

Global Value Chains in ASEAN

The Philippines

PAPER 8

J U L Y
2017



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NOTES

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The following symbols have been used in the tables:

- Two dots (..) indicate that data are not available or are not separately reported.
- A dash (-) indicates that the item is equal to zero or its value is negligible.
- Use of a dash (-) between dates representing years, e.g., 2015–2016, signifies the full period involved, including the beginning and end years.
- Reference to “dollars” (\$) means United States dollars, unless otherwise indicated.

List of papers under the project on global value chains in ASEAN by the ASEAN-Japan Centre

The current paper is the eighth of a 16-paper series on ASEAN GVCs. The other 15 papers will be produced subsequently.

Paper 1. A regional perspective

Paper 2. Brunei Darussalam

Paper 3. Cambodia

Paper 4. Indonesia

Paper 5. Lao People’s Democratic Republic

Paper 6. Malaysia

Paper 7. Myanmar

Paper 8. Philippines

Paper 9. Singapore

Paper 10. Thailand

Paper 11. Viet Nam

Paper 12. Automobiles

Paper 13. Electronics

Paper 14. Textiles and clothing

Paper 15. Agribusiness

Paper 16. Tourism

Prepared by Masataka Fujita (ASEAN-Japan Centre). The author wishes to thank the staff members of the AJC and Lizanne Martinez (UNCTAD) and Brad Boicourt (UNCTAD) for their research and statistical assistance. The manuscript was edited by Lise Lingo and typeset by Laurence Duchemin. Errors and omissions are only those of the author and should not be attributed to his organization.

KEY MESSAGES

- The buoyant Philippine economy continues to be sustained by a combination of production, consumption and infrastructure booms, made possible only through massive foreign direct investment (FDI).
- The effects of FDI depend on the value added structure of the Philippine economy, in which the manufacturing (secondary) sector, including the electric and electronic equipment industry, exhibits large multiplier effects.
- The Philippines' value added exports in 2013, including purchases on the domestic territory by non-residents, were \$130 billion, one third of which was foreign import content (foreign value added) – lower than the ASEAN average share.
- The share of foreign value added by industry in the manufacturing sector is highest in the electric and electronics equipment industry and relatively low in the automotive industry. The services (tertiary) and primary sectors have the lowest shares of foreign value added, despite the services orientation of the economy.
- Over the past two to three decades, the share of foreign value added rose and then fell, stabilizing at 32 per cent, with Japan and the United States losing importance as exporters of intermediate products that were integrated into the Philippines' exports. However, to a certain extent, this decline was compensated by the growing production of Japanese and United States foreign affiliates in the Philippines.
- The Philippines' industrialization strategy played a role in lowering the use of global value chains (GVCs), in particular the upstream part. In contrast, the downstream part of GVCs gained importance.
- The Philippines has the potential to strengthen GVCs with both ASEAN countries and non-ASEAN countries.
- At the moment, the relationship between GVCs and economic growth in the Philippines is tenuous, partly because the low presence of FDI does not create enough GVCs to realize significant impacts.
- Policies striking the right balance between manufacturing and services development are required to form production chains that affect economic growth.

The buoyant Philippine economy continues to be sustained by a combination of production, consumption and infrastructure booms...

The establishment of the ASEAN Economic Community (AEC) at the end of 2015 gave another impetus to ASEAN, the integration of which had already attracted increasing global attention, particularly from investors. In response, foreign direct investment (FDI) flows to ASEAN remained high in recent years at \$120-130 billion, though declining to \$101 billion in 2016 (UNCTAD 2017). At \$8 billion, FDI flows to the Philippines in 2016 increased by some 50% over the previous two years, remaining high, four times those in the early 2010s. This growth of FDI demonstrates the country's potential to become one of the dynamically growing economies in ASEAN.

FDI has played an important role in many countries. Asia, and in particular ASEAN, has benefited from FDI, and indeed governments there strategically and explicitly regard FDI as an essential element for furthering economic growth and improving productivity, as demonstrated in the AEC Economic Blueprint 2025. To the extent that FDI also determines the volume, direction and content of trade, given the fact that intrafirm trade accounts for one third of global exports (UNCTAD 2016), FDI and trade should work together interactively for development. When it comes to the Philippines, however, the link between trade and FDI has been tenuous – though recent investment has become more export-oriented. One of the reasons is that global value chains (GVCs) have not been well established yet. Weak GVCs are caused by many factors. This paper describes the current picture of GVCs in the country and provides policy recommendations for establishing and benefiting more from GVCs.

The Philippines has three kinds of potentials: in production, in consumption and in infrastructure. The country has had the highest economic growth (6 per cent or more) of the six advanced ASEAN countries in 2016 and 2017 (ADB 2016). Several factors, both internal and external, support this growth. For example, the Philippines' GDP per capita has reached nearly \$3,000, the threshold beyond which motorization is considered to start. In trade, the Philippines is the only country in ASEAN that has been granted GSP Plus status, providing more incentives for exports to the European Union (EU) market than for previous GSP countries and other GSP-granted countries. For export-oriented investors, this is another impetus. Because of these factors, the production boom continues.

The second potential is related to the consumption boom. The Philippines will enjoy the longest "demographic bonus" of all ASEAN member states, lasting until 2062. With a population of 100 million, already the second largest in ASEAN, the Philippines will boast a growing labour force and a growing domestic market.

The third potential comes from infrastructure, which is the foundation of the economy and the foundation of Duterteconomics. Infrastructure is one of the current administration's 10-point socioeconomic agenda items. The Government aims to spend \$17 billion – equivalent to 5 per cent of GDP – on infrastructure in 2017, which is four to five times more than the amount spent in 2011.

... which could be made possible only through massive FDI.

The question for the Philippines is how to realize these production, consumption and infrastructure potentials. Turning them into reality and achieving sustainable development requires massive foreign investment. Take the example of automobiles. The number of vehicles produced in the country is some 100,000, a number dwarfed by those of Thailand and Indonesia, which produce 2 million and more than 1 million automobiles, respectively. The large differences in the production numbers are caused by several factors. In particular, the existence of parts and components companies is crucial. Thailand already has more than 2,400 suppliers. The Philippines has not established many supplier

networks yet. This is where foreign investment can play a role. With the Comprehensive Automotive Resurgence Strategy (CARS) Program, it is expected that the Philippines could realize its potential to become another major destination in ASEAN for the production and sale of automobiles.

In ASEAN, the automotive sector is the largest of the sectors that have established extensive GVCs (see papers 1 and 12 of this series). However, Philippine involvement in GVCs in this sector is still weak. The electronics industry is the largest manufacturing exporter and also tends to establish global value chains. For these two industries, FDI related to value chains contributes to both exports and the productivity of the domestic economy. Both the quantity and the quality of FDI is important in establishing such value chains.

Improvements in the investment environment in the Philippines would help increase the volume of FDI. According to the recent World Economic Forum's *Global Competitiveness Report*, the global ranking of the Philippines in 2016 was 57th, up from 75th in 2011. In the World Bank's Ease of Doing Business Index, the Philippines moved up 31 rankings to 103rd in the same period. In addition to increasing the volume of FDI, attracting the quality or specific type of FDI that the country aims at requires establishing a set of policies that boost both participation in and benefits from GVCs.

The effects of FDI on an economy depend on its value added structure ...

The industry structure of the Philippines is very much oriented to services. The input-output table reported by the Organization for Economic Cooperation and Development (OECD) shows that the services sector accounted for 54 per cent of industry output in 2011 (the most recent data available), followed by the manufacturing sector with 36 per cent and the primary sector with 10 per cent (table 1). The importance of the services sector in terms of value added stands out clearly. Indeed, two thirds of the total value added created by industries derived from the services sector. The contribution of manufacturing to value added is less than one fifth.

Another important aspect of the services sector in the economy comes from its ability to create value added. The ratio of value added to outputs ranges from 0.15 to 0.81 (table 1). The lower ratios are clustered in the manufacturing sector, whereas many of the services industries show ratios higher than 0.50, with the sectoral average being 0.6. Compared with manufacturing, services use less intermediate materials, which makes the value of their outputs closer to the actual value of the value added. Another, more important factor is that services industries tend to be more productive than manufacturing industries. At \$32.6 billion, the industry that creates the largest value added is wholesale and retail trade; its contribution is three times as large as that of the computer and electronic equipment industry (\$10.8 billion), which is the largest manufacturing industry (table 1). Agriculture, forestry and fishing is the second largest industry, which underscores that the country also has an agricultural economy. The primary sector also has a higher ratio of value added to outputs.

The fact that the manufacturing sector produces less value added requires policymakers to think about how best to elevate the productivity level in this sector, which is trapped in labour-intensive and low-end activities. Improvements in productivity come from a host of factors: technological development and innovation; increases in the production capacities of micro, small, and medium-sized enterprises (MSMEs); harnessing of FDI for productivity and development; and involvement in and upgrading of GVCs.

... in which the manufacturing sector, including the electric and electronic equipment industry, exhibits larger multiplier effects.

Philippine businesses can participate in any value chains created by foreign transnational corporations (TNCs). It is strategically important to be involved in those industries that have large linkage or multiplier effects. The industries that have multiplier effects greater than two (i.e. one unit of output in a particular industry leads to a total of increase in the economy of more than two units) are computers and electronics, woods and wood products, electrical machinery and transport equipment (figure 1). Generally speaking, manufacturing industries show larger multiplier effects than do services and primary industries. This implies that the manufacturing sector can create larger impacts on other industries through its activities (i.e. investment) than can other sectors. In other words, generally speaking, value chains in the manufacturing sector are longer and broader than those in the primary and services sectors. Involvement in GVCs should be easier to establish in manufacturing as this sector's production chains can be fragmented. Promoting such involvement should be considered important as the sector has a greater impact on the economy judging by the multiplier (backward linkage) effects. The primary sector can also have a greater impact if it moves into processing. Thus, resources-based manufacturing industries show higher multiplier effects than does production in the primary sector (e.g. 1.3 for agriculture primary production – agriculture, hunting, forestry and fishing as compared with 1.8 for agriculture processed – foods products, beverages and tobacco – production (figure 1)).

As the Philippine economy is services-oriented, what is important for the country is to link services – in particular, producer services or services that are used as inputs to manufacturing activities – with value chains established by manufacturing companies. The more productive these services industries are, the more impactful it is for the manufacturing sector and the economy as a whole. These services play an important role in determining the competitiveness of manufacturing and the whole economy.

The Philippines' value added exports in 2013, including purchases on the domestic territory by non-residents, were estimated at \$130 billion, one third of which was foreign import content (or foreign value added) ...

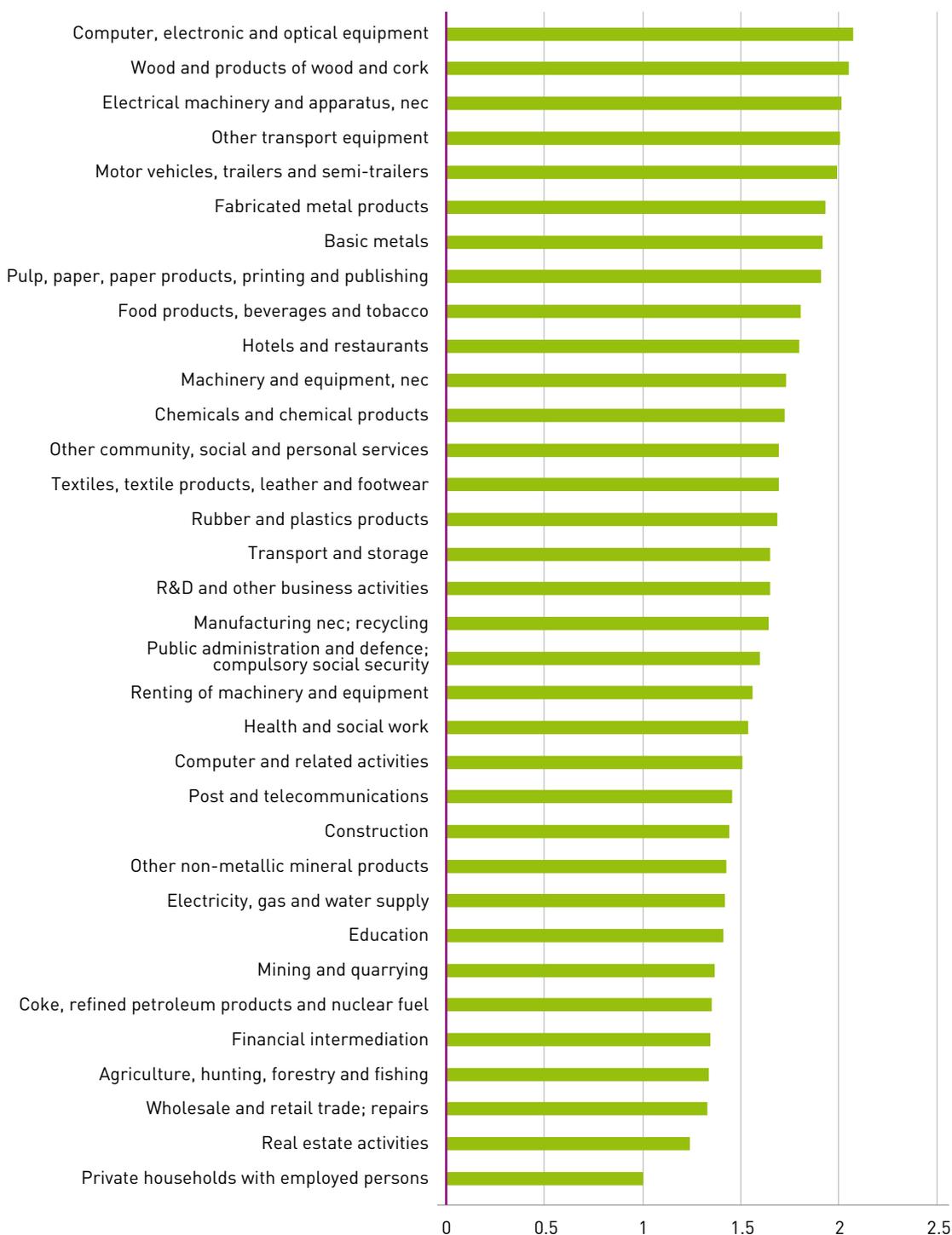
Estimated gross exports, or value added exports calculated from input-output tables, were roughly \$130 billion in 2013 (the most recent year for which GVC-related data are available). This amount is nearly two times larger than the exports of goods and services available from regular trade statistics (table 2). It is supposed to include purchases on the domestic territory (or the Philippines) by non-residents,¹ which is normally higher in the services sector. This kind of value is large for the Philippines as more than half of the economy is accounted for by the services sector, and as tourism and information technology and business process outsourcing (IT-BPO) are the main source of services exports, it is difficult to capture these services exports in normal trade statistics, which makes it likely that services export statistics are underestimated.

To a certain extent, however, this seems to be overestimated, for two reasons: (1) basic data sets used for the input-output tables may contain incorrect data; and (2) the algorithm for estimating value added exports may not be properly performed. It is not certain how the overestimation is caused and

¹ Exports in the input-output tables, based on which value added trade data are estimated, include purchases on domestic territory by non-residents. This amount is deducted from households' final consumption.

Figure 1. **Backward linkage of Philippine industries: which industry had the largest impact on the whole economy in 2011?**

(Increases in the whole economy due to one unit increase in output)



Source: OECD, Input-Output table (<http://www.oecd.org/trade/input-outputtables.htm>).

Note: Backward linkages in the Philippines can be measured by the inverse matrix of the input-output table of the Philippines. The industry breakdown of this and the next tables is somewhat different from that used in the GVC tables because of differences in data sources.

Table 1. Value added and output of the Philippines, by industry, 2011
(Millions of dollars and per cent)

Industry	Value added	Output	Value added structure (as per total)	Output structure (as per total)	Ratio of value added to output
Primary	30 727	44 494	14.7	10.4	0.69
Agriculture, hunting, forestry and fishing	27 741	39 307	13.2	9.1	0.71
Mining and quarrying	2 986	5 187	1.4	1.2	0.58
Secondary	40 545	155 175	19.4	36.1	0.26
Food products, beverages and tobacco	9 499	28 521	4.5	6.6	0.33
Textiles, textile products, leather and footwear	2 036	5 306	1.0	1.2	0.38
Wood and products of wood and cork	185	1 275	0.1	0.3	0.15
Pulp, paper, paper products, printing and publishing	1 005	3 794	0.5	0.9	0.26
Coke, refined petroleum products and nuclear fuel	3 471	20 435	1.7	4.8	0.17
Chemicals and chemical products	2 648	9 814	1.3	2.3	0.27
Rubber and plastics products	1 078	3 504	0.5	0.8	0.31
Other non-metallic mineral products	1 523	4 047	0.7	0.9	0.38
Basic metals	2 128	10 364	1.0	2.4	0.21
Fabricated metal products	719	2 856	0.3	0.7	0.25
Machinery and equipment, nec	1 428	3 904	0.7	0.9	0.37
Computer, electronic and optical equipment	10 770	43 699	5.1	10.2	0.25
Electrical machinery and apparatus, nec	1 673	6 437	0.8	1.5	0.26
Motor vehicles, trailers and semi-trailers	1 063	6 507	0.5	1.5	0.16
Other transport equipment	630	3 009	0.3	0.7	0.21
Manufacturing nec; recycling	691	1 704	0.3	0.4	0.41
Tertiary	138 257	230 123	66.0	53.5	0.60
Electricity, gas and water supply	7 137	11 909	3.4	2.8	0.60
Construction	11 391	20 698	5.4	4.8	0.55
Wholesale and retail trade; repairs	32 590	47 155	15.6	11.0	0.69
Hotels and restaurants	3 930	10 484	1.9	2.4	0.37
Transport and storage	8 447	19 111	4.0	4.4	0.44
Post and telecommunications	5 555	9 172	2.7	2.1	0.61
Financial intermediation	14 101	22 109	6.7	5.1	0.64
Real estate activities	17 355	21 387	8.3	5.0	0.81
Renting of machinery and equipment	359	709	0.2	0.2	0.51
Computer and related activities	1 207	2 416	0.6	0.6	0.50
R&D and other business activities	6 030	12 445	2.9	2.9	0.48
Public administration and defence; compulsory social security	9 328	16 746	4.5	3.9	0.56
Education	11 121	16 341	5.3	3.8	0.68
Health and social work	3 900	7 526	1.9	1.8	0.52
Other community, social and personal services	5 807	11 916	2.8	2.8	0.49
All industries	209 529	429 792	100.0	100.0	0.48

Source: OECD, Input-Output table (<http://www.oecd.org/trade/input-outputtables.htm>).

Note: The industry breakdown of this and the previous tables is somewhat different from that used in the GVC tables because of differences in data sources.

to what extent. (See box 1 for data problems related to estimation of value added trade.) Given that the overestimation started in the mid-2000s, the use of estimated input-output tables instead of real input-output tables because of the absence of the latter is a major factor.² Nevertheless, part of the exports that constitute the country's GDP – called domestic value added (about \$80 billion in 2013) – is close to the exports of goods and services (figure 2). In the Philippines, it can safely be said that value added created by trade is more than what is reported, particularly because of the contribution of the services sector.

Box 1. Shortcomings of data on GVCs

The AJC uses both the OECD and the AJC-Eora-UNCTAD data sets on GVCs. The former is called trade in value added (TiVA). The AJC-Eora-UNCTAD estimates differ from the OECD's estimates on the following fronts:

- The data of the OECD are available continuously since 1990, thus covering a time span of more than 20 years in the analysis.
- The data are available for 187 economies, including all 10 ASEAN member states, comprising more than 15,000 industries and sectors (with each economy having 25–500 industries and sectors), thus offering unsurpassed detail at both country and industry level.
- Data become available just one to three years in arrears, therefore significantly improving timeliness.

Because of these fronts, ASEAN GVCs can be examined, placed in the global context and more important, in the interindustry context, over the long run and including recent years. The data come with standard deviations in order to allow users to understand better the reliability of the data. However, these advantages can turn out to be shortcomings. Because of a multiplication of estimates for many countries' input-output tables and value added trade, margins of errors are augmented.

For the OECD's TiVA, estimates are based on a narrower country and industry coverage – 51 countries and 34 harmonized industry breakdown – but are supposed to have smaller levels of margin errors. Data are available for 1995, 2000 and 2005 and for 2008 to 2011. Among ASEAN countries, data are not available for the Lao People's Democratic Republic and Myanmar.

The timeliness, the continuity of the time series, the detailed breakdown by country and industry, and the global coverage make the analytical tool based on the AJC-UNCTAD-Eora data set more relevant to policy questions. These advantages give this data set a level of strength similar to or even higher than other similar efforts to estimate value added trade. Value added trade data for ASEAN are jointly prepared by Eora, UNCTAD and the AJC.

The data are available on the Centre's website.

² The only input-output tables available for the Philippines are the Asian International I/O table 2000 from IDE-JETRO and that from the OECD (<http://www.oecd.org/trade/input-outputtables.htm>).

... but that is lower than the average share in ASEAN.

In the GVC analysis, what is important is the extent to which the country is involved in value chains. Therefore, the share of such involvement in total exports is important. In the Philippines, one third (32 per cent) of all exports from the country contain foreign inputs or value foregone to foreign countries (figure 2) (for GVC terminology, see box 2). This share is lower than the ASEAN average of 38 per cent (see paper 1 of this series). Unlike the continental ASEAN member states, the Philippines does not have the option of road and rail-linked transport with other countries, which may hinder intraregional trade with other ASEAN member states. Indeed, the country's trade business is oriented more to the United States and European markets.

The foreign value added share by industry in the manufacturing sector is highest in electric and electronics equipment and relatively low in automotives ...

Although manufacturing is the sector most involved in GVCs, showing the largest linkage effects with the rest of the economy (figure 1), there is a wide variation among industries within the sector

Table 2. Comparison of estimated value added exports with exports of goods and services, 1990-2013 (Millions of dollars)

Period	Estimated value added exports	Exports of goods and services
1990	11 503	11 430
1991	13 672	12 494
1992	16 112	14 566
1993	16 834	16 048
1994	19 549	15 103
1995	24 435	19 324
1996	29 485	22 989
1997	30 878	28 528
1998	30 336	31 794
1999	31 417	37 711
2000	34 729	40 724
2001	35 375	34 385
2002	37 139	37 831
2003	44 035	38 728
2004	55 098	42 837
2005	63 269	44 788
2006	76 039	52 970
2007	90 186	59 278
2008	106 212	57 970
2009	85 597	43 145
2010	104 542	54 472
2011	123 672	57 089
2012	125 139	66 762
2013	131 280	66 479

Source: AJC-UNCTAD-Eora database on ASEAN GVCs for value added exports and UNCTAD for exports of goods and services.
Note: For value added exports, purchases on the domestic territory by non-residents are also included, which is large in services.

Box 2. GVC terminology used in the AJC paper series

A country's exports can be divided into domestically produced value added and imported (foreign) value added that is incorporated into exported goods and services. Furthermore, exports can either go to a foreign market for final consumption or as intermediate inputs to be exported again to third countries (or back to the original country). The analysis of GVCs takes into account both foreign value added in exports (the upstream perspective) and exported value added incorporated in third-country exports (the downstream perspective). The indicators used in this paper as well as the other 15 papers in this series are as follows:

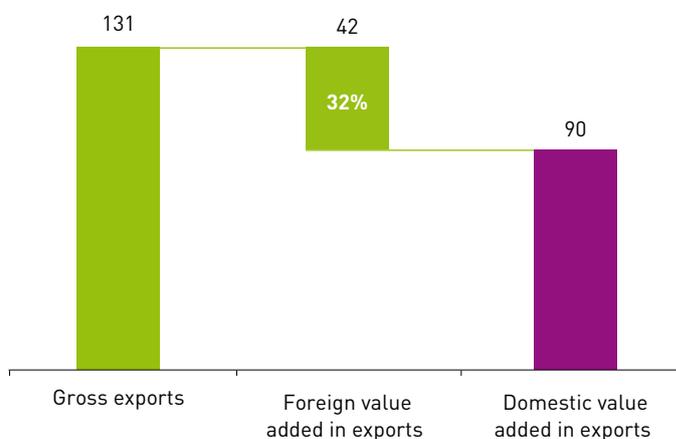
1. **Foreign value added:** Foreign value added indicates what part of a country's gross exports consists of inputs that have been produced in other countries. The foreign value added share is the share of the country's exports that do not add to its GDP.
2. **Domestic value added:** Domestic value added is the part of exports created in-country, i.e. the part of exports that contributes to GDP. The sum of foreign and domestic value added equates to gross exports. Domestic value added can be put in relation to other variables:
 - As a share of GDP, it measures the extent to which trade contributes to the GDP of a country.
 - As a share of global value added trade (the "slice of the value added trade pie") it can be compared with a country's share in global gross exports (relative value capture from trade).
3. **Value added incorporated in other countries' exports:** This indicates the extent to which a country's exports are used as inputs to exports from other countries. At the global level, the sum of this value and the sum of foreign value added are the same.
4. **GVC participation** indicates the share of a country's exports that is part of a multistage trade process, by adding to the foreign value added used in a country's own exports also the value added supplied to other countries' exports. Although the degree to which exports are used by other countries for further export generation may appear less relevant for policymakers, as it does not change the domestic value added contribution of trade, the participation rate is a useful indicator for the extent to which a country's exports are integrated in international production networks.

The GVC participation rate corrects the limitation of the foreign and domestic value added indicators in which countries at the beginning of the value chain (e.g. exporters of raw materials) by definition have a low foreign value added content of exports. It gives a more complete picture of the involvement of countries in GVCs, both upstream and downstream.

GVC indicators can also be used to assess the extent to which industries rely on internationally integrated production networks. Although a number of complex methods have been devised in the literature to measure GVC length, the degree of double-counting in industries, conceptually, can serve as a rough proxy for the length of GVCs. Data on value added trade by industry can provide useful indications of the comparative advantages and competitiveness of countries, and hence form a basis for development strategies and policies.

Source: Adapted from UNCTAD 2013.

Figure 2. Value added exports from the Philippines, 2013 (Billions of dollars)



Source: AJC-UNCTAD-Eora database on ASEAN GVCs.

(figure 3). The raw-material-based industries such as foods and beverages, and woods and wood products, exhibit a lower level of foreign inputs into their exports, whereas electric and electronic equipment – the largest exporting industry, accounting for more than two fifths of total exports – has twice as much foreign inputs content share in its exports (figure 3). This industry has the most developed value chains.

Unlike in Thailand, the automotive industry (motor vehicles and transport equipment) in the Philippines does not show a high propensity to use foreign inputs in its exports. It suggests that automotive value chains have not been well established, as compared with the situation in Thailand. For example, in Thailand there are more than 2,400 suppliers. The Philippines has not established many supplier networks yet. Small value added caused by small output and weak value chains characterizes the state of the automobile sector.

...with the services and primary sectors having the lowest shares of foreign value added...

In the services sector, where the foreign content in exports is generally small, public administration and defence³ shows the highest share, though its export value is very low. The industry with the second highest foreign content share is transport, storage and communications, in part because it is the second largest exporting industry (after electric and electronic equipment) and partly because it includes IT-BPO, a strategically important industry. All of the services industries use less foreign inputs in their exports than is the ASEAN average.

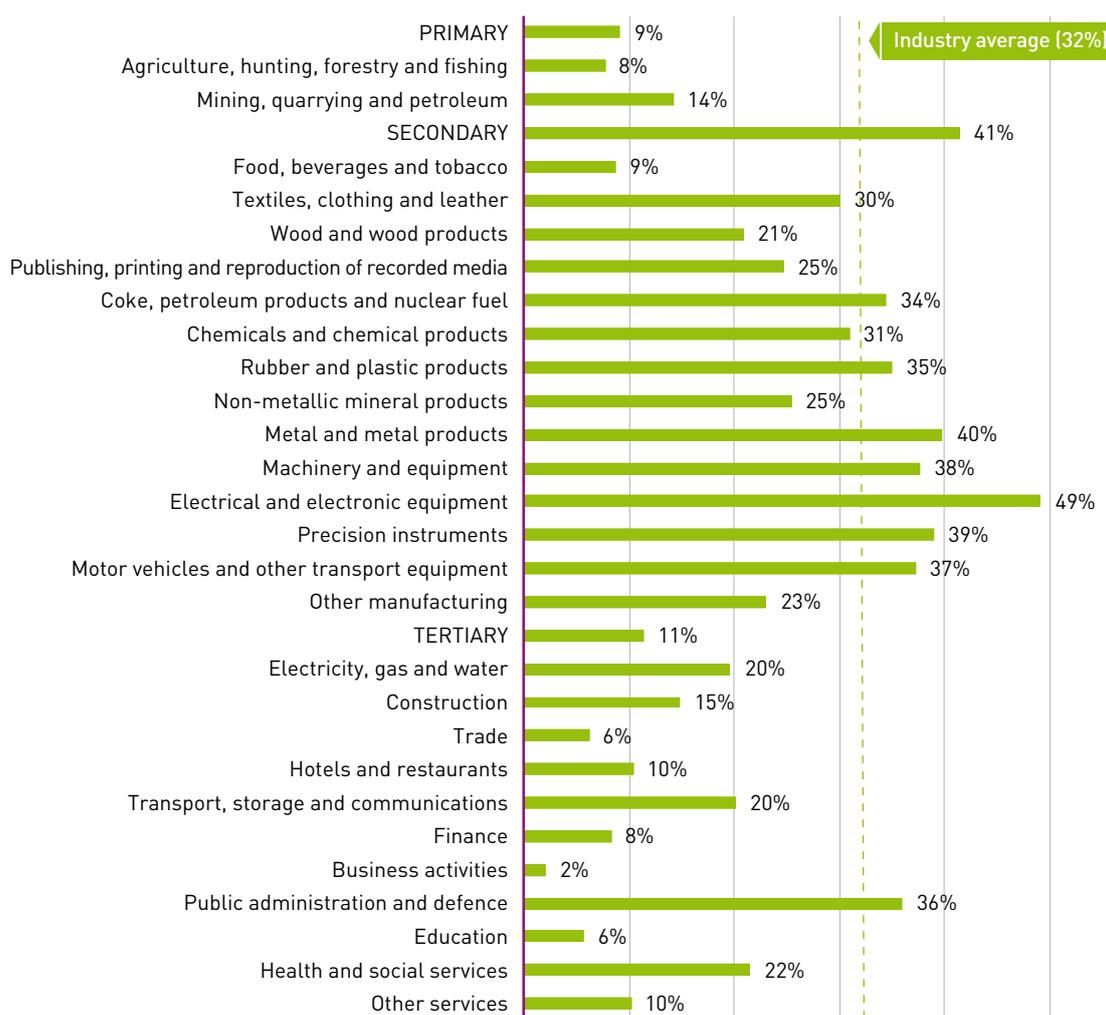
³ This industry includes activities of a governmental nature, normally carried out by the public administration. Its exports include, among others, foreign management of the school system (teaching is under education), foreign advice and administration of national defence.

The foreign content share in the primary sector in the Philippines is as small as the ASEAN average. In particular, the agriculture, forestry and fisheries industry uses smaller foreign content than does this industry in other ASEAN member states. In certain sectors (e.g. banana plantations), foreign inputs are high, but the majority of these products basically use domestic inputs in their exports.

... despite the services orientation of the economy.

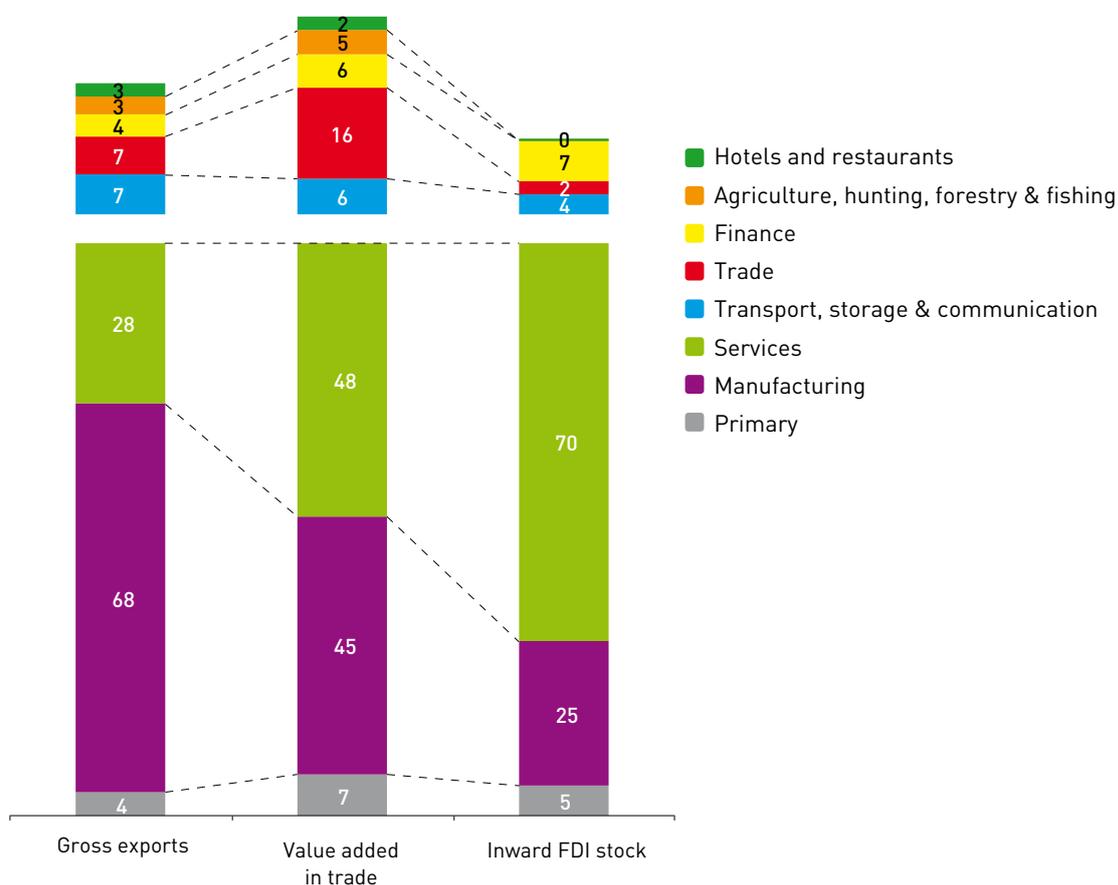
The services-oriented economy of the Philippines is reflected more in the value added trade structure than in the normal trade classification. The trade statistics indicate that the services sector took a share of 28 per cent of gross exports in 2013 (figure 4). Exports as measured by value added show higher figures for services as these products are universally used in most industries, in particular in manufactured goods. Therefore, about half of exports from the Philippines contain

Figure 3. Philippines: Share of foreign value added in exports, by industry, 2013 (Per cent)



Source: AJC-UNCTAD-Eora database on ASEAN GVCs.

Figure 4. Relationship between GVC and FDI in the Philippines, by industry, 2013
(Per cent shares in total industry)



Source: AJC-UNCTAD-Eora database on ASEAN GVCs for gross exports and value added in trade, UNCTAD for inward FDI stock.

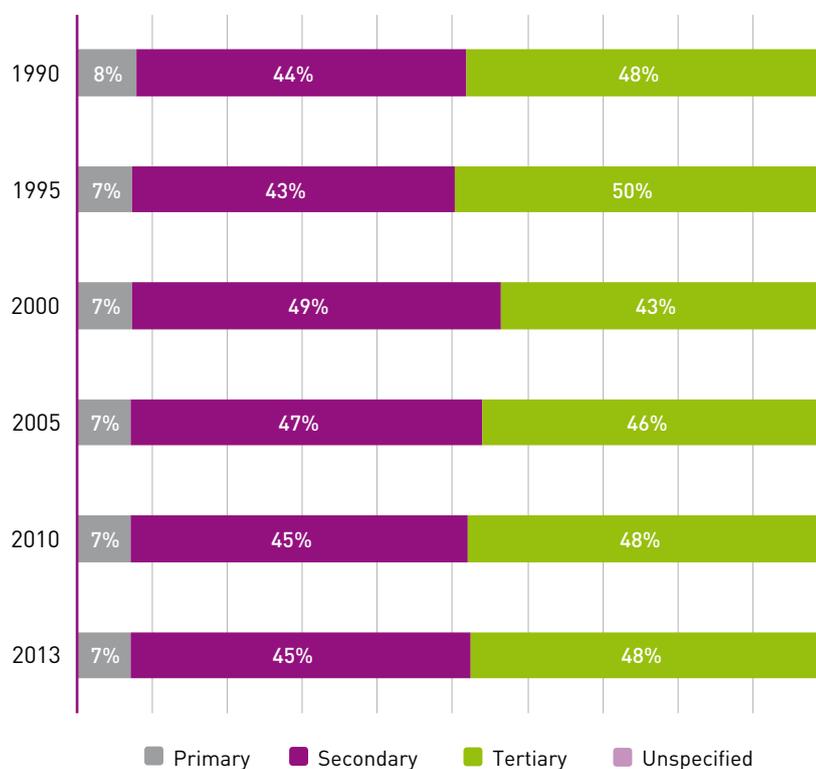
Note: Data for individual industries in the manufacturing sector are not available. Services include amounts not allocated by industry.

services whether they are classified under services or not (e.g. services content in manufacturing exports). The relative shares of the primary, manufacturing and services sectors have not changed much over the past years (figure 5).

The volume of value added trade clearly exposes the services orientation of exports or much use of services throughout the Philippine economy. This structure can be compared with the structure of inward FDI, in which the services sector accounts for 70 per cent of the total FDI stock (figure 4). That said, three quarters of total production by United States affiliates in the Philippines in 2013 was in the goods sector, and the remaining quarter in the services sector.⁴ Much of the activity in services is used as inputs to the production of goods.

⁴ Data from the United States Department of Commerce, Bureau of Economic Analysis.

Figure 5. **Structure of value added exports from the Philippines, by value added creator industry, 1990-2013** (Per cent)



Source: AJC-UNCTAD-Eora database on ASEAN GVCs.

The foreign value added share rose and then fell to 32 per cent ...

Over the past two to three decades, the involvement of the Philippines in GVCs has not been uniform. Until the beginning of the 2000s, the share of foreign inputs in exports, or the foreign value added share, had constantly increased. Since the beginning of the 2000s, however, this trend has reversed and the foreign value added share has been constantly declining, down to 32 per cent in 2013 (figure 6). In ASEAN as a whole, the share of domestic value added in exports is also increasing, but the growth in the Philippines is relatively large. It implies that producers have been less involved in using foreign inputs, or the upstream part of value chains, in their exports. There are two main reasons: first, the export structure itself has relied more on goods and services that do not need foreign inputs, and second, the Philippine economy has been less associated with GVCs.

The larger foreign input use in Philippine exports up to the beginning of the 2000s corresponds to the period when the importance of FDI in the economy rose. The share of inward FDI stock in GDP increased from 6.7 per cent in 1990 to 8.2 per cent in 1995 and 17.0 per cent in 2000. It went down to 13.8 per cent in 2005 and 13 per cent in 2010,⁵ but recuperated in 2013 to 17.4 per cent, and reached

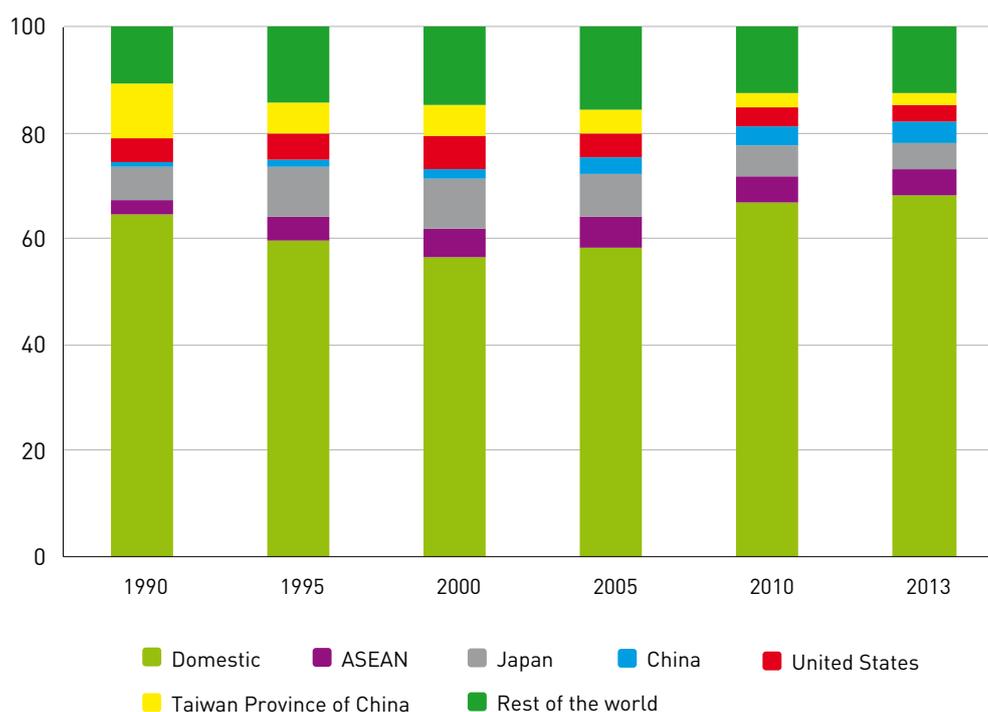
⁵ Data from UNCTAD *World Investment Report 2015* annex tables, downloadable from the UNCTAD website.

more than 20 per cent in 2015, thanks to growing attention from investors in the Philippine economy and their investment strategies. Therefore, it is possible that the share of foreign value added may also stop declining in a few years and turn to a rising trend.

... with Japan and the United States losing importance as exporters of intermediate products integrated into Philippine exports...

Within foreign value added, there are some interesting observations. First, as in other ASEAN member countries as well as in ASEAN as a whole, the importance of Japan and to a lesser degree the United States has been declining, but that of China has been rising. Inputs imported from ASEAN have been increasing continuously. In 2013, Japan and ASEAN ranked at the top of foreign value added, with the same share, at 5 per cent. Second, Taiwan Province of China has played a more important role in providing inputs to Philippine exports than it has in other countries, though its share, which was the largest in the beginning of 1990s, has been declining constantly. As in the cases of Japan and the United States, direct exports from Taiwan Province of China have been replaced by direct production in the Philippines. Third, no European countries have figured as the main contributors to Philippine exports.

Figure 6. Value added exports from the Philippines, by value added creator: domestic, ASEAN and non-ASEAN top four foreign countries, selected years (Per cent)



Source: AJC-UNCTAD-Eora database on ASEAN GVCs.

... which was, to a certain extent, compensated by rising production by Japanese and United States foreign affiliates in the Philippines.

Increases in domestic value added in exports do not necessarily mean that domestic producers have gained more importance in creating value. This is typically observed for Japanese and United States affiliates in the Philippines. Direct exports from the home countries seem to have stagnated, but sales by Japanese and United States affiliates have risen over the years with an annual growth rate of 11 per cent and 7 per cent, respectively, during 1995-2013 (figure 7). Both generated more than \$20 billion in sales in the Philippines in 2014. United States affiliates exported some \$9 billion, or 44 per cent of their total sales in the same year, which is added to the country's total exports.

As long as increases in domestic value added are explained by increases in production by foreign companies rather than Philippine companies, benefits do not necessarily accrue entirely to the local economy. Instead, a part of those increases is "leaked" to foreign countries as dividends and repatriation of profits. Thus, these increases in domestic value added cause decreases in foreign value added in trade in relative terms.

Examining this pattern over the past two-three decades shows that it is concentrated in the manufacturing sector, in particular in electric and electronic equipment and in precision instruments, which each recorded a 20 percentage point decline in their share of foreign value added (figure 8). FDI plays a role in this, but in other, and opposite cases, it also increases foreign value added. This contrasting effect of FDI depends on the purpose of investors – in other words, what type of investment is made. FDI leading to the rise of domestic value added in the Philippines is expected to replace the imports from abroad. Investment that would increase foreign value added is mainly efficiency-seeking and engaged in trade businesses, forming regional value chains (RVCs) or GVCs.

Figure 7. Exports to the Philippines from Japan and the United States and sales by Japanese and United States affiliates in the Philippines, 1995–2013
(Millions of dollars)



Source: UNCTAD FDI/TNC database (for sales by foreign affiliates) and UNCTAD GlobStat (for exports).

Note: Sales data cover all affiliates for Japan and majority-owned foreign affiliates for the United States.

Figure 8. Which industries in the Philippines have been more involved in GVCs between 1990 and 2013? (Share of foreign value added in Philippine exports)

	Sector and industry	1990	↑ → ↓	2013
Primary	Primary total	7.9	↑	9.2
	Agriculture, hunting, forestry and fishing	6.4	↑	7.7
	Mining, quarrying and petroleum	11.2	↑	14.3
Manufacturing	Manufacturing total	52.2	↓	41.4
	Food, beverages and tobacco	6.3	↑	8.8
	Textiles, clothing and leather	40.0	↓	30.1
	Wood and wood products	19.1	↑	20.9
	Publishing, printing and reproduction of recorded media	18.6	↑	24.7
	Coke, petroleum products and nuclear fuel	27.2	↑	34.5
	Chemicals and chemical products	27.1	↑	30.9
	Rubber and plastic products	33.3	↑	35.1
	Non-metallic mineral products	17.6	↑	25.4
	Metal and metal products	26.4	↑	39.8
	Machinery and equipment	35.8	↑	37.7
	Electrical and electronic equipment	69.3	↓	49.2
	Precision instruments	59.5	↓	39.0
	Motor vehicles and other transport equipment	36.5	↑	37.2
Services	Services total	9.5	↑	11.4
	Electricity, gas and water	17.0	↑	19.7
	Construction	13.1	↑	14.9
	Trade	4.8	↑	6.2
	Hotels and restaurants	9.1	↑	10.4
	Transport, storage and communications	15.6	↑	20.2
	Finance	6.3	↑	8.3
	Business activities	1.2	↑	2.1
	Public administration and defence	26.6	↑	36.0
	Education	4.2	↑	5.7
	Health and social services	18.0	↑	21.5

Source: AJC-UNCTAD-Eora database on ASEAN GVCs.

Note: Based on two- and three-digit ISIC level.

The Philippines' industrialization strategy played a role in lowering the use of GVCs, ...

The Philippines' largest exporting industry, the electrical and electronics equipment industry, has missed an opportunity to forge GVCs, as foreign investment has been used instead for the purpose of import-substitution. Although this occurred in part because of investors' intentions, the industry could nonetheless have evolved more into international production networks. Even if it substituted imports for direct production by foreign firms, it would have been possible to source parts and

components from not only foreign markets but also domestic markets, even though for the latter the country would have needed a strong base of supplier networks – which it lacks.⁶ Despite the fact that the development approach to this industry has evolved from an import-substitution strategy to an export-oriented industrialization strategy, the formation of GVCs has been hampered by the strong dual economy, in which SMEs have never been major producers, and by the lack of intent of foreign investors. The industrialization process of the country has also been interrupted since the mid-1990s by a deindustrialization drive towards a services economy more focused on information and communication technology (ICT).

The manufacturing sector in general and the electric and electronic equipment industry in particular have not captured the global wave of internationalization that has benefited most ASEAN member countries through the formation of GVCs and RVCs.

... in particular the upstream part of GVCs. By contrast, the downstream part gained importance.

The deindustrialization initiatives that gave rise to the importance of the services sector, in particular ICT-driven industries such as IT-BPO, and to the re-recognition of the primary sector, have been changing the structure of GVCs. Export businesses have emphasized services products as well as primary products – both of which tend to be used in other products – at the expense of manufactured products. As a result, domestic value added incorporated in other countries' exports (or the downstream part of GVCs) gained importance, leaving total GVC participation at some 60 per cent since the mid-1990s (figure 9).

In expanding GVCs, countries have three options: moving within the region, moving outside the region, or both. ASEAN pays more attention to RVCs than GVCs, as RVCs are expected to be more affected by regional integration. Indeed, the Philippines' participation in RVCs has been rising constantly, whereas its participation in GVCs has been subdued in the 2010s (as noted earlier; see last two columns of table 3).

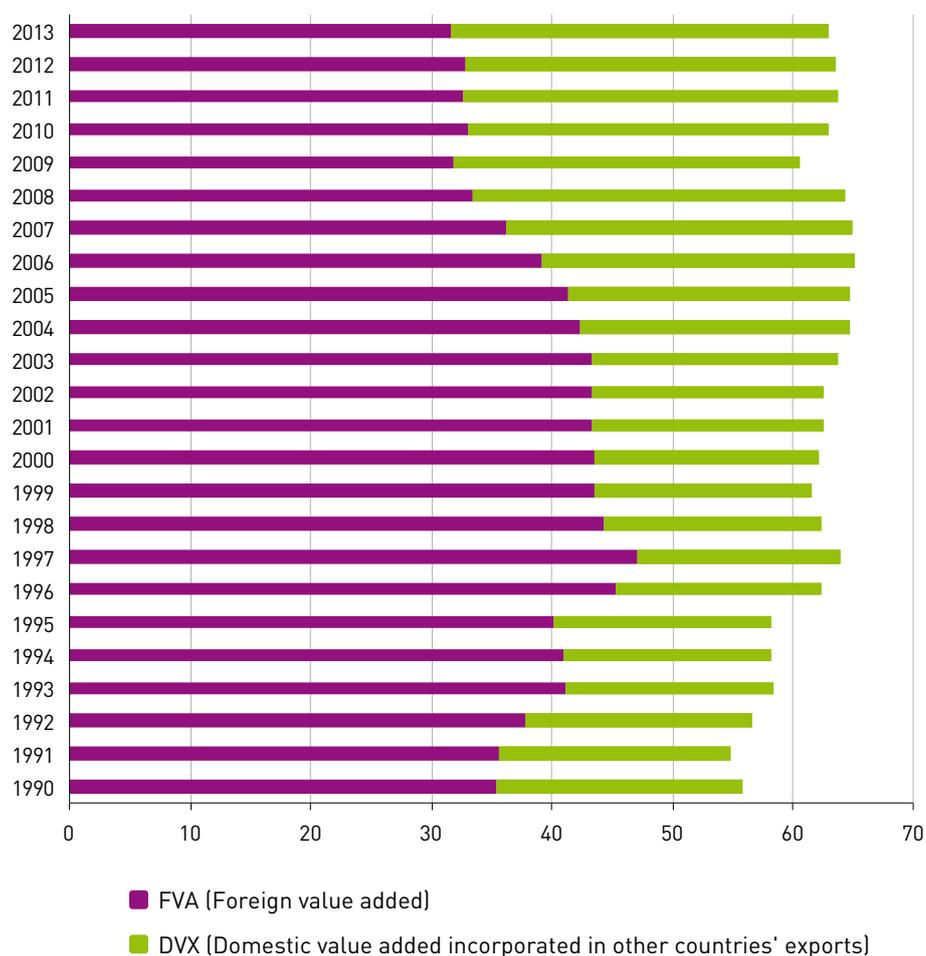
The services sector is more involved in RVCs than are other sectors (figure 10). Trade and finance are typical industries that tend to use more regional connections. In the manufacturing sector, the electric and electronic equipment industry is more regionally oriented, whereas the motor vehicles industry is more globally oriented – though the latter's exports are still minimal. Nevertheless, in the case of automobiles, the country seems to be aiming to create new value chains through the new CARS Program, in addition to the RVCs established within ASEAN. These two manufacturing industries have established extensive RVCs as well as GVCs in ASEAN, and the Philippines could utilize and be more involved in these established value chains.

The Philippines has the potential to strengthen GVCs with both ASEAN and non-ASEAN economies.

Because of economic relations with non-ASEAN economies such as Japan, the United States and Europe – and increasingly China – the Philippines can establish GVCs with them in addition to the GVCs it can access within ASEAN because of its membership in the group. The country needs a

⁶ According to a 2014 JETRO survey on attractive factors for doing business in the Philippines, the least attractive factor is the supplier industries available in the country.

Figure 9. GVC participation in the Philippines, 1990-2013 (Per cent)



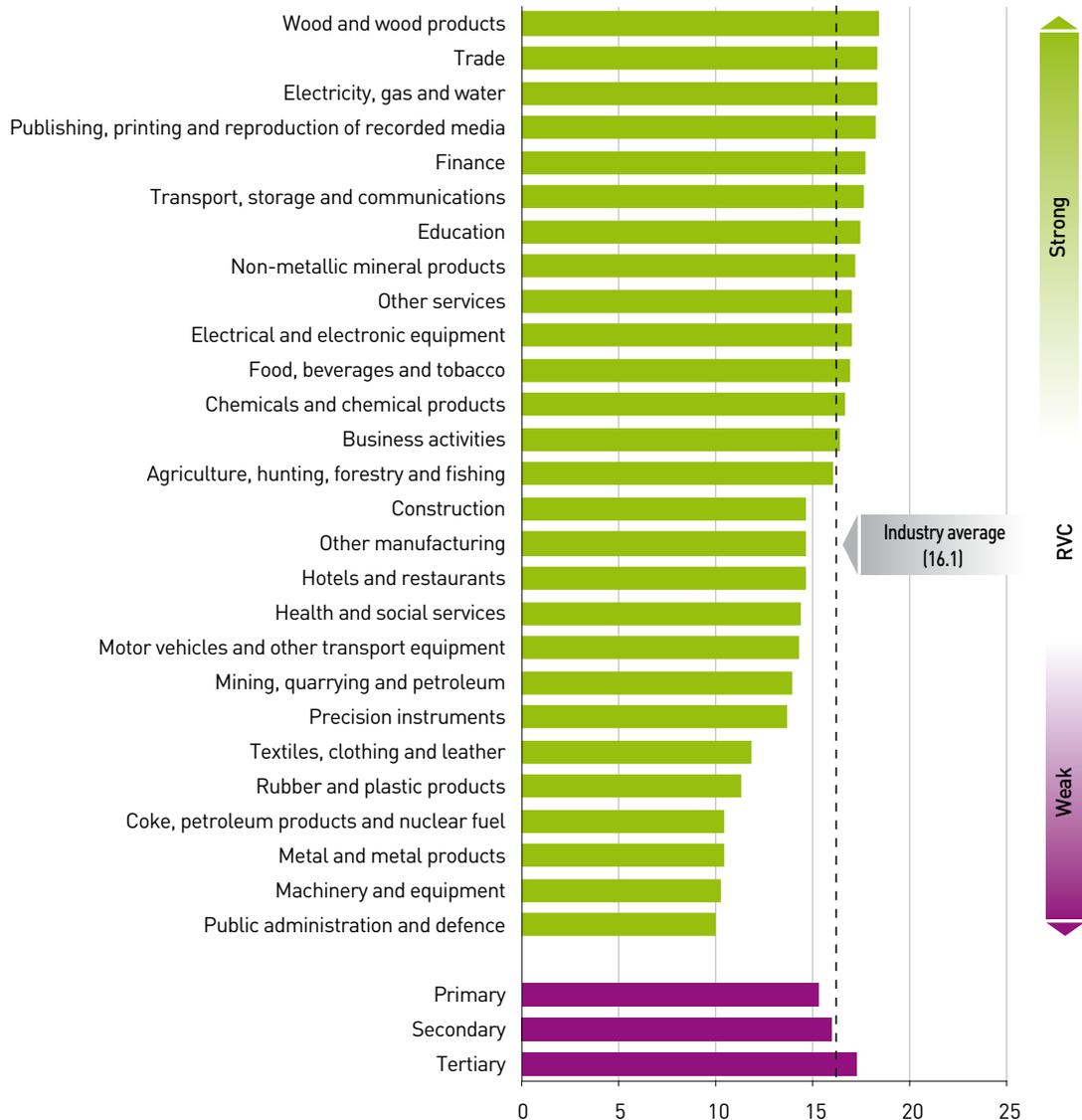
Source: AJC-UNCTAD-Eora database on ASEAN GVCs.

Table 3. GVC and RVC participation in the Philippines, 1990-2013 (Per cent of total exports)

Year	FVA: Foreign value added			DVX: Domestic value added incorporated in other countries' exports			Value chain participation	
	Total (A) = (B+C)	Created outside ASEAN (B)	Created within ASEAN (C)	Total (D) = (E+F)	Incorporated outside ASEAN (E)	Incorporated within ASEAN (F)	GVC participation (A + D)	RVC participation (C + F)
1990	35.5	32.8	2.7	20.3	18.1	2.1	55.8	4.8
1995	40.2	35.8	4.4	18.0	14.7	3.3	58.2	7.7
2000	43.6	38.3	5.3	18.6	15.6	3.0	62.1	8.3
2005	41.5	35.6	5.9	23.3	18.8	4.5	64.8	10.3
2010	33.1	28.0	5.1	29.9	23.3	6.5	62.9	11.6
2013	31.7	26.6	5.1	31.3	24.3	7.0	63.0	12.1

Source: AJC-UNCTAD-Eora database on ASEAN GVCs.

Figure 10. **How important were RVCs in the Philippines, compared with GVCs, by industry in 2013?** (Share of RVC participation in GVC participation)



Source: AJC-UNCTAD-Eora database on ASEAN GVCs.

Note: The higher the share of RVC participation in GVC participation is, the more production networks are established in the region. However, for any industry, the degree of participation of countries other than ASEAN in GVCs is larger than that of ASEAN. Industry classification is at the two- and three-digit ISIC level.

more strategic approach to GVCs, one that mainstreams them in development strategies. The current administration pledges to “promote rural and value chain development towards increasing agricultural and rural enterprise productivity and rural tourism” as one of the 10 points on its social economic agenda. This agenda item reflects the unbalanced growth among industries and the existence of the dual economy. GVCs provide MSMEs with opportunities to be part of supply and production chains and become integrated into GVCs established by foreign TNCs.

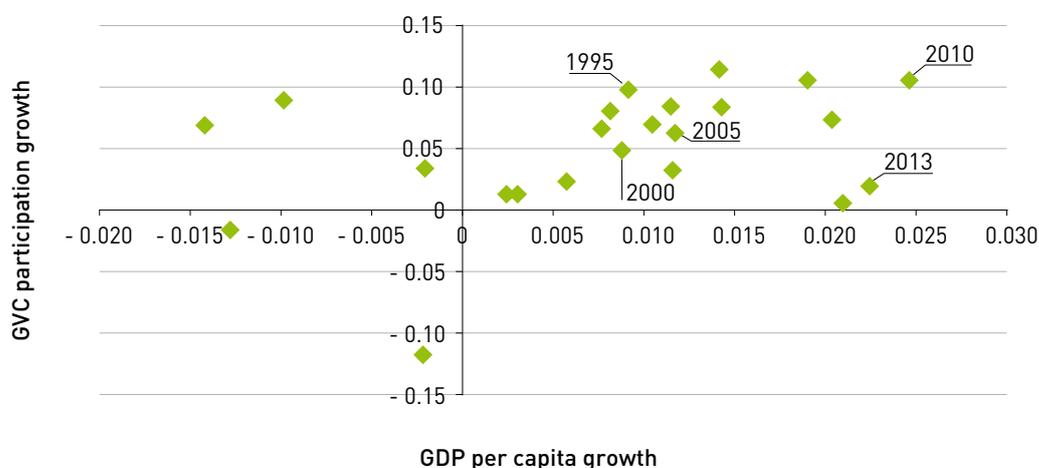
At the moment, the relationship between GVC and economic growth is tenuous, ...

ASEAN as a group demonstrates a positive relationship between GDP growth and GVC participation (paper 1 of this series), and many of its member states do the same. However, in the Philippines, this relationship is tenuous (figure 11).

Nonetheless, for the period of 2000–2010, it seems that there is a relationship between increases in GVCs and growth in GDP per capita. This period also corresponds to most of the period when the share of foreign value added increased (starting in the late 1990s and continuing until the mid-2000s (figures 6 and 9)). This particular period also corresponds to the period when value added exports shifted to the manufacturing sector at the cost of the services sector (figure 5). As services industries cannot be main players in GVC formation and their products are used as inputs to the manufacturing sector and to GVCs, more manufacturing exports mean more inclusion of foreign value added.

It is the manufacturing sector that tends to create GVCs. In the Philippine manufacturing sector, the electrical and electronic goods (including parts and components) industry accounted for more than 60 per cent of total merchandise exports in the late 1990s to late 2000s; today its share is less than 40 per cent. Parts and components were the majority of this industry’s exports and inputs to GVCs in other countries. Whereas today GVC relationships in the country are weak, the past existence of a positive relationship between GDP and GVCs is an encouraging signal to the administration to establish GVCs. GVCs could provide more balanced growth in a sustainable manner.

Figure 11. Relationship between GVC participation and economic growth rates in the Philippines, 1990-2013 (Log scale)



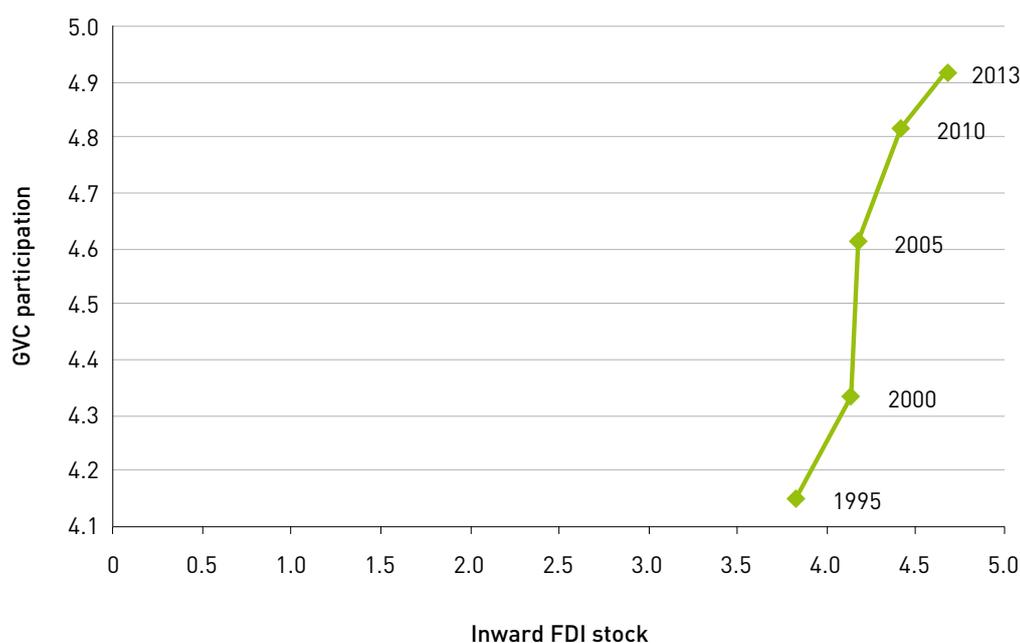
Source: AJC-UNCTAD-Eora database on ASEAN GVC participation and IMF for GDP per capita.
 Note: For GVC participation, yearly differences in the log value of the sum of foreign value added (FVA) and domestic value added incorporated in other countries (DVX), both in millions of dollars, are used. For GDP per capita, yearly differences in its log in dollars are used.

... partly because the low presence of FDI does not create sufficient GVCs to bring out significant impacts.

FDI is behind GVC creation and expansion. Higher participation in GVCs is clearly associated with higher levels of FDI, in developed and developing regions alike (UNCTAD 2013), and in ASEAN as a group (paper 1 of this series). The low level of GVCs in the Philippines is due to the small amount of FDI in the country. For the Philippines, GVC participation rose without increases in FDI because of larger involvement in the downstream part of the exports (or value added incorporated in other countries), rather than the upstream part (or foreign value added) (figure 9). Thus, unlike other countries, the Philippines has not yet established a healthy relationship between participation in GVCs and the level of FDI (figure 12).

The importance of FDI in the country is not high. Judging by the data on FDI stock as a percentage of GDP in ASEAN member states, the Philippines has the lowest stock, at only 21 per cent, as compared with 73 per cent for ASEAN as a whole (figure 13). It is only half of the shares of FDI stock in Malaysia or Thailand. This level has been constantly low for two to three decades, but since 2014 has experienced a slight rise. Increasing FDI in recent years, which is not yet reflected in the GVC data used in this paper, is an encouraging sign. The proliferation of special economic zones – reaching more than 320 today – has attracted FDI through the promotional efforts of the Philippine Economic Zone Authority. With a combination of production, consumption and infrastructure booms, FDI is expected to rise. Indeed, in 2016, the country was one of only three countries (together with Cambodia and Viet Nam) in ASEAN that saw increases in FDI inflows (UNCTAD 2017).

Figure 12. Relationship between GVC participation and FDI presence in the Philippines, selected years (Log scale)



Source: AJC-UNCTAD-Eora database on ASEAN GVCs (for GVC participation) and UNCTAD FDI/TNC database (for FDI stock).
 Note: For GVC participation, the log of the sum of foreign value added (FVA) and domestic value added incorporated in other countries (DVX), both in millions of dollars, is used. For inward FDI stock, its log in millions of dollars is used.

Deindustrialization or a services-oriented economy in which IT-BPO plays an important role should not be considered as smoothing the economic transition from manufacturing-based industries to high-technology-based services industries. It is rather an opportunity to be engaged in IT-BPO particularly brought from the United States which embarked on outsourcing considerably. It is important to have balanced development between the manufacturing and services sectors, with constant growth in the primary sector. Revitalization of the manufacturing sector, particularly through the utilization of FDI, is important. Then, FDI could create value chains within the country and with other ASEAN member states and the world.

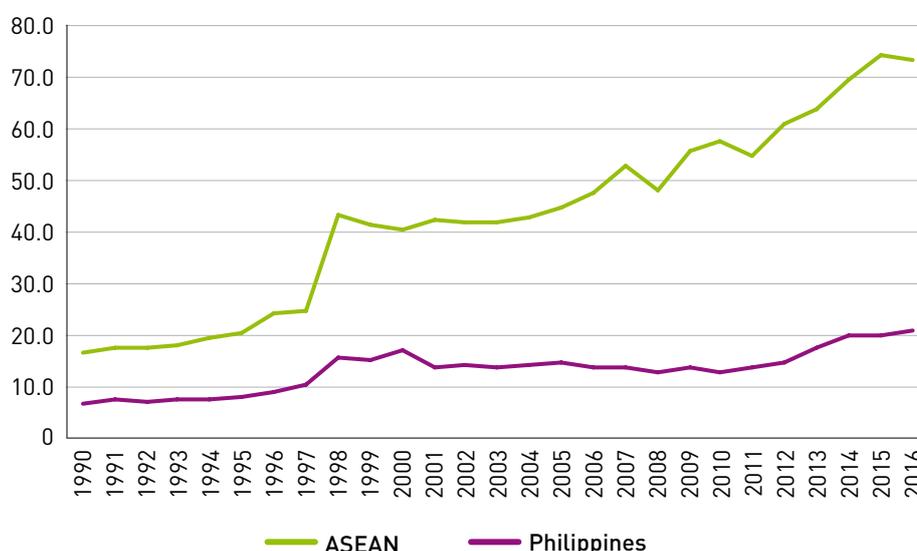
In order for FDI to come and to play a crucial role in development, infrastructure is a prerequisite. In this respect, given that the cornerstone of Duterteomics is infrastructure, the government is aiming to spend \$17 billion in 2017, equivalent to 5 per cent of GDP – and four to five times more than in 2011. This high level of spending will continue and will provide impetus for foreign investors.

Policies striking a right balance between manufacturing and services development are required in order to form production chains that affect economic growth.

The country needs balanced growth among the three sectors – primary, manufacturing and services. In particular, there is the need for a shift towards more manufacturing activities that can also incorporate high-technology and IT-related services products developed in the Philippines.

The Government of the Philippines can create and increase benefits from GVCs by attracting investments, in particular in automobiles and electronics. Opportunities are not limited to these industries, as raw-materials-based industries such as foods processing also have strong GVC linkages. The Philippines retains traditional comparative advantages in agricultural products, which can be relatively easily extended to include manufacturing or processing activities.

Figure 13. FDI stock as percentage of GDP in ASEAN and the Philippines, 1990-2016



Source: UNCTAD, World Investment Report 2017, annex tables.

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ANNEX TABLES

Annex table 1. Value added exports of goods and services from the Philippines, by value added creator, 1990-2013 (Millions of dollars)

	Value added creator	Exports from Philippines					
		1990	1995	2000	2005	2010	2013
Foreign value added (FVA)	World	4 084	9 823	15 131	26 226	34 582	41 637
	Developed countries	1 988	5 437	8 249	13 174	16 711	19 360
	Europe	614	1 596	2 242	4 261	5 464	6 745
	European Union	580	1 495	2 088	3 988	5 038	6 231
	Germany	153	395	521	987	1 351	1 676
	United Kingdom	100	249	430	744	897	1 085
	France	71	183	243	487	605	751
	Italy	60	134	183	349	405	503
	Netherlands	69	207	243	392	491	606
	Sweden	21	42	46	94	120	150
	Belgium	25	70	91	193	249	312
	Spain	17	46	63	164	193	243
	Austria	17	46	66	144	187	236
	Finland	13	33	47	95	121	146
	Other developed Europe	34	100	154	273	426	515
	Norway	9	24	38	65	93	101
	Switzerland	25	75	114	205	328	408
	North America	530	1 331	2 406	3 229	4 105	4 886
	Canada	26	62	135	234	306	369
	United States	504	1 268	2 271	2 995	3 799	4 516
	Other developed countries	845	2 511	3 601	5 684	7 143	7 729
	Australia	57	136	193	407	735	903
	Japan	766	2 315	3 305	5 105	6 139	6 492
	New Zealand	11	27	41	63	100	123
	Developing countries	2 060	4 318	6 775	12 765	17 372	21 586
	Africa	24	59	115	239	319	371
	Latin America and the Caribbean	40	109	187	341	510	625
	Asia	1 992	4 141	6 465	12 170	16 517	20 556
	West Asia	81	180	312	647	953	1 305
	South, East and South-east Asia	1 912	3 960	6 153	11 524	15 564	19 251
	East Asia	1 576	2 770	4 123	7 372	9 392	11 424
	China	88	295	660	1 804	3 601	4 815
Hong Kong, China	89	285	491	754	913	1 052	
Korea, Republic of	191	801	1 064	2 011	2 168	2 720	
Taiwan Province of China	1 206	1 388	1 905	2 798	2 703	2 826	
South Asia	29	113	186	447	851	1 128	
India	14	49	92	211	410	515	
Iran, Islamic Republic of	11	52	76	206	395	555	
ASEAN	307	1 077	1 844	3 705	5 322	6 699	
Brunei Darussalam	1	1	3	5	8	10	
Cambodia	0	0	1	1	2	2	
Indonesia	58	250	327	626	1 101	1 369	
Lao People's Democratic Republic	0	0	0	1	1	1	
Malaysia	80	255	519	1 157	1 871	2 263	
Myanmar	1	1	4	3	6	8	
Singapore	112	396	710	1 386	1 612	2 089	
Thailand	51	162	257	484	686	916	
Viet Nam	5	11	23	41	34	40	
Oceania	3	10	8	14	25	35	
Transition economies	35	68	108	286	499	691	
Domestic value added (DVA)	7 419	14 612	19 598	37 044	69 961	89 642	
Gross exports	11 503	24 435	34 729	63 269	104 542	131 280	

Source: AJC-UNCTAD-Eora database on ASEAN GVCs.

Note: All values are estimated. Regions and countries refer to where the value added is attributed. For GVC terminology, see box 2.

Annex table 2.1. Value added exports of goods and services from the Philippines, by value added creator, and by sector and

Value added creator	Exports from Philippines by sector/industry							
	Primary			Manufacturing				
	Total	Agriculture, hunting, forestry and fishing	Mining and quarrying	Total	Food, beverages and tobacco	Textiles, clothing and leather	Wood and wood products	Metal and metal products
World	44	24	20	3 668	25	365	65	51
Developed countries	25	14	12	1 744	14	131	39	28
Europe	9	5	4	537	5	47	18	8
European Union	8	4	4	507	4	45	17	7
Germany	2	1	1	134	1	10	3	2
United Kingdom	1	1	1	90	1	5	1	1
France	1	0	0	62	1	5	1	1
Italy	1	0	0	52	0	6	1	1
Netherlands	1	1	0	61	0	11	6	0
Sweden	0	0	0	18	0	1	1	1
Belgium	0	0	0	21	0	2	1	0
Spain	0	0	0	14	0	1	0	0
Austria	0	0	0	16	0	1	0	0
Finland	0	0	0	11	0	1	1	0
Other developed Europe	1	0	0	30	0	2	1	1
Norway	0	0	0	7	0	1	0	0
Switzerland	0	0	0	22	0	1	0	0
North America	8	4	3	447	5	33	12	5
Canada	0	0	0	21	0	3	1	0
United States	7	4	3	426	5	31	11	5
Other developed countries	9	5	4	760	5	51	9	15
Australia	2	1	1	43	1	6	2	2
Japan	7	3	3	699	4	42	7	13
New Zealand	0	0	0	8	0	3	1	0
Developing countries	18	10	8	1 894	10	232	25	19
Africa	1	0	1	20	0	3	1	1
Latin America and the Caribbean	1	0	1	34	0	4	2	1
Asia	16	9	6	1 838	10	224	22	18
West Asia	3	2	1	53	1	8	2	1
South, East and South-East Asia	13	8	5	1 786	9	216	20	16
East Asia	8	5	3	1 496	6	185	10	12
China	2	1	0	77	1	11	1	1
Hong Kong, China	1	0	0	83	0	14	1	1
Korea, Republic of	2	1	1	175	1	26	2	3
Taiwan Province of China	4	2	2	1 161	3	134	5	7
South Asia	1	0	0	23	0	5	1	0
India	0	0	0	12	0	3	0	0
Iran, Islamic Republic of	0	0	0	7	0	1	0	0
ASEAN	4	2	2	266	2	26	9	3
Brunei Darussalam	0	0	0	0	0	0	0	0
Cambodia	0	0	0	0	0	0	0	0
Indonesia	1	1	0	47	1	10	5	1
Lao People's Democratic Republic	0	0	0	0	0	0	0	0
Malaysia	1	0	0	73	0	4	1	1
Myanmar	0	0	0	0	0	0	0	0
Singapore	1	1	1	98	1	3	1	1
Thailand	1	0	0	44	1	8	2	0
VietNam	0	0	0	4	0	1	0	0
Oceania	0	0	0	2	0	1	0	0
Transition economies	1	1	1	29	0	2	1	4
Domestic value added (DVA)	517	359	158	3 355	373	547	275	141
Gross exports	562	383	178	7 023	398	912	340	192

Source: AJC-UNCTAD-Eora database on ASEAN GVCs.

Note: All values are estimated. Regions and countries refer to where the value added is attributed. For GVC terminology, see box 2.

industry, 1990 (Millions of dollars)

Exports from Philippines by sector/industry

Electrical and electronic equipment	Precision instruments	Motor vehicles and other transport equipment	Services						
			Total	Trade	Hotels and restaurants	Transport, storage and communications	Finance	Business activities	Public administration and defence
2 716	211	30	371	46	49	174	18	0	3
1 280	124	18	219	29	31	97	12	0	2
375	38	5	68	7	11	31	3	0	1
356	33	4	64	7	11	29	3	0	1
94	11	1	17	2	2	8	1	0	0
72	5	1	10	1	1	5	0	0	0
46	4	1	8	1	2	3	0	0	0
35	4	1	7	1	1	4	0	0	0
34	3	0	7	1	1	4	0	0	0
12	1	0	3	0	0	1	0	0	0
13	2	0	3	0	0	1	0	0	0
9	1	0	2	0	1	1	0	0	0
14	1	0	1	0	0	0	0	0	0
8	1	0	2	0	0	1	0	0	0
19	5	0	4	0	1	2	0	0	0
5	0	0	1	0	0	1	0	0	0
14	4	0	2	0	0	1	0	0	0
319	41	4	75	12	10	30	5	0	0
12	2	0	4	0	1	2	0	0	0
307	39	4	70	12	9	28	5	0	0
586	45	9	76	9	10	36	4	0	0
23	4	1	12	1	3	5	1	0	0
552	40	8	60	8	5	30	3	0	0
4	0	0	2	0	1	1	0	0	0
1 422	85	11	148	16	17	74	6	0	1
11	1	0	3	0	1	2	0	0	0
22	2	0	5	1	1	2	0	0	0
1 388	82	11	139	16	16	70	6	0	1
24	3	1	26	2	2	17	1	0	0
1 364	79	10	113	13	13	53	5	0	1
1 162	64	7	71	8	8	33	3	0	1
50	6	1	10	1	2	4	0	0	0
56	8	1	6	1	1	3	0	0	0
125	7	2	14	2	2	6	1	0	0
931	43	5	41	4	4	19	2	0	0
11	1	0	6	1	1	3	0	0	0
6	1	0	2	0	0	1	0	0	0
4	1	0	3	0	0	2	0	0	0
191	14	2	36	5	5	18	2	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
22	3	1	9	1	1	4	0	0	0
0	0	0	0	0	0	0	0	0	0
60	3	0	6	1	1	3	0	0	0
0	0	0	0	0	0	0	0	0	0
81	5	1	13	2	1	7	1	0	0
26	3	0	6	1	1	3	0	0	0
2	0	0	1	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
14	1	1	5	0	1	2	0	0	0
1 204	144	52	3 545	912	486	938	274	31	8
3 920	355	82	3 916	958	535	1 112	292	31	11

Annex table 2.2. Value added exports of goods and services from the Philippines, by value added creator, and by sector and

Value added creator	Exports from Philippines by sector/industry							
	Total	Primary		Total	Manufacturing			
		Agriculture, hunting, forestry and fishing	Mining and quarrying		Food, beverages and tobacco	Textiles, clothing and leather	Wood and wood products	Metal and metal products
World	116	65	50	8 638	82	874	198	138
Developed countries	65	34	31	4 734	48	379	117	79
Europe	23	13	10	1 377	15	151	53	24
European Union	21	11	9	1 292	14	145	51	22
Germany	5	3	2	341	4	31	9	6
United Kingdom	3	2	1	218	2	14	4	3
France	2	1	1	156	2	14	5	2
Italy	2	1	1	114	1	14	3	3
Netherlands	3	2	1	184	1	47	20	2
Sweden	1	0	0	35	0	3	2	1
Belgium	1	1	1	59	1	7	3	2
Spain	1	0	0	39	1	4	1	1
Austria	0	0	0	43	0	2	1	1
Finland	1	0	0	27	0	2	2	0
Other developed Europe	2	1	1	85	1	6	2	2
Norway	1	1	0	19	0	2	1	0
Switzerland	1	0	0	65	1	4	1	1
North America	21	11	9	1 087	17	100	36	15
Canada	1	1	1	49	1	6	2	1
United States	20	11	9	1 039	16	94	34	14
Other developed countries	21	11	11	2 270	16	128	28	39
Australia	3	2	1	102	3	14	4	4
Japan	17	8	9	2 122	12	103	21	34
New Zealand	0	0	0	20	0	8	2	0
Developing countries	49	30	19	3 847	34	490	80	51
Africa	2	1	1	47	1	7	3	2
Latin America and the Caribbean	3	1	1	91	1	12	4	2
Asia	44	28	16	3 700	31	467	71	47
West Asia	5	3	2	115	3	17	5	4
South, East and South-East Asia	39	24	14	3 586	28	449	66	43
East Asia	21	14	7	2 584	16	317	24	28
China	9	7	2	251	5	55	5	6
Hong Kong, China	2	1	1	262	2	47	4	2
Korea, Republic of	6	3	2	741	4	73	7	10
Taiwan Province of China	5	2	3	1 329	5	142	8	10
South Asia	3	2	1	79	2	19	3	2
India	1	1	0	39	1	9	1	1
Iran, Islamic Republic of	2	1	1	30	1	3	1	1
ASEAN	14	9	5	923	11	114	38	13
Brunei Darussalam	0	0	0	1	0	0	0	0
Cambodia	0	0	0	0	0	0	0	0
Indonesia	5	4	1	207	3	55	23	5
Lao People's Democratic Republic	0	0	0	0	0	0	0	0
Malaysia	2	1	1	229	2	11	4	2
Myanmar	0	0	0	1	0	0	0	0
Singapore	4	2	2	338	3	12	5	4
Thailand	2	1	1	138	2	33	5	2
VietNam	0	0	0	9	0	2	0	0
Oceania	0	0	0	9	0	4	2	0
Transition economies	2	1	1	57	1	5	1	8
Domestic value added (DVA)	876	620	256	6 669	842	1 406	547	308
Gross exports	992	685	307	15 306	924	2 280	746	446

Source: AJC-UNCTAD-Eora database on ASEAN GVCs.

Note: All values are estimated. Regions and countries refer to where the value added is attributed. For GVC terminology, see box 2.

industry, 1995 (Millions of dollars)

Exports from Philippines by sector/industry

Electrical and electronic equipment	Precision instruments	Motor vehicles and other transport equipment	Services						
			Total	Trade	Hotels and restaurants	Transport, storage and communications	Finance	Business activities	Public administration and defence
6 186	479	94	1 069	138	128	476	102	1	3
3 420	308	57	637	87	80	265	66	1	1
899	92	15	195	22	29	85	16	0	1
848	78	14	182	20	27	80	15	0	1
223	27	4	49	5	6	22	4	0	0
167	11	2	28	3	3	13	2	0	0
110	8	2	24	3	4	10	2	0	0
73	8	2	18	2	2	8	1	0	0
89	7	1	21	2	3	9	2	0	0
21	2	1	6	1	1	3	1	0	0
36	4	1	9	1	1	4	1	0	0
23	2	1	7	1	1	3	1	0	0
35	2	0	3	0	0	1	0	0	0
18	2	0	6	1	1	2	1	0	0
51	14	1	13	1	2	6	1	0	0
11	1	0	4	0	1	2	0	0	0
39	13	1	9	1	1	4	1	0	0
717	103	14	222	37	27	82	29	0	0
25	5	1	12	1	3	5	1	0	0
691	99	13	210	36	24	77	28	0	0
1 804	113	28	220	29	25	98	22	0	0
53	9	3	31	4	7	12	3	0	0
1 727	102	25	177	23	14	83	17	0	0
7	1	0	6	1	3	1	1	0	0
2 741	168	35	422	49	46	207	35	0	1
24	2	1	9	1	1	5	1	0	0
57	4	1	15	2	2	7	1	0	0
2 658	161	33	397	46	42	195	33	0	1
50	6	2	61	6	5	40	3	0	0
2 608	155	31	336	41	37	156	30	0	1
1 957	104	19	165	19	19	73	14	0	0
133	19	4	36	4	6	15	3	0	0
169	24	2	21	2	2	10	1	0	0
581	18	6	55	7	5	25	5	0	0
1 073	42	7	53	6	5	23	5	0	0
33	4	1	31	4	3	17	3	0	0
18	2	1	9	1	1	4	1	0	0
12	2	0	21	3	1	12	2	0	0
618	47	11	140	18	15	66	13	0	0
1	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
85	9	5	38	5	4	17	3	0	0
0	0	0	0	0	0	0	0	0	0
190	7	2	24	3	3	12	2	0	0
0	0	0	0	0	0	0	0	0	0
268	20	3	54	7	5	27	5	0	0
70	10	2	22	3	3	9	2	0	0
4	1	0	2	0	1	1	0	0	0
1	0	0	1	0	0	0	0	0	0
25	2	2	9	1	1	4	1	0	0
1 959	297	123	7 066	1 775	871	1 633	1 020	64	5
8 144	776	216	8 134	1 912	998	2 109	1 122	65	7

Annex table 2.3. Value added exports of goods and services from the Philippines, by value added creator, and by sector and

Value added creator	Exports from Philippines by sector/industry							
	Primary			Manufacturing				
	Total	Agriculture, hunting, forestry and fishing	Mining and quarrying	Total	Food, beverages and tobacco	Textiles, clothing and leather	Wood and wood products	Metal and metal products
World	154	102	52	13 849	125	1 112	156	163
Developed countries	82	53	29	7 548	68	413	87	86
Europe	29	19	10	2 026	22	153	40	26
European Union	26	17	9	1 888	20	146	38	24
Germany	6	4	2	474	5	31	6	6
United Kingdom	5	3	2	389	4	19	4	4
France	3	2	1	218	2	16	3	2
Italy	2	1	1	165	2	17	2	3
Netherlands	4	3	1	223	2	36	15	2
Sweden	1	0	0	41	1	2	1	1
Belgium	1	1	0	81	1	6	2	1
Spain	1	1	0	56	1	4	1	2
Austria	0	0	0	62	0	2	0	1
Finland	1	0	0	40	1	2	1	1
Other developed Europe	3	2	1	138	2	7	2	2
Norway	2	1	0	32	1	3	1	0
Switzerland	1	1	0	105	1	5	1	2
North America	29	19	10	2 143	25	119	29	17
Canada	2	1	1	116	2	9	2	2
United States	27	18	9	2 027	24	109	27	15
Other developed countries	25	15	10	3 379	21	141	18	43
Australia	5	3	1	157	5	16	3	4
Japan	18	10	7	3 135	14	108	12	38
New Zealand	1	0	0	34	1	13	1	0
Developing countries	70	47	22	6 205	56	693	68	65
Africa	4	2	2	99	2	9	2	3
Latin America and the Caribbean	4	2	2	165	2	13	4	3
Asia	61	43	18	5 935	51	670	60	59
West Asia	9	7	2	224	6	25	5	4
South, East and South-East Asia	52	36	15	5 711	45	645	56	56
East Asia	27	19	8	3 903	23	466	27	39
China	8	6	2	611	6	124	5	8
Hong Kong, China	3	2	1	464	3	76	3	2
Korea, Republic of	8	6	2	997	7	92	6	13
Taiwan Province of China	8	5	3	1 830	8	174	13	15
South Asia	5	3	1	144	4	29	3	2
India	2	2	1	77	2	16	2	1
Iran, Islamic Republic of	2	2	1	51	2	4	1	1
ASEAN	20	15	6	1 663	18	151	26	15
Brunei Darussalam	0	0	0	2	0	0	0	0
Cambodia	0	0	0	1	0	0	0	0
Indonesia	5	4	1	291	4	64	11	4
Lao People's Democratic Republic	0	0	0	0	0	0	0	0
Malaysia	4	3	1	474	4	17	5	3
Myanmar	0	0	0	3	0	1	0	0
Singapore	7	5	2	642	5	16	4	5
Thailand	3	2	1	231	3	48	5	2
Viet Nam	0	0	0	20	1	4	0	0
Oceania	0	0	0	7	0	2	1	0
Transition economies	2	1	1	96	1	6	1	11
Domestic value added (DVA)	1 314	1 023	290	11 285	1 059	1 850	416	236
Gross exports	1 468	1 126	342	25 134	1 184	2 962	573	398

Source: AJC-UNCTAD-Eora database on ASEAN GVCs.

Note: All values are estimated. Regions and countries refer to where the value added is attributed. For GVC terminology, see box 2.

industry, 2000 (Millions of dollars)

Exports from Philippines by sector/industry

			Services						
Electrical and electronic equipment	Precision instruments	Motor vehicles and other transport equipment	Total	Trade	Hotels and restaurants	Transport, storage and communications	Finance	Business activities	Public administration and defence
9 944	1 190	352	1 127	167	124	485	101	2	3
5 548	745	200	618	95	73	248	60	1	1
1 361	220	53	187	26	25	77	15	0	1
1 284	187	49	173	24	23	72	14	0	1
313	60	13	41	6	5	16	3	0	0
296	31	8	36	5	4	17	2	0	0
154	19	6	22	3	4	9	2	0	0
104	19	5	17	2	2	8	1	0	0
131	16	4	16	2	3	6	1	0	0
25	5	2	5	1	1	2	0	0	0
51	9	3	8	1	1	3	1	0	0
34	5	2	6	1	1	2	0	0	0
51	5	1	3	0	0	1	0	0	0
27	4	1	6	1	1	2	1	0	0
77	34	4	14	2	2	6	1	0	0
20	3	1	5	1	1	3	0	0	0
57	30	3	8	1	1	3	1	0	0
1 514	265	55	234	40	27	88	26	0	0
67	16	5	17	2	3	7	1	0	0
1 447	249	50	217	37	23	81	25	0	0
2 672	260	92	198	29	21	82	19	0	0
82	23	10	31	4	6	12	3	0	0
2 541	230	80	152	23	12	66	15	0	0
12	3	1	7	1	3	1	1	0	0
4 348	439	146	500	72	50	234	40	1	1
62	7	5	11	1	1	5	1	0	0
112	14	5	18	3	2	8	1	0	0
4 173	417	136	469	68	46	220	38	1	1
104	20	9	80	10	7	47	5	0	0
4 069	397	127	390	57	40	173	34	1	1
2 824	260	83	192	28	20	81	17	0	0
356	54	19	42	5	6	18	3	0	0
288	68	8	25	3	3	11	2	0	0
749	46	24	59	9	5	26	5	0	0
1 430	92	32	67	10	6	26	7	0	0
64	13	6	37	5	4	18	3	0	0
37	7	3	13	2	2	6	1	0	0
22	5	2	23	4	2	12	2	0	0
1 181	124	39	161	24	16	74	14	0	0
1	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
151	18	11	31	5	4	14	2	0	0
0	0	0	0	0	0	0	0	0	0
398	20	8	41	6	4	20	3	0	0
1	0	0	1	0	0	0	0	0	0
507	57	11	61	9	5	29	6	0	0
112	25	8	23	3	3	9	2	0	0
9	3	1	3	0	1	1	0	0	0
2	1	0	1	0	0	0	0	0	0
47	6	7	9	1	1	4	1	0	0
4 464	1 336	515	6 993	1 889	809	1 522	926	61	5
14 408	2 526	867	8 121	2 056	933	2 006	1 028	62	8

Annex table 2.4. Value added exports of goods and services from the Philippines, by value added creator, and by sector and

Value added creator	Exports from Philippines by sector/industry							
	Total	Primary		Total	Manufacturing			
		Agriculture, hunting, forestry and fishing	Mining and quarrying		Food, beverages and tobacco	Textiles, clothing and leather	Wood and wood products	Metal and metal products
World	256	170	86	23 736	253	1 675	248	302
Developed countries	131	85	46	11 861	132	623	135	148
Europe	47	31	17	3 840	45	239	60	49
European Union	43	28	15	3 597	41	226	57	45
Germany	11	7	4	891	10	51	11	12
United Kingdom	7	4	3	677	6	28	6	5
France	5	3	2	437	5	27	6	5
Italy	3	2	1	314	4	31	4	5
Netherlands	5	3	1	357	4	38	14	3
Sweden	1	1	0	83	1	5	2	2
Belgium	3	2	1	172	2	12	3	3
Spain	2	1	1	146	3	10	2	4
Austria	1	0	0	137	1	4	1	1
Finland	1	1	1	81	1	4	2	1
Other developed Europe	4	3	1	242	4	12	3	4
Norway	2	2	0	54	1	4	1	1
Switzerland	2	1	1	186	2	8	2	3
North America	45	30	15	2 742	47	174	41	26
Canada	3	2	1	201	4	14	4	3
United States	42	28	14	2 541	43	160	37	23
Other developed countries	39	24	14	5 280	41	210	34	73
Australia	8	6	2	331	11	26	7	10
Japan	27	16	11	4 810	27	173	23	62
New Zealand	1	1	1	46	2	5	3	1
Developing countries	120	82	38	11 620	117	1 037	110	123
Africa	6	3	3	208	3	14	5	7
Latin America and the Caribbean	7	3	3	298	5	22	8	5
Asia	107	76	31	11 101	109	997	96	111
West Asia	16	13	4	454	14	42	10	8
South, East and South-East Asia	91	63	27	10 647	95	954	86	103
East Asia	46	32	14	6 976	46	718	40	67
China	20	16	5	1 660	19	286	14	22
Hong Kong, China	3	2	1	718	4	110	4	3
Korea, Republic of	13	10	4	1 882	12	133	11	26
Taiwan Province of China	9	5	4	2 712	11	188	10	16
South Asia	9	6	3	343	10	56	7	6
India	3	2	1	178	5	32	3	3
Iran, Islamic Republic of	5	4	1	138	5	11	3	2
ASEAN	35	25	11	3 328	39	180	39	30
Brunei Darussalam	0	0	0	4	0	0	0	0
Cambodia	0	0	0	1	0	0	0	0
Indonesia	9	7	2	543	10	71	15	9
Lao People's Democratic Republic	0	0	0	0	0	0	0	0
Malaysia	8	6	3	1 054	9	30	9	6
Myanmar	0	0	0	3	0	0	0	0
Singapore	11	7	4	1 264	11	30	7	9
Thailand	6	4	2	425	8	43	7	5
Viet Nam	1	0	0	34	2	6	1	0
Oceania	1	0	0	13	0	4	2	0
Transition economies	5	3	3	255	3	15	3	31
Domestic value added (DVA)	2 129	1 681	447	20 872	2 136	2 931	767	438
Gross exports	2 385	1 851	533	44 608	2 389	4 605	1 015	740

Source: AJC-UNCTAD-Eora database on ASEAN GVCs.

Note: All values are estimated. Regions and countries refer to where the value added is attributed. For GVC terminology, see box 2.

industry, 2005 (Millions of dollars)

Exports from Philippines by sector/industry

			Services						
Electrical and electronic equipment	Precision instruments	Motor vehicles and other transport equipment	Total	Trade	Hotels and restaurants	Transport, storage and communications	Finance	Business activities	Public administration and defence
17 780	1 595	551	2 233	299	203	966	220	4	6
8 920	949	299	1 182	171	119	458	131	2	3
2 770	323	87	374	46	42	153	33	1	1
2 620	277	81	348	43	39	141	31	1	1
623	88	22	86	10	8	35	8	0	0
546	40	11	60	7	5	27	5	0	0
326	30	10	46	5	6	18	4	0	0
210	30	8	31	3	3	14	2	0	0
244	23	6	30	4	4	12	3	0	0
55	7	3	10	1	1	4	1	0	0
116	14	5	19	2	2	8	2	0	0
99	10	5	16	2	2	6	1	0	0
114	8	2	7	1	1	3	1	0	0
58	7	2	13	2	1	4	2	0	0
150	46	6	26	3	3	11	2	0	0
37	4	1	9	1	1	4	1	0	0
112	42	4	17	2	2	7	1	0	0
1 916	288	71	442	75	40	153	61	1	1
123	23	7	30	3	6	12	2	0	0
1 792	266	64	412	72	34	141	59	1	1
4 235	338	141	366	49	36	152	37	1	1
194	35	20	67	9	12	26	6	0	0
3 947	292	117	268	35	17	118	26	0	1
25	5	1	16	2	6	3	1	0	0
8 730	632	236	1 025	125	82	498	86	2	3
139	12	9	26	3	2	13	2	0	1
209	18	8	37	5	4	15	4	0	1
8 378	601	218	962	117	76	470	81	1	2
235	32	16	176	17	10	115	9	0	0
8 143	570	202	786	100	65	355	72	1	2
5 362	356	120	350	42	31	149	31	1	1
1 058	119	45	124	13	14	54	10	0	0
480	82	11	33	3	3	14	2	0	0
1 533	58	38	116	17	8	52	12	0	0
2 288	98	26	77	9	6	30	7	0	0
165	25	12	95	10	7	54	6	0	0
95	14	7	29	3	4	13	2	0	0
62	10	4	64	7	3	41	4	0	0
2 616	188	70	341	48	27	152	34	1	1
3	0	0	1	0	0	1	0	0	0
0	0	0	0	0	0	0	0	0	0
350	28	21	73	10	6	35	6	0	0
0	0	0	0	0	0	0	0	0	0
914	34	14	95	13	7	47	8	0	0
1	0	0	1	0	0	0	0	0	0
1 058	81	19	112	18	8	45	13	0	0
272	41	15	53	7	5	21	5	0	0
18	4	1	6	1	1	2	1	0	0
3	1	0	1	0	0	0	0	0	0
130	14	16	26	3	2	10	2	0	0
9 141	1 999	833	14 040	3 629	1 420	3 134	1 983	127	11
26 921	3 594	1 384	16 273	3 928	1 623	4 100	2 202	130	17

Annex table 2.5. Value added exports of goods and services from the Philippines, by value added creator, and by sector and

Value added creator	Exports from Philippines by sector/industry							
	Total	Primary		Total	Manufacturing			
		Agriculture, hunting, forestry and fishing	Mining and quarrying		Food, beverages and tobacco	Textiles, clothing and leather	Wood and wood products	Metal and metal products
World	394	252	142	30 653	392	2 032	294	549
Developed countries	187	118	69	14 770	195	714	142	221
Europe	62	39	24	4 900	61	252	55	68
European Union	55	34	21	4 524	55	235	52	61
Germany	16	10	6	1 208	15	61	13	17
United Kingdom	9	5	3	816	8	30	6	7
France	6	4	2	544	6	29	6	6
Italy	4	2	2	360	5	36	4	7
Netherlands	4	3	1	448	5	21	6	4
Sweden	2	1	1	104	2	5	2	3
Belgium	4	3	1	221	3	13	3	4
Spain	3	2	1	169	4	10	2	4
Austria	1	1	0	177	1	5	1	2
Finland	1	1	1	104	2	5	3	1
Other developed Europe	7	5	2	376	6	17	4	7
Norway	3	3	0	78	2	5	1	1
Switzerland	3	2	2	295	4	12	2	5
North America	65	42	23	3 351	70	194	42	42
Canada	4	3	1	256	5	16	4	5
United States	60	39	21	3 095	64	178	38	37
Other developed countries	60	37	23	6 518	64	267	44	112
Australia	16	11	5	591	20	38	10	20
Japan	39	23	16	5 715	39	217	29	90
New Zealand	2	1	1	72	3	6	4	1
Developing countries	196	129	68	15 443	191	1 296	149	273
Africa	9	4	5	271	4	19	6	11
Latin America and the Caribbean	11	6	5	428	8	31	10	10
Asia	176	119	57	14 721	178	1 238	129	251
West Asia	22	16	6	672	21	52	11	16
South, East and South-East Asia	153	103	51	14 049	157	1 186	117	235
East Asia	78	52	26	8 742	74	865	54	167
China	45	34	11	3 294	39	463	23	55
Hong Kong, China	3	2	2	871	5	113	4	4
Korea, Republic of	20	12	8	1 961	19	114	17	90
Taiwan Province of China	10	5	5	2 609	11	175	9	16
South Asia	16	11	5	644	19	88	10	13
India	6	4	2	343	9	51	6	8
Iran, Islamic Republic of	9	6	3	259	9	16	4	4
ASEAN	59	40	19	4 662	65	233	53	55
Brunei Darussalam	0	0	0	6	0	0	0	0
Cambodia	0	0	0	2	0	1	0	0
Indonesia	18	13	4	934	19	105	22	21
Lao People's Democratic Republic	0	0	0	1	0	0	0	0
Malaysia	13	9	4	1 697	15	32	11	11
Myanmar	0	0	0	5	0	1	0	0
Singapore	18	12	7	1 394	19	41	11	15
Thailand	9	6	3	595	11	49	8	8
Viet Nam	1	0	0	28	1	4	0	0
Oceania	1	0	0	23	0	8	4	1
Transition economies	10	5	5	441	6	23	4	55
Domestic value added (DVA)	3 682	2 880	802	40 354	3 840	4 459	1 061	775
Gross exports	4 076	3 132	944	71 007	4 232	6 491	1 355	1 324

Source: AJC-UNCTAD-Eora database on ASEAN GVCs.

Note: All values are estimated. Regions and countries refer to where the value added is attributed. For GVC terminology, see box 2.

industry, 2010 (Millions of dollars)

Exports from Philippines by sector/industry

Electrical and electronic equipment	Precision instruments	Motor vehicles and other transport equipment	Services						
			Total	Trade	Hotels and restaurants	Transport, storage and communications	Finance	Business activities	Public administration and defence
22 229	2 270	804	3 532	456	305	1 520	342	6	13
10 900	1 283	387	1 753	250	169	670	194	3	6
3 566	434	106	501	61	53	201	44	1	3
3 335	361	97	458	56	49	183	40	1	2
845	123	28	127	15	11	50	12	0	0
668	47	12	72	9	6	31	6	0	0
408	38	12	55	6	8	21	4	0	0
235	35	9	41	4	4	18	3	0	0
346	30	7	38	5	4	16	3	0	0
68	9	4	14	2	1	6	1	0	0
151	19	6	25	3	2	11	2	0	0
115	12	5	21	2	3	8	2	0	0
149	10	2	9	1	1	4	1	0	0
75	9	2	15	3	1	5	2	0	0
231	73	9	43	5	4	18	3	0	0
53	6	2	13	1	1	6	1	0	0
177	67	7	30	4	3	12	3	0	0
2 285	374	90	689	118	59	235	96	1	1
151	31	9	46	5	8	19	3	0	0
2 133	344	81	643	113	50	216	93	1	1
5 049	475	191	564	70	57	233	54	1	2
348	68	34	128	16	21	49	12	0	0
4 553	389	152	385	47	24	171	36	1	1
41	7	2	27	3	10	6	2	0	0
11 112	963	390	1 731	200	132	832	144	3	7
172	16	12	39	4	4	19	3	0	1
287	28	14	70	9	7	30	6	0	1
10 648	918	363	1 620	187	121	782	135	3	4
358	46	23	258	23	14	171	13	0	0
10 290	872	341	1 361	165	107	611	122	2	4
6 395	528	208	571	64	50	232	51	1	2
2 176	245	90	261	26	27	112	20	1	1
610	96	12	38	4	3	15	3	0	0
1 408	92	82	187	26	12	73	21	0	1
2 197	96	24	84	9	7	32	8	0	0
317	49	23	191	19	13	112	12	0	0
184	30	14	60	6	7	26	4	0	0
120	16	7	127	12	5	85	8	0	0
3 579	295	110	600	82	44	267	59	1	1
4	0	0	2	0	0	1	0	0	0
1	0	0	0	0	0	0	0	0	0
602	53	38	148	19	12	71	12	0	0
0	0	0	0	0	0	0	0	0	0
1 493	55	21	161	20	11	82	14	0	0
3	0	0	1	0	0	1	0	0	0
1 067	129	30	200	31	13	78	24	0	0
394	54	20	82	10	7	33	8	0	0
16	3	1	5	1	1	2	0	0	0
5	1	1	2	0	0	1	0	0	0
217	24	27	48	6	4	18	4	0	1
21 076	3 263	1 249	25 920	6 525	2 480	5 787	3 548	252	22
43 305	5 533	2 053	29 453	6 981	2 785	7 307	3 891	258	35

Annex table 2.6. Value added exports of goods and services from the Philippines, by value added creator, and by sector and

Value added creator	Exports from Philippines by sector/industry							
	Total	Primary		Total	Manufacturing			
		Agriculture, hunting, forestry and fishing	Mining and quarrying		Food, beverages and tobacco	Textiles, clothing and leather	Wood and wood products	Metal and metal products
World	475	307	168	36 938	466	2 347	350	670
Developed countries	216	137	79	17 137	222	787	163	253
Europe	75	47	28	6 071	72	294	66	83
European Union	67	41	25	5 614	66	274	62	76
Germany	19	12	7	1 505	18	71	16	21
United Kingdom	10	6	4	991	9	34	7	8
France	7	5	3	678	8	34	7	8
Italy	5	3	2	448	6	42	5	9
Netherlands	5	4	2	556	6	24	7	5
Sweden	2	1	1	131	2	6	3	4
Belgium	5	3	1	278	4	16	4	5
Spain	3	2	1	213	5	12	3	5
Austria	1	1	1	224	1	5	1	2
Finland	2	1	1	126	2	6	3	2
Other developed Europe	8	5	3	456	7	20	4	8
Norway	4	3	1	85	2	5	1	1
Switzerland	4	2	2	368	5	15	3	6
North America	76	49	26	4 010	80	218	49	50
Canada	5	3	2	310	6	18	5	6
United States	70	46	25	3 699	74	200	44	44
Other developed countries	66	41	24	7 057	70	275	48	120
Australia	19	14	5	731	24	44	12	25
Japan	40	24	16	6 059	40	217	30	92
New Zealand	2	1	1	88	3	7	5	1
Developing countries	245	163	82	19 188	235	1 530	181	342
Africa	10	4	6	316	5	20	6	13
Latin America and the Caribbean	13	7	6	530	10	36	12	13
Asia	221	151	69	18 311	220	1 464	158	315
West Asia	30	22	8	924	27	65	15	22
South, East and South-East Asia	191	130	61	17 387	192	1 399	143	293
East Asia	97	66	31	10 636	89	1 015	65	206
China	59	44	15	4 419	50	587	30	74
Hong Kong, China	4	2	2	1 006	5	123	5	5
Korea, Republic of	24	14	10	2 473	22	133	21	110
Taiwan Province of China	10	6	5	2 729	12	171	10	17
South Asia	21	14	7	852	24	107	13	17
India	8	5	3	433	12	62	7	11
Iran, Islamic Republic of	12	8	4	367	12	21	6	6
ASEAN	72	49	23	5 899	79	277	64	70
Brunei Darussalam	0	0	0	8	0	0	0	0
Cambodia	0	0	0	2	0	1	0	0
Indonesia	22	17	5	1 168	23	123	27	26
Lao People's Democratic Republic	0	0	0	1	0	0	0	0
Malaysia	15	10	5	2 064	17	36	13	13
Myanmar	0	0	0	7	0	1	0	0
Singapore	23	14	8	1 818	23	50	14	19
Thailand	11	7	4	798	15	62	10	11
Viet Nam	1	0	0	33	1	5	0	1
Oceania	1	1	1	31	0	11	5	1
Transition economies	13	7	6	613	8	30	5	75
Domestic value added (DVA)	4 682	3 673	1 008	52 218	4 839	5 454	1 326	1 013
Gross exports	5 156	3 980	1 176	89 156	5 305	7 801	1 676	1 683

Source: AJC-UNCTAD-Eora database on ASEAN GVCs.

Note: All values are estimated. Regions and countries refer to where the value added is attributed. For GVC terminology, see box 2.

industry, 2013 (Millions of dollars)

Exports from Philippines by sector/industry

Electrical and electronic equipment	Precision instruments	Motor vehicles and other transport equipment	Services						
			Total	Trade	Hotels and restaurants	Transport, storage and communications	Finance	Business activities	Public administration and defence
26 875	2 699	977	4 221	550	358	1 825	403	7	16
12 711	1 477	446	2 005	292	193	757	222	3	7
4 458	527	131	598	75	63	240	52	1	3
4 175	438	120	548	68	58	219	48	1	3
1 063	151	35	153	19	14	60	14	0	1
816	55	14	84	11	7	36	7	0	0
514	46	15	66	8	10	25	5	0	0
296	43	12	50	5	5	21	4	0	0
434	37	8	45	6	5	19	4	0	0
86	11	5	17	2	2	7	2	0	0
192	23	7	30	4	3	13	2	0	0
147	15	7	26	3	4	10	2	0	0
190	12	3	11	1	1	4	1	0	0
92	10	3	18	4	1	6	2	0	0
283	89	11	50	6	5	21	4	0	0
58	6	2	13	1	1	7	1	0	0
223	82	8	36	5	4	14	3	0	0
2 764	441	108	800	140	67	271	111	1	1
186	37	11	54	6	10	23	4	0	0
2 578	404	97	746	133	57	248	108	1	1
5 488	509	206	607	78	63	246	59	1	2
436	83	42	153	19	25	59	14	0	1
4 865	405	158	393	50	24	172	37	1	1
51	9	3	32	4	12	7	3	0	0
13 858	1 190	494	2 152	250	160	1 043	176	4	8
204	19	14	44	5	4	21	3	0	1
359	34	17	82	10	8	35	7	0	1
13 287	1 136	461	2 023	235	147	986	166	3	5
498	63	31	351	30	19	234	17	0	1
12 789	1 074	430	1 672	205	129	752	148	3	5
7 803	641	261	690	79	60	279	62	2	2
2 965	323	120	337	34	35	144	26	1	1
714	109	14	42	4	3	16	3	0	0
1 803	112	101	224	31	14	86	25	1	1
2 314	97	25	86	9	7	32	8	0	0
425	63	30	254	25	17	151	15	0	1
236	37	18	74	8	9	32	5	0	0
172	23	10	175	17	7	117	10	0	0
4 562	369	139	728	101	52	322	71	1	2
5	1	0	2	0	0	1	0	0	0
1	0	0	0	0	0	0	0	0	0
765	65	47	179	23	14	85	14	0	0
0	0	0	0	0	0	0	0	0	0
1 827	64	25	185	23	13	93	16	0	0
4	1	0	2	0	0	1	0	0	0
1 406	164	39	249	40	16	96	30	0	0
536	71	27	106	13	9	43	11	0	0
19	4	1	6	1	1	2	1	0	0
7	1	1	2	0	0	1	0	0	0
307	33	37	64	8	5	25	5	0	1
27 784	4 221	1 645	32 736	8 335	3 081	7 224	4 448	324	29
54 660	6 921	2 622	36 958	8 885	3 439	9 049	4 851	332	45

Annex table 3. Value added exports of goods and services from the Philippines, by value added creating sector and industry, 1990-2013 (Millions of dollars)

Sector/industry	Exports from Philippines					
	1990	1995	2000	2005	2010	2013
Total	11 503	24 435	34 729	63 269	104 542	131 280
Primary	902	1 807	2 535	4 470	7 416	9 333
Agriculture, hunting, forestry and fishing	597	1 179	1 678	2 860	4 718	5 914
Mining, quarrying and petroleum	305	628	857	1 610	2 698	3 419
Secondary	5 054	10 461	17 033	29 679	46 992	59 414
Food, beverages and tobacco	310	680	864	1 614	2 884	3 638
Textiles, clothing and leather	571	1 344	1 892	3 020	4 564	5 590
Wood and wood products	261	549	519	912	1 354	1 688
Publishing, printing and reproduction of recorded media	65	141	190	315	434	517
Coke, petroleum products and nuclear fuel	228	461	699	1 330	2 164	2 688
Chemicals and chemical products	322	677	946	1 565	2 239	2 759
Rubber and plastic products	179	326	426	745	1 130	1 402
Non-metallic mineral products	84	189	304	493	684	856
Metal and metal products	331	702	1 112	1 896	2 759	3 418
Machinery and equipment	162	428	710	1 135	1 536	1 872
Electrical and electronic equipment	2 087	4 076	7 092	13 196	21 790	28 029
Precision instruments	196	414	1 437	2 089	3 327	4 253
Motor vehicles and other transport equipment	56	136	385	642	960	1 235
Other manufacturing	198	323	432	677	1 077	1 352
Recycling	4	11	20	43	84	107
Tertiary	5 525	12 128	15 089	29 039	50 042	62 430
Electricity, gas and water	211	501	719	1 399	2 426	3 048
Construction	76	175	246	418	649	781
Trade	1 775	3 822	4 706	9 316	16 301	20 553
Hotels and restaurants	350	670	621	1 338	2 362	2 956
Transport, storage and communications	837	1 744	2 051	3 942	6 640	8 278
Financial intermediation and business activities, unspecified	24	57	113	194	264	341
Finance	597	1 598	1 889	3 622	6 157	7 604
Business activities	548	1 359	2 124	3 636	5 344	6 369
Public administration and defence	16	41	70	128	199	254
Education, health and other services, unspecified	3	6	10	23	36	47
Education	64	120	155	306	539	660
Health and social services	19	40	58	116	213	259
Community, social and personal service activities	46	99	156	255	347	411
Other services	958	1 897	2 172	4 344	8 566	10 871

Source: AJC-UNCTAD-Eora database on ASEAN GVCs.

Note: All values are estimated. The value includes both values created abroad (outside the Philippines) (FVA) and within the Philippines (DVA). The industry refers to the industry to which the value is attributed, not the industry from which exports originate.

Annex table 4. Philippines' value added exports incorporated in other countries' exports, by region or country, 1990-2013 (Millions of dollars)

Region/country	DVX from Philippines					
	1990	1995	2000	2005	2010	2013
World	2 332	4 397	6 452	14 761	31 216	41 088
Developed countries	1 173	2 407	3 711	8 431	16 367	21 337
Europe	754	1 558	2 270	5 368	10 833	13 710
European Union	738	1 522	2 222	5 239	10 561	13 370
Germany	197	382	562	1 395	2 854	3 662
United Kingdom	91	198	291	642	1 320	1 655
France	53	108	181	369	691	869
Italy	35	78	109	243	476	591
Netherlands	175	341	450	1 082	2 166	2 697
Sweden	15	27	35	76	155	196
Belgium	55	109	140	330	635	781
Spain	12	31	51	124	220	282
Austria	11	21	34	91	189	245
Finland	6	15	23	59	133	169
Other developed Europe	16	36	49	128	271	341
Norway	5	11	14	27	58	69
Switzerland	10	24	34	100	210	267
North America	145	369	741	1 243	2 255	2 971
Canada	46	123	230	413	649	830
United States	99	246	510	830	1 605	2 141
Other developed countries	274	480	699	1 820	3 279	4 656
Australia	13	38	44	103	242	343
Japan	254	429	634	1 670	2 943	4 193
New Zealand	3	6	7	16	35	46
Developing countries	1 152	1 980	2 728	6 299	14 777	19 650
Africa	7	14	19	39	86	115
Latin America and the Caribbean	13	56	175	353	614	812
Asia	1 131	1 909	2 534	5 905	14 073	18 717
West Asia	8	21	25	63	148	211
South, East and South-east Asia	1 123	1 889	2 509	5 841	13 925	18 506
East Asia	875	1 075	1 452	2 958	6 967	9 149
China	15	70	201	891	2 724	3 741
Hong Kong, China	62	155	186	470	1 069	1 421
Korea, Republic of	71	177	318	741	1 961	2 655
Taiwan Province of China	727	672	746	854	1 206	1 322
South Asia	3	9	13	45	113	170
India	1	5	9	36	92	137
Iran, Islamic Republic of	0	1	1	3	6	11
ASEAN	244	804	1 043	2 838	6 845	9 187
Brunei Darussalam	1	1	1	2	6	8
Cambodia	0	0	0	1	2	3
Indonesia	8	27	36	73	146	200
Lao People's Democratic Republic	0	0	0	0	0	1
Malaysia	67	282	300	698	1 537	1 913
Myanmar	0	0	0	0	0	0
Singapore	138	413	579	1 749	4 529	6 222
Thailand	24	63	106	267	541	733
Viet Nam	7	18	22	50	85	106
Oceania	1	1	1	2	5	6
Transition economies	7	9	14	31	72	101

Source: AJC-UNCTAD-Eora database on ASEAN GVCs.

Note: All values are estimated. The value refers to that incorporated in exports from the countries listed. For GVC terminology, see box 2.

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