

Philippines in Figures — Fastener, Automobile, Construction, GDP, PMI



The Philippines stands out in the competition in the Asia-Pacific political and economic landscape this year and gained international media attention. The Ferdinand Marcos Jr. regime takes a series of actions. In addition to seeking overseas political and military alliances, the regime tries to make the Philippines a preferred destination for international foreign investment by formulating policies. According to Philippine Statistics Authority (PSA), **in 2023, the amount of foreign direct investment approved by the Philippine government reached a record US\$15.594 billion, 3.7 times higher than in 2022. It shows that the Philippines is attracting a large number of investors from many countries, a large proportion of which also include Taiwanese businesspeople. Currently, there are about 7,000 Taiwanese businesspeople (from 600 companies) in the Philippines.**

According to United Nations statistics, the Philippines' population will grow to 115.56 million in 2022, of which 76.66 million are over 15 and under 60 years old, accounting for 66% of the total population, indicating that the Philippines has a fairly young working population. The country has one of the highest population growth rates in Southeast Asia, reaching 1.5%. **The demographic dividends and government policies have made the Philippines an ideal target for many other countries to set up factories in Southeast Asia.**

The Philippine market is poised with a promising future of growth potential. With this backdrop, this article provides readers with reference materials for investing in the Philippines by analyzing five market indicators on fasteners, automobiles, construction, GDP, and PMI.

Fasteners

Fastener Import in the Philippines >>

First, we will track the growth and decline trajectory of Philippine fastener trade in the past decade. From 2014 to 2023, the country's fastener import weight (**Figure 1**) increased from 26,580.7 tons to 74,532.6 tons, up 180%. Except for a 3.1% drop in 2015, and an 18.5% plunge in 2020 when the pandemic was the rampant, the rest of the years showed positive growth. It is worth noting that last year's increase by 27% was the highest in the past decade. Overall, **the weight of fasteners imported by the Philippines from around the world has been increasing over the past decade.**

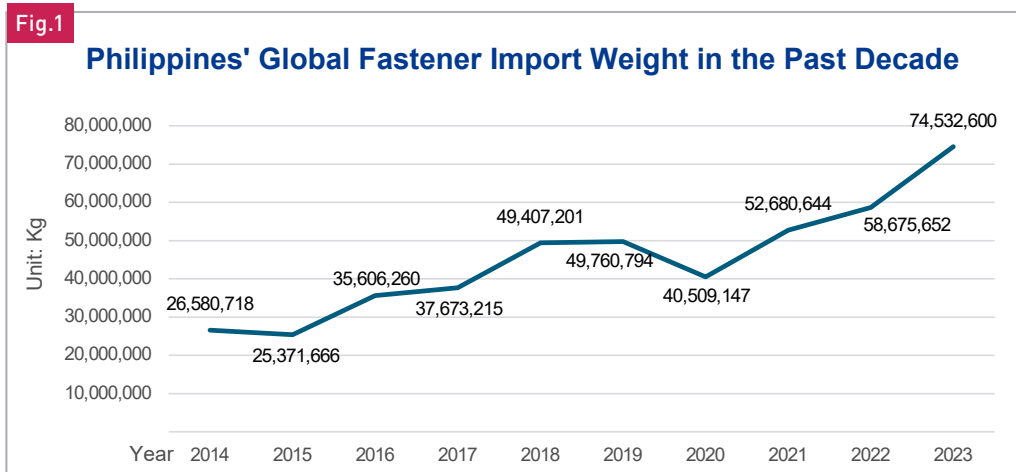
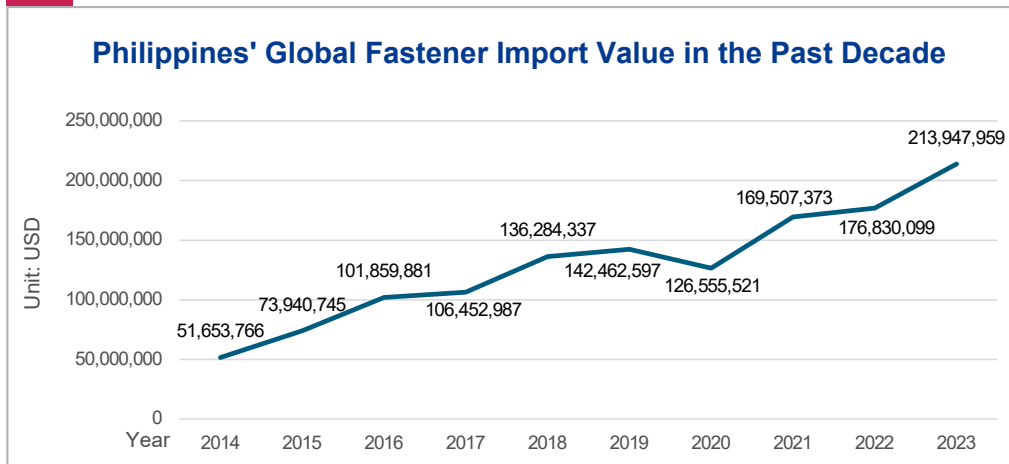


Fig.2



The country's fastener import value (*Figure 2*) increased from US\$51.653 million in 2014 to US\$213 million in 2023, up 314%, and fell only 11.1% in 2020, showing **the Philippines' demand for global fasteners was stable and substantially growing in the past decade.**

Table 1 shows that **the top 10 fastener import sources of the Philippines in the past six years were all Asian countries**, among which

China, Japan, Vietnam, Taiwan, and Singapore were the top five sources for the Philippines. As shown in *Figure 3*, China's fasteners accounted for 83% last year, overwhelming the other nine countries, showing that **Philippines was extremely dependent on cheaper fasteners from China**. Excluding the pandemic years, the weight of fasteners imported by the Philippines from China, Japan, and Vietnam has generally increased in the past six years. On the contrary, **the import from Taiwan significantly decreased year by year.**

Japanese fasteners are relatively expensive, but feature high technical level and high added value, taking up a 6% market share in the Philippines. On the other hand, the global political and economic atmosphere and overseas buyers' requests have mandated many Taiwanese fastener manufacturers to set up factories in Southeast Asia. However, Taiwanese fasteners accounted for only 3% of the Philippines market, just half of Japan's, showing that Taiwan's fasteners are still less attractive to the Philippines than Japan and the aforementioned China. In Philippines' fastener import value (*Figure 4*), despite a difference from *Figure 3*, the market share values basically reflect the same trend. If Taiwanese fastener companies are to expand their market shares in the Philippines, they need to think more carefully whether to transition towards higher added value or provide more price-competitive products.

Table 1. Top 10 Fastener Import Sources of the Philippines (2018-2023)

(Sorted by 2023 weight in descending order) (Weight in kg; Value in USD)

Countries	2018		2019		2020		2021		2022		2023	
	Weight	Value	Weight	Value	Weight	Value	Weight	Value	Weight	Value	Weight	Value
Global	49,407,201	136,284,337	49,760,794	142,462,597	40,509,147	126,555,521	52,680,644	169,507,373	58,675,652	176,830,099	74,532,600	213,947,959
China	34,437,902	41,176,918	35,118,703	42,531,255	29,440,414	34,611,995	40,259,565	50,181,602	45,394,606	52,791,737	61,051,479	76,621,728
Japan	3,560,125	33,879,569	3,657,426	36,134,117	2,864,478	33,731,577	3,726,672	45,238,195	3,899,764	44,048,890	4,229,248	47,880,323
Vietnam	1,074,992	3,617,282	1,161,793	3,533,002	816,665	2,548,547	1,307,527	4,899,910	2,141,380	5,833,649	3,002,253	9,064,662
Taiwan	4,784,338	9,302,648	4,110,774	12,779,852	3,244,458	9,957,463	3,294,196	12,012,270	2,692,870	10,231,131	2,207,766	9,731,263
Singapore	948,759	10,899,415	1,213,605	12,973,903	830,918	10,864,810	850,878	13,576,514	990,883	21,205,420	744,520	10,584,024
Thailand	488,082	4,899,001	665,113	5,308,554	845,592	4,717,497	706,184	6,031,059	727,914	6,652,019	594,741	5,382,743
India	375,737	1,119,829	198,846	920,164	102,570	469,088	126,806	721,524	93,293	749,329	466,407	1,837,348
S. Korea	807,268	3,606,240	1,077,976	3,773,438	736,068	3,443,050	684,965	4,234,884	744,102	4,381,791	464,431	3,390,607
Malaysia	239,049	2,351,318	315,902	1,708,294	269,478	2,517,092	345,722	6,369,320	225,367	4,753,182	416,765	13,820,428

Fastener Export from the Philippines >>

From 2014 to 2017, the Philippines' fastener export weight (*Figure 5*) remained at around 12,000 tons. What's interesting is that before the pandemic (2018) and in the post-pandemic years (2021 to 2022), the global demand for Philippine fasteners surged nearly three to four times, reaching a level of about 45,000 tons. Even at the worst of the pandemic (2019 and 2020) when the export fell sharply to 34,000 tons, it was still much higher than the pre-pandemic level. By 2023, the export weight returned to normal at the pre-pandemic level. The same trend is reflected in export value (*Figure 6*).

This trend triggers association with Taiwan's fastener exports that also surged during the pandemic and returned to normal after the pandemic.



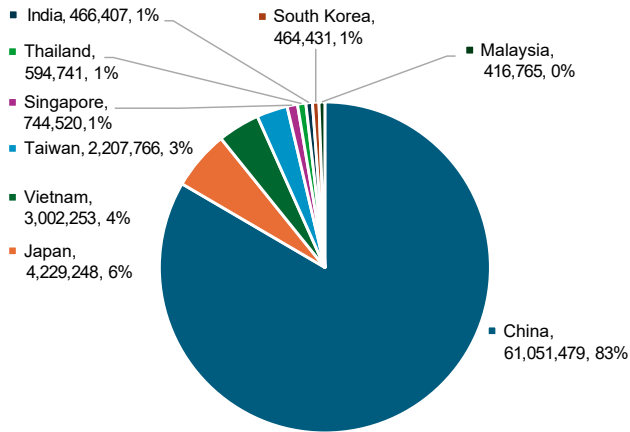


Fig.3 Philippines Fastener Import from the Top 10 Sources in 2023 (Unit: kg)

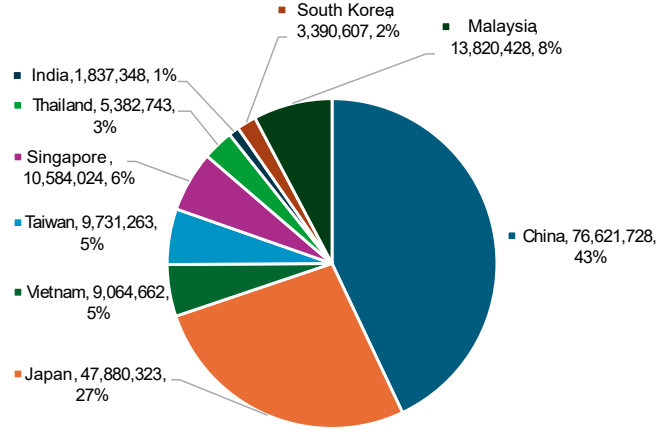


Fig.4 Philippines Fastener Import from the Top 10 Sources in 2023 (Unit: USD)

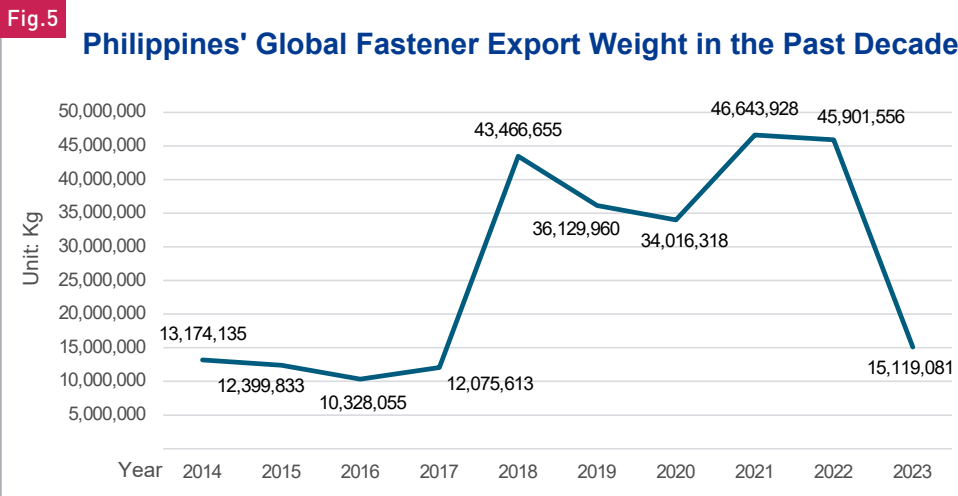


Fig.5

Philippines' Global Fastener Export Weight in the Past Decade

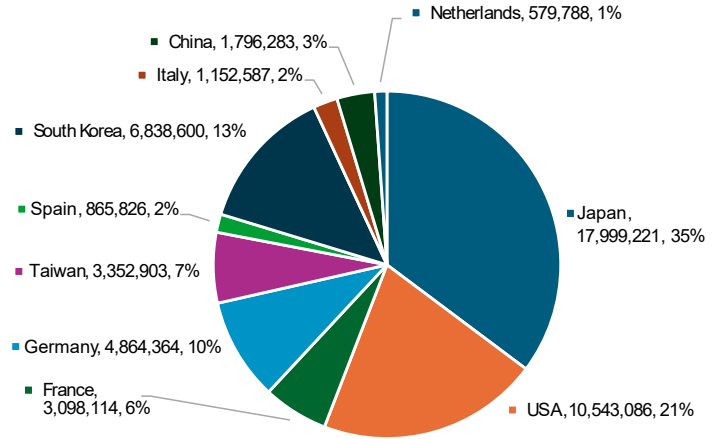
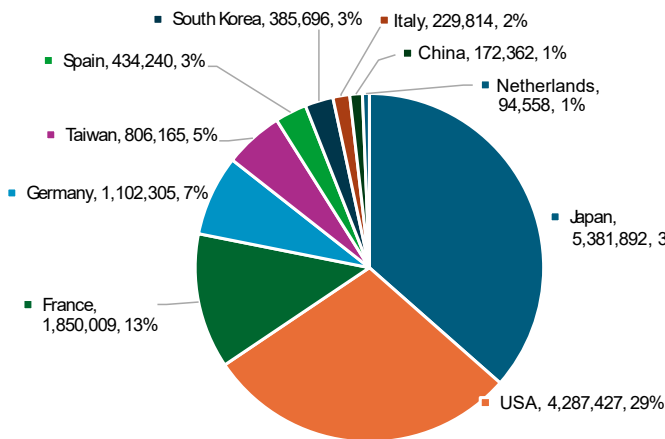
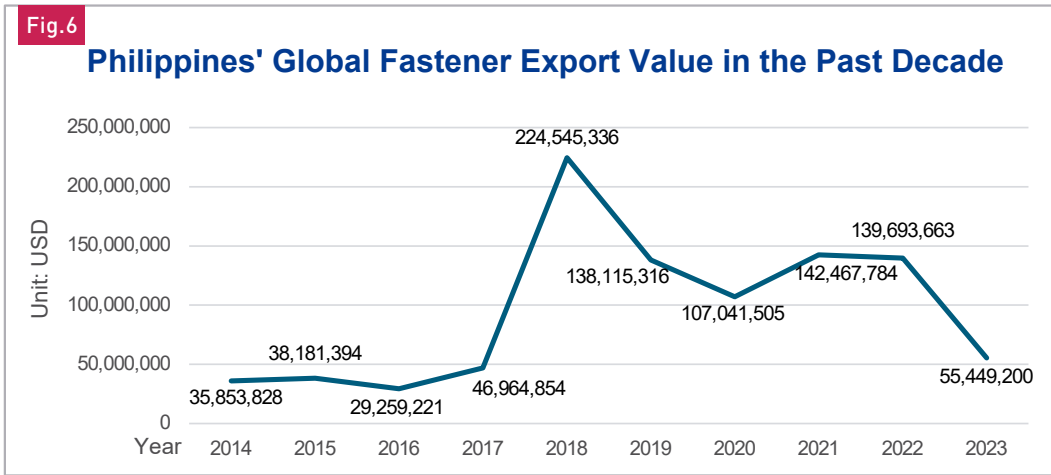
The Philippines' top five fastener export destinations (Table 2) were Japan, the U.S., France, Germany, and Taiwan. The Philippines relied heavily on Japan (accounting for 36% of the Philippines' total export value) and the United States (29%). The export of Philippine-made fasteners also relied heavily on the European market, because 5 out of the top 10 fastener export destinations were from Europe (Figures 7 and 8), accounting for about 20% in total.

Table 2. The Philippines' Top 10 Fastener Export Destinations (2018-2023)

(Sorted by 2023 weight in descending order) (Weight in kg; Value in USD)

Country	2018		2019		2020		2021		2022		2023	
	Weight	Value	Weight	Value	Weight	Value	Weight	Value	Weight	Value	Weight	Value
Global	43,466,655	224,545,336	36,129,960	138,115,316	34,016,318	107,041,505	46,643,928	142,467,784	45,901,556	139,693,663	15,119,081	55,449,200
Japan	28,682,568	174,903,397	23,367,600	98,246,433	23,618,090	75,300,195	32,429,115	90,176,410	31,767,523	85,588,264	5,381,892	17,999,221
USA	3,920,923	8,216,255	4,795,340	13,200,346	4,372,729	9,322,081	5,726,535	14,326,120	6,106,563	15,043,559	4,287,427	10,543,086
France	183,457	572,928	62,329	195,587	75,694	242,706	107,885	232,515	2,494,086	4,751,770	1,850,009	3,098,114
Germany	3,649,004	11,280,093	2,633,194	8,952,672	2,198,532	7,757,829	2,730,312	10,332,144	2,061,209	8,824,741	1,102,305	4,864,364
Taiwan	1,158,486	3,144,637	1,121,284	3,277,946	482,271	1,271,219	2,068,938	5,581,337	1,342,305	4,723,757	806,165	3,352,903
Spain	450,746	1,559,483	335,657	1,047,205	119,753	407,014	27,070	127,624	102,348	373,949	434,240	865,826
S. Korea	1,044,612	3,436,771	938,135	2,984,255	1,384,304	4,615,376	1,090,599	8,347,455	476,620	8,043,093	385,696	6,838,600
Italy	1,567,440	4,381,733	1,372,861	4,166,490	701,800	2,449,484	743,257	2,415,917	354,648	1,714,803	229,814	1,152,587
China	118,230	327,203	141,283	545,789	140,177	1,247,051	55,790	2,032,188	47,415	1,339,979	172,362	1,796,283
Netherlands	394,851	1,306,601	191,503	628,938	195,172	705,035	605,490	2,756,948	350,927	2,485,253	94,558	579,788





Cars

Philippines' car sales (Figure 9) showed a classic V-trajectory in and out of the pandemic. After bottoming out at 223 thousand units in 2020 came a drastic rebound. By 2023, the sales breached the pre-pandemic level of 369 thousand units and reached 429 thousand vehicles (including 109 thousand passenger cars and 320 thousand commercial cars, as in Figure 10), breaking the country's highest record. Philippine News Agency, which voices for the government, predicts that sales this year are expected to exceed 500 thousand vehicles. Demand for automotive fasteners in the Philippines is also expected to grow this year.

Out of the top 10 car manufacturers in the Philippines in 2023 (Figure 11), 6 were Japanese car manufacturers. Toyota had the largest market share, with sales of 198 thousand vehicles, showing that the country relied most heavily on the supply of Japanese car manufacturers, followed by Ford from the U.S. and Geely as well as SAIC MG from China.

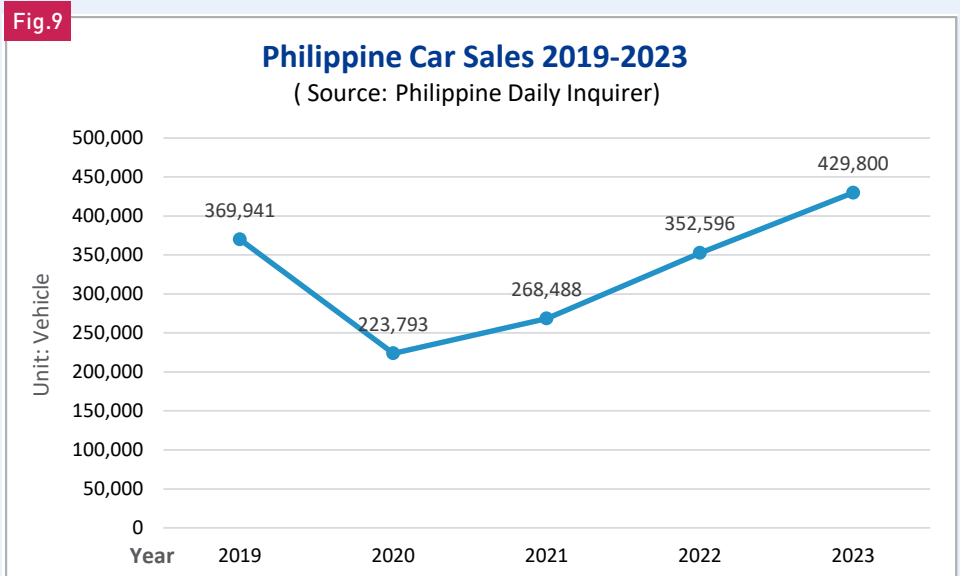
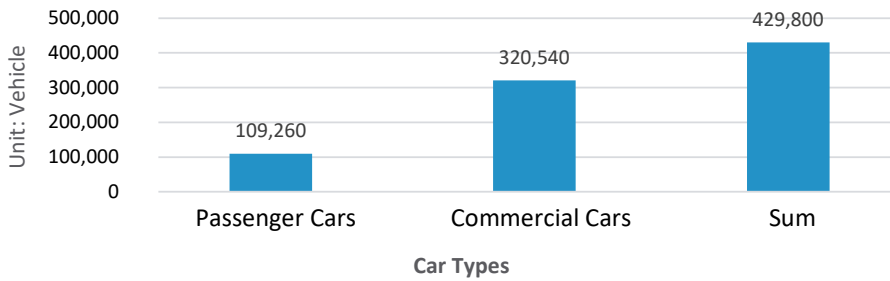


Fig.10

Philippines Car Sales in 2023

(Source: Statista)



Construction

The Philippines has been actively developing national infrastructure in recent years. After President Ferdinand Marcos Jr. took office, he continued Duterte 3B (meaning Build! Build! Build!) infrastructure plan and renamed it BBM (Build, Better, More) and extended its implementation period to 2028. He has currently approved a total of 194 infrastructure projects (35% of which are already in progress), covering public transportation, electricity, health, IT, water resources, agriculture and other fields, with a total budget of US\$157.937 billion. Projects of higher importance include the North-South Railway Project, Metro Manila Subway, Taguig Integrated Terminal Exchange, New Manila International Airport, Bataan-Cavite Interlink Bridge, Panay-Guimaras-Negros Island Bridges.

Apart from large infrastructure construction, let's look at the number of construction permits issued by the Philippine government (**Figure 12**). The number has generally been rising year by year in the past five years. Although the number in 2023 dropped to the level of 2021, from **Figure 13**, the value of the Philippines' construction market has continued to rise in the past three years, reaching a scale of US\$65.2 billion in 2023, showing that the momentum of the country's construction market is still going strong. The demand for construction fasteners is also expected to climb.

GDP \ PMI

Philippine Statistics Authority announced that **the Philippines' economic growth rate in Q4 2023 was 5.6%** (**Figure 14**), the same as the annual growth rate, only second to **Vietnam at 6.7%**, and even surpassing **China at 5.2%** and **Malaysia at 3.4%**. Arsenio Balisacan, Secretary of the Philippine National Economic and Development Authority (NEDA), said that although the full-year economic growth fell short of the government's target of 6-7%, the country remains one of the best-performing economies in Asia. The minister said the government adheres to the growth target of 6.5 to 7.5% this year and will encourage the expansion of the construction and agricultural sectors in the future.

Fig.11

Top 10 Automakers in the Philippines in 2023

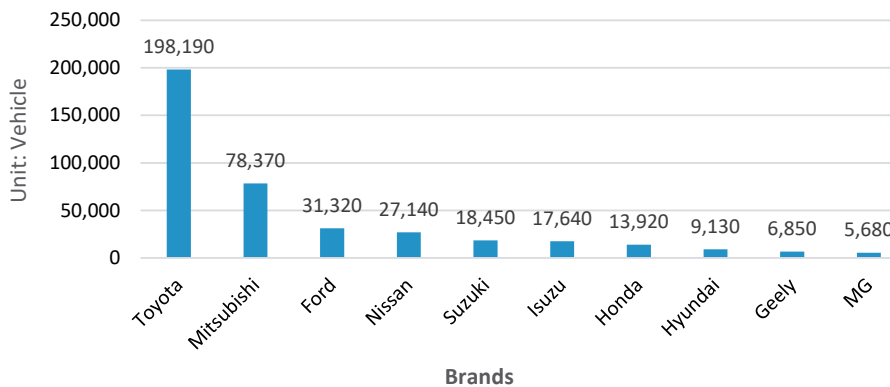


Fig.12

Philippines Approved Building Permits 2019-2023

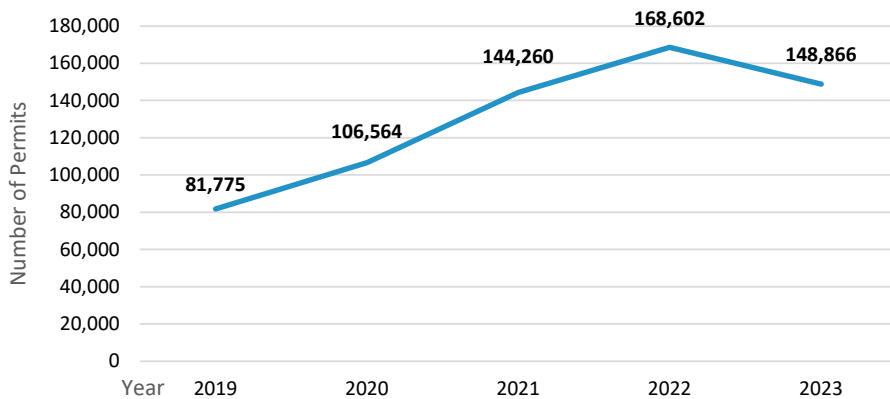
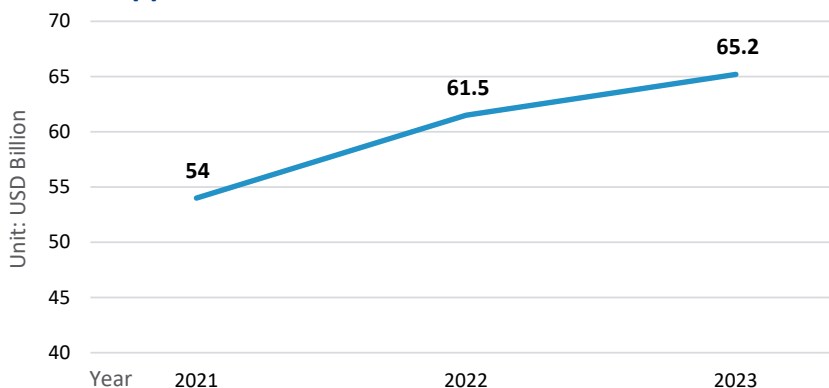
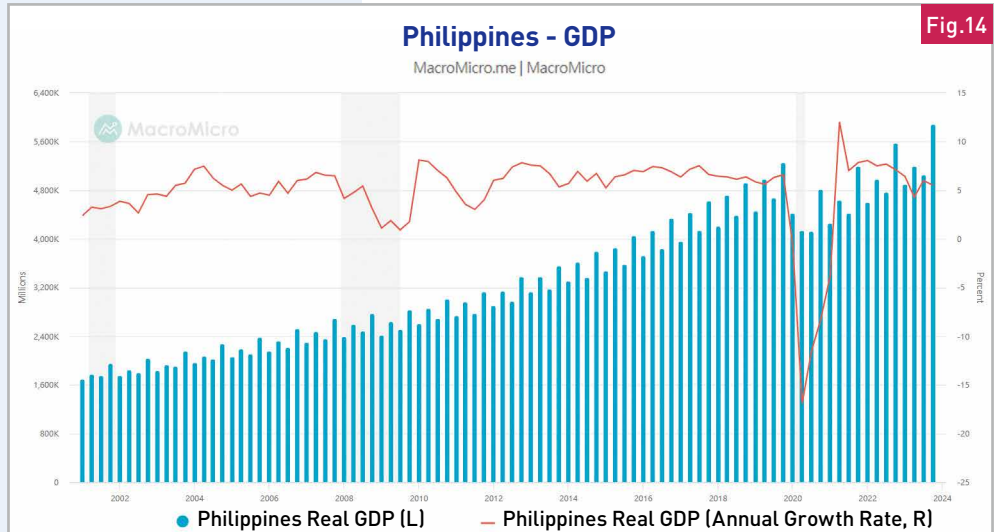


Fig.13

Philippines Construction Market Value 2021-2023

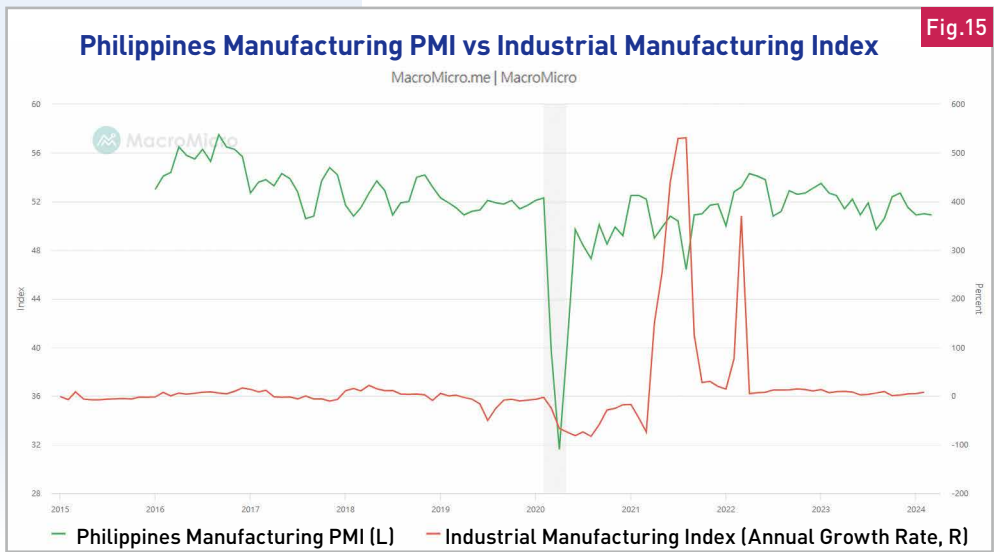




Note:

For decades, the Philippines' power infrastructure has been incomplete. Power outages have occurred from time to time. Those who want to go there to do business or set up factories should take the risk of power outages in the Philippines into consideration.

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