheets  
\$3.63 million (3.28%)

#### EXPORTS

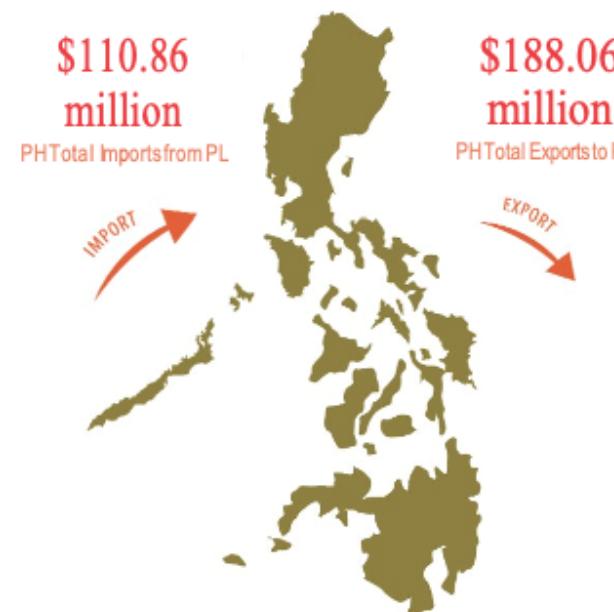
Storage Units  
\$91.41 million (49.67%)

Hearing aids, excluding parts and accessories  
\$19.73 million (10.49%)

Tunas, skipjack and bonito (Sarda spp.), whole or pieces  
\$12.36 million (6.58%)

Digital monolithic integrated circuits  
\$10.04 million (5.34%)

Semiconductor devices manufactured from materials on consignment basis  
\$9.01 million (4.79%)



# Key Messages

- The Philippines is poised to recover strongly post-pandemic, because of its **sound pre-pandemic fundamentals** and **responsive government interventions**.
- The Philippine government continues to **improve its business climate** through **strategic policy reforms** to make it easier to do business in the country.
- The Philippines continues to **engage with its European partners**, including Poland, in **intensifying our economic and commercial relations** in the region.



Thank you.

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