



Perspectives on Enhanced PH-PL Economic and Commercial Relations

Ireneo Vizmonte

Undersecretary

Philippine Department of Trade & Industry



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

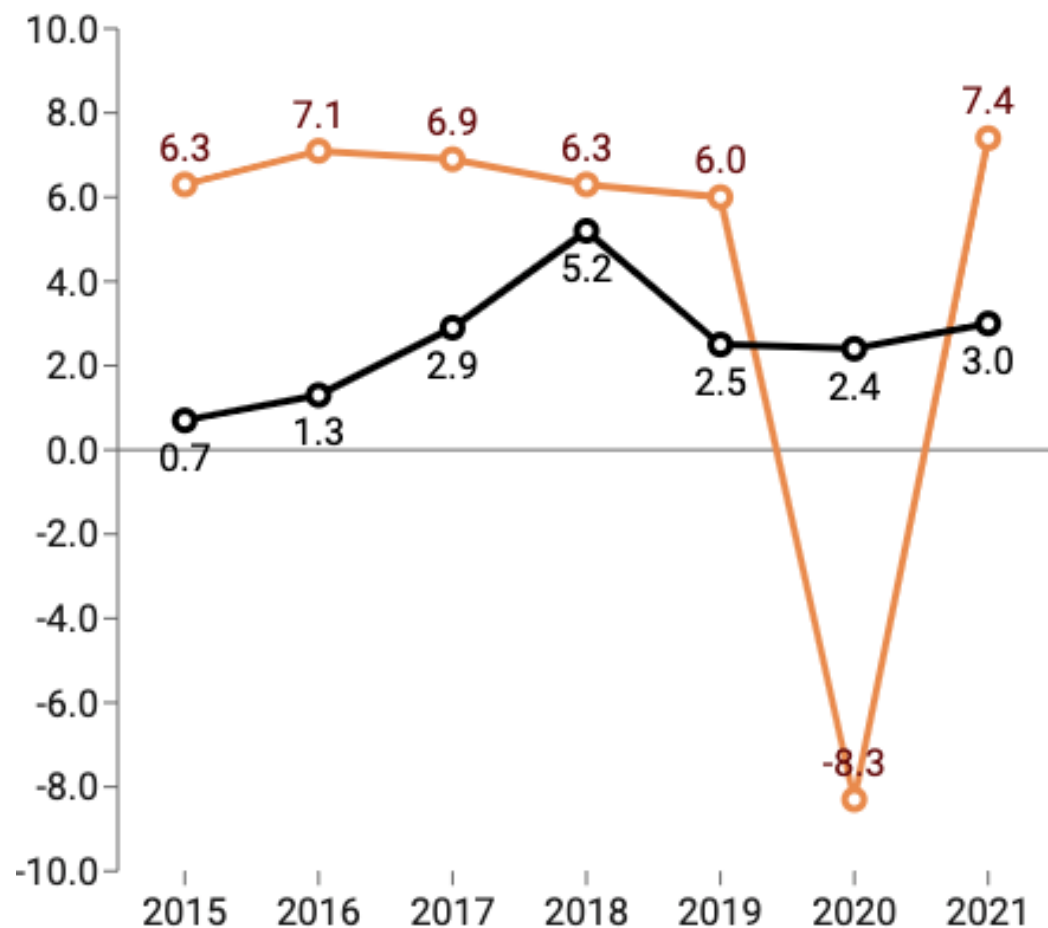


Approximate Flight Time
(HKG-MNL)
2 hours 15 minutes



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

Real GDP and Inflation



—○— Real GDP —●— Inflation

2020 (estimate); 2021 (forecast)

Source: IMF

Date last reviewed: January 24, 2021



ECONOMIC PERFORMANCE OF THE PHILIPPINES

Fourth Quarter 2020 and Annual 2020

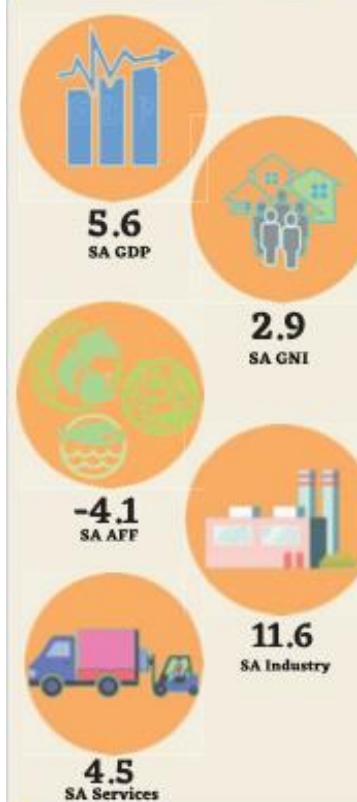


As of January 2021
MAS03-IG-01-28012021

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

Agriculture, Forestry and Fishing (AFF)



Industry



Services



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 Overall

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)

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%

CEC MAGAZINE
INSPIRING THE BUSINESS WORLD

Q | SIGN UP

BUSINESSNEWSEXECUTIVE INTERVIEWSFAMILY OFFICES & INVESTINGOPINIONLIFESTYLEEVENTSSHOP

HOME › BUSINESS › FINANCE › 10 BEST COUNTRIES TO INVEST IN POST-COVID

29 APRIL 2020 - 1:27 PM

10 best countries to invest in post-COVID

The best places to do business for 2020 have been revealed.



By Emily Pidgeon
FULL BIO

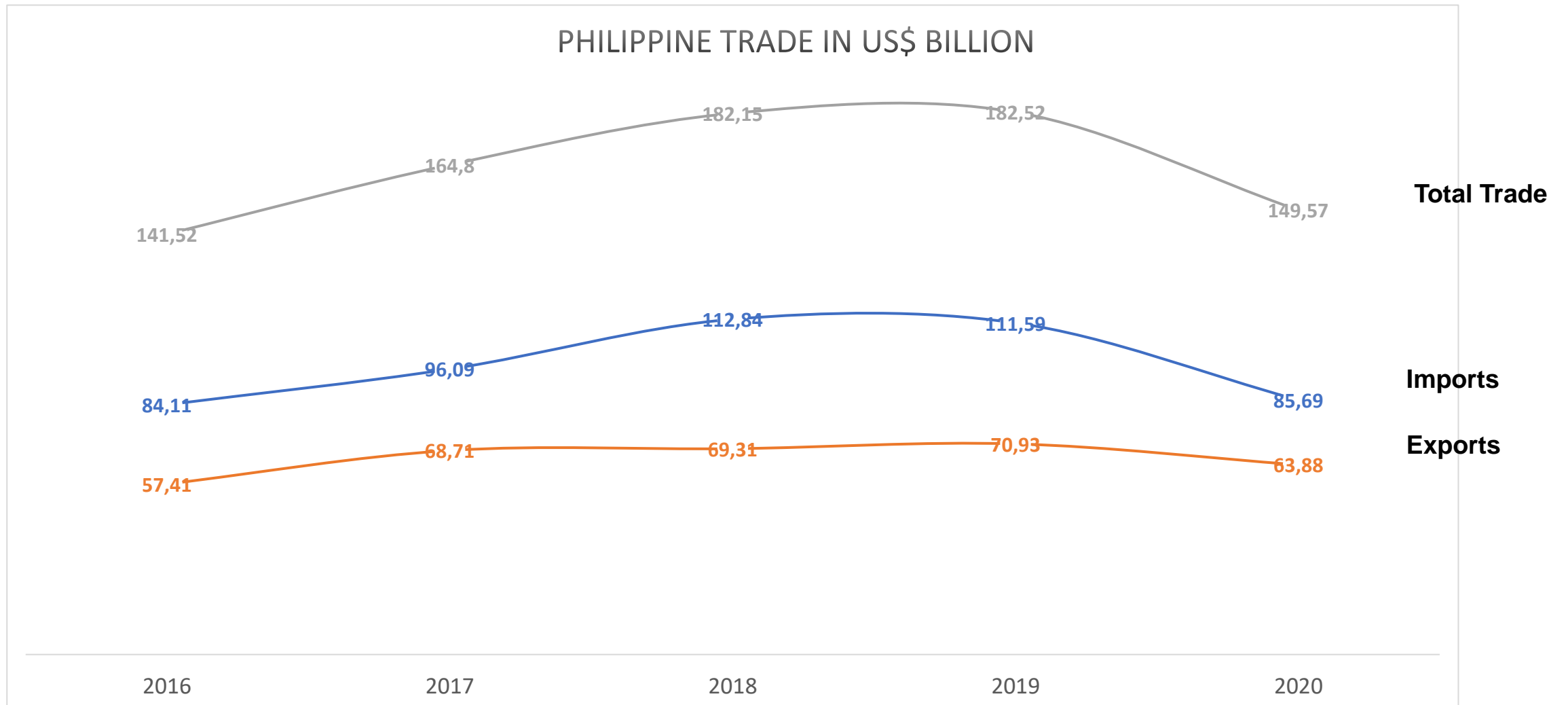
“The tech hub of Asia”

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

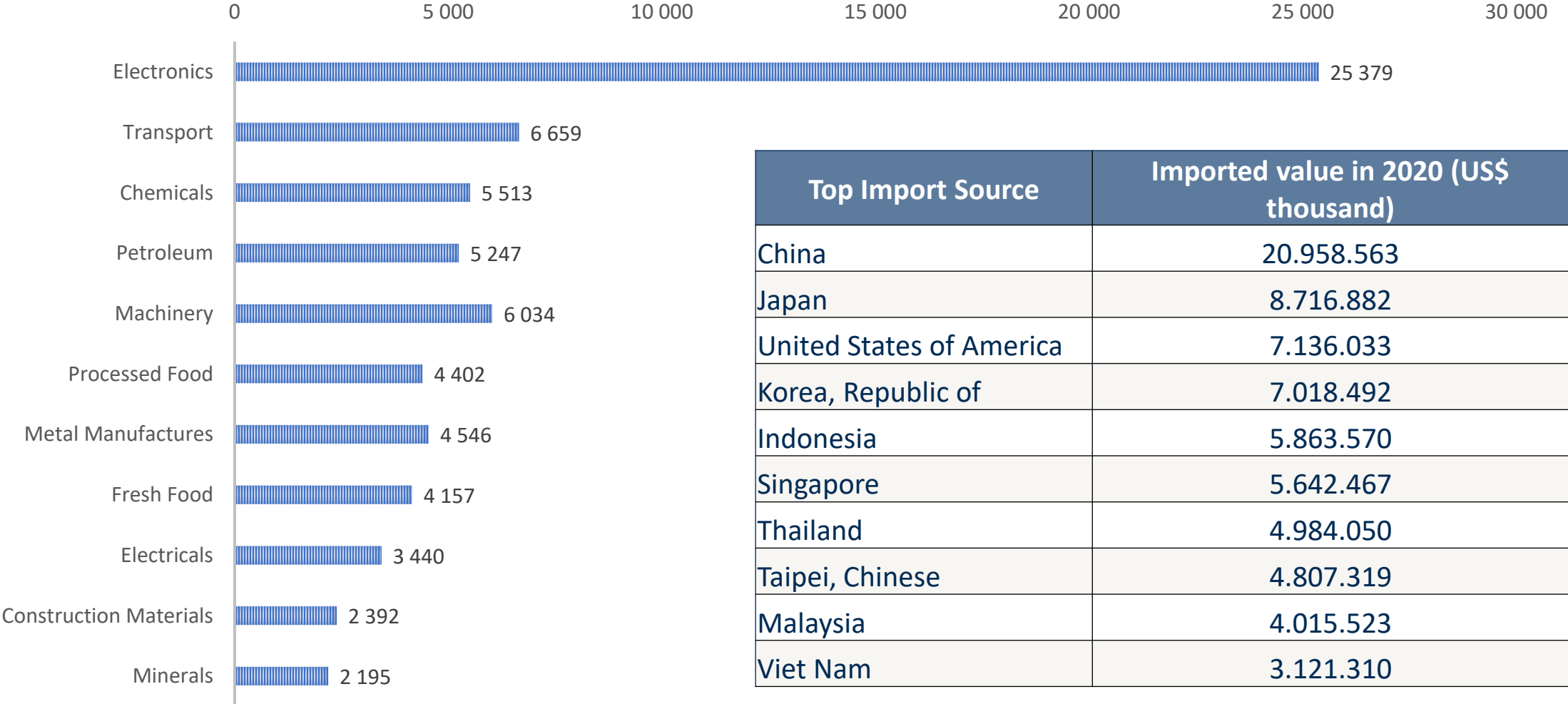
2020 PH MERCHANDISE EXPORTS TO THE WORLD
TOTAL: US\$63.88 BILLION



Top Export Market	Exported value in 2020 (US\$ thousand)
Japan	9.924.293
United States of America	9.723.852
China	9.621.918
Hong Kong, China	9.085.615
Singapore	3.758.277
Thailand	2.882.609
Korea, Republic of	2.536.235
Germany	2.368.154
Taipei, Chinese	2.057.015
Netherlands	1.900.066

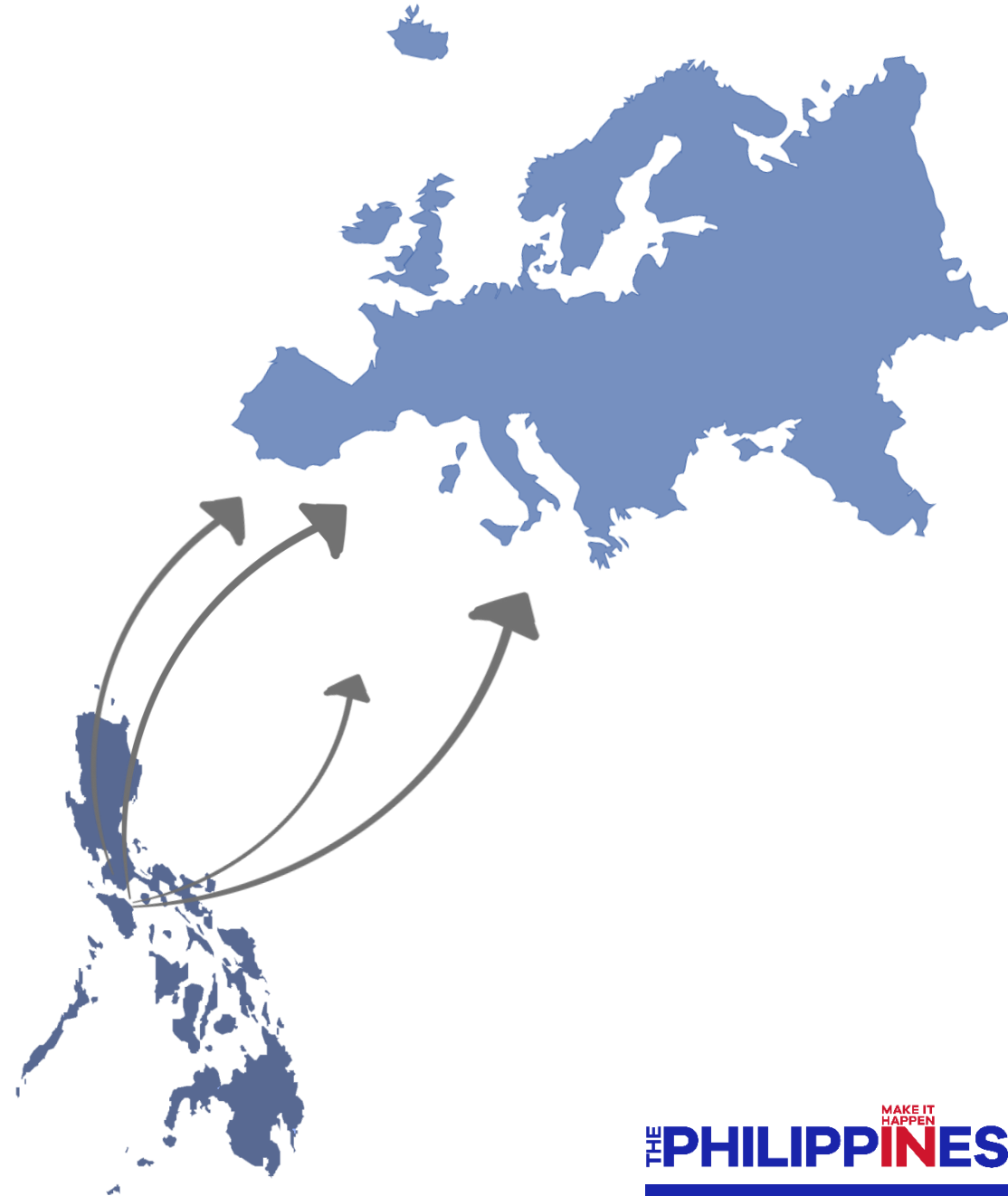
Philippine Imports from the World

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

Largest trading
bloc in 2020

**13.8B
US\$**

Total bilateral
trade value

6th

Export market

**7.28B
US\$**

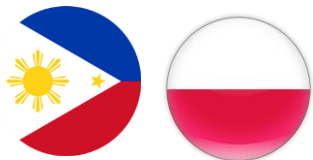
Export
market value

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

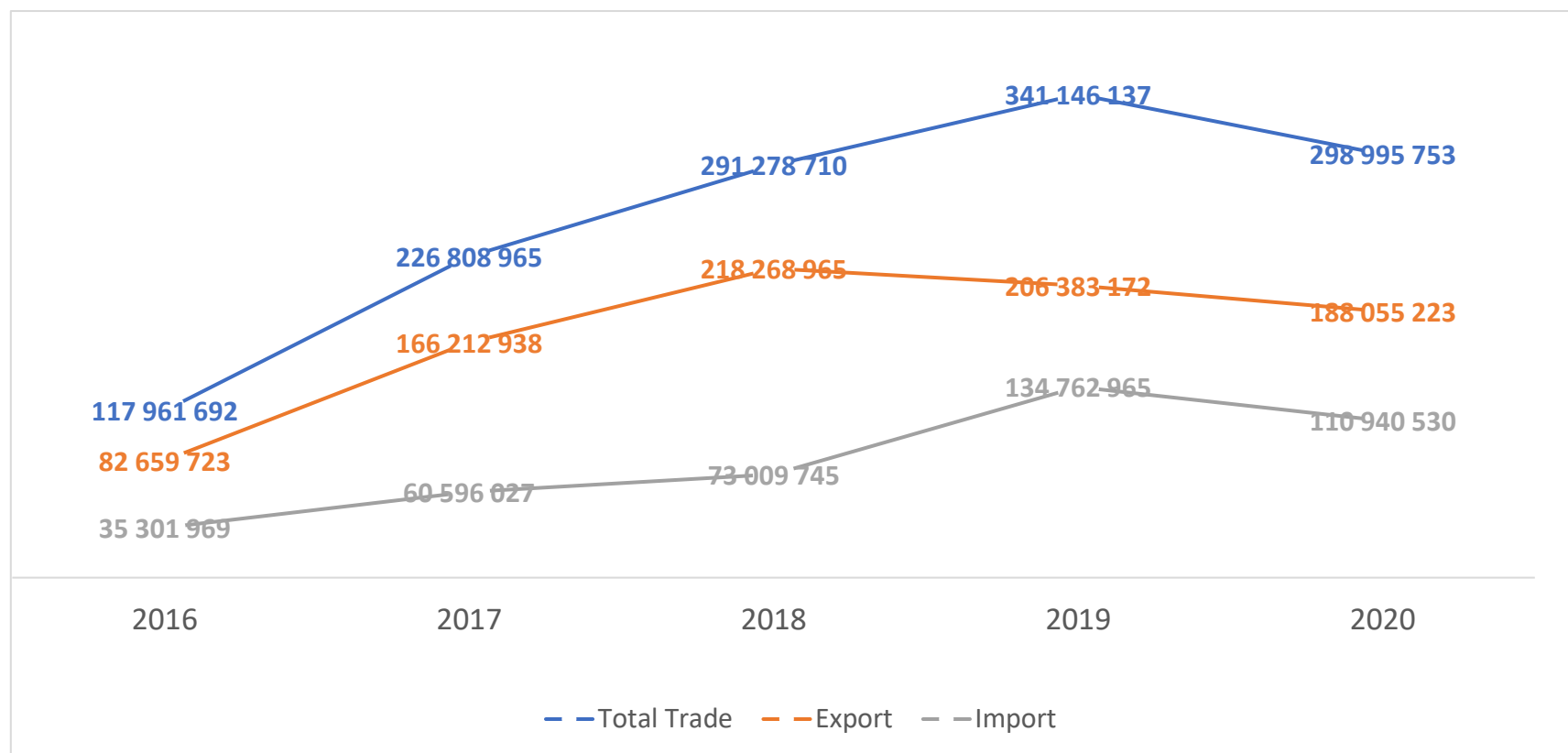
2020 BOT
\$ 77.19 M

PREFERENTIAL TRADING ARRANGEMENTS

- EU-GSP+

PH – PL MERCHANDISE TRADE

Value in US\$ Million

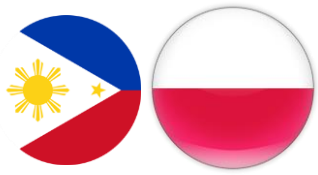


5-year Growth Rate (2016 to 2020)

Total Trade: 26.18 %

Export: 22.81 %

Import: 33.14 %



PH-PL BILATERAL TRADE & INVESTMENT RELATIONS

PH-PL INVESTMENTS

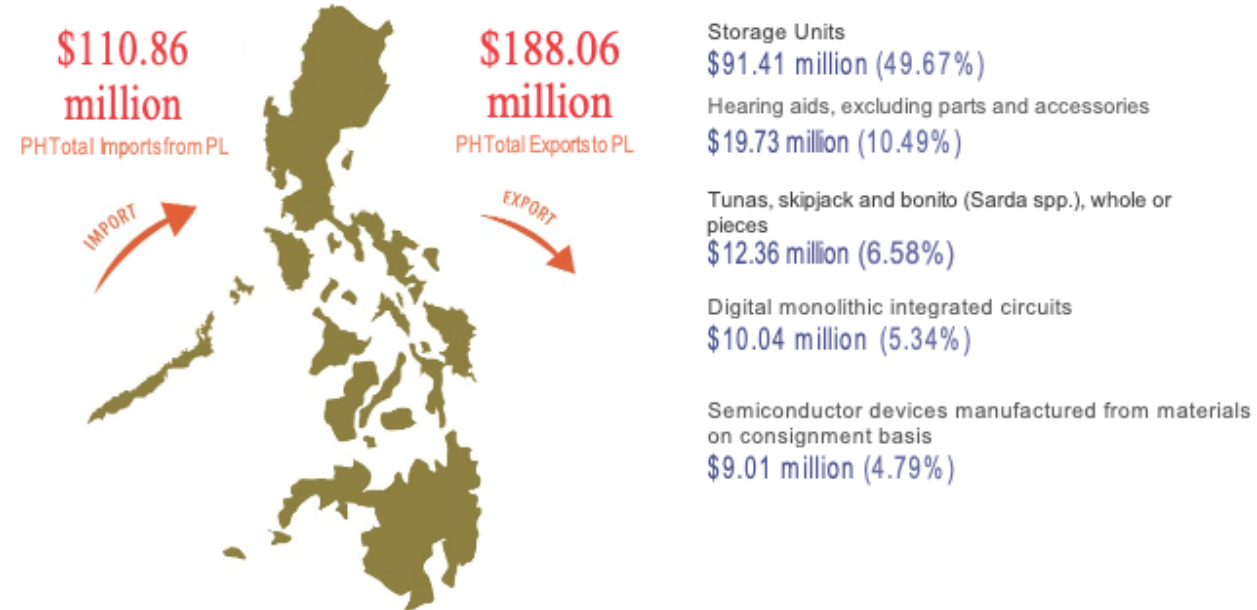


Philippines - Poland Trade by Top Commodities, 2020

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, kephir 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



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.

www.dti.gov.ph
www.boi.gov.ph