

**THE TIME  
TO EXPORT  
IS NOW**

**MARKET OPPORTUNITIES IN THE**

# Philippines

**11 APRIL 2016**

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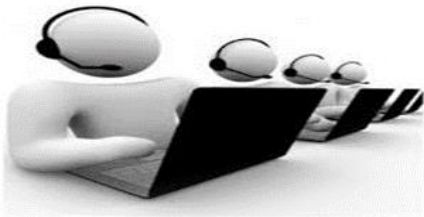
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## COUNTRY PROFILE

<b>Population (million)</b>	<b>101.6</b>
<b>Land Area</b>	<b>343,448.32 (132.43 sq miles) Luzon (147,947.63) Visayas (59,873.84) Mindanao (135,626.85) spread over 7,101 islands</b>
<b>Major Cities (Top 3)</b>	<b>Manila, Cebu, Davao City</b>
<b>GDP (US\$ billion) at current price in 2015</b>	<b>292.0</b>
<b>Real GDP Growth (2015)</b>	<b>5.8%</b>
<b>Average annual GDP growth (2011 - 2015)</b>	<b>5.9%</b>
<b>GDP per capita at current price in 2015 (US\$)</b>	<b>2,875</b>
<b>Time Difference</b>	<b>8 hours ahead of UTC</b>
<b>Currency</b>	<b>Philippine Peso</b>
<b>Exchange Rate 1 US\$ equivalent to (Year 2015)</b>	<b>Php45.5028</b>
<b>Median Age</b>	<b>23.4 years ( census 2010)</b>
<b>Languages for Business</b>	<b>English</b>
<b>Ease of Doing Business</b>	<b>103</b>

Source : Philippines Statistics Authority and Banko Sentral Ng Pilipinas

## PHILIPPINES ECONOMY



### IT-BPO

- 1.2 mil employees (2015)
- \$22b revenue (2015)
- 2016 : \$25 bil & 1.3 mil employees



### Remittance from OFW

- 1.8 million OFW (2015)
- \$25.8 bil (2015)
- 9.8% GDP
- 2016 : \$29.7 bil.

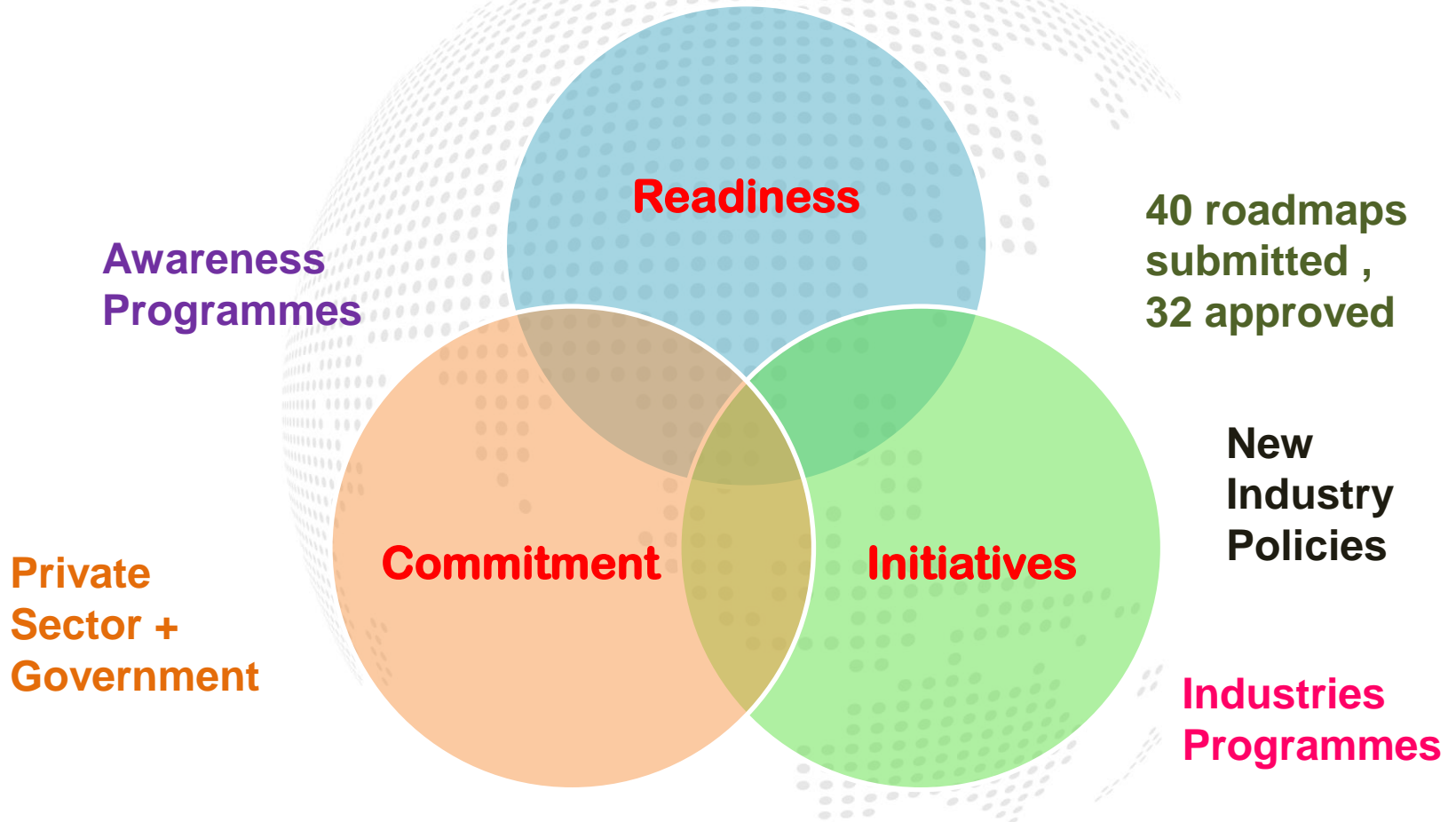
It's more fun in the  
**Philippines**



### Tourism

- 5.3 million tourist arrivals (2015)
- \$30 bil (>10% GDP)
- 2016 : 6 mil tourist

## PHILIPPINES AND AEC



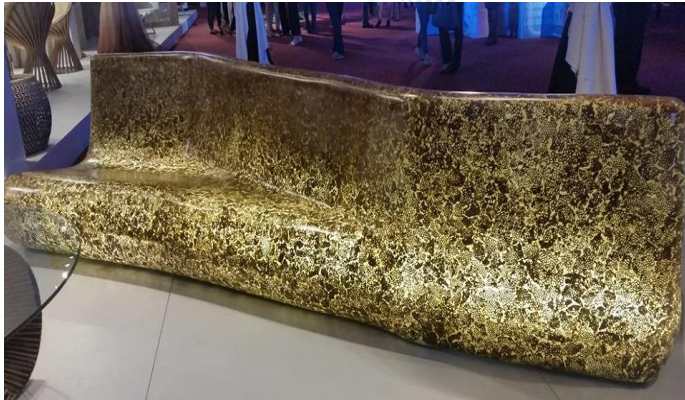
## OPPORTUNITIES FOR PRODUCTS AND SERVICES

NO	PRODUCTS/SERVICES	OPPORTUNITIES	CHALLENGES
1.	Consumer Products - Food and beverage - Toiletries & personal care - Electrical appliances	<ul style="list-style-type: none"> <li>• Halal</li> <li>• Cookies, Biscuits, Ready to eat meal</li> <li>• Healthy food</li> <li>• Small electrical appliances</li> </ul>	<ul style="list-style-type: none"> <li>• Lengthy process for FDA / Bureau of Product Standard and other product registration/license/permit</li> <li>• Competition from other Countries</li> <li>• Price</li> <li>• Port congestion / delay in customs clearance</li> </ul>
2.	Construction and Building Materials	<ul style="list-style-type: none"> <li>• Wooden Flooring</li> <li>• Sanitary ware &amp; Fittings</li> <li>• Doors, window frames</li> </ul>	
3.	Furniture	<ul style="list-style-type: none"> <li>• Office Furniture</li> <li>• Knockdown furniture</li> </ul>	
4.	ICT	<ul style="list-style-type: none"> <li>• E-commerce &amp; payment</li> <li>• Security</li> </ul>	

## Construction in Global City



## Philippines Furniture



## CHALLENGES IN DOING BUSINESS IN THE PHILIPPINES

### **Dominated market**

- Competition in some sectors is limited by large, family-owned conglomerates that control major businesses in the Philippines.

### **Barriers to entry**

- Lengthy process to obtain product registration, import license/permit/clearance

### **Operational expenses:**

- High logistics costs

### **Complicated tax structures**

- BIR, Municipality Tax, VAT, etc .
- Withholding tax : 2%-35%

### **Foreign Equity Restriction :**

- restrictions on foreign ownership of companies, land and investment in certain sectors
- restricted participation in public procurement
- restrictions on ability of foreign individuals to practise in some professions

### **Local Authority :**

- Bureaucracy

## FINDING PARTNERS

Trade Fairs      Visits  
Trade Associations  
CHAMBERS      Govt. Agencies  
Malaysian Diaspora  
Business Council

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**THANK YOU.**

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