

PHILIPPINES (PH) – CHINA (CN) TRADE AND INVESTMENT RELATIONS

PH-CN Bilateral Merchandise Trade¹, 2020-2022

(Values in US\$ Billion)

	Total	Exports	Imports	BOT
2020	30.70	9.83	20.87	(11.04)
2021	38.35	11.55	26.80	(15.25)
2022 ^p	39.17	10.97	28.20	(17.24)

Note: Details may not add up to totals due to rounding.

p - preliminary

- In 2022, CN ranked as the PH's top trading partner (out of 230), 3rd largest export market (out of 209) and top import supplier (out of 216).
- PH exports to CN declined by 5.09% from US\$11.55 B in 2021 to US\$10.97 B in 2022. This was mainly due to the decrease in the outward shipment of aluminum oxide, other than artificial corundum (↓83.26%), from US\$568.69 M in 2021 to US\$95.18 M in 2022, and cathodes and sections of cathodes, of refined copper (↓34.58%), from US\$1.26 B in 2021 to US\$824.92 M in 2022. There was also a significant increase in the exportation of digital monolithic circuits (↑25.64%), which helped offset the decline in total exports.
- On the other hand, PH imports from CN expanded by 5.24% from US\$26.80 B in 2021 to US\$28.20 B in 2022. This could be mainly attributed to the increase in inward shipment of products such as: a) vehicles, of a cylinder capacity exceeding 1,000cc but not exceeding 1,500cc, with spark-ignition internal combustion (↑72.00%); b) photosensitive semiconductor devices, including photovoltaic cells whether or not assembled in modules or made up into panels; light emitting diodes (↑123.16%); c) light petroleum oils and preparations thereof (↑43.38%); and d) sheet piling of iron or steel, whether or not drilled, punched or made from assembled elements (↑53.98%). However, the increase was offset by the decline in the importation of the following: a) vaccines for human medicine (↓97.19%); b) parts and accessories of the machines of heading no. 84.71 (↓37.54%); and c) petroleum oils and oils obtained from bituminous minerals, other than light, not elsewhere specified (n.e.s.) (↓16.71%).

PH Products and Services for Promotion to CN²

- Electronic equipment
 - Smart cards; electronic integrated circuits; LED lamps
 - Computer data storage units
 - Parts of office machines
 - Transistors greater than or equal to 1 Watt
 - Parts of telephone sets & other transmission apparatus
- Fruits – Bananas, fresh or dried
- Machinery, electricity – Static converters

Approved Investments from CN³, 2020-2022

	In PhP M	In US\$ M*	Rank
2020	15,596.20	314.29	2 nd
2021	2,144.01	43.53	7 th
2022	1,426.39	26.18	9 th

*US\$ value converted using respective BSP annual average exchange rates: PhP49.6241 (2020); PhP49.2546 (2021); and PhP54.4778 (2022)

Approved Investments from CN by Industry, 2021-2022 (Values in PhP M, GR in %)

Industry	2021	2022	GR
Real estate activities	9.2	804.2	**
Manufacturing	581.1	395.0	(32.03)
Agriculture, forestry and fishing	-	144.9	-
Wholesale and retail trade; repair of motor vehicles and motorcycles	59.0	46.4	(21.33)
Financial and insurance activities	29.6	30.7	3.81
Transportation and storage	0.8	2.5	203.93
Accommodation and food service activities	-	1.7	-
Other service activities	-	1.0	-
Administrative and support service activities	207.5	0.003	(100.00)
Electricity, gas, steam and air conditioning supply	772.8	-	(100.00)
Construction	471.4	-	(100.00)
Professional, scientific and technical activities	11.5	-	(100.00)
Information and communication	1.2	-	(100.00)
Total Approved Investments from CN	2,144.0	1,426.4	(33.47)

Notes: Ranking according to 2022 performance.

**Growth rate greater than 1,000%

Details may not add up to totals due to rounding

Priority Sectors for Investment Promotion to China⁴

- Manufacturing
 - Electronics Manufacturing Services (EMS)
 - Automotive (Motorcycles, Auto Parts, E-Vehicles, Power Batteries)
 - Medical Devices
 - Construction Materials
 - Iron and Steel
- Infrastructure & Construction
 - Build, Build, Build (BBB) Projects
 - Smart Cities (New Clark City, Digital Cities)

¹ Philippine Statistics Authority (PSA) as processed by the Export Marketing Bureau (EMB)

² ITC Export Potential Map as of 09 March 2023

³ **Approved Investments** refer to investments approved by the nine (9) investment promotion agencies (IPAs), namely, BOI, PEZA, SBMA, CDC, BOI-ARMM, AFAB, CEZA, PPMC and TIEZA.

Source: Quarterly Foreign Investments in the Philippines, 2020-2022, PSA, 15 February 2023

⁴ Validated by PTIC-Beijing, PTIC-Guangzhou and PTIC-Shanghai on February 2022 as cited by BOI-IIPS on 21 February 2022

4. Metals (except ferrous & precious)
 - a. Copper cathodes
 - b. Nickel oxide sinters
 5. Mineral resources – Nickel ores & concentrates
- Top PH Commodity Exports to CN, 2022**
(Values in US\$ Billion, Share in Percent)

Code	Description*	Value	Share
TOTAL PH EXPORTS TO CN		10.97	100.00
854221	Digital monolithic integrated circuits	2.89	26.31
260400	Nickel ores and concentrates	1.20	10.99
740311	Cathodes and sections of cathodes, of refined copper	0.82	7.52
980318	Semiconductor devices manufactured from materials on consignment basis	0.76	6.96
270119	Other coal, whether or not pulverised, but not agglomerated	0.39	3.51

**Based on the 2004 Philippine Standard Commodity Classification (PSCC04) groupings at 6 digits. Details may not add up to totals due to rounding.*

Top PH Commodity Imports from CN, 2022
(Values in US\$ Billion, Share in Percent)

Code	Description*	Value	Share
TOTAL PH IMPORTS FROM CN		28.20	100.00
271019	Petroleum oils and oils obtained from bituminous minerals, other than light, n.e.s.	1.65	5.87
980229	Other materials, accessories and supplies imported on consignment basis for the manufacture of semiconductor devices	1.45	5.14
847330	Parts and accessories of the machines of heading no. 84.71	0.58	2.06
870322	Vehicles, of a cylinder capacity exceeding 1,000cc but not exceeding 1,500cc, with spark-ignition internal combustion	0.50	1.79
271011	Light petroleum oils and preparations thereof	0.47	1.67

**Based on the 2004 Philippine Standard Commodity Classification (PSCC04) groupings at 6-digit. Details may not add up to totals due to rounding.*

- c. Public Private Partnership (PPP) Projects
- d. Real Estate Development
- e. Construction Services
3. Digital Industries
 - a. Innovation & Digital Technologies / Start-ups
 - b. Hyperscalers (Data Centers)
 - c. Information Technology & Business Process Management (IT-BPM) (including Creatives)
4. Renewable Energy
5. Food and Agribusiness