



MAKE IT
HAPPEN

THE PHILIPPINES



3rd Virtual Economic Briefing

Secretary Ramon M. Lopez
Department of Trade and Industry
23 February 2022

YTD exports confirmed a rebound; higher than 2019 pre-pandemic

Comparative Exports Performance: 2021

	2019	2020	2021	Growth rate 2021 vs 2020	Growth rate 2021 vs 2019
Exports (in USD)	70.9 B	65.2 B	74.6 B	14.5%	5.21%

Top 5 Highest Export Trade Value Products in FY 2021

Top Exports by Commodity Groups	Value (USD)
Electronic Products	42.4 B
Other Manufactured Goods	4.5 B
Other Mineral Products	2.5 B
Machinery and Transport Equipment	2.3 B
Ignition Wiring Set and Other Wiring Sets Used in Vehicles, Aircrafts and Ships	2.3 B

Top 5 Highest Export Markets in 2021

Top Export Market	Value (USD)
United States of America	10.8 B
China	10.6 B
Japan	9.9 B
Hong Kong SAR	9.1 B
Singapore	3.8 B

YTD FDI confirmed a rebound; higher than 2019 pre-pandemic

	2019	2020	2021	Growth rate 2021 vs 2020	Growth rate 2021 vs 2019
Net FDI Jan-Nov (in USD)	7.3 B	6.1 B	9.2 B	52.0%	26.0%

**Top 5 Highest Industries Receiving Net Equity Placements
in 2021 (Jan – Nov)**

Top Industries	Value (USD)
Manufacturing	435.6 M
Electricity, Gas, Steam and Airconditioning Supply	293.7 M
Financial and Insurance Activities	188.5 M
Real Estate Activities	122.0 M
Information and Communication	52.0 M

**Top 5 Highest Country Sources of Net Equity Placements
in 2021 (Jan – Nov)**

Top Country Sources	Value (USD)
Singapore	559.6 M
Japan	462.4 M
United States of America	94.2 M
Hong Kong SAR	48.0 M
Germany	32.1 M

Tier I

**Revitalizing Businesses,
Investments, Livelihoods,
and Domestic Demand
(REBUILD)**

IPP 2020:

Preferred Listing
Exports
Special Laws

Tier II

**Competitive & Resilient
Economy**

Fill-in gaps in PH' industrial value chains, critical in:

- Promoting Green ecosystems
- Ensuring a dependable Health system
- Achieving robust self-reliance in Defense systems
- Transforming into Modern, Competitive and Resilient Industries and Agricultural sectors

Tier III

**Accelerated Transformation of the
Economy**

Accelerate Transformation of the economy with the aim of global leadership in emerging industries

- R&D with significant value-added, higher productivity, improved efficiency
- Breakthroughs in science and health, high-paying jobs
- Generation of new knowledge and intellectual property
- Commercialization of patents, industrial designs, copyrights and utility models owned or co-owned by a registered business enterprise
- highly technical manufacturing
- critical to the structural transformation and industrial revolution of the economy

Tier III - Per CREATE, activities that promote Innovation; critical to structural transformation

- **Adopting** advanced digital production technologies of the fourth Industrial revolution like robotics, AI, additive manufacturing, data analytics and other Industry 4.0 technologies; **producing** equipment, parts & services that embed these new technologies; and **engaging** in **R&D** activities & **commercialization of R&D** leading to accelerate innovation & increase value added in manufacturing, agriculture, fishing, construction, mining, & services

Robotics	Industrial Biotechnology	Additive Manufacturing	Photonics	Advanced Materials	Nanotechnologies
Advanced manufacturing	Artificial Intelligence	Mobility	Blockchain	Cybersecurity	Satellite Technology
Big Data	Connectivity Internet of Things	Augmented/Virtual Reality	Cloud Computing	Micro & nanoelectronics	Cognitive Technology

- Smart agriculture and biotechnology
- Smart manufacturing
- Robotics & automation, Logistics
- Automated machinery, robotic arms, 3D printers, industrial robots, cobots, sensors, processors, actuators
- Aerospace, medical devices
- IP and R&D commercialization: S4C Program
- Technology & digital intensive industries: Computers, electronics, electrical machinery, machinery & transport
- Knowledge-intensive services: computer-related, R&D (AI Center), other business services
- IT business processes, creative industries (audiovisual, digital interactive media, visual arts, cultural sites, creative services, design)
- Health tech (health & medical services), video tech, edtech (education & training), sports tech & digital health (fitness, wearables, wellness & medical, coaching, training, sports equipment)



\$26.7B Revenue in 2020; \$23.8B PH IT-BPM exports in 2020



1,300,000+ direct employees in 2020

4,500,000+ created indirect jobs



Serving North America, APAC and EU Market



700+ BPO Companies in PH



Offers key IT-BPM Subsectors (Game and Animation, Software, HIMS, GICC)



8% forecast by the end of 2022

The Philippine IT-BPM industry is growing at a healthy pace. During its peak, it posted 23.6% growth rate and consistently registering double digit growth. The bright prospects continue for the IT-BPM with a forecasted industry revenue US\$29B by 2022. IT-BPM subsectors are also performing well.



ELECTRONICS INDUSTRY

Enabling the innovation and technology driven sectors

- Home to about **500** semiconductor and electronics companies, employing about **3.2 million** indirect and indirect workers
- Electronics exports in 2021 reached **US\$ 45.92** billion, 6% higher than the \$43.3 billion pre-pandemic level in 2019.
- A successful hub for Electronics Manufacturing Services (EMS) with strengths in complex PCB assembly, box build and systems integration with growing capabilities in Design and Development and Original Design Manufacturing (ODM)
- World class center for OSAT – Outsourced Semiconductor Assembly and Test with exceptional design capabilities
- Growing base of competitive integrated circuit (IC) design companies to provide services to the worldwide IC ecosystem with 1,500-2,000 IC design engineers.
- Budding medical devices manufacturing supported by existence of supply chain. PH medical device market is projected to expand up to US\$ 744.7 million.

INDUSTRY PLAYERS



The Philippines positions itself as a regional hub for EV and EV parts in ASEAN

- **54 manufacturers and importers**
- **71,840 direct and direct employment for Filipinos**



Transitioning to Electric Vehicles

Activities critical to industry development and priorities for incentives for domestic and export markets



Electric Vehicles Assembly

Manufacturing of
E-jeepneys
E-trucks
E-buses
E-UVs
E-Cars
E-Tricycles and
E-Motorcycles



Automotive Electronics and other parts Manufacturing

Products for
Advanced Driver Assistance Systems
High-precision sensors
AI-enabled parts;
Augmented Reality/Virtual Reality
Technology-enabled parts;
Electric motor powertrains
Metal forging



EV Battery, Charging, Energy Storage Systems, and Recycling

Battery and Parts
Charging Equipment
Energy Storage Systems utilizing local minerals in the Philippines for higher value upgrading, including recycling.



Engineering Service Outsourcing

Engineering Service Outsourcing; R&D;
Automotive systems design & modelling;
AI applications in autonomous vehicles

We are positioning the Philippines as a regional manufacturing hub for EV and EV parts in ASEAN. We recognize that the future of transportation will be autonomous, connected, electric, and shared.

ELECTRIC VEHICLE INCENTIVE STRATEGY (EVIS)

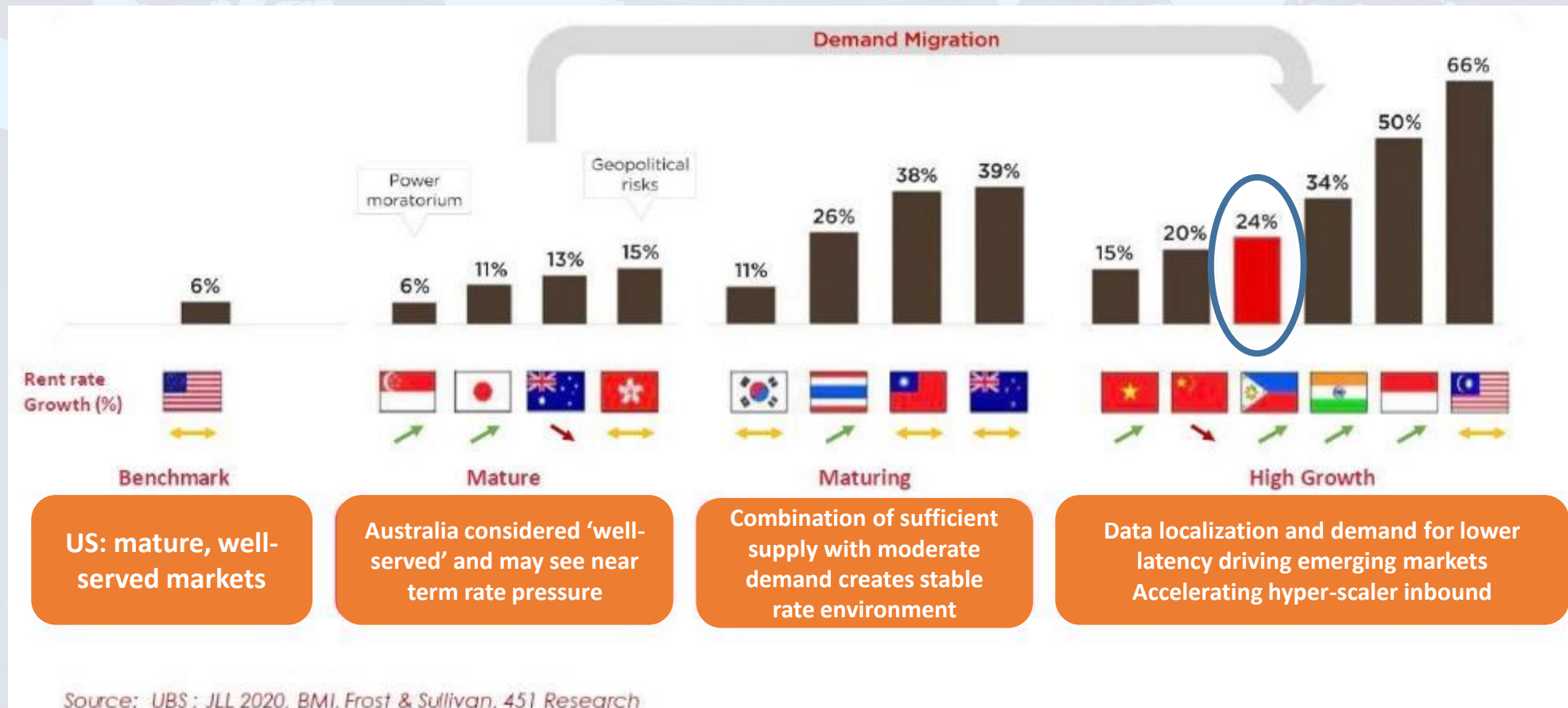
- Information, Education, and Communication
- Research and Development
- Regulations and Standards
- Fiscal and Non-Fiscal Incentives
- Human Resource Development



PH: THE NEXT STRATEGIC HYPERSCALER HUB IN APAC

An underserved market with tremendous potential

Data Center Projected Supply Growth (3-5years CAGR)



MNL1 Data Center

\$700 million, 72 megawatt facility opening 2022



* SpaceDC company announcement

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