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Philippines

Exporter Guide

Annual

2002

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Report Highlights:

The Philippines is the 15th largest importer of American food and agricultural products. U.S. exports of agricultural, fish and forestry products amounted to \$830 million, 12% lower than the previous year due to the weakening of the Peso. Real GDP reached 3.2 percent in 2001. The target for GDP growth in 2002 is currently pegged at 4 to 4.5 percent.

Filipino consumers have a strong affinity and a distinct preference for American products. Philippine food regulations and labeling requirements are patterned after the US Food and Drug Administration standards which make entry of American products relatively easy. The retail and food service sectors are experiencing tremendous growth and change because of a combination of demographics, political and economic developments, multilateral trade agreements and evolving consumer preferences and sophistication.

Includes PSD changes: No
Includes Trade Matrix: No
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Manila [RP1], RP

Section I. Market Overview

General Market Overview. The Philippines is the 15th largest importer of American agricultural products. Total U.S. agricultural, fishery and forestry product exports to the Philippines amounted to \$830 million in 2001, slightly lower than the previous year by 12% due to the weakening of the Peso. However, U.S. exports of fish and seafood products in 2001 is now the record level at \$16.3 million representing a 13 percent increase over 2000 exports.

Economic and political unrest during the last quarter of 2000, caused the Peso to plummet. Year 2000 posted an average exchange rate of \$1 to Pesos 44 vs. Year 1999 exchange rate of \$1 to Pesos 39. Current exchange rate is US\$1 to Pesos 51.

Year 2001 ended with a GDP growth of 3.4 percent. Real GDP growth for Year 2002 is projected at 4 to 4.5 percent taking into consideration the onset of the El Nino weather pattern. The new government is implementing economic reforms to put the Philippines in line with the pace of development among the newly industrialized countries of East Asia. The economic strategy includes improvement in infrastructure, restructuring of the tax system to increase government revenues, further deregulation and privatization of the economy, and increase in trade integration within the region. The manufacturing and services sector is expected to support the growth. Services account for nearly half of the GDP, while industry, which includes manufacturing and construction, adds close to one-third of total domestic output.

Market Characteristics

- < Filipino consumers have a strong affinity and distinct preference for American products. American culture and lifestyle is nowhere more evident and emulated in Asia than in the Philippines because of the long-standing relations between the two countries.
- < American products are highly regarded for their high quality and product consistency. Having said that, Filipinos are brand conscious but price sensitive at the same time. Popular American brands can afford a minimal price premium versus competing products from third country suppliers.
- < Most Filipinos have families in the United States who regularly send or bring home food gifts which has become the initial yet very effective way of introducing American products to Filipino consumers.
- < There are a lot of Filipino overseas workers who are an essential source of much-needed foreign exchange and an important stabilizing factor in terms of consumer purchasing power particularly in times of foreign exchange difficulties.
- < Filipinos are known to eat about five times a day and have a propensity for munching in between meals.

- < It is estimated that mid-to-upper income consumers who are the constant market for imported food products account for 25 percent of the 78.3 million population or about 19.5 million. An additional 10 percent are occasional consumers of imported goods.
- < Consumption of imported food products peak during the Christmas season when sales reach as much as three times the normal levels.
- < Most metropolitan homes have refrigerators with a small built-in freezer; ownership of microwave ovens have also been steadily increasing.

Advantages	Challenges
Filipinos have high regard for imported products, especially American.	U.S. products are priced higher compared to local products and even third country suppliers.
Familiarity with major American brands.	Consumers are brand conscious but highly price sensitive.
Traditional close ties between Filipinos and the U.S.	Preferential tariff rates (35 percent discount on MFN rates) on products from ASEAN member countries.
No need for special product labeling; English labels accepted.	Market penetration for imported products is concentrated in Metro Manila and major metropolitan cities.
Philippine food standards follow US Food and Drug Administration regulations.	Insufficient cold chain system.
Proliferation of malls and accompanying rapid expansion in the retail and fast-food sectors especially American franchises that require American food products.	Establishment of Asian manufacturing facilities for American brands to supply the region.
Retail trade liberalization which finally allows foreign, hopefully American, retailers to operate in the Philippines.	Packaging should be able to withstand extreme heat and humidity.
Reduced import duties and targeted uniform tariff rate of 5 percent by 2004.	Package sizes tend to be smaller for affordability.

Rapidly growing population versus limited agricultural resources.	Underdeveloped infrastructure, i.e., storage, roads and shipping facilities.
Lowered import tariffs which encourage direct shipments from US to the Philippines.	

Section II. Exporter Business Tips

- < Filipino businessmen value interpersonal relations above anything. Such relations lend ease in developing trust between potential business partners. US exporters should maintain a conscious sensitivity to the innate Filipino sense of reciprocity.
- < US exporters should maintain close contact and make regular visits to the Philippines to stay abreast of developments and to affirm support to the Philippine agent/distributor and customers. Exporters should commit to provide marketing and promotional efforts, including advertisements.
- < Food importation is generally done by traders, some of whom maintain buying offices on the US West coast. The services of a U.S. consolidator or wholesaler are commonly used because of the need for a wide variety and range of products. The Philippine importer then either distributes directly to retailers and food service entities or through local wholesalers.
- < US exporters can work with one or several importers. It is to be noted, though, that exclusive distributorship agreements are difficult to enforce in the Philippines while parallel imports are common.
- < There are no non-tariff restrictions on imports of agricultural and food products, except on rice. Import permits are required for shipments of fresh fruits and vegetables, meat and poultry, including processed meat products.
- < All food products must be registered with the Philippine Bureau of Food and Drug. Imported products may be registered only by a Filipino entity.
- < Philippine food regulations and standards generally follow the U.S. Food and Drug Administration. Products from the United States do not require special labeling and may be sold in the Philippines in the same commercial packaging.
- < The Philippines unilaterally implemented a tariff reduction scheme. Tariff rates for most consumer oriented products now range from 3-15 percent. Agricultural products considered "sensitive" and for

which minimum access volumes (MAV) were set, however, have significantly higher tariff rates. These include poultry meat, pork, fresh potatoes and coffee. MAV allocations which enjoy discounted tariffs are awarded to Philippine companies on an annual basis. Please contact the Office of Agricultural Affairs (OAA) for a complete list of these "sensitive products" and the corresponding tariff rates. The OAA also maintains a list of Philippine companies who have MAV allocations.

- < Filipino consumers prefer "sweet" foods, even for processed meat products, sauces and juices. Exporters should be willing to reformulate their products to suit the local tastes. Filipino consumers have a preference for cheese and barbecue food flavors.
- < Products should be packed sufficiently to withstand extreme heat and humidity. Products for the Philippines should also preferably be in smaller consumer packs for affordability. Deficiencies in systematic and mechanical handling of products should also be taken into consideration. There are inefficiencies in the cold chain system, particularly beyond Metro Manila where in some cases these facilities range from insufficient to non-existent.
- < US exporters are advised to require payment of goods via letter of credit especially for the initial transactions. Credit terms may be extended to the importer after a thorough background and credit investigation has been conducted and payment habits have been established.

Philippine Import Requirements and Certifications for Food Products

This section of the report was prepared by the Office of Agricultural Affairs of the USDA/ Foreign Agricultural Service in Manila, Philippines for U.S. exporters of domestic food and agricultural products. While every possible care was taken in the preparation of this report, information provided may not be completely accurate either because policies have changed since its preparation, or because clear and consistent information about these policies was not available. It is highly recommended that U.S. exporters verify the full set of import requirements with their foreign customers, who are normally best equipped to research such matters with local authorities, before any goods are shipped. FINAL IMPORT APPROVAL OF ANY PRODUCT IS SUBJECT TO THE IMPORTING COUNTRY'S RULES AND REGULATIONS AS INTERPRETED BY BORDER OFFICIALS AT THE TIME OF PRODUCT ENTRY.

A few commodities are regulated, i.e., their importation will be allowed if covered by an import authority issued by the concerned government agency. Fewer still are prohibited, those that are specifically prohibited under Section 101, Tariff and Customs Code of the Philippines (TCCP), as amended, and other special laws.

The importation status of any commodity (whether prohibited, regulated or freely importable) may be checked/verified with the Bureau of Customs (BOC), Department of Trade Industry (DTI), Bangko Sentral ng Pilipinas (Central Bank of the Philippines) or any of its authorized agent banks, and the Department of Agriculture for importation which require the issuance of the Minimum Access Volume Import Certificate such as importation of swine, chicken etc.

Import documents required for all shipments to the Philippines are: (1) commercial invoice; (2) bill of lading or air way bill for air shipments; (3) certificate of origin (if requested); (4) packing list; and (5) various special certificates required due to the nature of goods being shipped and/or requested by importer/bank/letter of credit clause, e.g., (a) Bureau of Food and Drugs license, (b) Commercial Invoice of Returned Philippine Goods and (c) Supplemental Declaration on Valuation. (See Chapter VI-F: Customs Regulations and Contact Information).

Import Requirements for Food Products

The Philippines is a signatory to the World Trade Organization and has lifted quantitative restrictions on imports of food products except for rice. Rice may be imported only by the Philippine Government through the National Food Authority, formerly an attached agency of the Department of Agriculture, now seated in the President's Office for Food Security. The Philippines replaced the previous import restrictions with quota rate tariffs on some sensitive agricultural products. Quarantine Clearances that serve as import licenses are required prior to the importation of fresh fruits and vegetables as well as all kinds of meat and meat products and now for fisheries products (see section on Importation of Fresh Produce and Meat). All other food product imports do not have licensing requirements except where permits are required for commodities entering duty-free or are taking advantage of an in-quota tariff on items such as live swine, frozen pork, frozen chevon, frozen poultry, fresh/chilled potatoes, coffee beans, corn, coffee extract.

Import Regulations for Processed Food Products

Philippine food regulations generally follow the U.S. Food and Drug Administration policies and guidelines as they pertain to food additives, good manufacturing practices and suitability of packaging materials for food use. Hence, compliance with U.S. regulations for packaged foods, particularly for labelling will almost always assure compliance with Philippine regulations. All food products offered for sale in the Philippines must be registered with BFAD. Registration of imported products may only be undertaken by a Philippine entity, although some documentation and, for certain types of products, samples need to be provided by the exporter. Products have been divided into two categories with distinct sets of registration requirements and procedures.

Category I includes: bakery & bakery related products; non-alcoholic beverages & beverage mixes; candies & confectionery products; cocoa & cocoa related products; coffee, tea & non-dairy creamer; condiments, sauces & seasonings; culinary products; gelatine, dessert preparation & mixes; dairy products;

dressings & spreads; flour/flour mixes & starch; fish & other marine products; fruits, vegetable & edible fungi (prepared); meat and poultry products (prepared); noodles, pastas & pastry wrapper; nut & nut products; native delicacies; oils, fats & shortening; snack foods & breakfast cereals and; sugar & other related products.

Category II includes: alcoholic beverages; food supplements; tea (herbal); bottled drinking water; foods for infant & children; foods for special dietary use; transgenic food products (use of genetic engineering/biotechnology) and; ethnic food products with indigenous ingredient(s) not common in the Philippines.

An application for registration should be filed by the Philippine importer for the importation and distribution/offer for sale for each class per brand of product. Only products with a valid Certificate of Product Registration from BFAD will be allowed for sale in the Philippines.

Following are the list of requirements for the registration of food products:

Category I

1. Letter of application for registration from importer/distributor
2. Accomplished Affidavit of Undertaking, typewritten and notarized
3. Accomplished product list by product classification, three (3) copies
4. Valid License to Operate (from BFAD) with name of supplier/source(s) of imported food product
5. Copy of sales invoice
6. One sample of each product in commercial presentation and a copy of the label that is in conformance with Codex Labeling Regulations and BFAD requirements. In lieu of product sample, a colored picture of each product may be submitted. A sticker indicating the name and address of the importer must be attached if such information is not printed on the label.
7. Registration fee of Pesos 25.00 per product.

Category II

1. Letter of application for registration from importer/distributor
2. Valid License to Operate (LTO) as an importer/distributor (issued by BFAD)
3. Product Information
 - a. List of ingredients in decreasing order of proportion. For additives with prescribed limit, the amount added must be indicated.
 - b. Finished product specification (physico-chemical and microbiological)
4. Samples of the product in its commercial presentation for laboratory analysis.
5. Loose label and labeling materials to be used for the products.
6. Estimated shelf-life, parameters used and methods for determining shelf-life.

7. Brief description/flow diagram of the method of manufacture
8. Certificate of analysis. Include analytical methods used. Additional requirements for food supplements may apply as necessary.
9. Registration fee of Pesos 25.00 per product plus cost of laboratory analysis.

Laboratory testing by BFAD for products under category II is mandatory to determine the safety of the product and to assure that there will be no misbranding or adulteration of products. Products under Category I may be subject to random examination at any time during the validity of the registration and the cost of laboratory analysis shall be charged to the importer.

A Certificate of Product Registration (CPR) shall be issued by BFAD and shall be valid for two (2) years. Subsequent renewal of CPR shall be valid for a period of three (3) years.

Exporters should also note that a Philippine importer needs to secure a License to Operate from BFAD, which is actually a pre-requisite for the registration of any food products. The License lists names of foreign suppliers or sources of the products being registered. Thus, the importer is required to obtain from the exporter and submit to BFAD the following: (1) a copy of the Foreign Agency Agreement duly authenticated by the Philippine Consulate in the country of origin and; (2) a Certificate of Status of Manufacture by the exporter issued by the Government Health Agency from the country of origin which should also be authenticated by the Philippine Consulate.

Import Regulations for Fresh Produce and Meat

In all cases, imported meat, fish or produce require that a registered importer be the receiver of the shipment. Consequently, the importer would have to be knowledgeable of the regulations associated with the particular commodity being imported.

New regulations governing the import of meat and poultry are in effect since the end of December 2000. The Department of Agriculture issued Administrative Order No. 39, September 27, 2000 and its amendment, Administrative Order No. 56, December 27, 2000 that supercedes any other previous regulations for importing meat and poultry products. The primary change is that importers must secure a veterinary quarantine certificate (VQC) prior to importing. VQC's will have a validity out of the United States for 60 to 90 days. Extensions are possible up to an additional 30 days. Essentially, the date for the shipment of goods (as reflected in the bill of lading/airway bill) should not be earlier than the date of the issuance of the VQC. There was a great deal of sensitivity in the Philippines as a result of some U.S. chicken that was packed in surplus cartons that still had labels on them indicating a shipment for Russia. Naturally, this was only excess cartons being used. If at all possible, it is recommended that such markings

should be covered or removed since the Philippines does not require the cartons to be marked for export to the Philippines.

On September 20, 1999, the Department of Agriculture completed implementing rules and regulations for Republic Act 8550 of 1998 known as the Fisheries Code. The regulations are embodied in Fisheries Administrative Order 195. The new order more or less has clarified the need for importers to obtain quarantine permits. One particular feature which has been called in to question under WTO rules is the approval for any imports must also be reviewed by the Secretary of Agriculture together with a committee of officials at the Bureau of Fisheries.

No changes in regulations are reported for the Bureau of Plant Industry (BPI) of the Philippine Department of Agriculture regulates imports of fresh fruits and vegetables. All imports of fresh produce require phytosanitary clearances from BPI which also serve as import licenses. These clearances are applied for by the Philippine importer for each shipment. Shipments of fresh fruits and vegetables should be accompanied by a USDA Phytosanitary Certificate (PC) issued at the port of origin. The freight container number and corresponding seal number should be listed on the PC under distinguishing marks. Shipments from the U.S. may transit through Hong Kong, Taiwan, etc., however, container seals should remain intact. Breakage of container seals before verification by BPI on arrival may subject shipment to re-exportation or precautionary fumigation. The BPI also conducts random checks on shipments.

Market access for fresh fruit imports for oranges, tangerines and grapefruit from Florida have been achieved in 1999 with the approval of a protocol for these products. The protocol allows imports from areas controlled for the caribfly in Florida. However, fresh fruit imports from Texas are still currently prohibited due to phytosanitary reasons, i.e., the presence of fruit flies. The efforts of the Foreign Agricultural Service in Manila will continue to try to resolve these impediments to trade.

Philippine imports of fresh vegetables have previously been restricted and occasional imports were allowed only for tourist oriented establishments. Import restrictions were lifted in 1995 as part of the Philippines Uruguay Round Commitments. However, imports remain very limited as phytosanitary import protocols for most fresh vegetables are still being formulated by the Philippine Bureau of Plant Industry. Fresh potatoes, onions and garlic are the only vegetables that have existing import protocols. The establishment of import protocols is usually a lengthy process as it involves pest and pesticide risk analysis, including ocular inspection of potential source of products by BPI personnel. Our office hopes to continue progress on this front in the near future.

Tariff rates for sensitive agricultural products were established in Executive Order 313 of March 1996 which set varying in-quota and out-quota rates for most tariff lines. In-quota rates apply to products imported within established minimum access volumes (MAV). Any imports in excess of the MAV would be assessed the out-of-quota rate. Most of the MAV products are those for which the Government committed to WTO to provide minimum market access in exchange for the lifting of quantitative import

restrictions. Both the administration and allocation of minimum access volumes is handled by a MAV Management Committee. The licensing procedures followed by the Philippines for these two commodities are specified in bilateral MOU agreement. The MOU amended previous regulations that the U.S. found to be ineffective because the previous licensing scheme allowed the bulk of the allocations to given to local pork producers and poultry integrators. Please contact our office for further information on minimum access volumes and current MAV license holders.

Section III. Market Sector Structure and Trends

The retail and food service sectors are experiencing tremendous growth and change because of a combination of demographics, political and economic developments, multilateral trade agreements and, evolving consumer preferences and sophistication.

- The Philippines has one of the highest population growth rates at 2.36 percent annually. This poses an enormous challenge of keeping up with food demands amidst limited, in some cases declining, resources and infrastructural deficiencies particularly in post-harvest facilities, storage and farm to market distribution network.
- The current administration has placed emphasis on "food security" rather than "self sufficiency". This has provided a more friendly environment for imports and a welcome development from prior administrations' protectionist agricultural policies.
- Purchasing power is largely strengthened by double-income households, especially in urban areas. The increasing incidence of women entering the workforce coupled by the decreasing availability of household helpers is making dramatic changes in food consumption trends. This has greatly encouraged dining out, food delivery and purchases of convenient/ instant/ ready-to-cook or products that require the least preparation and clean up. Food preparation time is further diminished by a monstrous traffic situation that extends commuters time outside their homes.
- Improving purchasing power and increasing exposure to Western lifestyles are driving sophistication in consumer preferences and demand for high quality products.
- There is a growing health awareness and consciousness among Filipino consumers. They are now more aware and tend to read labels, conscious about contents and nutritional information. There is an increasing interest in foods touting to be low in calories, cholesterol and reduced or sugar/salt/fat free.

- Natural and organic foods are gaining prominence among high income consumers whose awareness for a " healthy lifestyle" arise from overseas travels, influences from family and friends, eco-friendly advocates and for therapeutic reasons.

Retail Sector

- The retail sector is seeing growth resulting largely from horizontal expansion corresponding to the continued proliferation of malls all over the country.
- In addition, convenience outlets as well as 24-hour operations are sprouting in high consumer concentration locations like public transport stops and residential subdivisions.
- The recent retail trade liberalization finally allows foreign retailers to operate in the Philippines. It is expected to infuse increased efficiency in the retail sector from which Filipino consumers stand to reap the most benefits. The arrival of foreign, particularly American, retailers will be a boon to U.S. food imports. S&R Price Membership Shopping (Price Club) opened 2 stores in 2001 and another in 2002.
- The ubiquitous "sari-sari" stores (small mom and pop neighborhood stores) still form an integral component of Philippine retailing industry. However, products available in these stores are limited to basic food provisions.
- Traditional wet markets represent 70 percent of food purchases particularly for fresh produce and meat products. However, there has been a significant move to supermarket shopping because of food safety concerns and the convenience of one-stop shopping.
- Supermarkets also act as wholesalers as they are the main suppliers of products to the sari-sari stores.
- Local supermarket operations are becoming increasingly sophisticated, many now compare to US/western stores. Supermarket owners and key staff regularly attend international trade shows and training/seminars. They are keenly interested in educational programs and continually seek opportunities for improvement.

Food Service Sector:

- As in the case of the retail sector, the food service industry, particularly fast-food and casual restaurants, is expanding whenever and wherever new malls are constructed and other strategic locations bordering schools, hospitals, commercial buildings and including residential areas.

- The Philippines has a young population, ages 1-29 comprise about 64 percent of the total population, which heavily favors dining in fastfood and casual/family restaurants.
- Fastfood sales are currently valued at approximately US\$40 billion. In the past decade, it was increasing by an estimated 15-20% per annum.
- Major players in the food service industry are burger houses, pizza chains, chicken restaurants, Chinese/dimsum outlets and doughnut/coffee places. A local burger house continues to be the largest chain but American franchises are believed to dominate the fast-food and casual dining sector in the Philippines.
- The American franchises which normally require standard or US-approved food ingredients have encouraged increased imports of food service products both in terms of volume and variety. Frozen french fries are the single most important product for this sector from the United States. There is a growing demand for frozen poultry products, sauces and condiments, fresh and processed fruits/vegetables, among others.
- In 2000, 38.7 percent of total income was spent on food. Five out of ten Filipinos who eat outside the home usually go to fastfood stores, three dine at fine dining restaurants and the rest go to canteens or small eateries.
- Advertising plays a major role in capturing market share in the food service sector. Eat-all-you-can or buffet offerings and promotions including discounted set meals and premiums like toys effectively provide customers with a sense of obtaining "value for their money" in a fiercely competitive market.
- The range of products or menu offered is also very important. The menu should include items catering to unique Filipino culinary preferences. Even foreign franchises have to adjust both by including new menu items and in reformulating standard dishes to suit Filipino tastes.
- Higher consumer standards and concern for food safety are driving Filipinos toward dining in restaurants and away from traditional food hawkers.

Section IV. Best High Value Products Prospects

The best products list and the rates of increase in 2000 exports over 1999 include:

- T fresh vegetables (101%)
- T dairy products (51%)
- T red meats, fresh/chilled/frozen (30%)
- T red meats, prepared/preserved
- T wine and beer
- T poultry meat
- T fruit & vegetable juices
- T snack foods
- T breakfast cereals and pancake mixes
- T fresh fruits
- T chocolate candies and confectionery
- T frozen french fries
- T canned fruits and vegetables
- T sauces, dressings and condiments
- T processed meat products, including hotdogs, nuggets, etc.
- T pet foods

SECTION V. KEY CONTACTS AND FURTHER INFORMATION

Please contact the following for any questions and for further information:

Foreign Agricultural Service
U.S. Department of Agriculture
Embassy of the United States of America
25/F Ayala Life-FGU Building
6811 Ayala Avenue
Makati City 1203
Tel: (632) 887-1137 /53
Fax: (632) 887-1268
Email: AgManila@fas.usda.gov
FAS Home Page: www.manila.usda.gov

Synergy Asia Marketing Services, Inc.
(Philippine representative of Washington Apple Commission and the California Table Grape Commission)
Unit 602-C, Summit Office Tower
530 Shaw Boulevard
Mandaluyong City 1501
Metro Manila
Tel: (632) 534-8534; 534-8221; 534-8223
Fax: (632) 534-8234
Contact: Mr. Mandy Saracho, Managing Director
Email: mandys@synergyasia.com

Lieu Marketing Associates Pte Ltd
(ASEAN Representative of California Pistachio Commission, California Table Grape Commission, California Tree Fruit Agreement, Florida Department of Citrus, Pear Bureau Northwest, Raisin Administrative Committee, United States Potato Board, Wine Institute of California, Western United States Agricultural Trade Association, Mid-America International Agri-Trade Council, Food Export USA-Northeast and the Southern United States Trade Association)

Block 3 Alexandra Distripark
Unit 08-22, Pasir Panjang road
Singapore 118483
Tel: (65) 6278-3832
Fax: (65) 6278-4372
Contact: Richard Lieu
Email: richelieu@lieumktg.com.sg

Pacrim Associates Ltd.
(ASEAN Representative for US Dairy Export Council)
The Regent Hotel
155 Rajadamri Road
Bangkok 10330, Thailand
Tel: (662) 251-6127
Fax: (662) 254-6913
Contact: Mr. Dan Fitzgerald, ASEAN Representative

USA Poultry and Egg Export Council
#15-04 Liat Towers, 541 Orchard Road
Singapore 238881
Tel: (65) 6737-1726
Fax: (65) 6737-1727
Contact: Ms. Margaret Say, ASEAN Representative
Email: usapeec_sing@pacific.net.sg

US Meat Export Federation

#15-03 Liat Towers, 541 Orchard Road
Singapore 238881
Tel: (65) 6733-4255
Fax: (65) 6732-1977
Contact: Mr. Eric Choon, ASEAN Representative
Email: echoon@usmef.com.sg

Philippine Association of Supermarkets, Inc.
Rm 311, Mariwasa Building
Aurora Boulevard, Cubao
Quezon City, Philippines
Tel: (632) 363-4563
Fax: (632) 456-3855
Contact: Mr. Jose Albert, President

Meat Importers and Traders Association
18/F Prestige Tower
Emerald Avenue
Ortigas Center
Pasig, Metro Manila
Philippines
Tel: (632)634-0270/0273
Fax: (632)634-0275
e-mail: cspintl@pacific.net.ph
Contact: Ms. Maritess Concepcion, President

Hotel and Restaurant Association of the Philippines
Rm. 205, Regina Building, Aguirre Street
Legaspi Village, Makati City
Tel: (632) 892-6981; 815-4659
Fax: (632) 892-0277; 815-4663
Contact: Mr. Michael Hermann, President

Philippine Food Processors and Exporters Organization
Room 304, JS Contractor Building
423 Magallanes St., Intramuros
Manila, Philippines
Tel: (632) 527-5810 to 11
Contact: Mr. Jesus T. Tanchangco, Sr., President

Philippine Association of Meat Processors, Inc.
Suite 204, Sunrise Condominium
Ortigas Avenue, Greenhills
San Juan, Metro Manila

Philippines
 Tel: (632) 722-4026
 Fax: (632) 721-2385
 Contact: Mr. Felix O. Tiukinhoy, President

APPENDIX I. STATISTICS

A. KEY TRADE & DEMOGRAPHIC INFORMATION

Agricultural Imports From All Countries (\$mil)/U.S. Market Share (%) ^{1/}	\$2,607 / 31%
Consumer Food Imports From All Countries (\$mil)/U.S. Market Share (%) ^{1/}	\$1061 / 15%
Edible Fishery Imports From All Countries (\$Mil)/U.S. Market Share (%) ^{1/}	\$72 /25%
Total Population (Millions)/Annual Growth Rate (%)	78.3 / 2.3%
Urban Population (Millions)/Annual Growth Rate (%)	37.0/ 2.5%
Number of Major Metropolitan Areas ^{2/}	17
Size of the Middle Class (Millions)/Growth Rate (%) ^{3/}	61.0/ 6.7%
Per Capita Gross Domestic Product (U.S. Dollars)	\$930
Unemployment Rate (%)	13.9%
Per Capita Food Expenditures (U.S. Dollars)	\$438
Percent of Female Population Employed ^{4/}	46%
Exchange Rate (US\$1 = 51.00 local currency) ^{5/}	Pesos 51.00

Footnotes

1/ Use FAS' web-enabled UNTrade database (HS 6-digit option; Import Market Share BICO 3-Year format), Year 2000.

2/ Population in excess of 1,000,000

3/ Middle class includes those earning above the poverty threshold of Pesos 12,000 (\$300) but does not include 5 percent of the population which are considered upper income class.

4/ Percent against total number of women (15 years old or above)

5/ Year 2001 average/ Year 2000 average: US\$1=44 Pesos/ Current Exchange Rate: US\$1=51 Pesos

Philippines Imports (In Millions of Dollars)	Imports from the World			Imports from the U.S			U.S Market Share		
	1998	1999	2000	1998	1999	2000	1998	1999	2000
CONSUMER-ORIENTED AG TOTAL	775	NA	1,061	138	NA	157	18	0	15
Snack Foods (Excl. Nuts)	24	NA	45	7	NA	15	28	0	34
Breakfast Cereals & Pancake Mix	4	NA	9	2	NA	1	43	0	13
Red Meats, Fresh/Chilled/Frozen	86	NA	128	4	NA	2	4	0	1
Red Meats, Prepared/Preserved	11	NA	12	3	NA	4	26	0	28
Poultry Meat	5	NA	21	3	NA	11	59	0	53
Dairy Products (Excl. Cheese)	287	NA	376	15	NA	17	5	0	5
Cheese	32	NA	32	1	NA	1	4	0	4
Eggs & Products	3	NA	3	1	NA	1	27	0	14
Fresh Fruit	39	NA	38	12	NA	7	30	0	17
Fresh Vegetables	8	NA	6	1	NA	2	5	0	28
Processed Fruit & Vegetables	60	NA	71	31	NA	35	53	0	49
Fruit & Vegetable Juices	8	NA	7	3	NA	2	36	0	33
Tree Nuts	2	NA	1	1	NA	1	48	0	31
Wine & Beer	6	NA	12	1	NA	2	15	0	20
Nursery Products & Cut Flowers	1	NA	1	1	NA	1	2	0	4
Pet Foods (Dog & Cat Food)	3	NA	8	3	NA	5	87	0	67
Other Consumer-Oriented Products	198	NA	290	52	NA	51	26	0	18
FISH & SEAFOOD PRODUCTS	67	NA	72	3	NA	18	4	0	25
Salmon	1	NA	1	1	NA	1	3	0	13
Surimi	1	NA	1	1	NA	1	3	0	3
Crustaceans	1	NA	1	1	NA	1	6	0	43
Groundfish & Flatfish	2	NA	3	1	NA	1	10	0	4
Molluscs	2	NA	15	1	NA	13	33	0	89
Other Fishery Products	61	NA	51	2	NA	4	3	0	8
AGRICULTURAL PRODUCTS TOTAL	2,806	NA	2607	763	NA	798	27	0	31
AG, FISH & FORESTRY TOTAL	3,052	NA	2902	795	NA	851	26	0	29

Source: FAS' Global Agricultural Trade System using data from the United Nations Statistical Office

Philippine Imports

CONSUMER-ORIENTED AG TOTAL (\$1,000)

	1999		2000		2001
Netherlands	24,189	Netherlands	22,690	France	24,461
France	23,278	United States	22,234	United States	23,075
United States	20,713	France	21,171	Belgium	13,958
Germany	15,416	Germany	15,459	Denmark	7,869
Belgium	13,484	Belgium	12,974	Australia	7,147
Italy	12,948	Italy	12,010	Singapore	1,131
Spain	12,451	Spain	11,565	Korea	1,076
Denmark	7,814	Canada	7,415	Malaysia	926
United Kingdom	7,116	Denmark	7,335	Finland	707
Canada	6,627	Australia	6,796	Peru	350
Australia	6,307	United Kingdom	6,470	Norway	197
China	5,343	China	5,925	Iceland	9
New Zealand	5,231	New Zealand	5,731		
Mexico	5,042	Mexico	5,481		
Ireland	4,438	Ireland	5,244		
Other	51,152	Other	49,134		
Total	221,555	Total	217,641	Total	80,912

FISH & SEAFOOD PRODUCTS (\$1,000)

	1999		2000		2001
Thailand	4,090	Thailand	4,335	Norway	3,278
Norway	3,643	China	3,660	<u>United States</u>	<u>3,082</u>
China	2,968	Norway	3,434	Denmark	2,015
<u>United States</u>	<u>2,744</u>	<u>United States</u>	<u>2,806</u>	France	1,177
Canada	2,621	Canada	2,804	Korea	1,139
Denmark	2,132	Denmark	1,875	Iceland	1,096
Spain	1,678	Spain	1,640	Australia	875
Indonesia	1,529	Indonesia	1,588	Belgium	550
Netherlands	1,427	Chile	1,546	Singapore	374
Chile	1,404	Korea	1,368	Malaysia	342
Korea	1,375	Netherlands	1,343	Greenland	244
Iceland	1,230	Iceland	1,082	Peru	206
United Kingdom	1,176	France	1,075	Finland	14
India	1,170	United Kingdom	1,046		
France	1,050	Australia	977		
Other	12,831	Other	12,766		
Total	43,077	Total	43,353	Total	14399

Source: FAS Global Agricultural Trade System using data from the United Nations Statistical Office
 HS 6-digit option/ Top 15/ Derived Country