Construction Sector in the Philippines

British Chamber of Commerce Philippines
THE PHILIPPINES

- 40th largest global economy and predicted to be a top 16 global economy by 2050 ([HSBC Report](https://www.hsbc.com/))
- Ranked 52nd out of 140 countries in the Global Competitiveness Index (WEF)
- One of the fastest growing economies in ASEAN 2013: Investment grade ratings from Moody’s, Standard & Poor’s, Fitch and NICE Investors Service
- Called the Asia’s Rising Tiger (World Bank)
- Hardworking, educated, English proficient ([BEI](https://www.britishouncil.org/philippines())), inexpensive and young work force
CONSTRUCTION SECTOR OVERVIEW

- The construction and real estate sectors make up around 20% of the Philippine Economy and accounts for 7% of national employment - Oxford Business Group

- Seen to grow at 10.9% in 2015 – BMI

- In the first quarter of 2015, 29,688 construction projects were approved – Philippine Statistics Authority

- 25,000 residential condominiums will be built in Manila’s main business districts over the next two years, representing almost half the 58,000 units built over the past 40 years. – Colliers International

Skyway Stage 3 project displayed along Osmeña Highway in Manila
CONSTRUCTION SECTOR OVERVIEW

• Expected to sustain its strong growth in 2015, as the turnover in both public and private sector construction activities is seen to reach about P1.7 trillion

• A total of 37 projects currently in the PPP pipeline which are expected to boost the construction sector

• BPO sector and remittance inflows will also drive the growth of the construction sector

Construction of the four-lane elevated NAIA Expressway (credits: Manila Bulletin)
BUSINESS OPPORTUNITIES

- Rise in private sector property developments, both for housing and commercial establishments
- Increase in allocation for housing and construction projects of the government
- Increasing number of Public-Private Partnership (PPP) Projects being offered by the government
- Investment incentives for ecozone developers granted by the Philippine Economic Zone Authority (PEZA)
- More opportunities at http://ppp.gov.ph/
CHALLENGES

• Political uncertainty and change in leadership could undermine continuity of policies and result in delays or cancellations of projects.

• Obtaining construction permits is a long, complicated and expensive task (29 procedures, taking 84 days on average)

• Property registration, on average, takes 39 days to complete (can also be quite costly)

• Frequency of natural disasters

• Shortage of skilled workers as they opt to seek work abroad