

# The Republic of the Philippines

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The Republic of the Philippines is located in Southeast Asia. It consists of more than 7,100 islands and also known as “the country with thousands of islands” in Chinese. Its significant strategic location made it the major hub between the two continents of Asia and Oceania and the Pacific, as well as between East Asia and South Asia. It covers a total area of 299,700 square kilometres and has a population of 102,624,209 as of July 2016, ranking the twelfth in the world. Among which, more than 91 million people are residing in the country while over 11 million are working abroad. The official language is Filipino and English and the capital city of the Philippines is Manila.

During post-war period from 1950 to 1970, the Philippines was once among the wealthiest countries in Asia along with Japan and Myanmar. However, the deep-rooted corruption made it the most corrupt country in Southeast Asia, the economy was heavily affected and was unable to revive resulting in extreme disparity between the rich and the poor. Up to the end of 1990s, the country relied on remittances from overseas Filipino workers from around the world who sent back as much as USD25 billion back home to support their families thus promoted local consumption and economic development. The Philippines has been implementing comprehensive political reform since 2011, and the economy has gradually improved with the inflow of large amount of foreign capital and the economy is going through a stage of sustained and rapid development with an average growth of 6.0%. In 2015, the GDP reached USD292.451 billion, the middle-class population exceeded 30 million and the economy scale ranks the 39<sup>th</sup> in the world, making the country to be the fourth largest emerging industrial country in Southeast Asia and one of the emerging countries in the world. With a demographic dividend with an average of only 23 years old, experts anticipated that the country will have another 35 years of prosperous development.

Being a member of the ASEAN Free Trade Area and the World Trade Organisation (WTO), and aiming to strengthen its economic integration with the economies in the region, various regional free trade agreements have been signed by the Philippines. The Philippines is 2017's rotating chair of ASEAN and committed to carry out reforms and opening-up measures aiming to remedy the impact on the local economy.

Notwithstanding the measures taken, the unemployment rate in the Philippines remained high with 6.6% in 2016. A quarter of the population lives below the poverty line, among which, 60% lives in the village area.

## Resources

The mining industry possesses great potential with abundant reserves of chromite, nickel, copper, natural gas, as well as geothermal and hydraulic energy and coal. Massive amount of economical hydroelectricity is the major natural resources of the country and also helps attract foreign investment. Currently the country is developing to export natural gas, the reserve is also available for commercial exploitation.

## Agriculture

Agriculture is the mainstay of the economy with an agricultural population of 20% of the national population. In 2016, agricultural production amounted to 9.7% of the GDP. The four major produces are coconut, sugar cane, tobacco and Manila hemp. The tobacco leaves from northern Luzon are used in cigar making and is reputable around the world. The country is also rich in the supply of fruit such as coconut, mango, pineapple and durian.

## Industries

The country is weak in industrial development, most industries are found in the suburban area in Manila. Cebu has become another major attraction for foreign and local investment in recent years. In 2016, industrial production amounted to 30.5% of the GDP. Major industries include manufacturing, mining, as well as fuel and power industries, with focuses on light industry such as food processing, textile and clothing, electronics, automobile parts industries.

## Service industry

Due to the continuous growth of domestic demand and driven by moderate financial stimulation policy, the service industry has been growing rapidly. In 2016, the service industry amounted to 59.8% of the GDP, being the fastest growing economy among ASEAN's five major economies. The International Monetary Fund (IMF) estimated that GDP growth will maintain at the level of more than 6.0%.

## Tourism

Tourism is the major industry of the country. In 2015, the country received 5.36 million visitors, and the revenue from tourism amounted to USD5 billion, and the total number of tourism operators reached a record high of 5 million people. According to the statistical data of the Philippine Statistics Authority (PSA), the tourism direct gross value added (TDGVA) in 2015 amounted to 8.2% of the GDP. Among which, local residents spend as much as PHP1770 billion, and non-residents spend a total of PHP306.6 billion.

## Fisheries

Fisheries is also an important industry of the Philippines. Following the development in aquaculture and fishing technology in recent years, fisheries output value has enormously increased. The industrial structure has undergone remarkable changes to focuses on both marine fisheries and aquaculture. In 2016, the government launched the Comprehensive National Fisheries Industry Development Plan (CNFIDP) and increased the budget for fisheries development from USD132.9 million to USD141.3 million, and committed to provide tailor-made fisheries projects for aquaculture operators, with an aim of drastically enhancing the competitiveness of the Philippines among the fisheries industry in the world.

## Main Economic Indicators 2016

Gross Domestic Product (US\$ Billion)	801.9
Real GDP growth (%)	6.4
GDP per capita (US\$)	7,700
Inflation (%)	1.7
Land area (sq km)	299,700
Population (Million)	102.6

Source: CIA-The World Factbook, <https://www.cia.gov/library/publications/the-world-factbook/>

## Main Trading Countries/ Territories with Philippines 2015

Main Destinations for Exports	%
Japan	21.1
US	15
China	10.9
Hong Kong	10.6
Singapore	6.2
Germany	4.5
South Korea	4.3
Main Origin for Import	%
China	16.2
US	10.8
Japan	9.6
Singapore	7
South Korea	6.5
Thailand	6.4
Malaysia	4.8
Indonesia	4.4

Source:  
<https://www.cia.gov/library/publications/the-world-factbook/>

## Foreign Trade

(unit: US\$ Billion)

Year	Total Trade	Exports	Imports
2016	99.15	38.2	60.95
2015	108.25	43.28	64.97

**Major Export Commodities:** semiconductors and electronic products, transport equipment, garments, copper products, petroleum products, coconut oil, fruits

**Main Import Commodities:** electronic products, mineral fuels, machinery and transport equipment, iron and steel, textile fabrics, grains, chemicals, plastic

Source:

1. CIA-The World Factbook, <https://www.cia.gov/library/publications/the-world-factbook>  
2. Index Mundi-Country Fact, <http://www.indexmundi.com>

## Mainland China-Philippines

(unit: US\$ billion)

Year	Total	Exports	Imports
2016	21.175	14.987	6.188

Source: Ministry of Commerce of the People's Republic of China, <http://mds.mofcom.gov.cn/article/Nocategory/>

## Macao- Philippines Bilateral Trade 2016

Type of Trade	Weight (KG)	Patacas
Imports	7,003,558	171,406,761
Exports	562,535	290,600,653

Source: The Macao Statistics and Census Service, <http://www.dsec.gov.mo/>

## SOURCE

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