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## **Report Name:** Exporter Guide

**Country:** Philippines

**Post:** Manila

**Report Category:** Exporter Guide

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### **Report Highlights:**

As one of the world's fastest growing markets, the Philippines presents export opportunities for U.S. food and beverage products including dairy, poultry, pork, beef, processed and fresh vegetables, fresh fruit, food preparations, sauces, condiments, chocolate and cocoa products, chewing gum and candy, dog and cat food, and bakery products. The Philippines' economic expansion, driven by strong household spending and an improved hotel and restaurant industry, paved the way for U.S. agricultural and related exports to reach a record \$3.56 billion in 2022, with more opportunities for other agricultural products in 2023.

## MARKET FACT SHEET: PHILIPPINES MARKET OUTLOOK

The Philippines is poised to achieve upper-middle income status by 2025. An emerging market fueled by strong local demand and government spending, the country's GDP is expected to achieve six percent growth for 2023, a rate higher than Thailand, Malaysia, and Indonesia. Key economic indicators point towards a resilient economy amidst local and global headwinds.

### AGRICULTURAL EXPORTS TO THE PHILIPPINES

As the eighth-largest export market for U.S. agricultural and related products, the Philippines is a robust market, reaching a record \$3.56 billion in 2022. The United



Source: Trade Data Monitor

States remains the largest single-country supplier of agricultural products, with a 19 percent market share.

### FOOD PROCESSING SECTOR

As companies experience sales growth and exceed pre-pandemic production and capacity levels, food manufacturers must manage high costs, especially from raw materials driven by global and local inflationary pressures.

### RETAIL FOOD SECTOR

As consumers normalize consumption, FAS Manila sees slower sales growth in convenience stores, supermarkets, hypermarkets, and warehouse clubs. While elevated prices from food inflation continue, consumers spend conservatively, prioritizing basic commodities. Retail stores explore new products and expand coverage by opening new stores.

### FOOD SERVICE SECTOR

FAS Manila sees further growth in the food service industry as tourism improves, events resume, and more consumers dine in. Restaurant chains expand coverage, opening new stores and embracing new

restaurant concepts. Online delivery platforms continue to provide convenience to consumers.

### Philippines: Quick Facts C.Y. 2023

#### Demographics

116 million population  
1.6% population annual growth  
47% under 24 years old & a median age of 25 years old  
48% urbanization rate  
13% reside in Metro Manila (capital city)  
80% speak English; 96% literacy rate

#### Gross Domestic Product (GDP)

GDP: \$422 billion (est)      GDP per capita: \$3,797 (est)  
GDP growth rate: 8% (est)      GDP PPP: \$1trillion (est)  
GDP by Industry:  
Services 61%, Industry 29%, Agriculture, forestry, and fishing 10%

#### Agricultural & Related Trade (2022)

Exports to P.H.: \$23.62 billion      P.H. Exports: \$8.28 billion

#### Consumer-oriented Agricultural Products:

Dairy products                      - Fruits and vegetables  
Pork, beef, poultry                - Bakery, Cereals, and Pasta  
Food preparations                 - Dog and Cat Food

#### Top Fast Food Chains

[Jollibee](#), [Mc Donald's](#), [Chowking](#), [Shakey's](#), and [KFC](#)

#### Top Supermarkets

[SM](#), [Robinson's](#), [Puregold Price Club](#), [Metro](#), [Gaisano](#), and [Landmark](#)

#### Top Convenience Stores

[7-Eleven](#), [Alfamart](#), [Uncle John's](#), [Familymart](#), [All Day](#), and [Lawson](#)

#### Top Warehouse Clubs

[S&R](#) and [Landers](#)

#### Top Online Grocery Delivery Platforms

[MetroMart](#), [GrabMart](#), [LazMart](#), and [Shopee Supermarket](#)

Sources: [Euromonitor](#), [Global Agricultural Trade System](#), [International Monetary Fund](#), [The World Factbook](#), [Trade Data Monitor](#), [The Economist](#), [World Bank](#), [Philippine Statistics Office](#), [Department of Trade and Industry](#), [National Economic and Development Authority](#), [S&P Global-IHS Markit](#), and FAS Manila research

Strengths	Weaknesses
Strong preference for U.S. ingredients and perceived higher standard and quality	Less competitive shipping costs and tariffs than ASEAN, China, and AU-NZ
Opportunities	Challenges
A service-based economy with a young, tech-savvy, working-age population, and resilient domestic demand	Revenge spending ended as tightening consumer purchasing power continues.

Contact: [USDA-FAS Manila](#), [U.S. Embassy, Philippines](#)

E-mail: [AgManila@usda.gov](mailto:AgManila@usda.gov)

## SECTION I. MARKET OVERVIEW

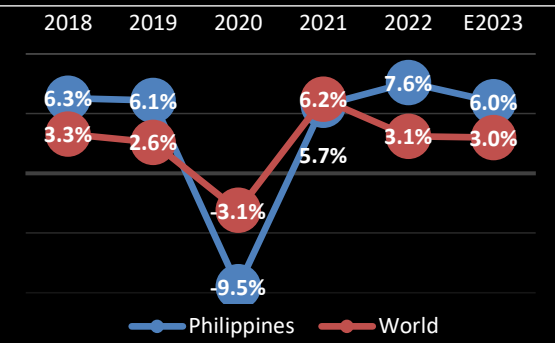
**Population and key demographic trends.** The Philippines is the 13<sup>th</sup> largest country in the world by population. Growing faster than its neighboring countries, its young working population is expected to reach 78 million in 2025. The country comprises large households averaging four members, higher than most Asian countries. Twenty percent of the population belong to the upper class and the growing middle-income consumers. Both groups purchase imported food and beverages.

The country’s growing urbanization rate boosts trade in key cities. Four of the world’s ten most densely populated cities are in the Philippines: Manila, the country’s capital, Pateros, Mandaluyong, and Caloocan.

As an archipelago country, the Philippines has variations in local languages and food across its islands. English, however, is widely spoken, and American food is popular across the country.

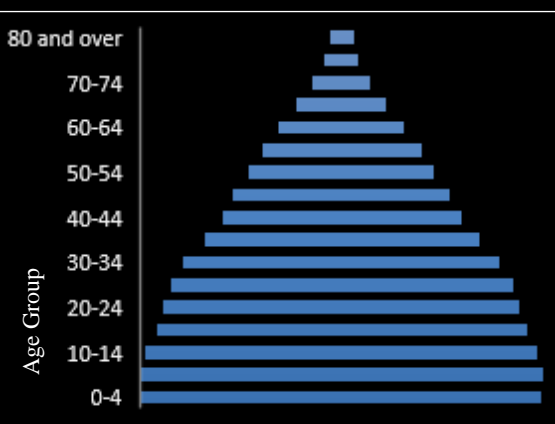
**Size of economy and consumer behavior.** The country’s Gross Domestic Product based on Purchasing Power Parity (GDP PPP) returned to pre-COVID-19 levels at one trillion dollars, surpassing Malaysia’s GDP PPP. With improved employment rates and continued remittances from overseas Filipino workers, household spending increased in 2022, with slower growth in 2023 as most of the population cut back. While most prioritize food and non-alcoholic beverages forming more than a third of household spending at a [38 percent share](#) in 2022, other consumers occasionally treat themselves with products providing additional health benefits. The upper and middle-income classes remain unaffected, with continued consumption of premium food choices. American food and beverages continue to have strong brand recognition and performance.

Figure 1. Gross Domestic Product Growth Rates



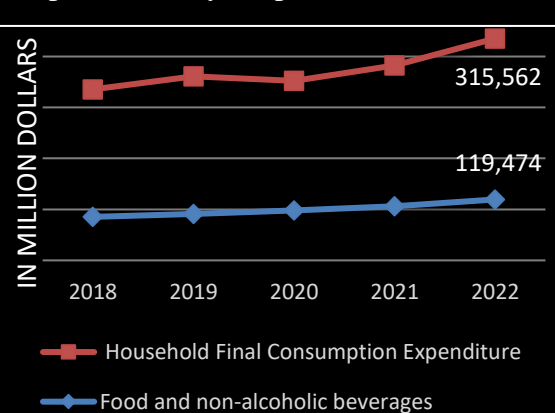
Source: [World Bank](#) and FAS Research

Figure 2. 2024 Projected Mid-year Population Based on 2015 POLCEN



Source: [Philippine Statistics Authority](#)

Figure 3. Household Final Consumption Expenditure, By Purpose (At Current Prices)



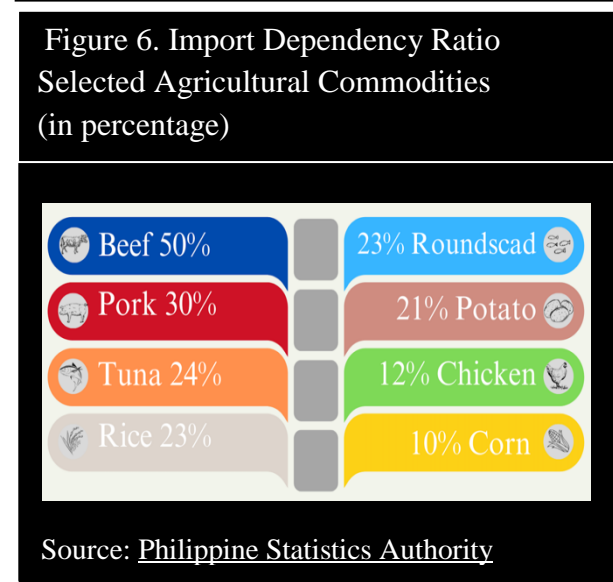
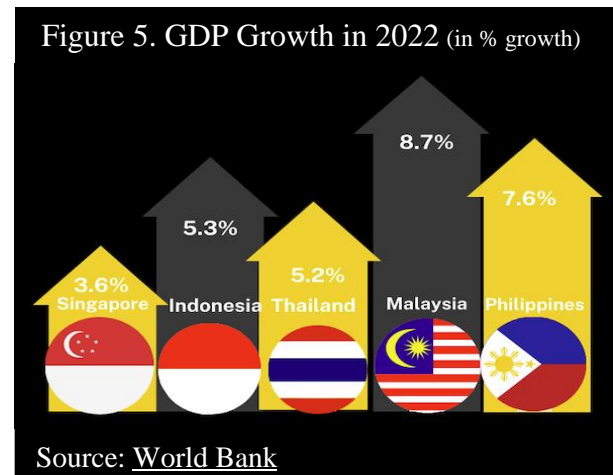
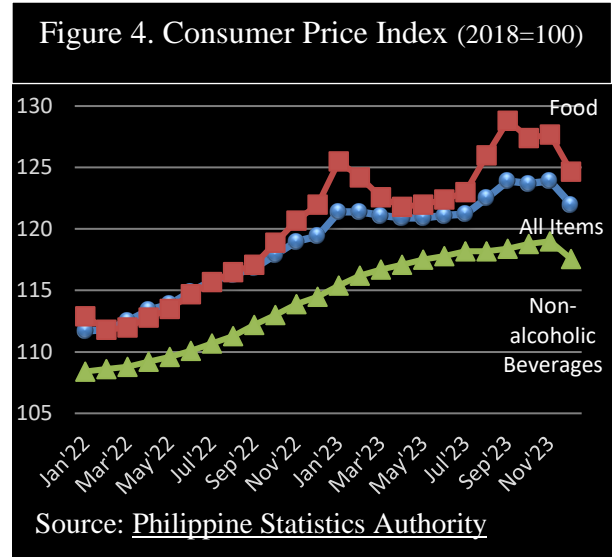
Source: [Philippine Statistics Authority](#)

Despite government efforts, inflation remains elevated but has started to decline since October 2023. Total inflation slowed down this November at a 20-month low of 4.1 percent. Food inflation declined to 5.8 percent with cereals and cereal products, fish and other seafood, egg, milk, and other dairy products as primary contributors.

**Overall business climate.** With one of the highest growth rates among Asian countries, the Philippine economy remains resilient while withstanding global headwinds, elevated inflation, and rising interest rates in 2023. The economy, fueled by strong local demand, an ease in inflation, recovery in tourism, an increase in government infrastructure spending, and stabilization of global economic conditions, presents a cautiously optimistic outlook in 2024.

The government’s Philippine Development Plan 2023-2028 aims to sustain high and inclusive growth in the country, including enhancing the country’s infrastructure and ensuring food security and proper nutrition. The administration’s Build-Better-More Program, worth more than \$150 billion, recently expanded to include the agricultural sector. The government promotes foreign investments through public-private partnerships to finance infrastructure projects, further boosting the economy.

**Recent trends.** With agriculture, forestry, and fishing contributing only ten percent to the GDP, the country’s importation dependency ratio on agricultural commodities continues to rise. The government recently extended the reduced Most Favored Nation tariff rates on pork, corn, and rice to help ensure food security, stabilize prices, and ease inflation. FAS Manila sees continued demand for imported high-quality food and beverage products in 2024.



## SECTION II. EXPORTER BUSINESS TIPS

### **Importer:**

- ✓ Contact major importers, large manufacturers, or key processors with offices in major cities (i.e., Manila, Cebu, and Davao).
- ✓ Contact central purchasing offices of conglomerates, restaurants/cafe chains, groups of restaurants, or retail supermarket chains.
- ✓ Access the [Philippines Country Commercial Guide](#) for more information on the country's economic and political environment.
- ✓ Access GAIN and Market Brief reports at [USDA Manila](#).

### **Agreement:**

- ✓ Secure an importer agreement to set expectations and delineate roles and responsibilities before the first shipment.
- ✓ Provide trade support, especially for new-to-market products.
- ✓ Participate in trade and U.S. Cooperator-led events.
- ✓ Build long-term relationships with importers and frequently visit the market.

### **Payment:**

- ✓ Ship full-container loads to obtain lower freight costs.
- ✓ Access [Incoterms](#) for shipment options and guidelines.

### **Port:**

- ✓ While 80 percent of the country's foreign agricultural trade volume goes to Manila port, there are other international ports in the country: Cebu, Davao, Subic, Batangas, Cagayan de Oro, and others. Access the [Connecting Port to Plate Amid Evolving Food Preferences](#) for more information.
- ✓ Ports are usually heavily congested during the fourth quarter of the year.
- ✓ Access the Bureau of Customs for [port updates](#).

### **E-commerce:**

- ✓ Use e-commerce to increase online sales and brand awareness of export products. The Philippines regularly tops social media and internet usage global rankings.

### **Associations:**

- ✓ Contact USDA-FAS Manila to help facilitate trade, receive industry updates, and promote U.S. products through marketing programs. USDA-FAS Manila collaborates with [U.S. trade associations](#), [State and Regional Trade Groups](#), and [State Departments of Agriculture](#) to support capacity-building and training programs.

### **Exhibitions:**

- ✓ Participate in key trade exhibitions to promote and sell U.S. products.
- ✓ Access sectoral reports in [USDA Manila](#) for key trade events in retail food, food processing ingredients, and food service.

### SECTION III. IMPORT FOOD STANDARDS & REGULATIONS AND IMPORT PROCEDURES

Most exporters transact with agents, distributors, or importers in key cities. Other exporters directly contact the central purchasing offices of manufacturers and retail stores to facilitate large export volumes and build long-term relationships. Access the following reports for information on the import procedures: [Philippines: FAIRS Annual Country Report](#), [Philippines Country Commercial Guide: Market Entry Strategy](#), [Customs Regulations](#), [Import Requirements](#), and [Documentation](#), [Labeling/Marking Requirements](#), [Protecting Intellectual Property](#), [Tariffs](#), and [Foreign Trade Agreements](#)

For re-exporting products from the Philippines, the [Philippine Economic Zone Authority \(PEZA\)](#) provides duty-free incentives for agricultural raw materials and ingredients to manufacture products.

### SECTION IV. MARKET SECTOR STRUCTURE AND TRENDS

#### **FOOD PROCESSING**

Surpassing pre-covid production levels but dealing with still-elevated inflation, FAS Manila sees the food and beverage manufacturing sector reaching seven percent growth in 2024, with strong opportunities for wheat, soybeans, soybean meal, dairy products, meat products, poultry products, food preparations, and processed vegetables.

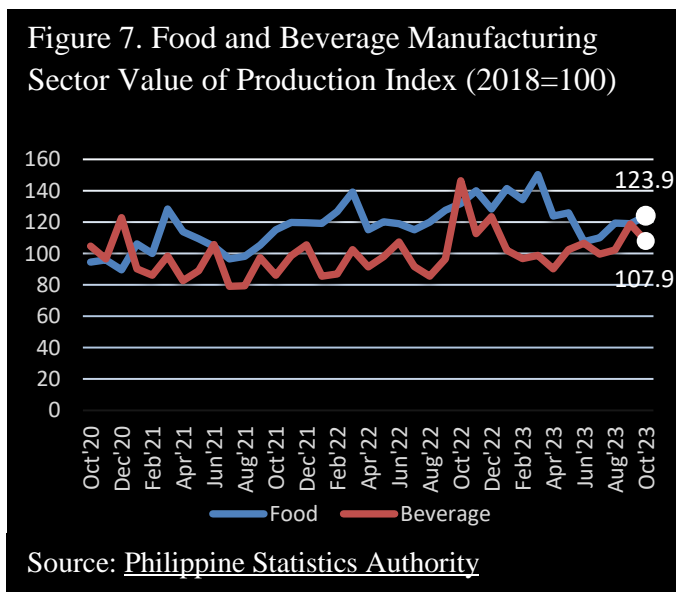
Food manufacturers' capacity utilization surpasses pre-pandemic levels as companies address local demand and continue to minimize costs caused by inflation. Efforts to reduce ingredient costs remain challenging, sometimes resulting in manufacturers looking for alternative sources. See the [Food Processing Ingredients](#) report for details.

#### **Market Opportunities**

- Philippine manufacturers prefer U.S. ingredients due to high quality standards.
- Companies choose U.S. companies for their expertise and technology know-how.
- Exporters can introduce premium or new ingredients, new flavors, and superfoods.
- U.S. food exports have opportunities in wheat, soybean meal, dairy ingredients, and mechanically deboned meat.

#### **Key Issues**

- Philippine manufacturers may look for other suppliers due to the tightening of cost.





- Shipments from the United States have higher costs and take longer lead time compared to Asian countries.
- Transporting products across the archipelago country is costly and lacks adequate processing storage and facilities.

### **FOOD RETAIL**

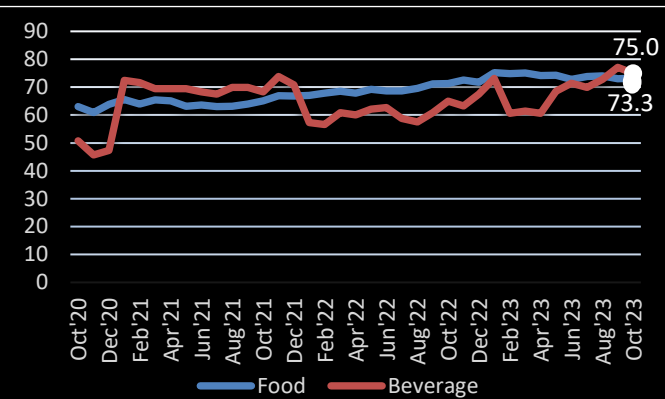
FAS Manila estimates continued sales growth in supermarkets, hypermarkets, convenience stores, and warehouse clubs as elevated food inflation further contributes to the increase in retail prices. Retail stores continue introducing new products, opening new branches, improving online selling platforms, further contributing to retail sales growth.

FAS Manila estimates more conservative food retail sales growth in 2024 compared to 2023 due to less home cooking as more consumers rely on food deliveries and dine in restaurants. Due to rising prices of basic commodities and fuel costs, low-income households spend less, while the affluent remain unaffected. See the latest [Retail Foods](#) report for further details.

### **Market Opportunities**

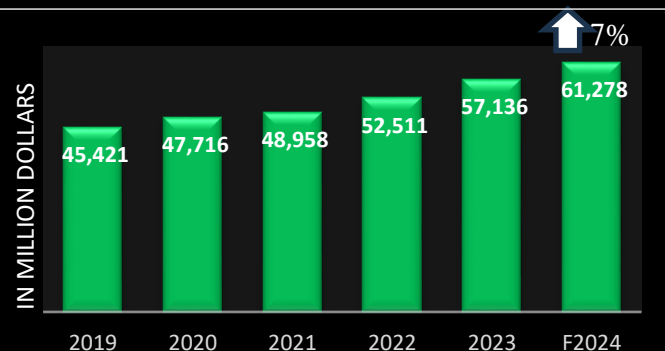
- Supermarkets and warehouse clubs seek U.S. manufacturers for their private label brands.
- Many buy from modern retail stores for food safety and quality, while others purchase fresh products from wet markets.
- American food and beverage products in modern retail stores have high brand recognition, i.e., food preparations, canned goods, bakery goods, processed vegetables and fruits, and pet food.
- Retail stores open new outlets and increase product assortment to reach annual sales targets.
- Most restaurants purchase industrial packaging and products in large packs from retail stores.

Figure 8. Food Manufacturing Average Capacity Utilization Rate (in percentage rate)



Source: [Philippine Statistics Authority](#)

Figure 9. Food and Beverage Retail Sales



Source: [Euromonitor International](#) and FAS research

### **Key Issues**

- Elevated food inflation has resulted in higher retail selling prices.
- Snack foods and other products started to show a decline in sales as spending normalized.

### **FOOD SERVICE**

FAS Manila projects consumer food service sales to increase by 10 percent in 2024, reaching above pre-pandemic levels as tourism recovers and more consumers dine in restaurants, explore new restaurant concepts, and attend

events. As restaurant franchises open stores to comply with franchise agreements, more hotels open as the tourism industry improves, further boosting consumer food service sales, especially imported ingredients.

Limited-service restaurants form 55 percent of food service offering opportunities for U.S. ingredients, especially chicken leg quarters. As consumer mobility regularized, street kiosks grew faster than other segments, with opportunities in potato fries and fruit beverages. At the same time, coffee stores have risen in number, so roasted coffee and extracts have seen growth in sales. An increase in on-premises consumption of distilled spirits and wines has resumed for bars. Online deliveries continue to grow in Metro Manila and other cities as food delivery providers expand coverage and include more food establishments.

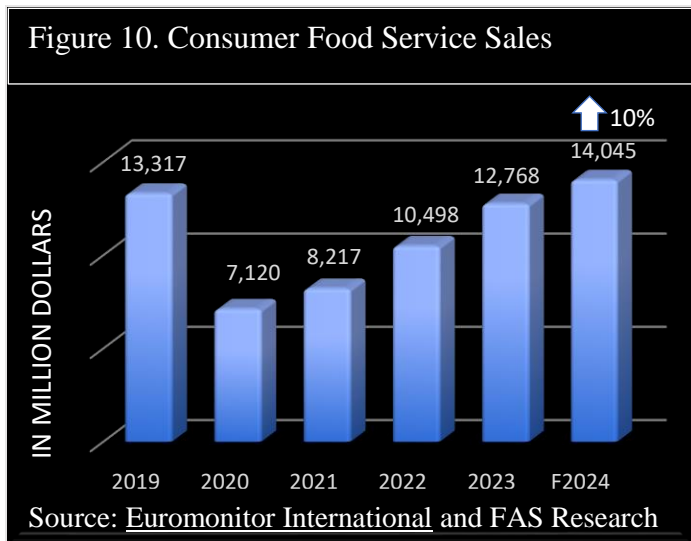
Contact hotels and key restaurant groups for volume orders: [The Bistro Group](#), [Moment Group of Restaurants](#), [Jollibee Foods Corp.](#), [Max's Group Inc.](#), [Shakey's International Inc.](#), and [Yum! Brands Inc.](#) Access the latest [Food Service- Hotel Restaurant Institutional](#) report for other details.

### **Market Opportunities**

- Large demand for chicken leg quarters for quick service restaurants.
- Events and buffets in hotels present large volume orders of imported ingredients.
- High-end restaurants and hotels feature imported ingredients on the menu (i.e., U.S. red meat and poultry, cheese, and wines)
- Restaurants resort to sourcing from importers for convenience and liquidity.

### **Key Issues**

- Elevated food inflation forces other restaurants to cut down on orders or look for cheaper substitutes.





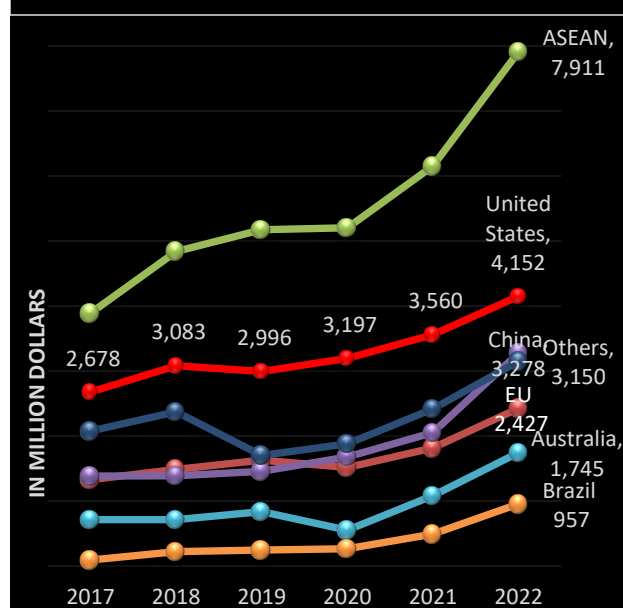
## SECTION V. AGRICULTURAL AND FOOD IMPORTS

U.S. agricultural and related exports to the Philippines grew in 2022, with substantial opportunities in record-high export products, including beef, poultry, dairy products, fruit and vegetable juices, tree nuts, bakery goods, cereals, pasta, dog and cat food, and forest products.

The Philippines ranks the highest in U.S.

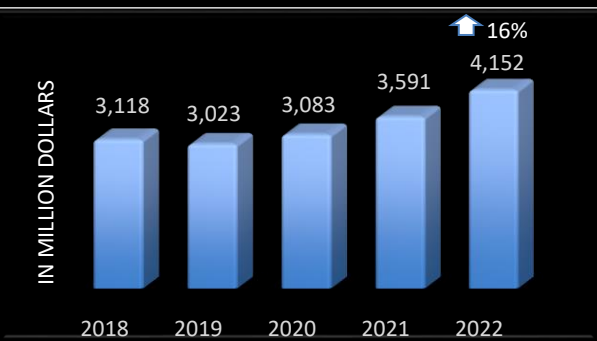
consumer-oriented and intermediate agricultural exports value for Southeast Asia. U.S. dairy products form 36 percent of consumer-oriented exports, while U.S. soybean meal forms 70 percent of intermediate products. Access the [U.S. Agricultural & Related Exports to the Philippines 2017-2022 and January-October YTD Consumer-oriented Products](#) (BICO Report) for other products.

Figure 11. Agricultural Exports to the Philippines



Source: [Trade Data Monitor](#)

Figure 12. U.S. Agricultural and Related Exports to the Philippines



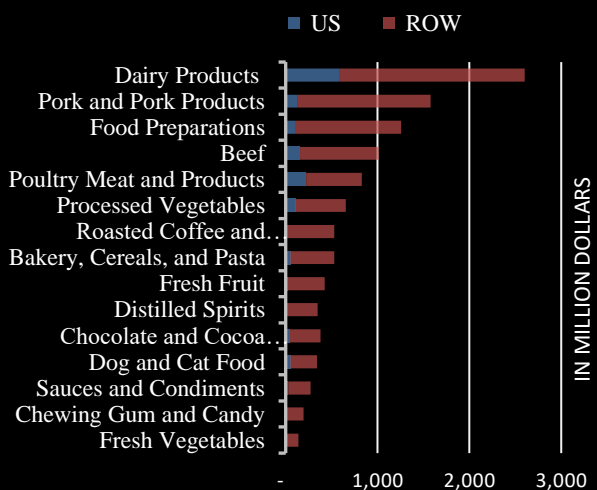
Source: [Global Agricultural Trade System](#)

Figure 13. Ranking of U.S. Consumer-oriented Exports to the Philippines

PRODUCT	RANK 1	RANK 2	RANK 3	RANK 4
Dairy	✓			
Poultry Meat and Products, Processed and Fresh Vegetables, Dog and Cat Food		✓		
Beef, Food Preparations, Fresh Fruit, Chocolate and Cocoa Products, Sauces and Condiments			✓	
Pork and Pork Products, Bakery, Cereals, and Pasta, Chewing Gum and Candy				✓

Source: [Trade Data Monitor](#)

Figure 14. 2022 Top Consumer-oriented Agricultural Exports to the Philippines



Source: [Trade Data Monitor](#)

## SECTION VI. KEY CONTACTS AND EVENTS

USDA-FAS Manila at the U.S. Embassy is ready to assist U.S. exporters in facilitating and promoting trade in the Philippines. See the contact details below of USDA Manila and other key contacts and events:

KEY CONTACTS		
<a href="mailto:AgManila@usda.gov">USDA Manila AgManila@usda.gov</a> Tel: (632) 5301-2000	<a href="mailto:IS.Manila.Philippines@usda.gov">USDA APHIS Manila IS.Manila.Philippines@usda.gov</a> Tel: (632) 5301-2000	<a href="mailto:businessphilippines@trade.gov">Foreign Commercial Service businessphilippines@trade.gov</a> Tel: (632) 5301-4249
<a href="#">Department of Trade and Industry (DTI)</a>	<a href="#">Department of Agriculture</a>	<a href="#">Food and Drug Administration</a>
<a href="#">Tradeline Philippines</a>	<a href="#">Philippine Chamber of Commerce (PCCI)</a>	<a href="#">American Chamber of Commerce of the Philippines (AMCHAM)</a>
<a href="#">Anti-Red Tape Authority</a>	<a href="#">Philippine Exporters Confederation, Inc. (PHILEXPORT)</a>	<a href="#">Philippine Food Processors and Exporters Organization Inc.</a>
<a href="#">Center for International Trade Expositions and Missions (CITEM)</a>	<a href="#">Philippine Chamber of Food Manufacturers Inc. (PCFMI)</a>	<a href="#">Philippine Food Processors and Exporters Organization Inc.</a>
<a href="#">Hotel and Restaurant Association of the Philippines</a>	<a href="#">Food Caterers Association of the Philippines (FCAP)</a>	<a href="#">Association of Purchasing Managers of Hotels and Restaurants of the Philippines</a>
<a href="#">Federation of Philippine Industries</a>	<a href="#">Philippine Retailers Association (PRA)</a>	<a href="#">Filipino-Chinese Bakery Association, Inc.</a>
EVENTS		
<a href="#">FOODEX Japan*</a> Tokyo Big Sight, Japan March 5-8, 2024	<a href="#">Food and Hotel Asia*</a> Singapore Expo, Singapore April 23-26, 2024	<a href="#">THAIFEX-Anuga Asia</a> Impact Muang Thong Thani, Bangkok May 28–June 1, 2024
<a href="#">Manila Food and Beverage Expo</a> World Trade Center, Manila June 12-15, 2024	<a href="#">World Food Expo</a> SMX Convention Center, Manila July 31–August 3, 2024	<a href="#">Food Ingredients Asia*</a> Jakarta International Expo, Jakarta, Indonesia September 4-6, 2004

\*USDA Endorsed Trade Shows

**Attachments:**

No Attachments