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Report Highlights:

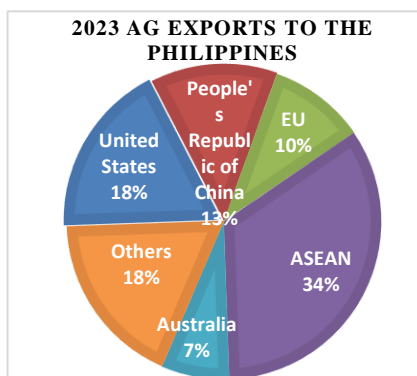
With the Philippines as one of the fastest-growing economies in Southeast Asia, Post sees the retail sector growing five percent as modern retail stores continue to expand. As the largest market for U.S. consumer-oriented exports in the region, the Philippine retail sector provides strong opportunities for U.S. food and beverage products, including chicken, pork, and beef cuts, frozen fries, fresh fruits, soups and broths, chocolate, cookies, biscuits, pancakes, brownies, cereals, sauces and preparations, seasonings, dog and cat food, cheeses, sausages, and turkey.

MARKET FACT SHEET: PHILIPPINES MARKET OUTLOOK

The Philippines is the fastest growing economy in Southeast Asia and one of the largest consumer markets in the region. The country's young, growing, working-age population provides sustained local demand. With a rebound in hospitality and food service and higher employment rates, the economy is expected to reach a six percent GDP growth in 2024.

AG EXPORTS TO THE PHILIPPINES

The Philippines ranked as the ninth-largest market for U.S. agricultural and related products in 2023, reaching **\$3.6 billion**. The United States remains the largest single-country exporter of agricultural products to the Philippines.



Source: Trade Data Monitor

FOOD PROCESSING SECTOR

FAS Manila estimates continued expansion in the food manufacturing sector with moderate growth of five percent. Due to still-elevated inflation rates, local companies continue to face increasing input costs, including higher costs of raw materials. Some manufacturers have increased prices due to increased production costs.

RETAIL FOOD SECTOR

FAS Manila expects slower retail sales growth at five percent due to thriftier spending and less home cooking. Modern retail store expansion to key cities and provinces generates additional retail sales. Stores continue exploring new imported food and

beverage products to offer novel options to consumers.

FOODSERVICE SECTOR

Foodservice sector sales are estimated to grow 15 percent, surpassing pre-pandemic levels as dining out and events resume while tourism picks up. New stores, restaurant concepts, kiosks, and pop-up stores open as more consumers dine out and travel.

Philippines: Quick Facts C.Y. 2024

Demographics

116 million population
1.6% population annual growth
80% speak English & 96% literacy rate

Gross Domestic Product (GDP)

GDP: \$472 billion (est) GDP per capita: \$4,130 (est)
GDP growth rate: 6% (est) GDP PPP: \$1.2 trillion (est)

Agricultural & Related Trade (2023)

Exports to PH: \$20.07 billion PH Exports: \$6.40 billion

Consumer-oriented Agricultural Products (\$1,198 million):

- 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](#)

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 more consumers shift to thriftier spending.

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

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SECTION I. MARKET SUMMARY

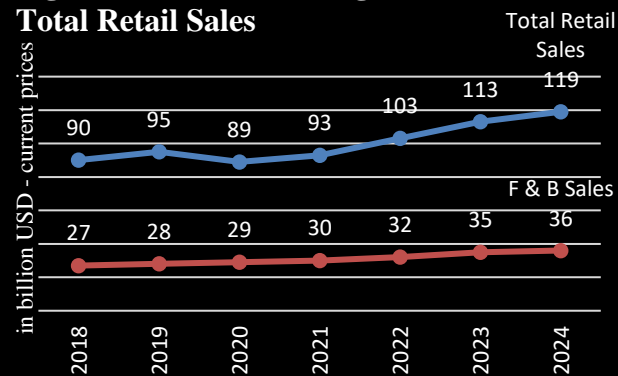
The Philippine food retail market registered healthy sales growth of eight percent in 2023 despite inflationary pressures. Post estimates five percent growth in food and beverage retail sales for 2024 sustained by strong demand with continued expansion of modern retail stores.

Stores offer more imported food and beverage products to provide variety to consumers in the growing middle-income class and upper-income classes, who remain unaffected by inflation. While still-elevated inflation remains, the increase in overseas workers and higher employment rates at home result in more income to cover necessities, including food and beverages.

As most consumers have returned to buying at brick-and-mortar stores, retailers explore cross-selling, launching new products, and highlighting imported product displays as ways to draw new consumers. As consumers spend more time outside their homes, retailers use omnichannel marketing strategies for a seamless, on-demand shopping experience, whether in stores, mobile, or online. Retailers improve operational systems and inventory management to increase efficiency and savings. Other retailers sell private label products, offering value for money to price-sensitive consumers.

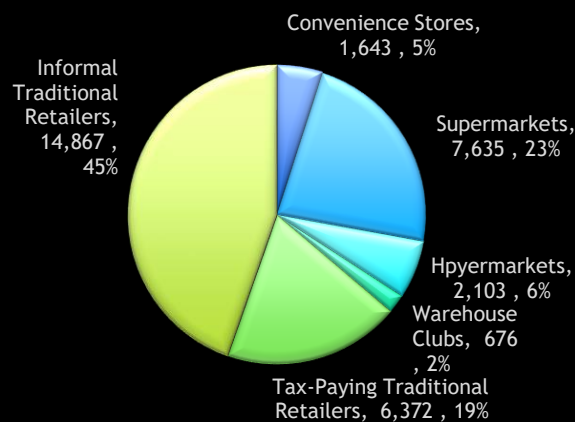
While consumers feel the effects of inflationary pressures, food inflation is expected to moderate slightly as lower tariffs on rice, pork, corn, and other imported products take effect. With local supply challenges, such as lower agricultural production yields, African swine fever (ASF), and recent typhoons, opportunities for imported products have increased. To mitigate food inflation, the government has opened [Kadiwa](#) stores to sell subsidized products and prime commodities at wholesale prices.

Figure 1. Food & Beverage Sales vis-a-vis Total Retail Sales



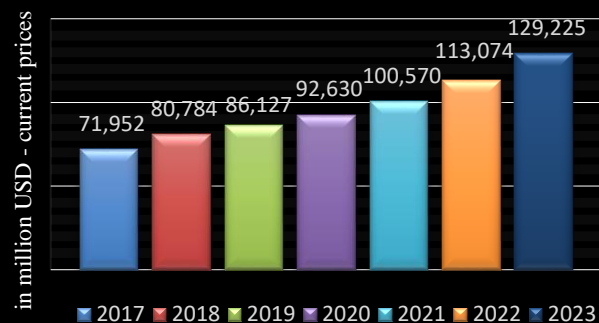
Source: [Euromonitor International](#) and FAS Research

Figure 2. Food Sales by Million and % Share in 2023



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

Figure 3. Household Final Consumption Expenditure on Food and Beverages



Source: [Philippine Statistics Authority](#)

Figure 4. Retail Sales of Hypermarkets

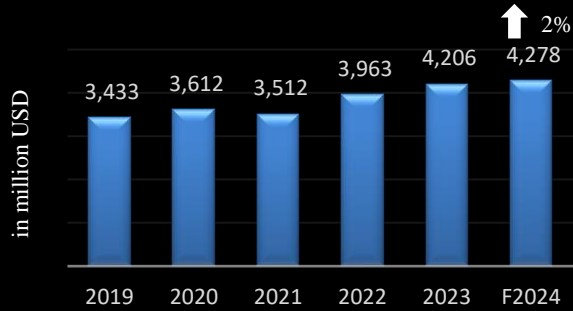


Figure 5. Retail Sales of Supermarkets

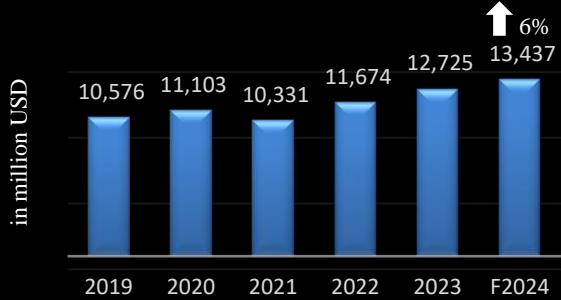


Figure 6. Retail Sales of Convenience Stores

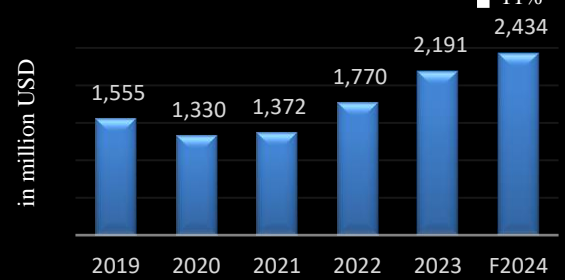
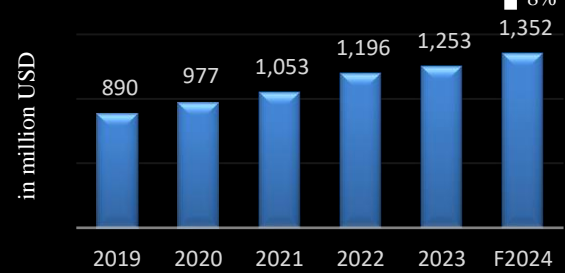


Figure 7. Retail Sales of Warehouse Clubs



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

ADVANTAGES

CHALLENGES

- Filipinos seek familiar U.S. brands and products for their quality and food safety standards, making the Philippines the top Southeast Asian destination for U.S. consumer-oriented products for almost 20 years.	- U.S. products compete with Asian exports, which have lower import tariffs, more affordable prices, and shorter delivery lead times.
- Government provides lower tariffs on rice, pork, and other commodities to address recent lower agricultural production yields and local supply challenges.	- Government uses protective tariffs and increases Philippine importation regulations (e.g., labeling requirements on expiration dates, banning of trans-fatty acids and single-use plastics). Some importers experience delays in obtaining product registration and import permits).
- High-end groceries and warehouse clubs introduce more U.S. brands to offer more product options to consumers.	- Importers experience logistical challenges of interisland deliveries.
- Opening retail stores in other key cities increases retail sales, including imported products.	- Philippine retailers have minimal volume orders, especially for new export products, and rely on U.S. consolidators for container load shipments.
- U.S. trade associations, state regional trade groups, and the State Departments of Agriculture extend support to U.S. exporters and Philippine importers.	- Some business owners are concerned with the rising geopolitical tension between China and the Philippines.

SECTION II. ROAD MAP FOR MARKET ENTRY

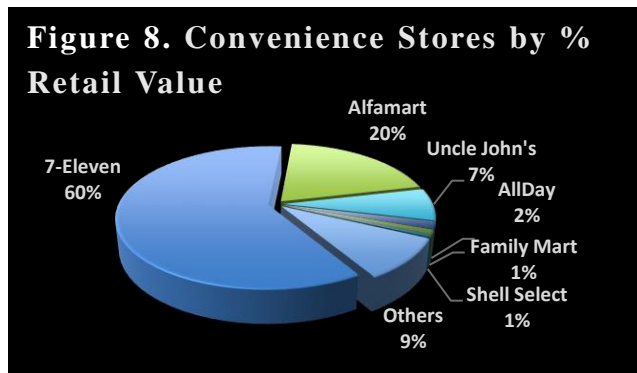
ENTRY STRATEGY AND MARKET STRUCTURE

Access the [Exporter Guide](#) and the [Philippines: FAIRS Annual Country Report](#) for market entry strategies, importation regulations, and procedures for agricultural products.

CONVENIENCE STORES

Across all categories, convenience stores showed the fastest expansion, a 19 percent increase in YOY sales growth. Most convenience retailers continue to buy products from importers.

Convenience stores offer more ready-to-eat meal and coffee options as consumers spend more time outside their homes. Marking its 40th year, 7-Eleven has the largest market share and has featured promotions, such as [spam sandwich meals with U.S. pork](#). Some convenience stores like Select, Treats, and San Mig Food Avenue are co-located with gas stations. Food sales form two-thirds of total convenience store sales, estimated to reach \$2.4 billion in 2024.



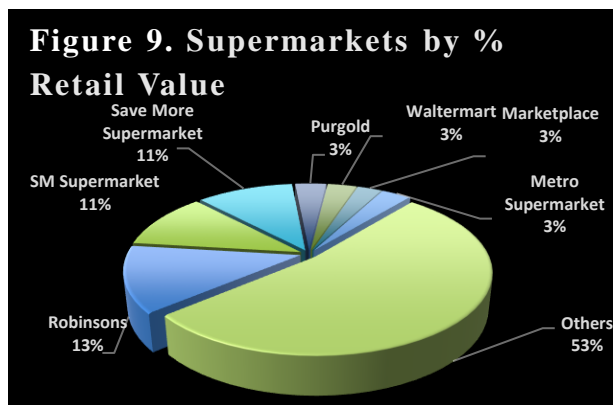
Key Convenience Stores	2022 # of Stores	2023 # of Stores	2023 Mil Sales*
1 7-Eleven	3,393	3,912	\$1,317
2 Alfamart	1,412	1,608	\$426
3 Uncle John's	424	416	\$160
4 AllDay	80	80	\$37
5 Family Mart	79	75	\$22
6 Shell Select	156	157	\$13
7 Lawson	69	72	\$10
8 San Miguel	147	150	\$4

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

*Note: Sales are derived from the percentage of brand share.

SUPERMARKETS

Supermarkets directly import and consolidate orders for some products with convenience stores and hypermarkets belonging under the same company. Some supermarkets experience a boost in sales as more consumers flock to shopping malls i.e., [SM](#) and [Robinsons](#). More stores in smaller formats expand to neighborhoods and rural areas while others supply to mom-and-pop stores, known as sari-sari stores, through mobile applications such as [GrowSari](#). Food sales contribute approximately 60 percent of total supermarket sales, an estimated \$13 million in 2024.



Key Supermarkets	2022 # of Stores	2023 # of Stores	2023 Mil Sales*
1 Robinsons Supermarket	145	145	\$1,654
2 SM Supermarket	61	63	\$1,400
3 Save More Supermarket	214	222	\$1,349
4 Puregold	100	99	\$433
5 Walmart Supermarket	73	78	\$407
6 Metro Supermarket	35	31	\$406
7 Marketplace	34	35	\$344

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

WAREHOUSE CLUBS

Warehouse clubs directly import or purchase imported food and beverages through consolidators abroad. Warehouse clubs feature the largest selection of American brands and conduct promotions to entice volume buying and trial purchases. Given the clubs' limited locations, consumers living in nearby cities or provinces and large households purchase products in large Store Keeping Units (SKUs) or packs of 6, 12, and 24. Warehouse clubs focus on expanding to other key cities and to new locations near Metro Manila. Post sees warehouse club sales reaching 1.4 billion in 2024, with half attributed to food and beverage sales.



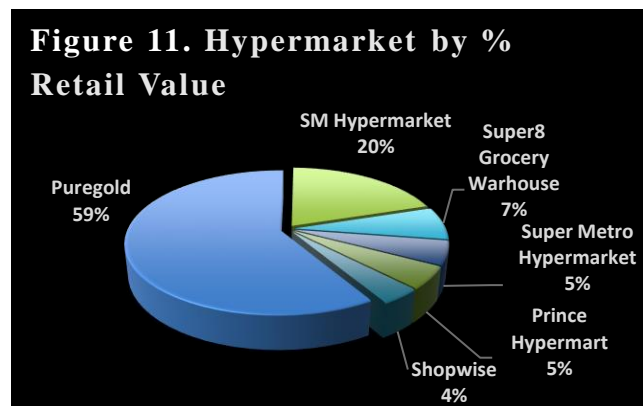
Key Warehouses	2022 # of Stores	2023 # of Stores	2023 Mil Sales*
1 S&R	22	26	\$1,032
2 Landers	7	12	\$221

Source: [Euromonitor International](#) and FAS Research
 *Note: Sales are derived from the percentage of brand share.

HYPERMARKETS

Small grocery retailers and large households buy in bulk from hypermarkets to obtain a lower cost per unit. Puregold, enjoying more than half of the market share, focuses on opening stores in the provinces and uses mobile applications to facilitate orders from sari-sari stores.

Hypermarkets are estimated to reach \$4.2 billion in sales in 2024, with half belonging to food and beverages.



Key Hypermarkets	2022 # of Stores	2023 # of Stores	2023 Mil Sales*
1 Puregold	271	287	\$2,477
2 SM Hypermarket	56	56	\$833
3 Super8 Grocery Warehouse	75	75	\$307
4 Super Metro Supermarket	13	12	\$223
5 Prince Hypermart	54	65	\$210
6 Shopwise	16	16	\$156

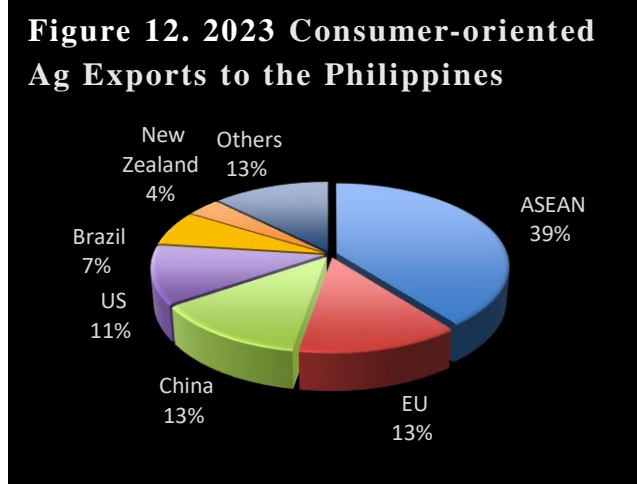
Source: [Euromonitor International](#) and FAS Research

TRADITIONAL FOOD AND BEVERAGE RETAILERS

Though traditional retailers such as wet markets and sari-sari stores hold the largest market share in retail sales, traditional retailers show slower growth than modern retailers. With recent typhoons affecting farms and ASF significantly impacting Philippine hog production, imported pork, beef, and poultry cuts, and fruits present opportunities in wet markets. Sari-sari stores sell beverages and other necessities, including milk, bread, canned meat, and noodles. The majority of traditional retailers are known to operate informally. Based on FAS knowledge, traditional food and beverage retailers will generate six billion dollars in sales, with half of traditional retailer sales belonging to food.

SECTION III. COMPETITION




The Philippines remains the highest U.S. consumer-oriented export market in Southeast Asia, valued at \$1.2 billion, and is currently the eleventh-largest market in the world for U.S. consumer-oriented products. Philippine retailers offer opportunities for U.S. products, thanks to consumers knowing their safety and quality standards. The United States and European Union’s export products face higher tariff rates, logistics costs, and limited market access compared to ASEAN, China, Australia, and New Zealand exports.



Source: [TDM](#)

SECTION IV. BEST PRODUCT PROSPECTS

Table 1. Best Products Categories

TOP CONSUMER-ORIENTED PRODUCTS IMPORTED FROM THE WORLD 	PRODUCTS PRESENT IN THE MARKET WHICH HAVE GOOD SALES POTENTIAL 	PRODUCTS NOT PRESENT IN SIGNIFICANT QUANTITIES BUT WHICH HAVE GOOD SALES POTENTIAL 
<p>- pork, beef, and chicken cuts, frozen fries, soup, food preparations, non-dairy creamer, coffee, dog and cat food, seasoning, soy sauce, ketchup, sugar confectionery, chewing gum, candies, chocolate, apple, cheddar, cream cheese, butter, oil, and ice cream</p>	<p>- chicken, pork, and beef cuts, frozen fries, vegetables, fresh apples, oranges, grapes, cherries, and strawberries, soups and broths, chocolate, cookies, biscuits, pancakes, brownies, cereals, sauces and preparations, seasonings, tomato ketchup and sauces, dog and cat food, ready-to-drink milk, colby, mozzarella cheese, parmesan cheese, butter, sausages, and turkey</p>	<p>- yogurt, condensed milk, egg products, pasta, waffles, grapefruit, nectarines, peaches, plums, apricots, and prunes</p>
<p>TOP CONSUMER-ORIENTED PRODUCTS IMPORTED FROM THE UNITED STATES</p>		<p>PRODUCTS NOT PRESENT BECAUSE THEY FACE SIGNIFICANT BARRIERS</p>
<p>- apple, grape, cranberry, and orange juices, cheddar, ice cream, chicken, pork, and beef cuts, frozen fries, potato chips, fresh apples, oranges, grapes, cherries, and strawberries, almonds, walnuts, raisins, and wines</p>		<p>- fish, onions, and beer</p>

Source: [Trade Data Monitor](#), [Global Agricultural Trade System](#), and USDA-FAS Research

SECTION V. KEY CONTACTS AND FURTHER INFORMATION

PHILIPPINE EVENTS

<u>International Food Exhibition (IFEX) Philippines Next Food Asia</u> World Trade Center, Manila May 10-12, 2024	<u>Manila Food and Beverage Expo</u> World Trade Center, Manila June 12-15, 2024	<u>National Retail Conference and Expo</u> SMX Convention Center, Manila August 29-30, 2024
<u>Bakery Fair</u> World Trade Center, Manila March 6-8, 2025	<u>Philippine Food Expo</u> World Trade Center, Manila April 4-6, 2025	<u>World Food Expo</u> SMX Convention Center, Manila World Trade Center, Manila August 6-9, 2025

REGIONAL EVENTS

<u>FHA-HoReCa</u> Singapore Expo, Singapore October 22-25, 2024	<u>FOODEX JAPAN</u> Tokyo Big Sight, Japan March 11-14, 2025	<u>FHA-Food & Beverage</u> Singapore Expo, Singapore April 8-11, 2025
<u>THAIFEX–Anuga Asia</u> Impact Muang Thong Thani Bangkok, Thailand May 27 - 31, 2025	<u>Asia Fruit Logistica</u> AsiaWorld-Expo, Hong Kong September 3-5, 2025	<u>Seafood Expo Asia</u> Sands Expo and Convention Centre September 10-12, 2025

KEY CONTACTS AND INFORMATION

<u>USDA FAS Manila</u> <u>AgManila@usda.gov</u> Tel: (632) 5301-2000	<u>USDA APHIS Manila</u> <u>IS.Manila.Philippines@usda.gov</u> Tel: (632) 5301-2000	<u>U.S. Commercial Service</u> <u>businessphilippines@trade.gov</u> Tel: (632) 5301-4249
<u>Department of Trade and Industry (DTI)</u>	<u>Philippine Chamber of Commerce and Industry (PCCI)</u>	<u>American Chamber of Commerce of the Philippines (AMCHAM)</u>
<u>Philippine Retailers Association (PRA)</u>	<u>Center for International Trade Expositions and Missions (CITEM)</u>	<u>Philippine Exporters Confederation, Inc. (PHILEXPORT)</u>

Attachments:

No Attachments