

2022/CTI/WKSP10/010

Session 4

# Reconfiguring the Philippine Global Value Chains for Post-Pandemic Recovery

Submitted by: Philippines



Workshop on Opportunities and Challenges for Global Value Chains During the COVID-19 Pandemic and Post-Pandemic Economic Recovery 13-14 October 2022

# **MAKE IT HAPPEN** EPHILIPPINES

Reconfiguring the Philippine GVC for Post-Pandemic Recovery

**Acting Director REYNALDO D. LIGNES** 

Board of Investments – Manufacturing Industries Service

APEC Workshop on Opportunities and Challenges for GVCs during COVID-19 Pandemic and PostPandemic Economic Recovery 13-14 October 2022

## The Board of Investments



DTI's lead government agency responsible for industry promotion in the Philippines

Take the lead in the promotion of investments, assist Filipino and foreign investors to venture and prosper in desirable areas of economic activities

Registers qualified activities under the Strategic Investment Priorities Plan (SIPPand administers incentives to compliant registered projects

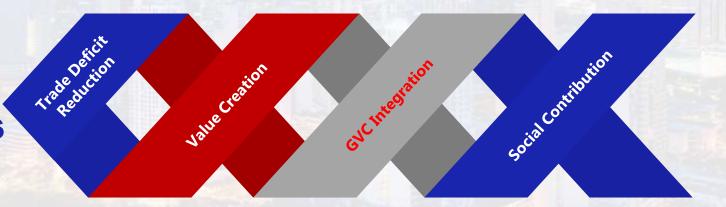
# **The Industry Development Program**

Goal

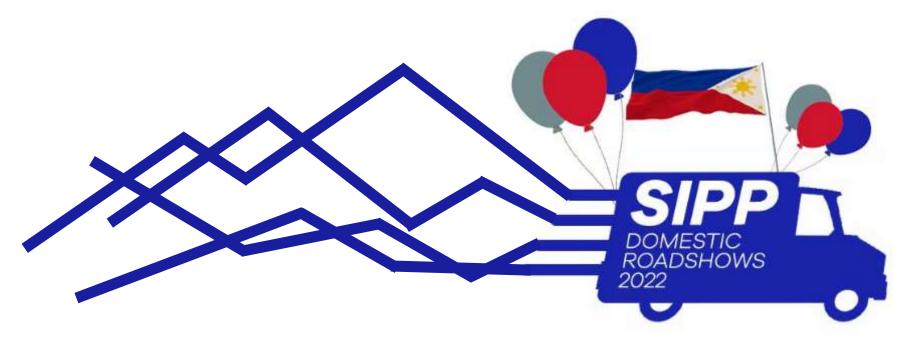
#### **Creating a better future for Filipinos in the Philippines**

by developing industries and attracting investments that will provide jobs, foster innovation and improve the competitiveness of the local industries, responsive to the needs of the global market

Strategic Objectives



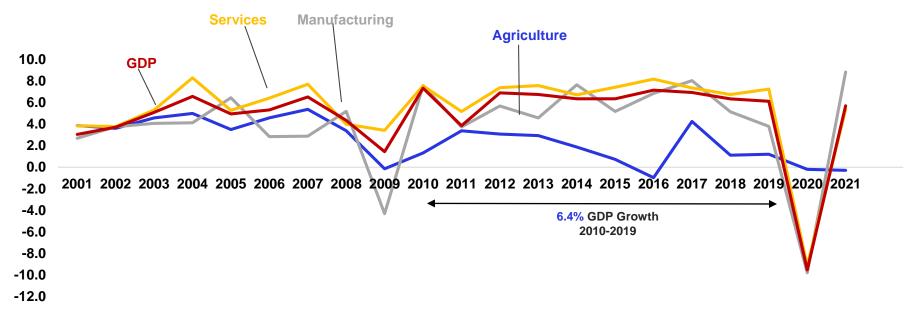
# **EPHILIPPINES**ECONOMIC PERFORMANCE



Source: Philippine Statistics Authority (2021)

## **ECONOMIC PERFORMANCE**

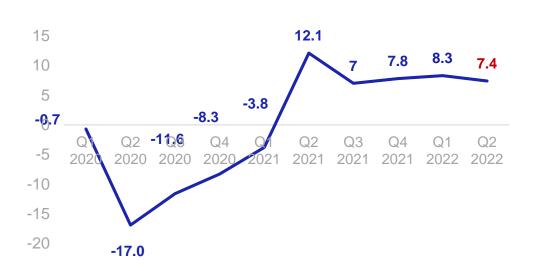
Growth Rate of Key Economic Sectors (%)





### **ECONOMIC PERFORMANCE**

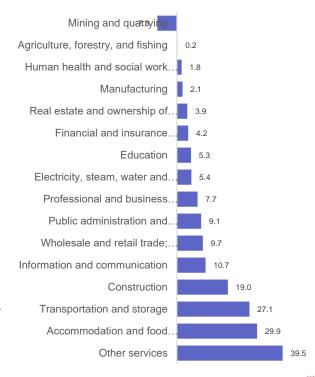
#### **GDP Growth Rate (Q1 2020 –Q2 2022)**



The main contributors to the 2nd quarter 2022 growth were: Other services at 39.5%, Accommodation & food services at 29.9%; transportation & storage at 27.1%; constructionat 19%; and information & communication at 10.7%.

#### **GDP Growth by Industry**

Q2 2022 in %

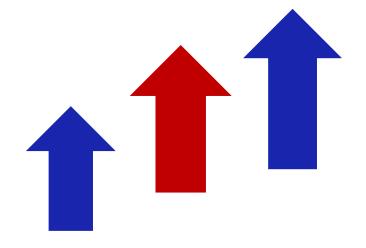




Sources:PSA

## **FPHILIPPINES**

**GVCs and Economic Recovery** 





Source: Philippine Statistics Authority (2021)

# MEGATRENDS impacting GVCs

COVID -19 Digitalization

Service Sector boosting Manufacturing Exports

Service Offshoring Expansion Automation and Al







# Economic Recovery through GVC Reconfiguration







#### Science, Technology, and Innovation-based Industrial Strategy to grow globally competitive & innovative industries

#### **Embrace Industry 4.0**

Smart Manufacturing, AI, IIoT, 5G, etc.

Leapfrog to new & emerging industries

**Transform industries** towards an increasing share of STI-intensive sectors to **GDP** 

#### **Innovative MSMEs & Startups**

- Upsize MSME & accelerate their growth
- Prepare SMEs for digital transformation
- Build robust startup ecosystem

#### **Integrate Industry Development** Trade and Investment

- Link manufacturing with agriculture & services
- Deepen GVC participation
- **Expand trade & investment**

#### **Enabling Economic Environment to** attract more investments

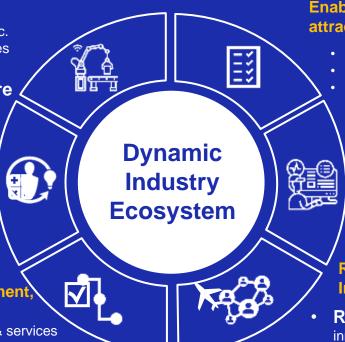
- Simplification of processes, automation
- Power, logistics, infrastructure
- LGU competitiveness

#### **Upskill/Reskill Workforce**

- Build STI & research capabilities
- Upgrade education curricula
- Skills training programs, improve digital skills

#### Regional development, Innovation, Entrepreneurship

- Regional industrialization through innovation & use of essential technologies for development of regional industries
- Creation of new products, services, business models
- Promote research commercialization



#### Philippines is on its way to full recovery and be a \$1-trillion economy by 2033 (IHS Markit)





# #PHILIPPINES

#### Thank you very much.

#### Reynaldo D. Lignes

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