

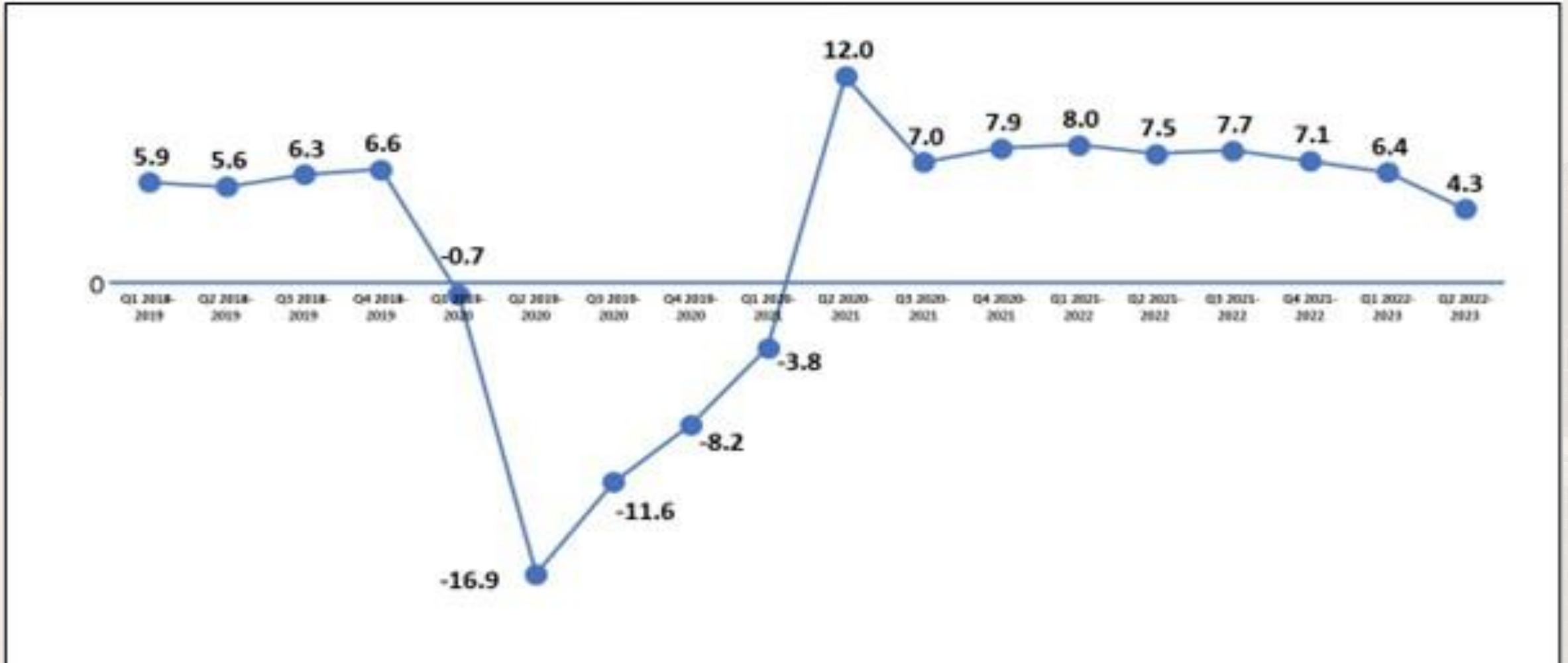


# PHILIPPINE CONSTRUCTION INDUSTRY OVERVIEW

COUNTRY REPORT BY THE PHILIPPINE CONSTRUCTORS ASSOCIATION

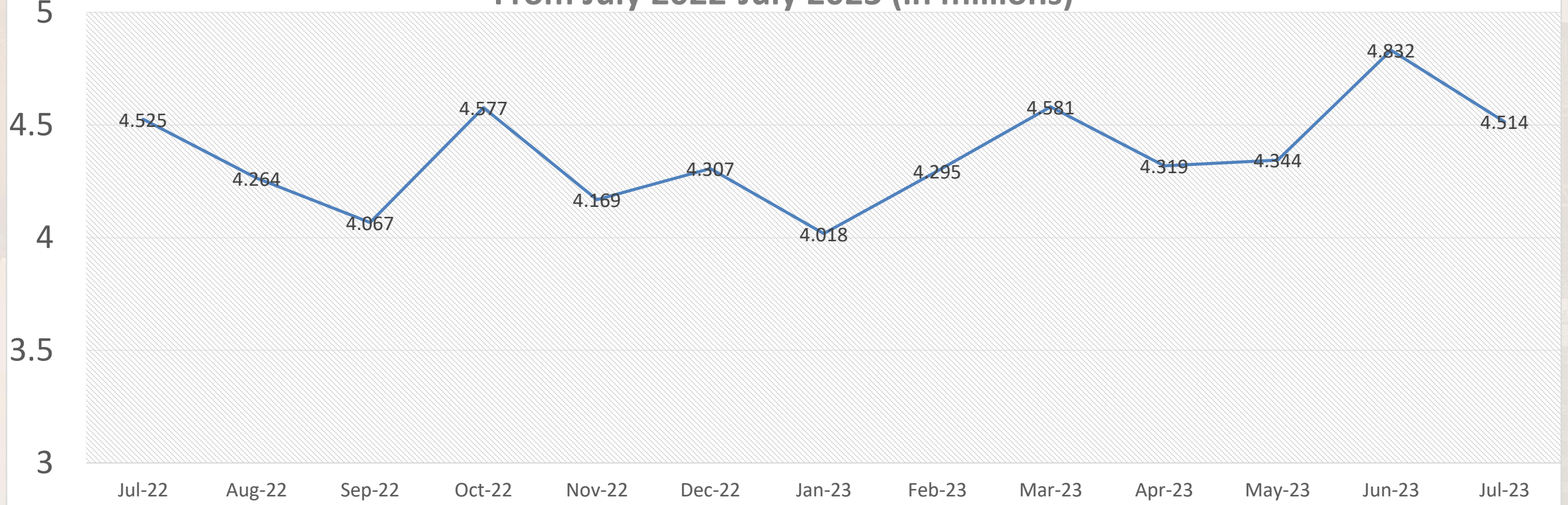


# GDP GREW BY 4.3% IN Q2 2023



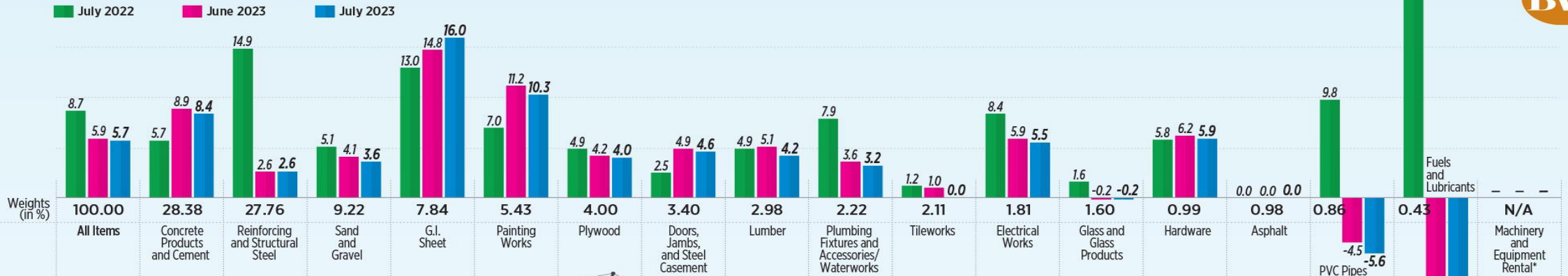
# CONSTRUCTION WORKFORCE

**Number of Industry Workers  
From July 2022-July 2023 (in millions)**



# COST OF MATERIALS SLOWING DOWN

**By Commodity Group (Wholesale, Year-on-Year % Change)**

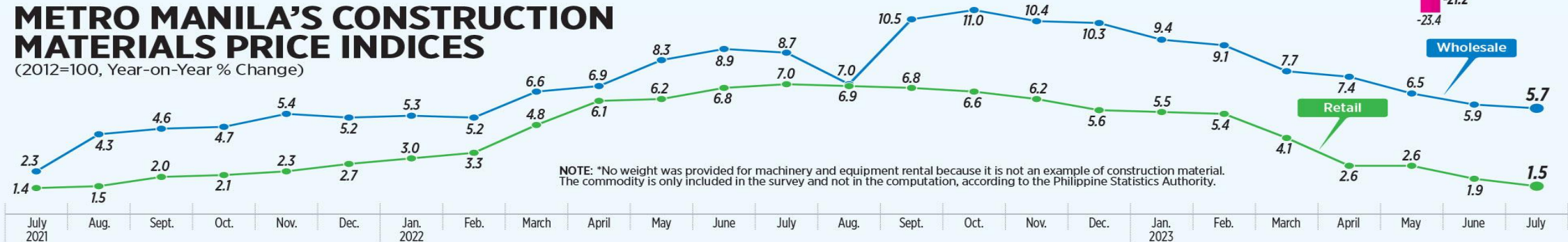


**By Commodity Group (Retail, Year-on-Year % Change)**

Commodity Group	Weights (in %)	July 2022	June 2023	July 2023
All Items	100.00	7.0	1.9	1.5
Tinsmithry Materials	21.76	9.3	3.9	3.4
Plumbing Materials	17.30	8.1	0.3	0.3
Carpentry Materials	17.22	3.2	2.1	1.2
Miscellaneous Construction Materials	15.78	9.8	-1.6	-0.8
Painting Materials and Related Compounds	13.49	5.7	4.2	3.1
Electrical Materials	7.36	4.4	1.2	1.2
Masonry Materials	7.11	4.4	1.6	1.5

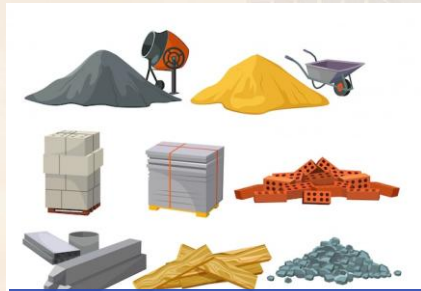
## METRO MANILA'S CONSTRUCTION MATERIALS PRICE INDICES

(2012=100, Year-on-Year % Change)



NOTE: \*No weight was provided for machinery and equipment rental because it is not an example of construction material. The commodity is only included in the survey and not in the computation, according to the Philippine Statistics Authority.

# CONSTRUCTION INDUSTRY CONCERNS



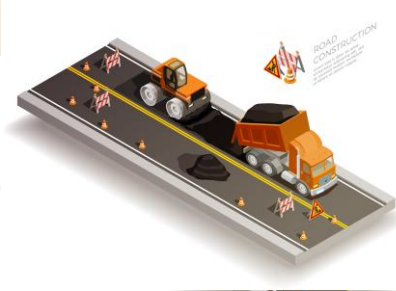
## Cost of Construction Materials and Equipment

Materials and Equipment are affected by global issues



## Competitive Bidding at Sustainable Margins

The extra cost of doing business remains an issue



## Security of Payments and Right of Way Acquisition

Cashflow to ensure the continuity of projects



## Skills and Training of Workforce

Despite its multiplier effect, productivity still lags compared to other sectors



## Technological Advancements

To be globally competitive, we must have the latest technology

# ASSOCIATION INITIATIVES



## EDCOM 2 - Second Congressional Commission on Education

Part of the Advisory Council for TVET and Lifelong Learning



## National Industry Training Board for the Construction Sector

Harmonize stakeholders' and partners' efforts in capacity building for construction



## Training and Capacity Development Programs

Organizes programs which bridges the gap between the industry and academe



## Government Representations

Part of the Various Implementing Boards of Construction Industry Authority of the Philippines

# RELEVANT LEGISLATIVE MATTERS



## **E.O 34 - PAMBANSANG PABAHAY PARA SA PILIPINO PROGRAM (NATIONAL HOUSING PROGRAM)**

President Marcos declaring the 4PH as a flagship program of the government



## **PUBLIC PRIVATE PARTNERSHIP LAW**

S.B. No. 2233 aims to promote PPP for infrastructure facilities



## **LONG-TERM INFRASTRUCTURE MASTER DEVELOPMENT PLAN**

Senator Ejercito aims to create and institutionalize the Long-Term Infra Master Development Plan through S.B No. 158

# INDUSTRY UPDATES

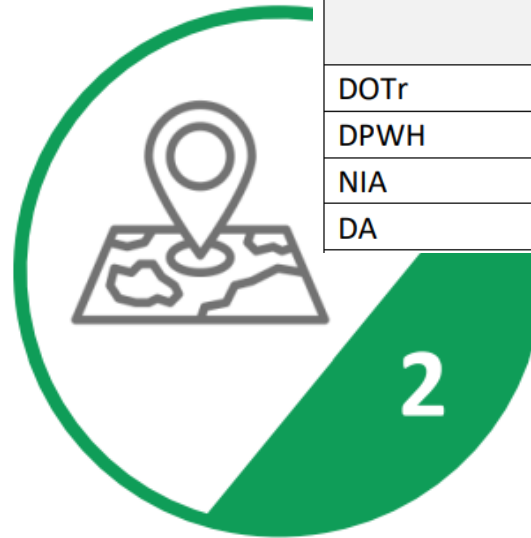
## Criteria for Inclusion in the List of IFPs



1

### First-Level Screening / “Must” Criteria

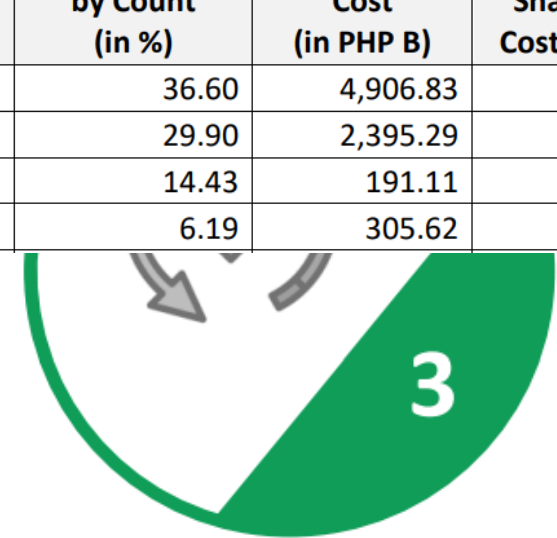
- ✓ Consistent with and contributes to national development objectives and priorities
- ✓ Costing at least PHP2.5bn (USD\$45.5mn\*)



2

### Second-Level Prioritization

- ✓ Spatial/Geographical Context
- ✓ Priority Areas for Increased Spending
- ✓ Premium for PPP projects not requiring budget allocation



3

### Third-Level Categorization

- ✓ Implementation readiness

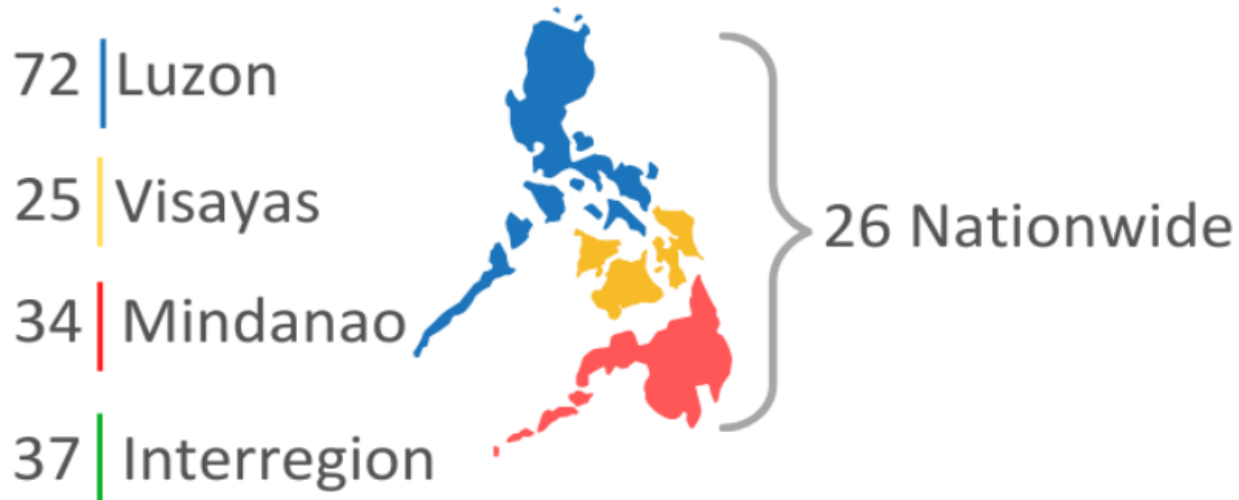
Table 1. IFPs by Implementing Agency

IA	Project Count	Percent Share by Count (in %)	Indicative Cost (in PHP B)	Percent Share by Cost (in %)
DOTr	71	36.60	4,906.83	59.11
DPWH	58	29.90	2,395.29	28.86
NIA	28	14.43	191.11	2.30
DA	12	6.19	305.62	3.68

# BREAKDOWN OF IFPs

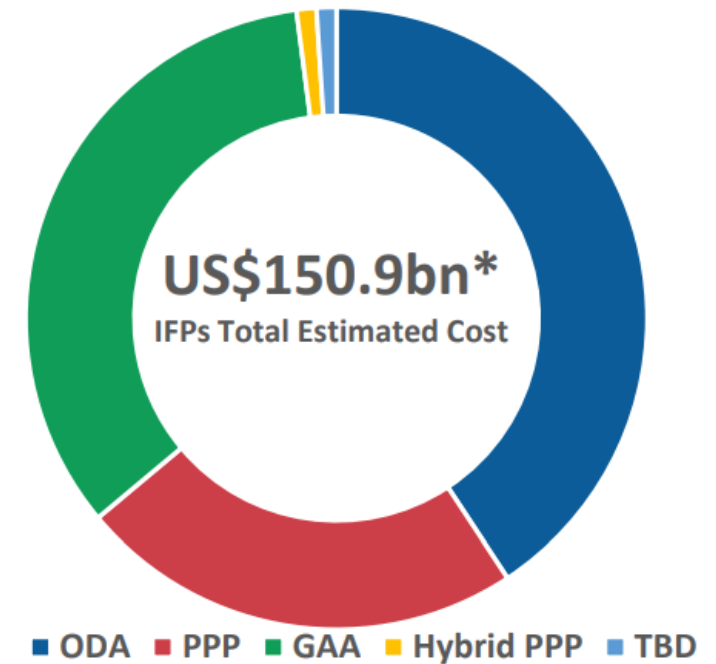
194 high-impact IFPs to spur and accelerate economic growth across the archipelago

Number of IFPs per region (as of 31 March 2023)



Massive investment in infrastructure

IFPs by mode of financing



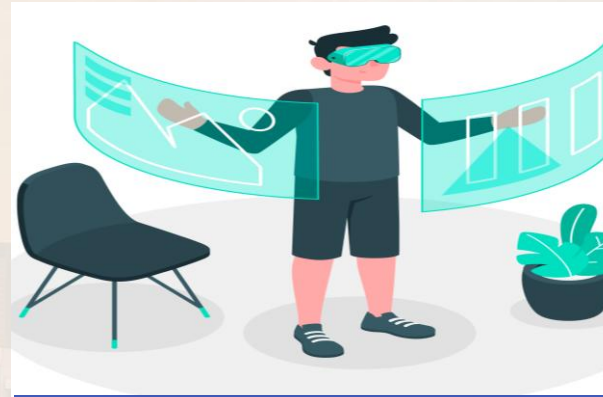
Enhancing competitiveness through infrastructure buildup

# INVESTMENT OPPORTUNITIES



## TRAINING AND UPSKILLING OF WORKFORCE

New ways of training and assessing are needed in order to increase the skills capabilities of workforce



## TECHNOLOGY TRANSFER

As we transition to Industry 4.0/5.0, modern technology, which can increase productivity is welcome



## PUBLIC PRIVATE PARTNERSHIPS

Joint Ventures and PPPs are prioritized by the government to lessen expenditures

# Thank you!

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