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**Report Highlights:**

Fueled by a rebound in hospitality and food service, the Philippine economy outperformed Singapore, Thailand, Malaysia, and Indonesia in 2023 despite inflationary pressure. Total U.S. agricultural and related exports to the Philippines reached \$3.6 billion in 2023 with U.S. consumer-oriented and intermediate agricultural exports ranking the highest in Southeast Asia. The market presents export opportunities for U.S. food and beverage products including fruit and vegetable juices, dairy, poultry, beef, pork, processed fruit and vegetables, tree nuts, wine, fresh fruit, sauces and condiments, food preparations, chocolate and cocoa products, confectionary, and pet food.

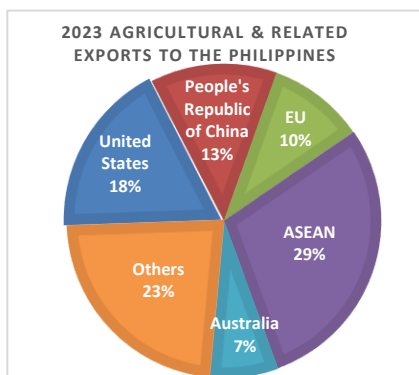
## MARKET FACT SHEET: PHILIPPINES MARKET OUTLOOK

Despite some moderation from inflation and global challenges the Philippine economy outperformed Singapore, Thailand, Malaysia, and Indonesia in 2023. The robust market is poised to achieve six percent growth for 2024, boosted by tourism, a rebound in food service, and additional income from overseas Filipino workers.

## AGRICULTURAL 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

Food manufacturing sales are estimated to grow a moderate five percent as local companies continue to face increasing input costs, especially raw materials due to still-elevated food inflation rates. Increased production costs will lead to more manufacturers increasing product prices.

## RETAIL FOOD SECTOR

FAS Manila expects slower sales growth at seven percent in retail stores as consumers travel more often and spend less time cooking at home. Retail chain stores, however, continue expansion in key cities and provincial areas. Lower local supply of certain commodities due to the prolonged drought further contributed to rise in retail prices.

## FOOD SERVICE SECTOR

FAS Manila sees the sector surpassing pre-pandemic levels with a 10 percent sales increase in 2024. Expansion in the food service industry continues as dining in and events resume while tourism picks up. New stores, restaurant concepts, kiosks, and pop-up stores open as more consumers dine in 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 P.H.: \$20.07 billion      P.H. 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 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

Still in the infant stage of a population’s ageing process, the Philippine population will reach 134 million in 2055, growing annually at 1.5 percent, higher than neighboring countries and the world. With around 20 percent of the population belonging to the upper class and increasing number of middle-income consumers, the market provides opportunities for food and beverage products as income and population rise.

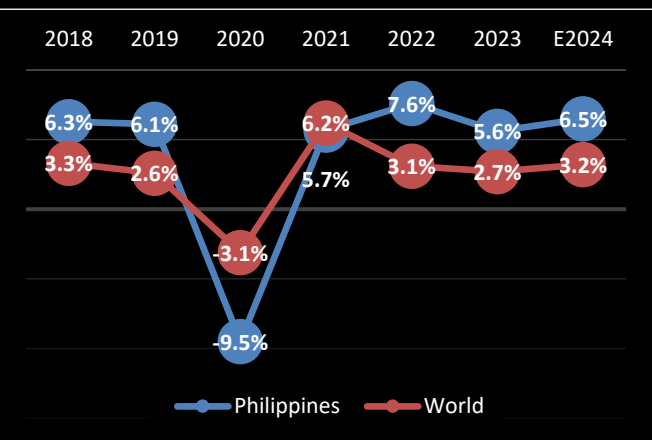
Complementing the fast development in some highly urbanized cities, the Philippines has four of the world’s top ten most densely populated cities, including, Manila, the country’s capital.

Having more than 7,000 islands provides a variety of food and tourist destinations and corresponding robust growth in food service and tourism. Despite being a Spanish colony for three centuries, the Philippines has strong American influence, paving the way for American restaurant franchises and U.S. food and beverage retail brands to thrive.

### Size of economy and consumer behavior

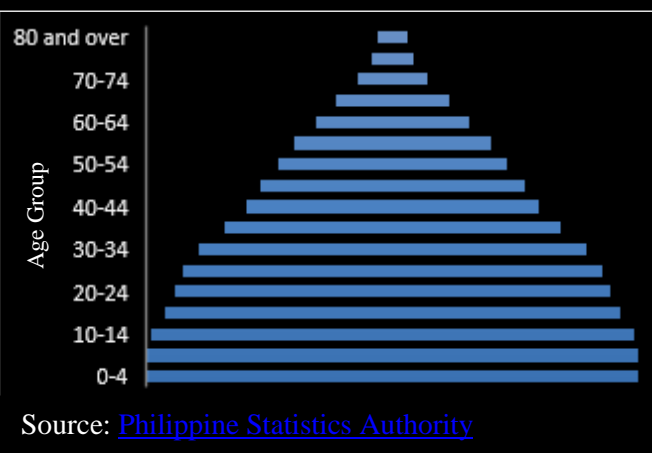
The country’s Gross Domestic Product based on Purchasing Power Parity (GDP PPP) surpassed Malaysia at 1.3 trillion dollars in 2023. Although the unemployment rate of 4.3 percent is below the government target of 5.3 percent, spending still tightens as more consumers settle for jobs with less pay. Though food and non-alcoholic beverages form the majority of household spending at 37 percent, spending on travel, restaurants, and hotels increases. Elevated food and non-alcoholic beverages prices force most of the population to reduce their consumption despite year-to-date inflation tempering down at 3.5 percent. The top three contributors to inflation in May were food and non-alcoholic beverages (57 percent), restaurants and accommodation services (13 percent), and transport (8 percent). More than half

Figure 1. Gross Domestic Product (in percentage growth rate)



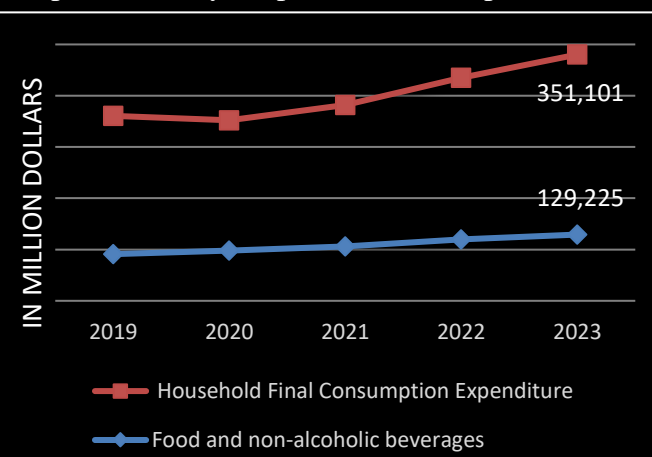
Source: [World Bank](#) and FAS Research

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](#)

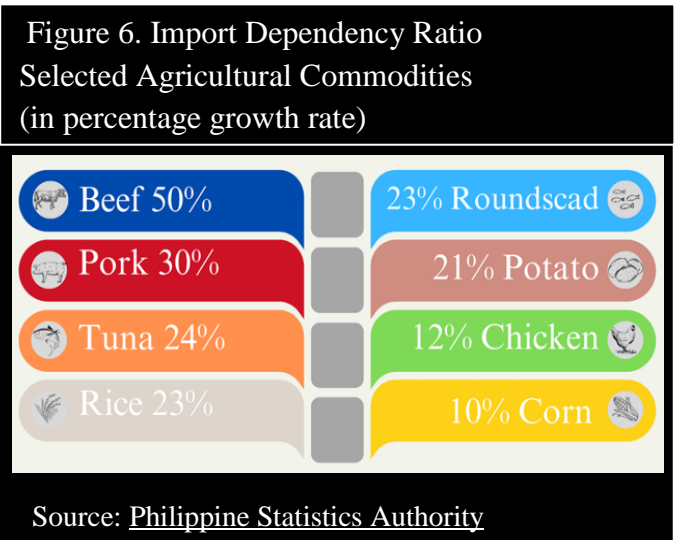
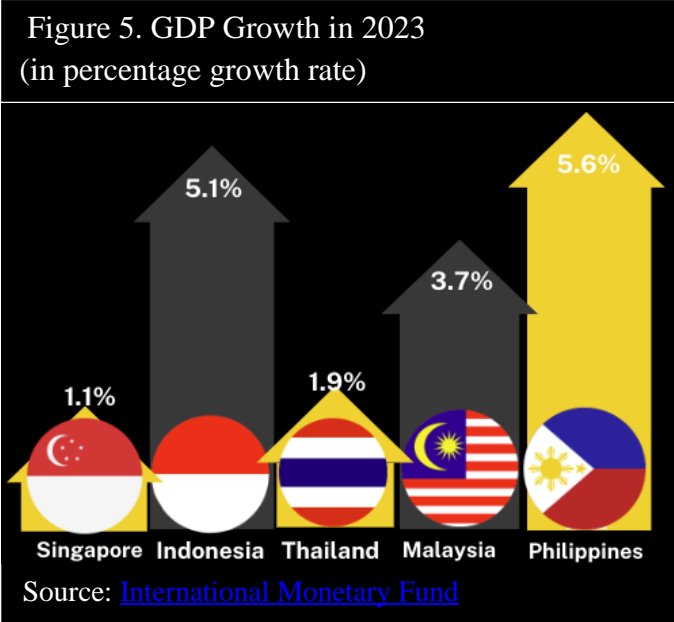
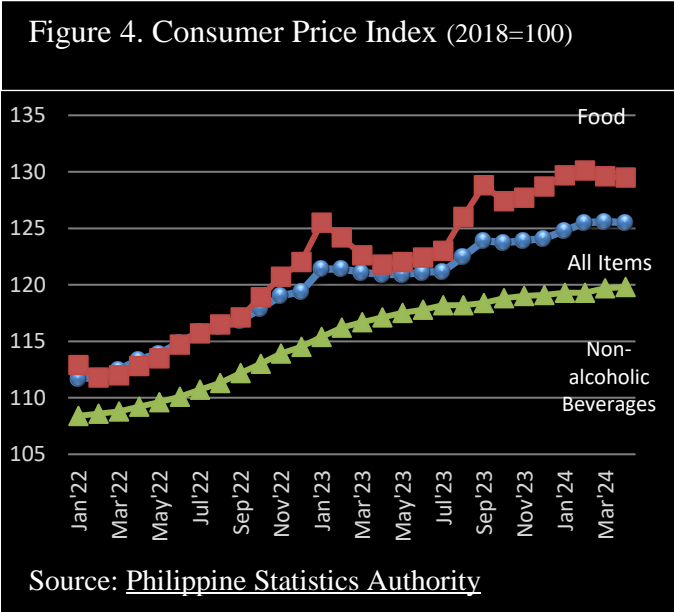
of the population belongs to the service industry, including the foodservice sector. Remittances from overseas Filipino workers contributed to the economy with a year-on-year growth of three percent in 2023.

**Overall business climate**

While full-year GDP for 2023 surpassed pre-pandemic levels by 8.6 percent, the economy faces challenges from a weak global economy, geopolitical tensions, higher electricity rates and transportation costs, minimum wage adjustments, and still-elevated inflation. The economy, however, demonstrates resilience with a moderate growth of 5.7 percent in domestic demand: household spending, construction, and government spending in the first quarter. With steady credit ratings and influx of foreign direct investments, the Philippines’ economic condition remains stable and indicates greater economic openness. The government promotes diversification in economic growth drivers such as enhancing agricultural productivity, integrating digital infrastructure, reforming the production sector, enabling energy and water public infrastructure, as well as social infrastructure i.e., schools, healthcare facilities, and housing.

**Recent trends**

The country’s importation dependency ratio on agricultural commodities grows with intensified heat indexes and drought, which affected agricultural production in previous months. The government reported agricultural losses amounting to 45 million dollars due to prolonged periods of drought. Supply and prices of agricultural commodities affected include vegetables, corn, and rice. Further damage to agriculture is expected from June to August with above-normal rainfall as floods worsen.



## SECTION II. EXPORTER BUSINESS TIPS

### Utilize U.S. Trade Support:

- ✓ Access the [Philippines Country Commercial Guide](#) for more information on the country's economic and political environment.
- ✓ 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.
- ✓ Know the market and access GAIN and Market Brief reports at [USDA Manila](#).

### Contact Buyers:

- ✓ Connect with major importers, large manufacturers, or key processors with offices in major cities (i.e., Manila, Cebu, and Davao).
- ✓ Contact central purchasing offices of conglomerates, retail supermarket chains, restaurants chains and groups.
- ✓ Access sectoral reports in [USDA Manila](#) for top food processors, retailers, and restaurants.

### Establish Agreements:

- ✓ Before the first shipment, secure an importer agreement to set expectations and delineate roles and responsibilities.
- ✓ Ship full-container loads to lower freight costs.
- ✓ Access [Incoterms](#) for shipment options and guidelines.

### Selecting Ports:

- ✓ Determine the nearest or preferred port of the buyer.
- ✓ Avoid shipping during the fourth quarter of the year due to congested ports.
- ✓ Manila Port receives 80 percent of agricultural exports to the Philippines and the rest are shipped to Cebu, Davao, Subic, Batangas, Cagayan de Oro, and other ports. Access the report [Connecting Port to Plate Amid Evolving Food Preferences](#) for details.
- ✓ Access the Bureau of Customs for [port updates](#).

### Maintain Trade Support:

- ✓ Provide trade support such as trade incentives, technical servicing, marketing support, especially for new-to-market products.
- ✓ Provide support for e-commerce to increase online sales and brand awareness of export products. The Philippines regularly tops social media and internet usage global rankings.
- ✓ Participate in U.S. Cooperator and USDA-Manila-led activities and events.
- ✓ Build long-term relationships with importers and frequently visit the market.

### 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

While most exporters transact with agents, distributors, or importers in key cities, other exporters directly contact the central purchasing offices of manufacturers and retail stores. These arrangements 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: FAIRS Export Certificate Report Annual](#), and the [Philippines Country Commercial Guide](#). 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

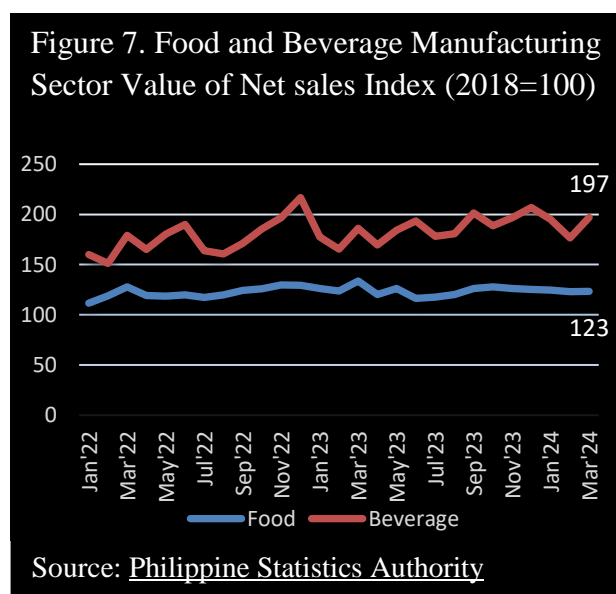
#### **FOOD PROCESSING**

FAS Manila forecasts the food and beverage manufacturing sector reaching five-percent growth in 2024 with export opportunities for soybean meal and soy products, wheat products, powdered milk, buttermilk, pork offal, liver, guts, bladders, and stomach, chipping potatoes, starches, tomato sauce, food preparations, dried grapes, unsweetened peaches, dextrans, peptones, proteins, tree nuts, and pulses.

As a result of COVID-19 challenges, manufacturers incurred higher input costs such as raw materials, electricity, gas, and labor that led to increased prices for some products. Some manufacturers look for alternative sources here and abroad to maintain supply of raw materials and reduce ingredient costs. See the [Food Processing Ingredients](#) report for details.

#### **Market Opportunities**

- Buyers prefer U.S. ingredients due to reliable performance and high-quality standards.
- Manufacturers rely on U.S. companies for trainings and trade servicing to increase production efficiency and improve product quality.
- Exporters can introduce new flavors or ingredients with health benefit claims.



#### **Key Issues**

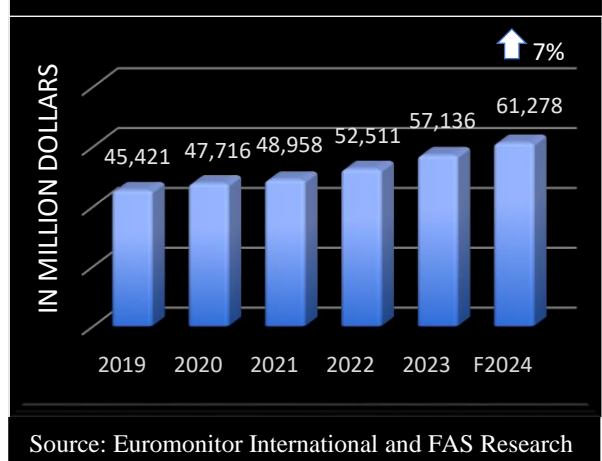
- Cost cutting measures of some local manufacturers cause buyers to look for other suppliers or decrease volume of orders.
- U.S. shipments can have higher costs and longer lead times compared to Asian countries.
- Rising prices of gas and electricity result in higher transportation and storage fees to distribute products.



## **FOOD RETAIL**

FAS Manila forecasts seven percent growth, slower compared to previous years, in food retail sales. With increased mobility and resumption of work, more consumers prefer dining in restaurants and food deliveries for convenience rather than home cooking. With food inflation rates still elevated, retail stores increase prices of most of their products. Agricultural damage and lower production caused by the long drought further contributed to soaring prices, especially in wet markets i.e., rice, corn, and vegetables. Price-sensitive consumers purchase products such as snacks sparingly as they prioritize other spending.

Figure 8. Food and Beverage Retail Sales



As retail chains continue expansion in key cities and rural areas, supermarkets, hypermarkets, convenience stores, and warehouse clubs provide export opportunities for ultra-high temperature (UHT) and chocolate milk, butter, cheddar, mozzarella, cream cheese, ice cream, soy milk, chicken leg quarters and breasts, tomato sauces, sausages, hotdogs, luncheon meat, meatloaf, pasta, seasoning, tomato ketchup, raisins, nuts, peas, beans, kidney beans, garlic, onions, potatoes, mushroom, chocolate, candies, cereals, bakery goods, frozen fruits and vegetables, beverages, and pet food. See the latest [Retail Foods](#) report for further information.

## **Market Opportunities**

- Retail stores in provinces and key cities outside Metro Manila sell more industrial packages of mozzarella, cheddar, cheese spread, mayonnaise, and ketchup for restaurants and caterers.
- American food and beverage products in modern retail stores continue to have high brand recognition and higher sales compared to their competitors.
- More retail stores highlight imported sections and feature products during celebrations.
- Large retail stores continue to seek U.S. manufacturers for their private label brands.
- Some consumers prefer products from the United States, especially fresh fruits, due to their reliability, safety, and quality taste.
- Retail stores open new outlets and increase product assortment to reach annual sales targets.

## **Key Issues**

- Retail chains charge high retailer fees to carry new products or feature products in promotions.
- Unknown brands may have difficulty selling in stores.
- Snack foods and other products started to show a decline in sales with less frequent purchases.

## **FOOD SERVICE**

FAS Manila expects consumer food service sales to surpass pre-pandemic levels with a 10 percent increase in 2024 as popular restaurants and hotels reach full capacity, and caterings for meetings, conferences, and exhibitions resume. As restaurant franchises open more stores, new restaurant and pop-up concepts emerge. As more international tourists visit, opportunities increase for imported ingredients as dining sales pick up and new hotels open in and around Metro Manila.

Limited-service restaurants, mostly serving fried chicken and pizza, are a high proportion of food service outlets. This means volume orders for chicken leg quarters, mozzarella, and other imported ingredients. With increased mobility, street kiosks grew the fastest amongst all segments offering opportunities for potato fries, processed meat, fruit beverages, and roasted coffee and bean extracts as more coffee shops open. More consumers frequented bars and fine dining restaurants, resuming on-premises consumption of distilled spirits and wines. Online deliveries expanded coverage in key cities and selected provinces.

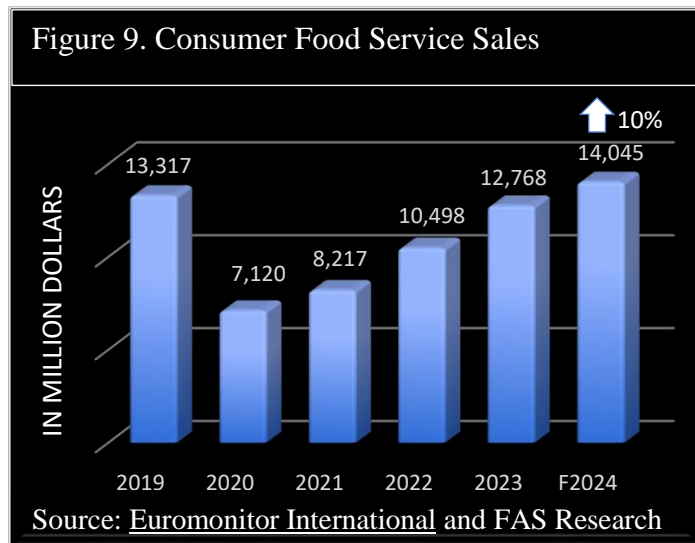
Aside from hotels, restaurant chains and restaurant groups provide volume orders and may import directly, i.e., [The Bistro Group](#), [Moment Group of Restaurants](#), [Jollibee Foods Corp.](#), [Max's Group Inc.](#), [Shakey's International Inc.](#), and [Yum! Brands Inc.](#) For further information, access the [Food Service- Hotel Restaurant Institutional](#) report.

## **Market Opportunities**

- Chicken leg quarters for quick-service restaurants and mozzarella for pizza restaurants offer large export volumes.
- Opening of new hotels, increased occupancy in hotels rooms, and more event bookings provide volume orders of export products for dining and catering services.
- High-end restaurants and hotels highlight U.S. ingredients on the menu (i.e., ribeye, porterhouse, tenderloin, Kurobuta pork, duck, cheese, and wines)
- Warehouse clubs, supermarkets, and convenience stores open food service stores to provide food menus for consumers.

## **Key Issues**

- Some small-volume restaurants work with importers for sourcing or purchase from retail stores with industrial packages.

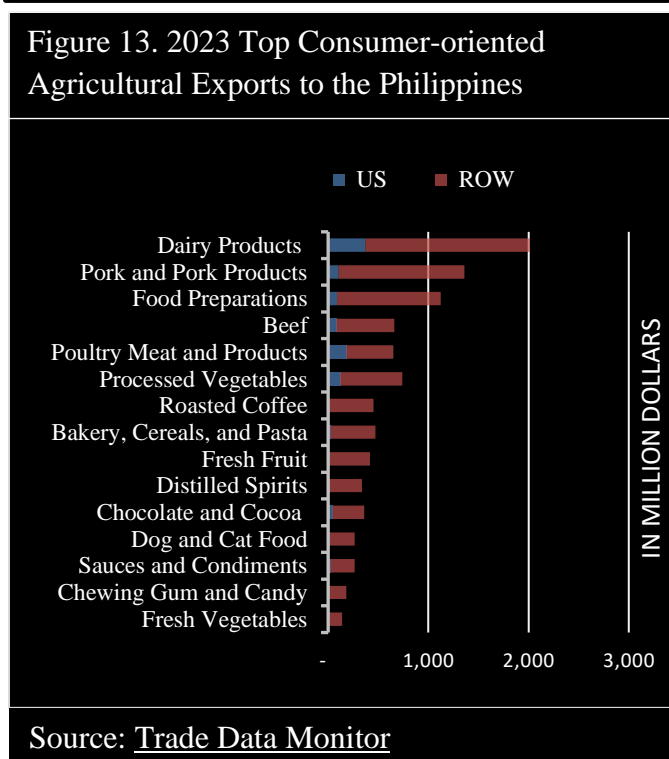
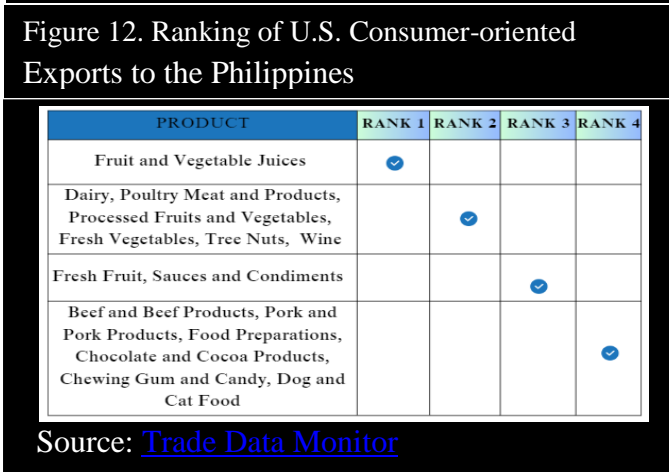
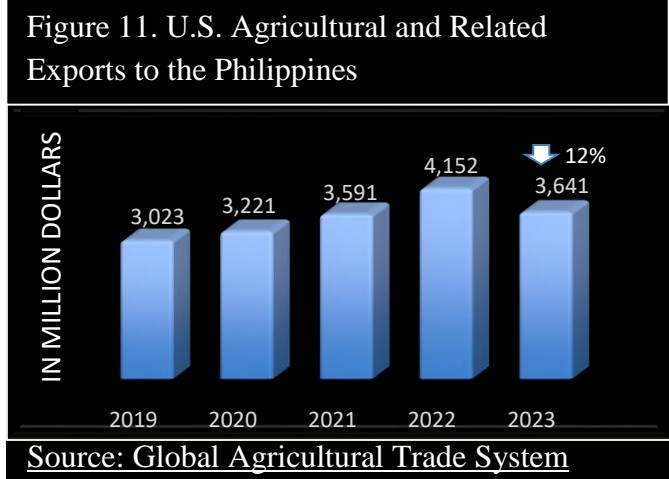
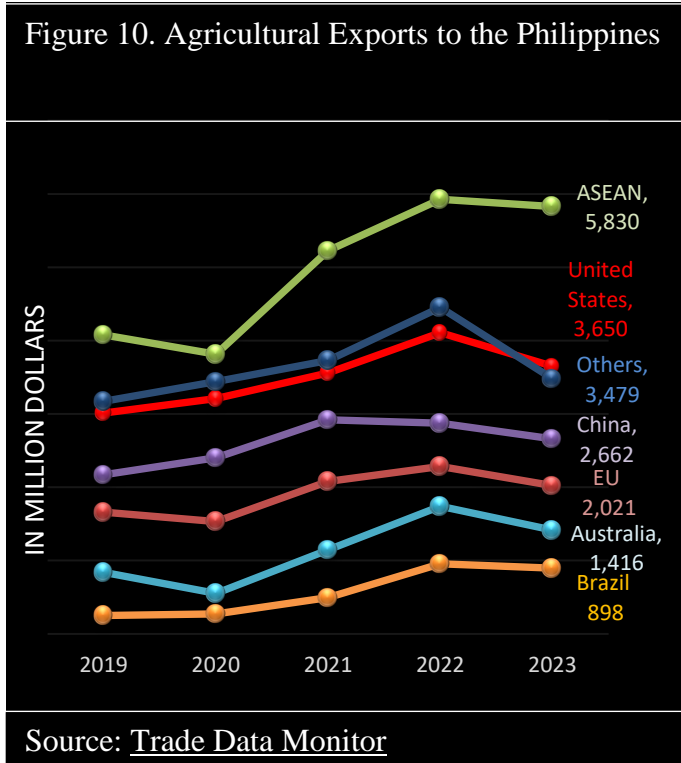




**SECTION V. AGRICULTURAL AND FOOD IMPORTS**

Overall U.S. agricultural and related exports to the Philippines dropped in 2023, with several export products coming down from record highs in 2022. Markets for soybean meal, distillers grains, meat products, and distilled spirits saw record-high exports in 2023. Exports of wheat, beef, pork, poultry, dairy products, dog and cat food, and forest products saw some decline in 2023.

The Philippines remains the highest in U.S. consumer-oriented and intermediate agricultural exports value for Southeast Asia. U.S. dairy products, beef, pork, and poultry form 64 percent of consumer-oriented exports, while U.S. soybean meal, reaching record-high export value, forms 81 percent of intermediate products. U.S. wheat leads bulk exports with 21 percent of total U.S. agricultural exports. Access the [U.S. Agricultural & Related Exports to the Philippines 2019-2023 and January-April YTD 2024](#) (BICO Report) for other products.



## 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="#">Association of Purchasing Managers of Hotels and Restaurants of the Philippines</a>
<a href="#">Hotel and Restaurant Association of the Philippines</a>	<a href="#">Food Caterers Association of the Philippines (FCAP)</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="#">Seoul Food and Hotel*</a> KINTEX, Seoul, Korea June 11-14, 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 Show

**Attachments:**

No Attachments