

PHILIPPINE CONSTRUCTORS ASSOCIATION INC.



# PHILIPPINE COUNTRY REPORT

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3rd Quarter of 2020

*50th ACF Virtual Council Meeting  
11 December 2020*





# Presentation Outline

## TOPICS FOR DISCUSSION

- COVID-19 Situation
- Economic Situation
- Building Materials
- Construction Issues
- Investment Opportunities







## PART 1

# COVID-19 Situation

MOST RECENT DEVELOPMENTS IN THE COUNTRY  
OFFICE RESPONSE



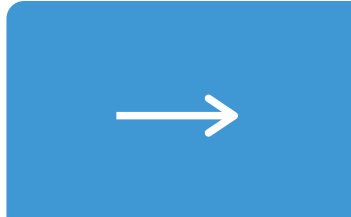
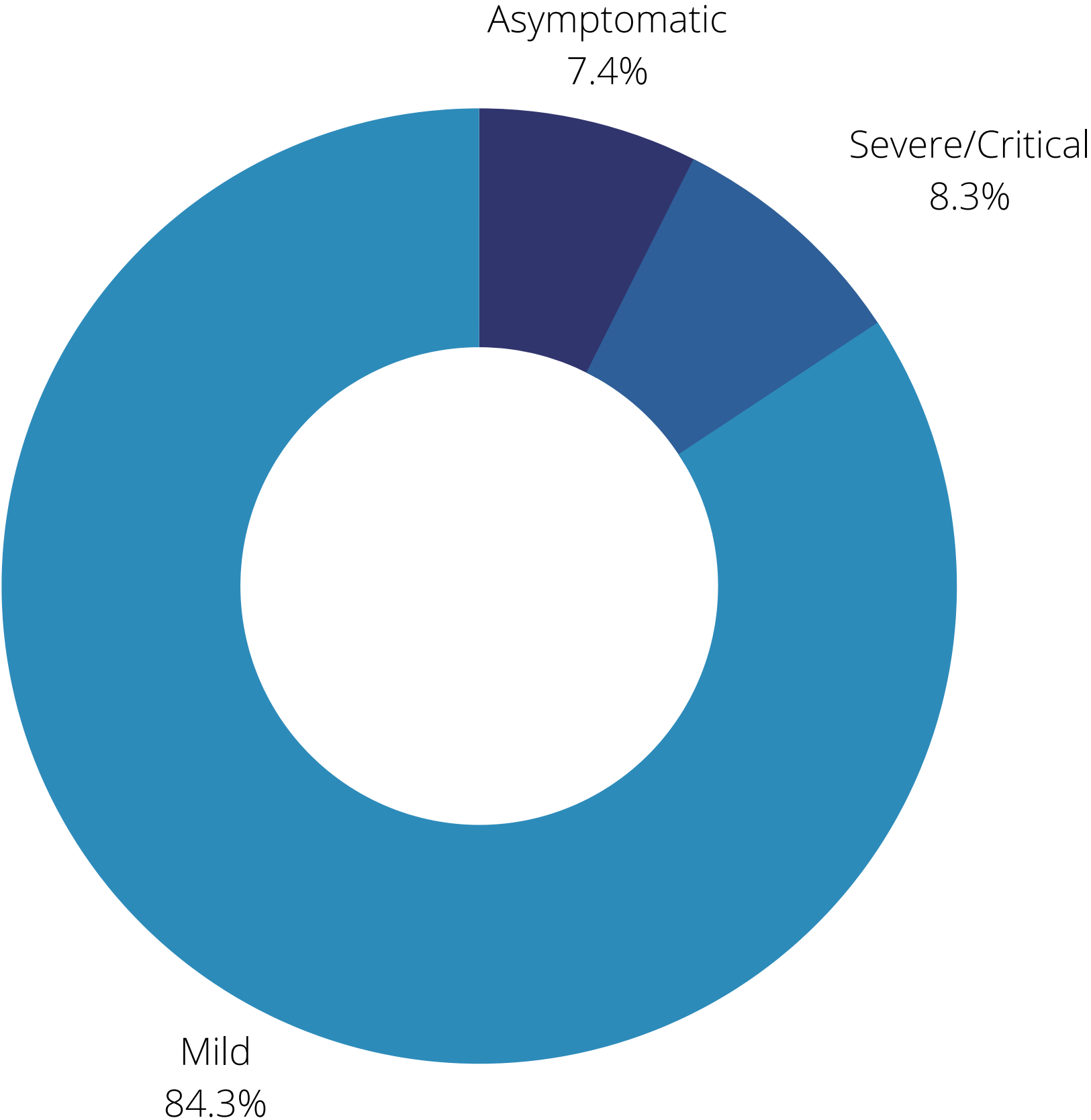
# Active COVID-19 Cases in the Philippines

AS OF 1 DECEMBER 2020

The far majority, or around 92%, are mild or asymptomatic cases.

- Asymptomatic - 1,904
- Mild - 21, 686
- Severe/Critical - 2,135

Source: Department of Health - Philippines

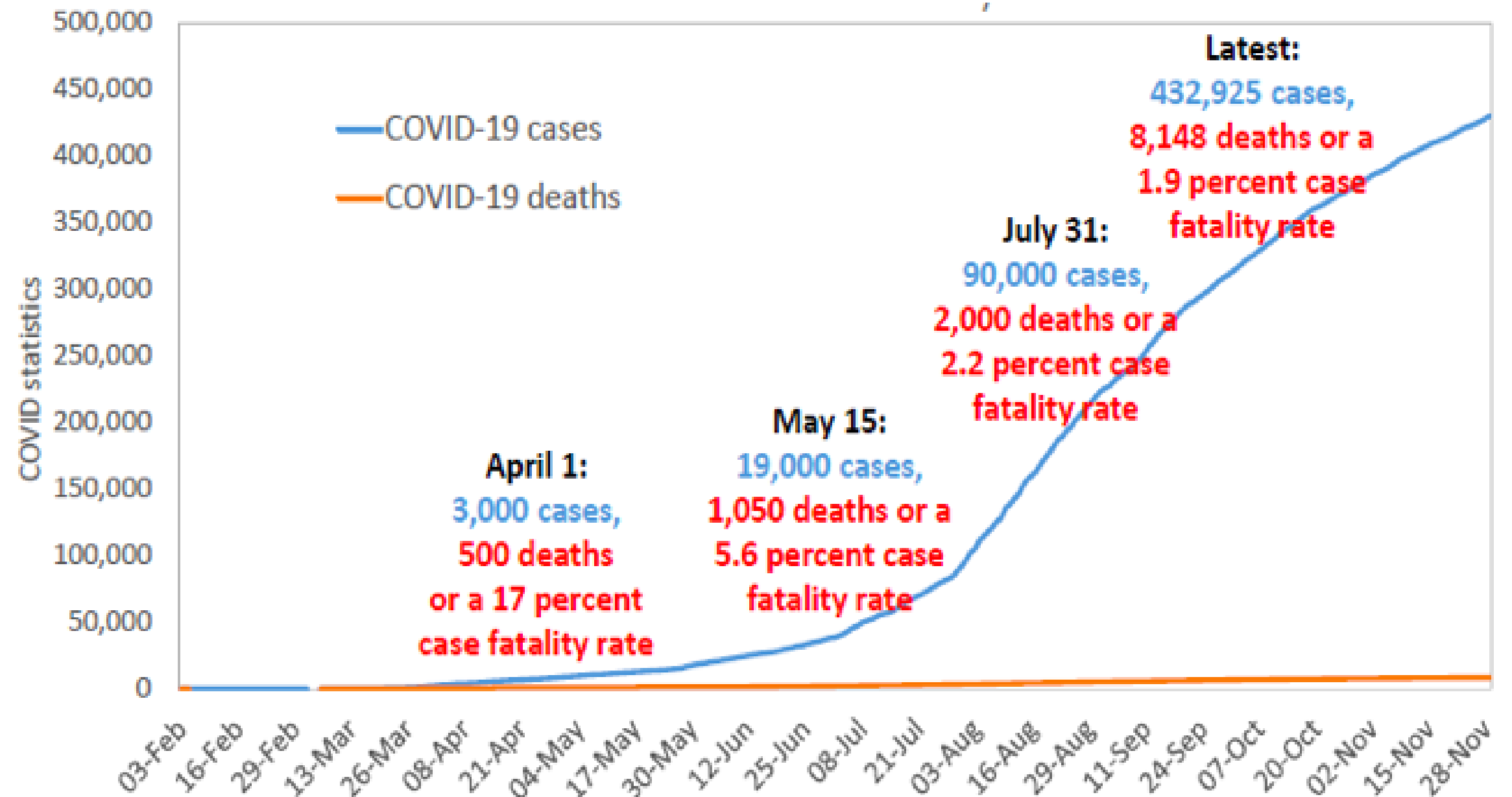




# COVID-19 Cases and Fatality Rate

Increased testing led to more confirmed cases, but the case fatality rate (deaths) declined significantly.

Source: Department of Health - Philippines

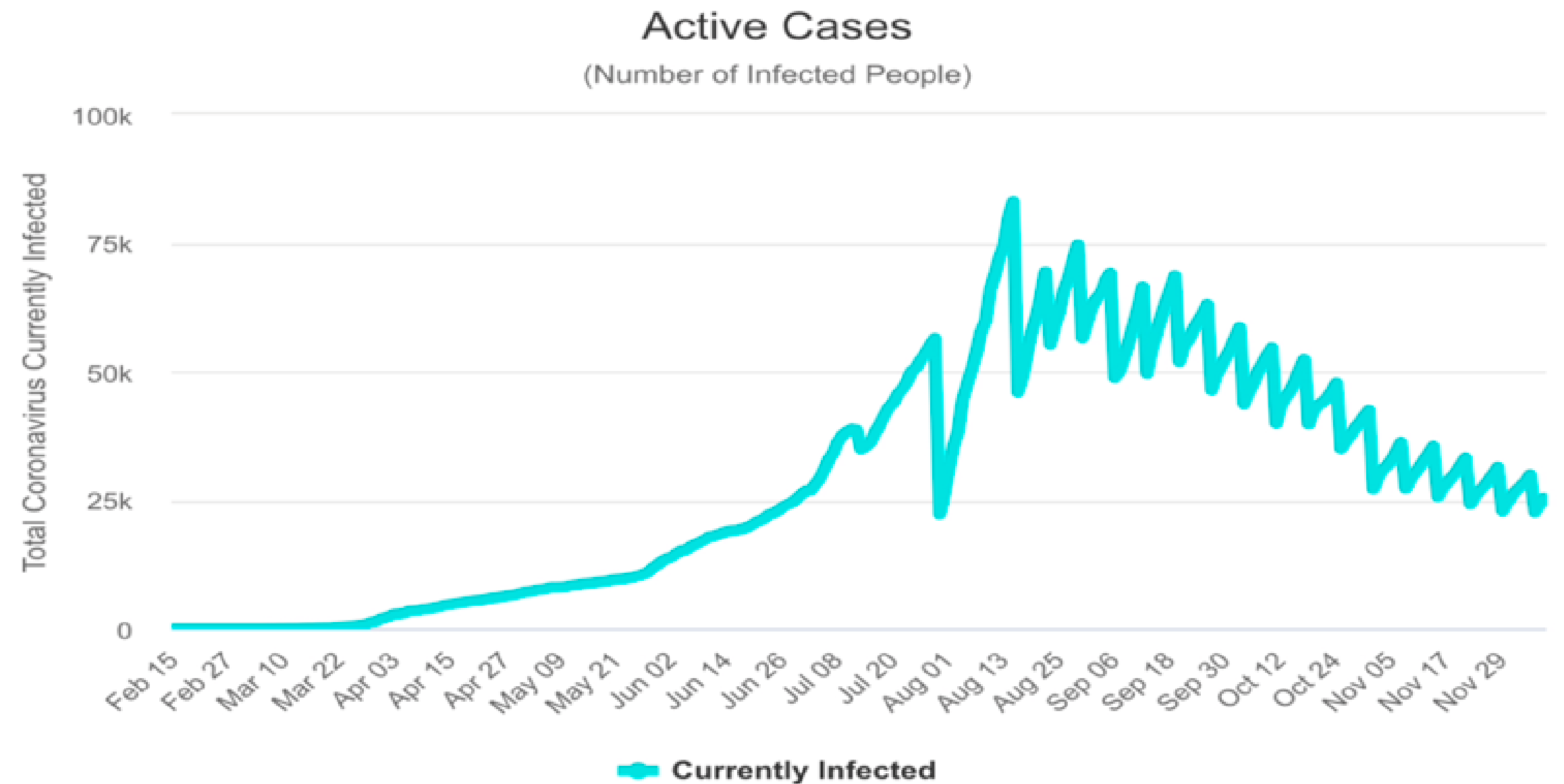




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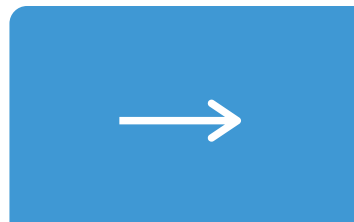
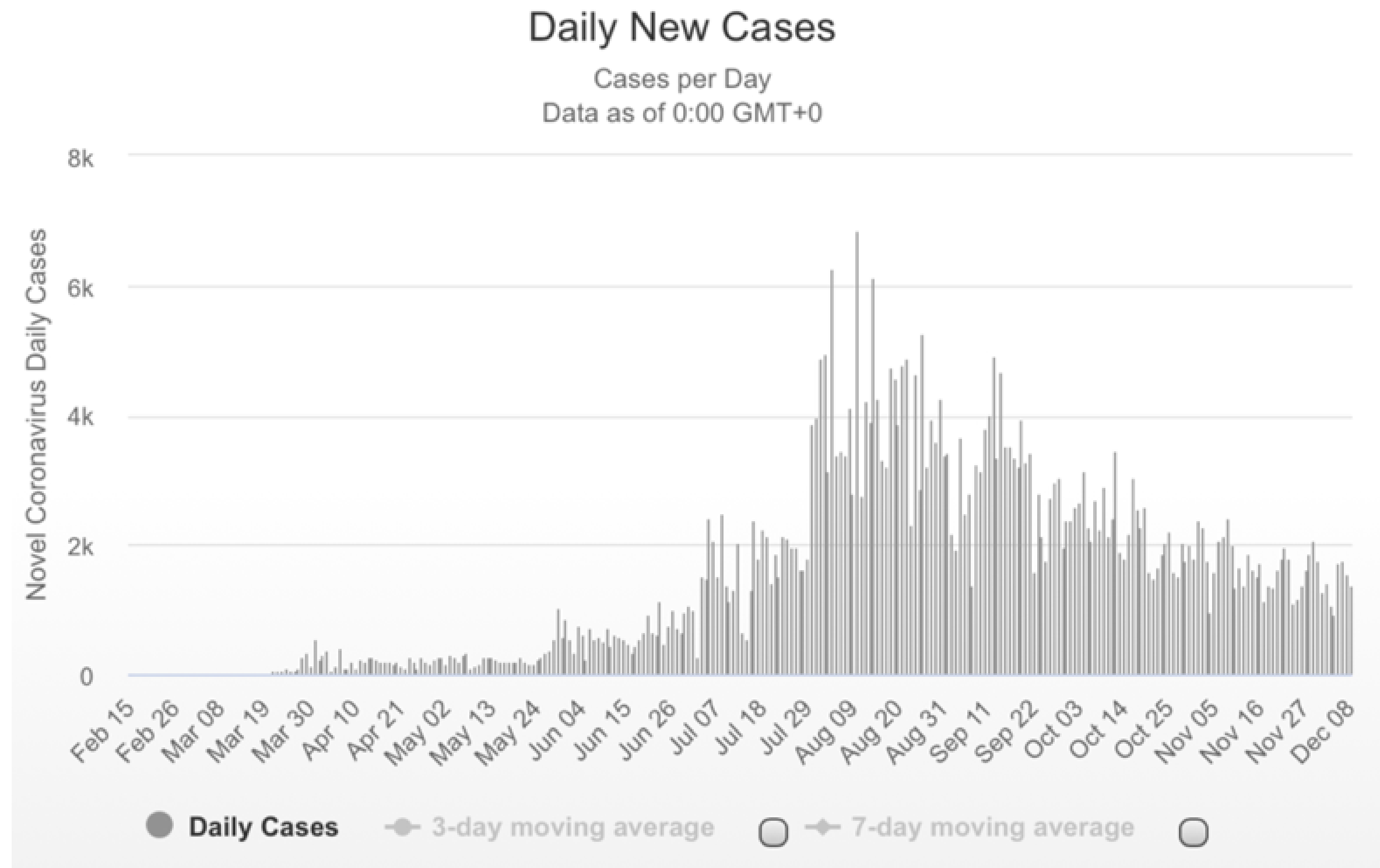




# Daily New Cases of COVID-19 in the Philippines

Increased testing led to more confirmed cases, but the case fatality rate (deaths) declined significantly.

Source: Department of Health - Philippines

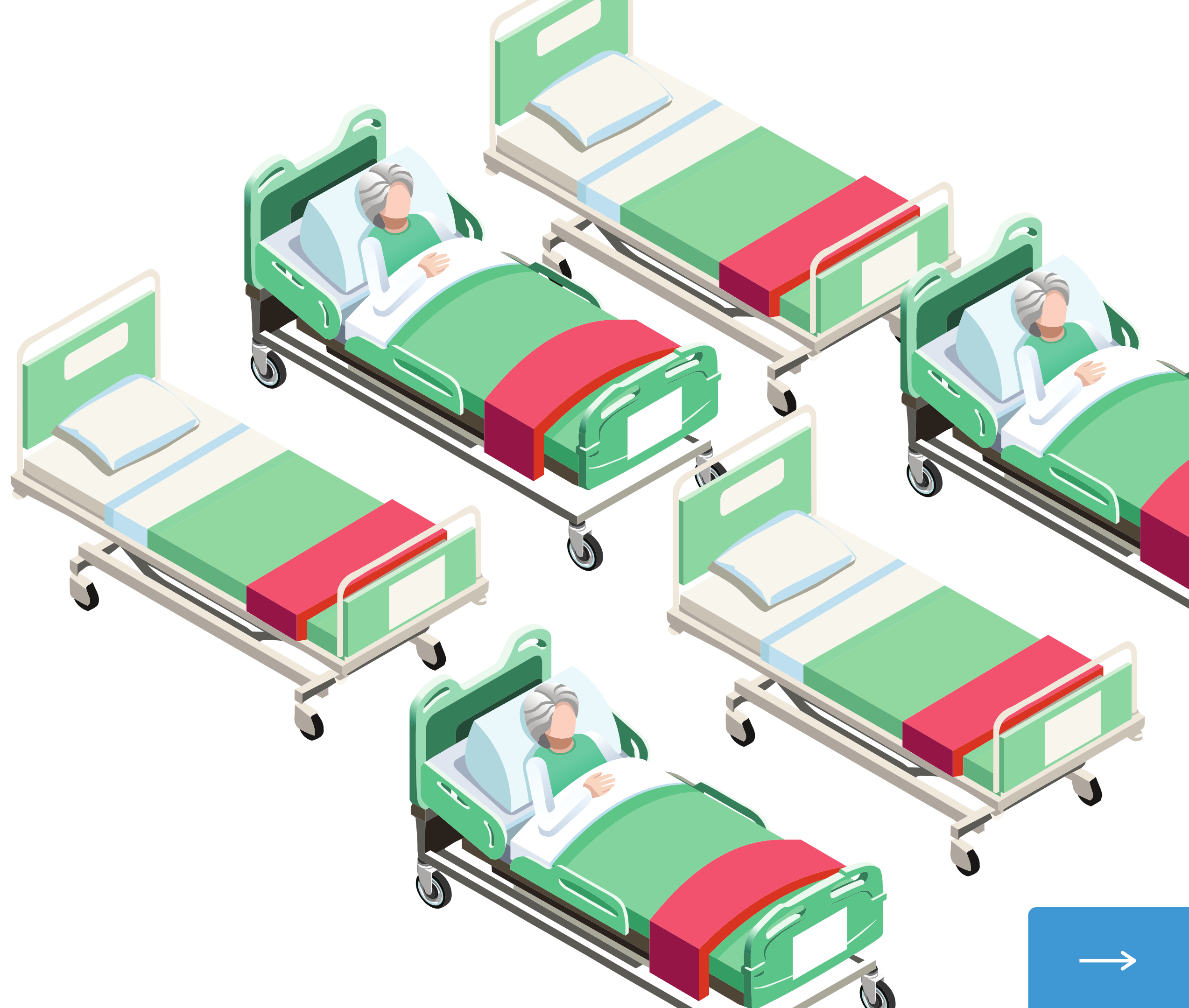




# Occupied and Total COVID-19 Dedicated Beds

COVID-19 dedicated beds in the Philippines have also increased over time, while occupancy rate remained less than half and is currently at 34%.

*Source: Department of Health - Philippines*



# Community Quarantine Measures

## ENHANCED COMMUNITY QUARANTINE

People are generally ordered to stay at home, restricting travel to other cities or barangays, and the imposition of curfew hours.

## MODIFIED ENHANCED COMMUNITY QUARANTINE

People will be allowed to leave their homes only to obtain essential goods and go to work in industries allowed to resume by the government.

## GENERAL COMMUNITY QUARANTINE

People will be allowed to move around for work and essential services in barangays without coronavirus cases.

## MODIFIED GENERAL COMMUNITY QUARANTINE

Movement goes back to normal but mask-wearing, physical distancing, and other health protocols will be enforced.







## PART 2

# Economic Situation

STATE OF MACROECONOMIC VARIABLES  
AND TRENDS



# DBCC Growth Assumptions

AS OF 28 JULY 2020

GDP growth is projected to be around -5.5% in 2020, before recovering to around 6.5% -7.5% in 2021 and 2022.

*Source: National Economic and Development Authority*

Year	Real GDP Growth
2020	<b>-4.5 to -6.6 (midpoint: -5.5)</b>
2021	6.5 to 7.5
2022	6.5 to 7.5



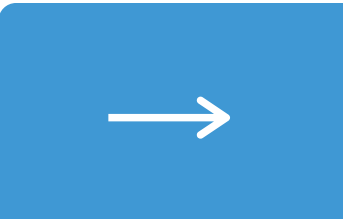
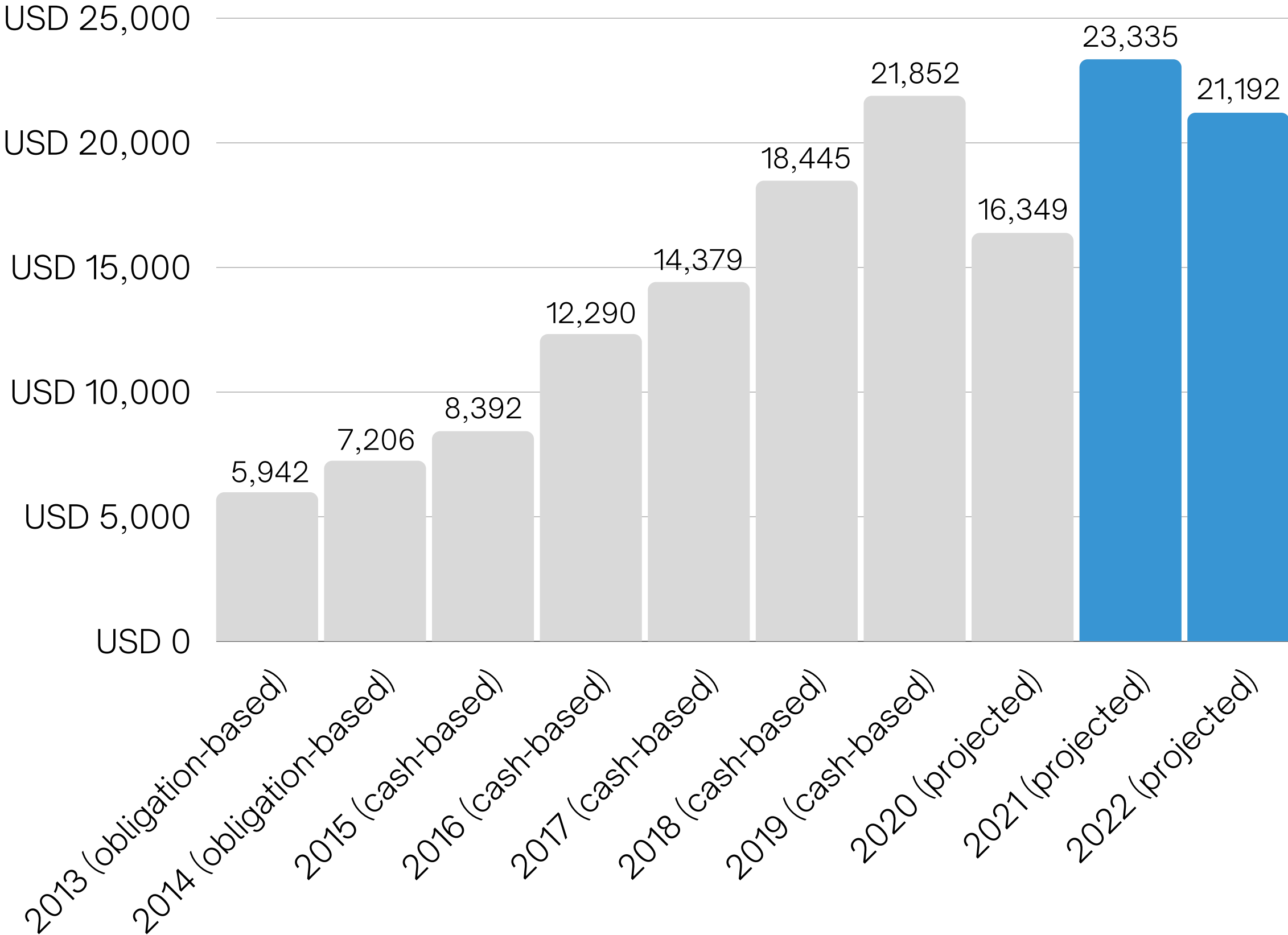


# DBCC Growth Assumptions

IN USD MILLION,  
BASED ON 28 JULY 2020  
DBCC AD REFERENDUM

Higher infrastructure spending  
is crucial to the recovery.

*Source: National Economic and  
Development Authority*

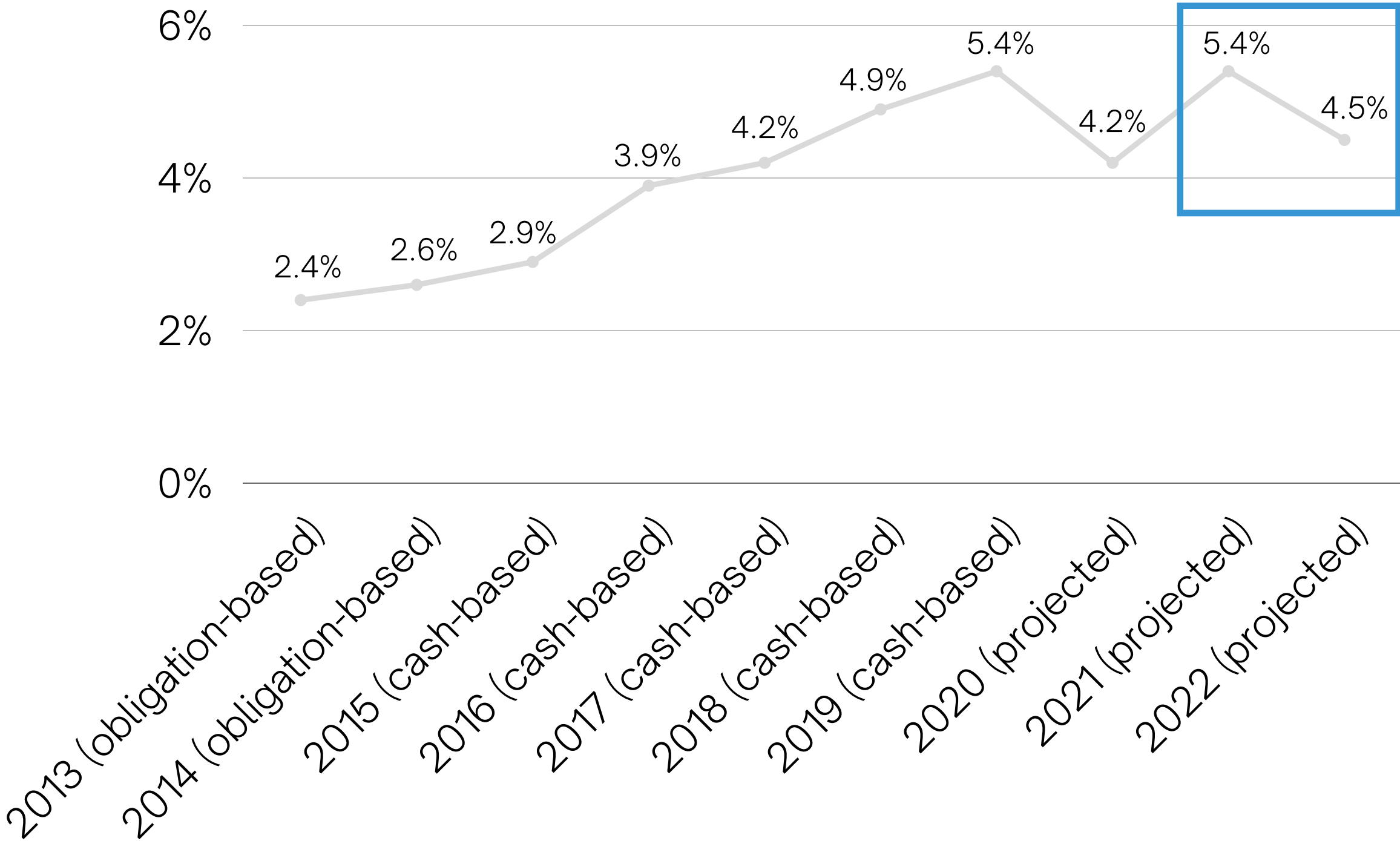


# % of GDP

BASED ON 28 JULY 2020  
DBCC AD REFERENDUM

Higher infrastructure spending  
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Source: National Economic and  
Development Authority



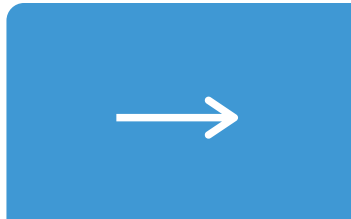
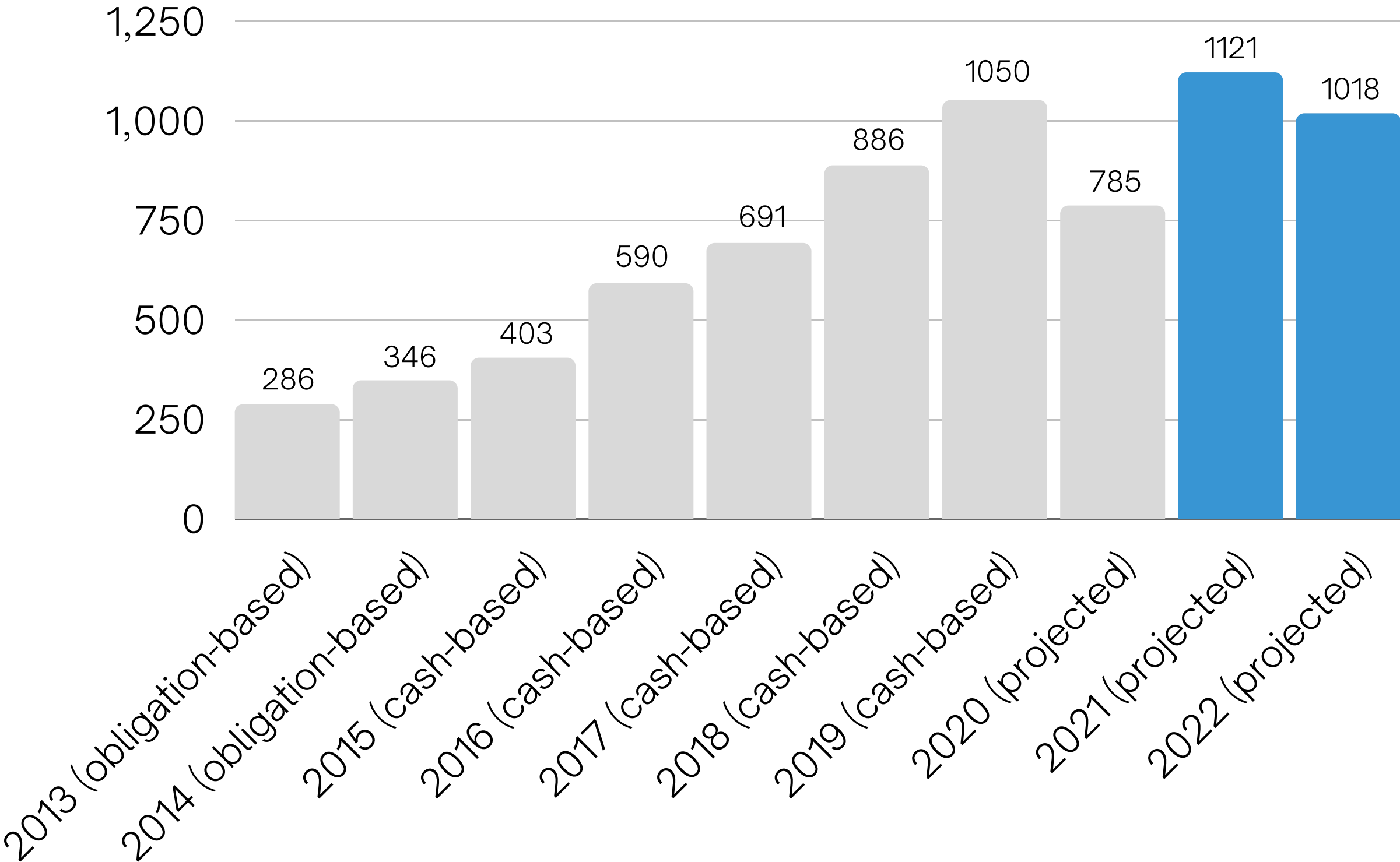


# Equivalent Jobs Generated

IN THOUSANDS,  
BASED ON 28 JULY 2020  
DBCC AD REFERENDUM

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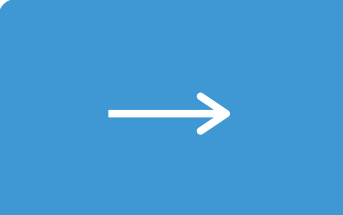
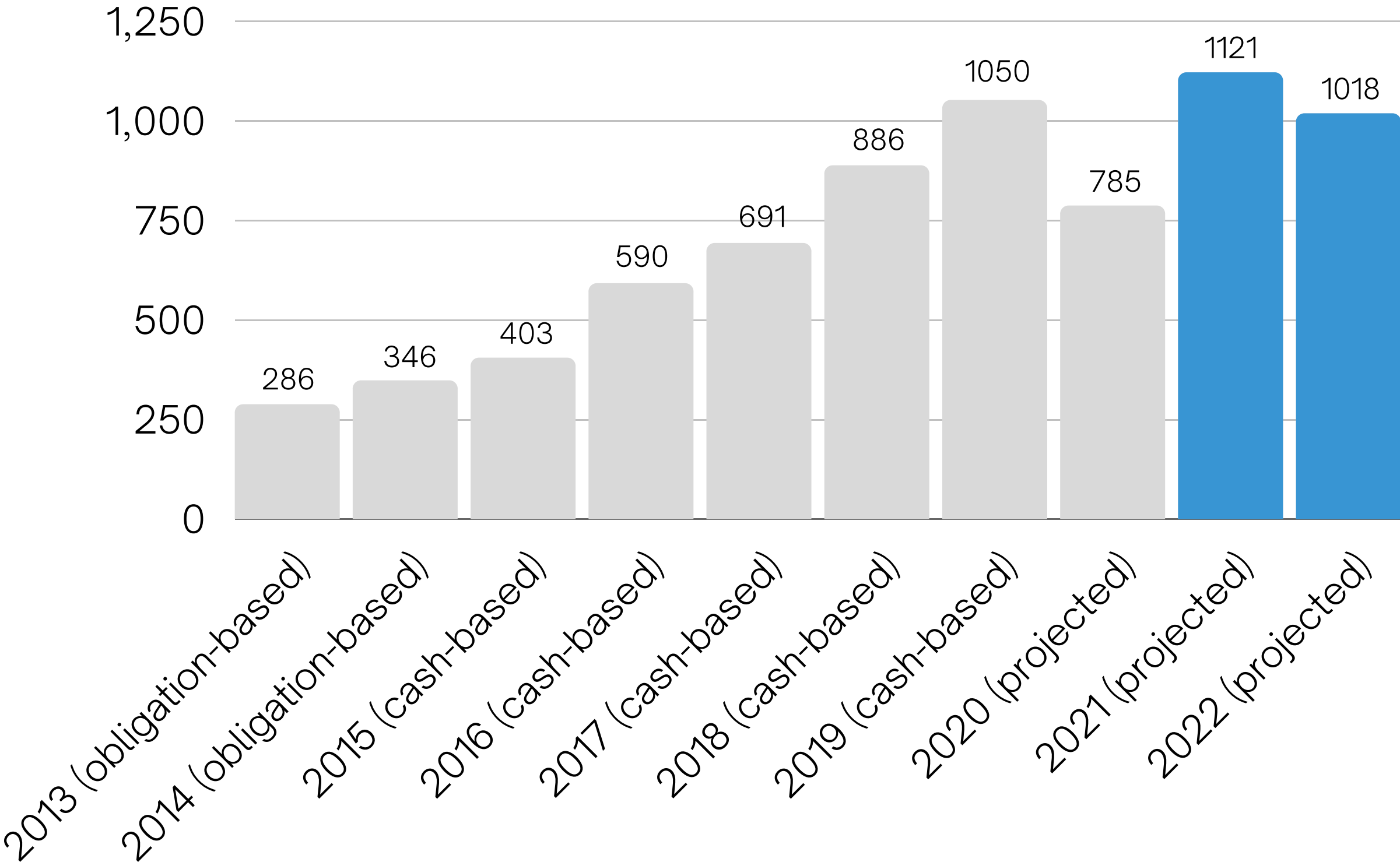


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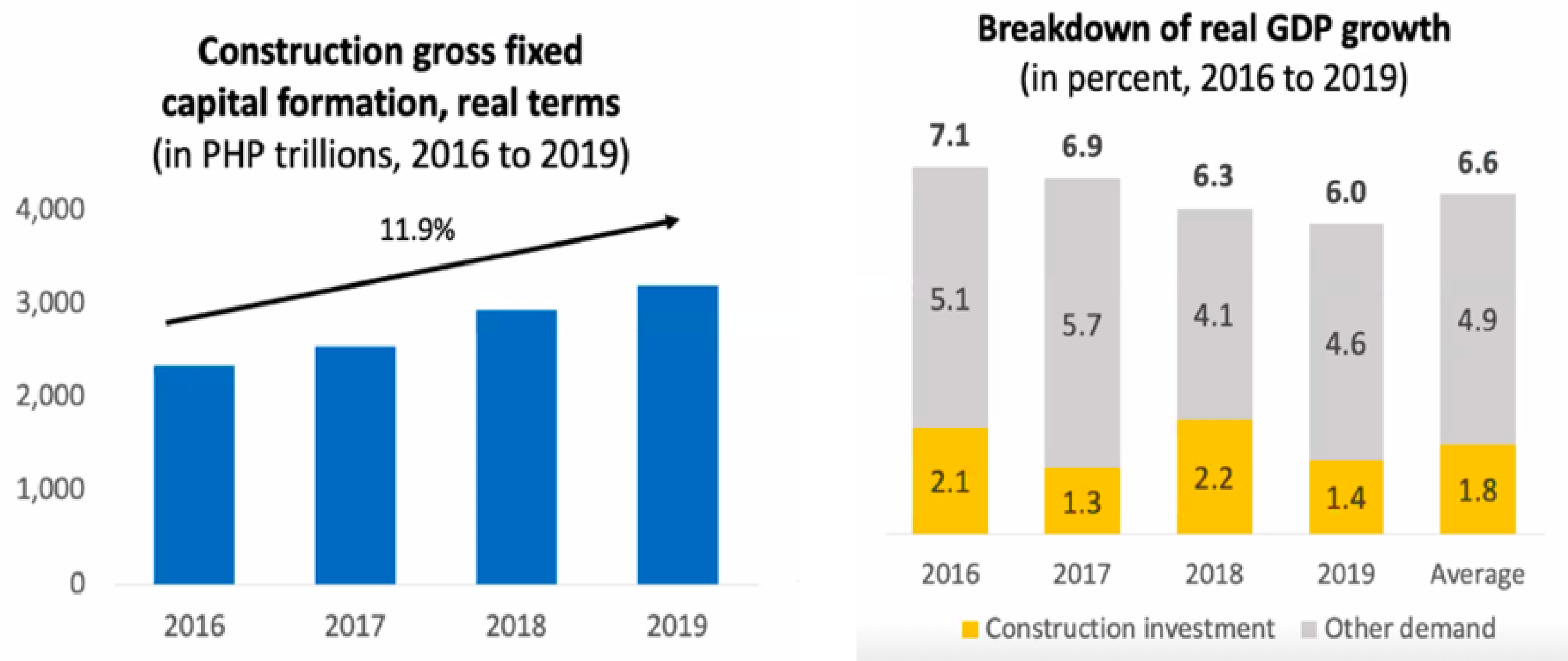






# Construction Investments

Construction investments have been growing rapidly, accounting for a quarter of real GDP growth since 2016



Source: National Economic and Development Authority and the Philippine Statistics Authority





## PART 3

# Building Materials

CONSTRUCTION MATERIALS WHOLESAL PRICE INDEX IN THE NATIONAL CAPITAL REGION





# Construction Materials Wholesale Price Index in the National Capital Region

Wholesale prices of building materials in Metro Manila continued to grow at a slower pace in September, indicating continued weakness in construction activity.

Year-on-Year Growth Rates of the CMWPI in NCR, All Items  
In Percent  
(2012=100)

<b>October 2020</b>	<b>September 2020</b>	<b>October 2019</b>	<b>Year-to-Date</b>
0.8	0.5	2.6	1.3

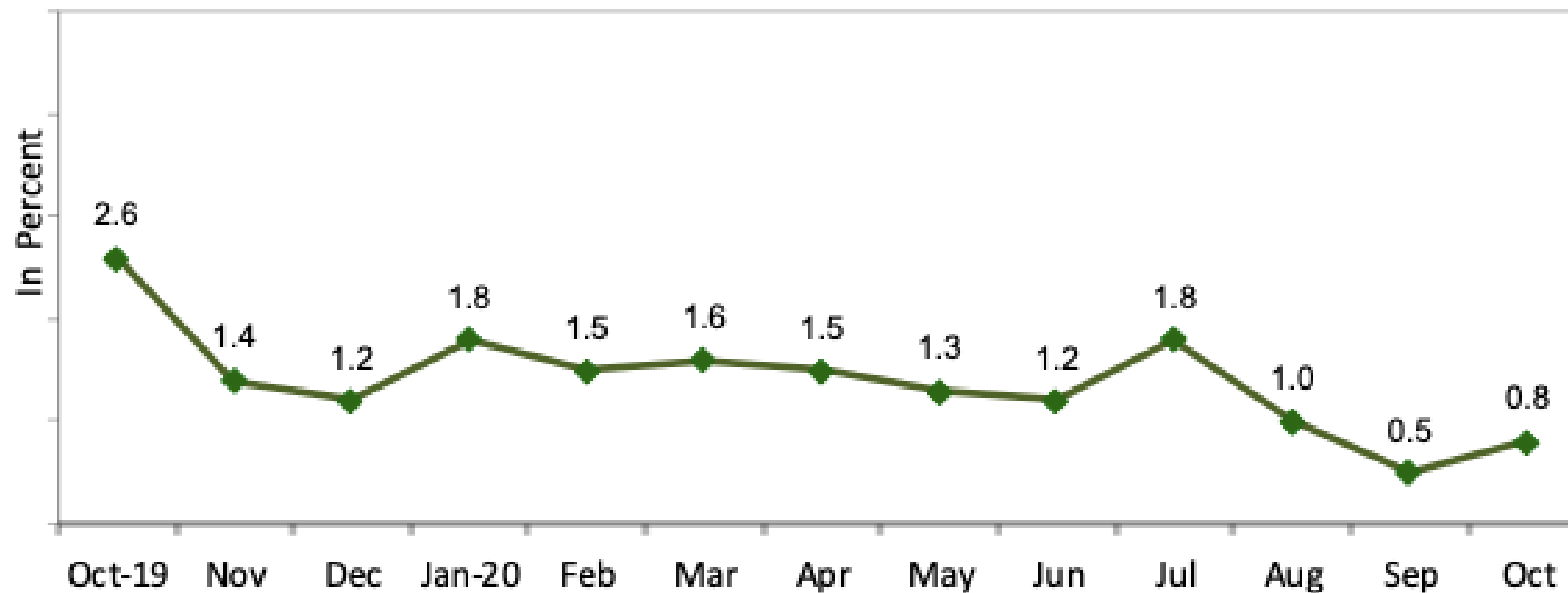
*Source: Philippine Statistics Authority and Philippine Star Global*



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Annual Growth Rates of the CMWPI in NCR, All Items  
October 2019 – October 2020  
(2012=100)



Source: Philippine Statistics Authority and Philippine Star Global





## PART 4

# Construction Issues

CHALLENGES FACED BY THE PHILIPPINE  
CONSTRUCTION INDUSTRY



“

MSMES IN CONSTRUCTION FEAR UNREGULATED ENTRY OF FOREIGN CONTRACTORS MAY DEEPEN SECTOR'S WOES

Hammered by the Covid-19 pandemic, the micro, small and medium enterprises (MSMEs) in the construction sector now worry over a new threat: the possible unregulated entry of foreign contractors.

BUSINESSMIRROR





# Challenges

## THE MAIN CONCERN OF CONTRACTORS

It has been eight months since the community quarantine was first imposed. While construction projects are now allowed to be undertaken in different operational levels – based on the community quarantine conditions in the area – the suspension of construction activities in the last two weeks of Q1 2020 until Q2 2020, has demonstrated, in the reverse sense, its impact on employment and income generation.

During Q3 2020, the National Capital Region was again placed under Modified Enhanced Community Quarantine until 18 August 2020. Based on the news reports, infrastructure spending still did not meet the watered-down targets in September 2020. It has also been opined that public spending has not been able to match the stimulus spending required to match the impact of the coronavirus pandemic.







**PART 5**

# Investment Opportunities

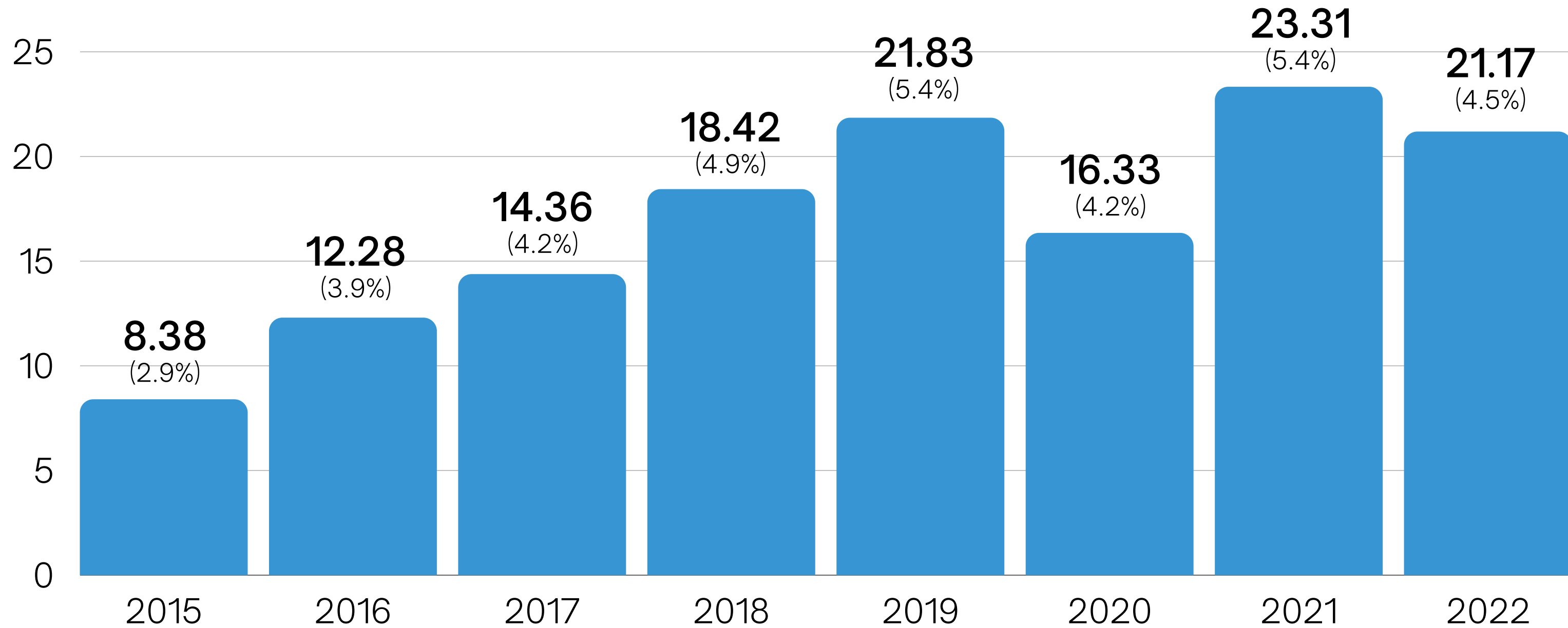
SUBTITLE





# Philippines' Infrastructure Spending

Philippines' Infrastructure Spending and % of Philippine GDP  
(Amount in Billion USD)



Source: Department of Public Works and Highways



# New Clark City

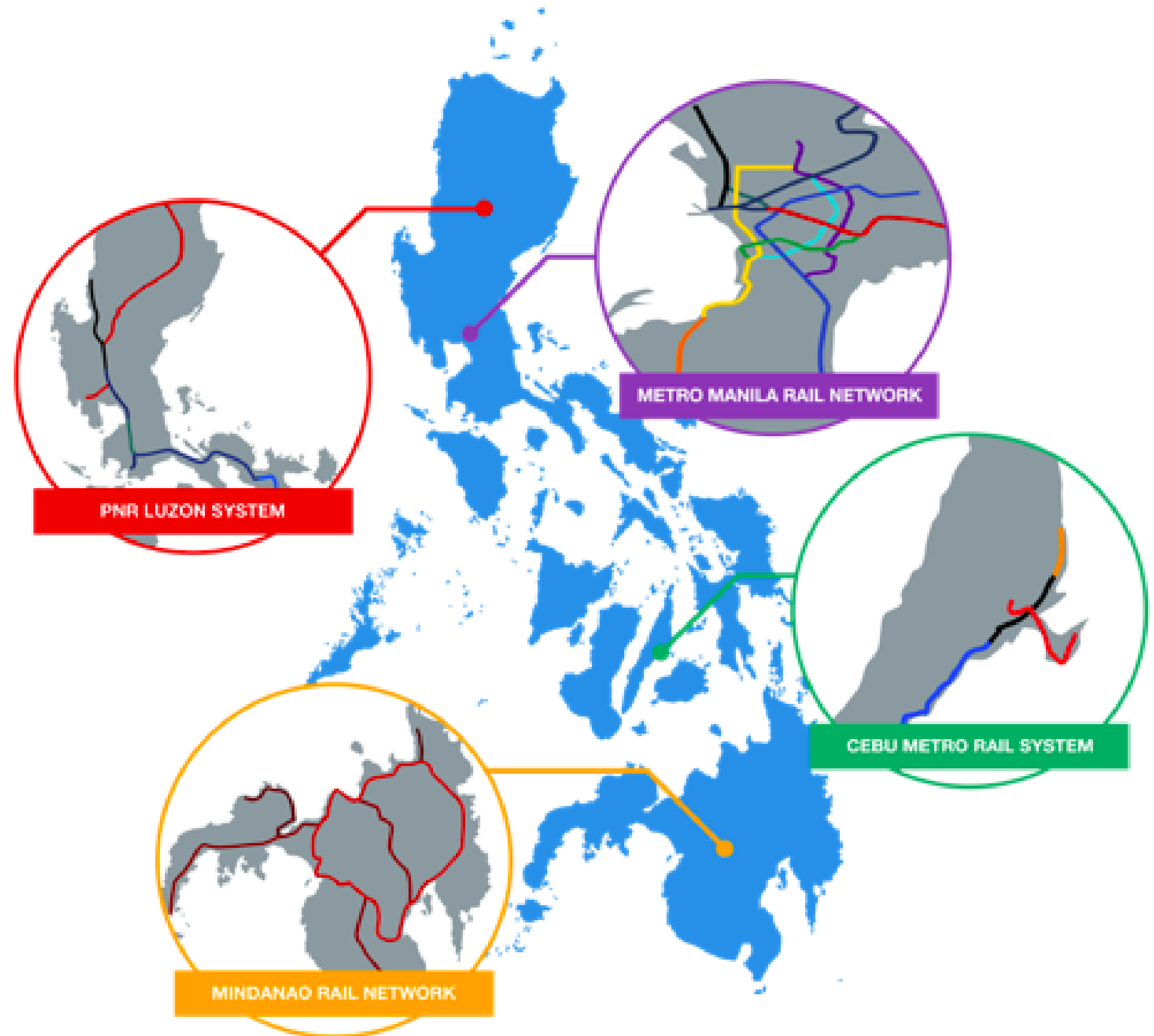
New Clark City, the Philippines' new metropolis, completes the four districts of Clark. It spans 9,450 hectares and is being built to be a smart, green, well-master planned metropolis located 100 kilometers north of Metro Manila. Of the 9,450 hectares, only 3,500 hectares are buildable, leaving 6,000 hectares or 60% of green and open spaces for upland farming and forest reserves.





# Philippine Railway Network Program

1,900 Kilometers of Railway Network, targeted to be built by 2022 and beyond; 77 Kilometers of existing railways in operation.





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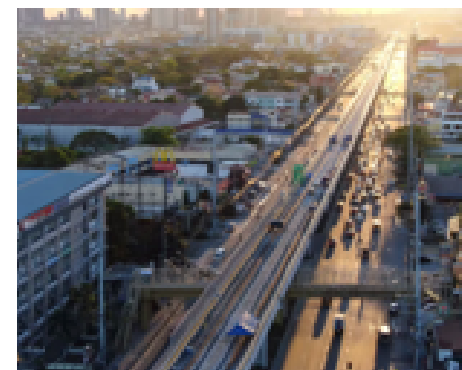
**PHILIPPINE NATIONAL RAILWAY CLARK PHASE I**  
(TUTUBAN-MALOLOS)



**METRO RAIL TRANSIT 7**



**METRO MANILA SUBWAY**



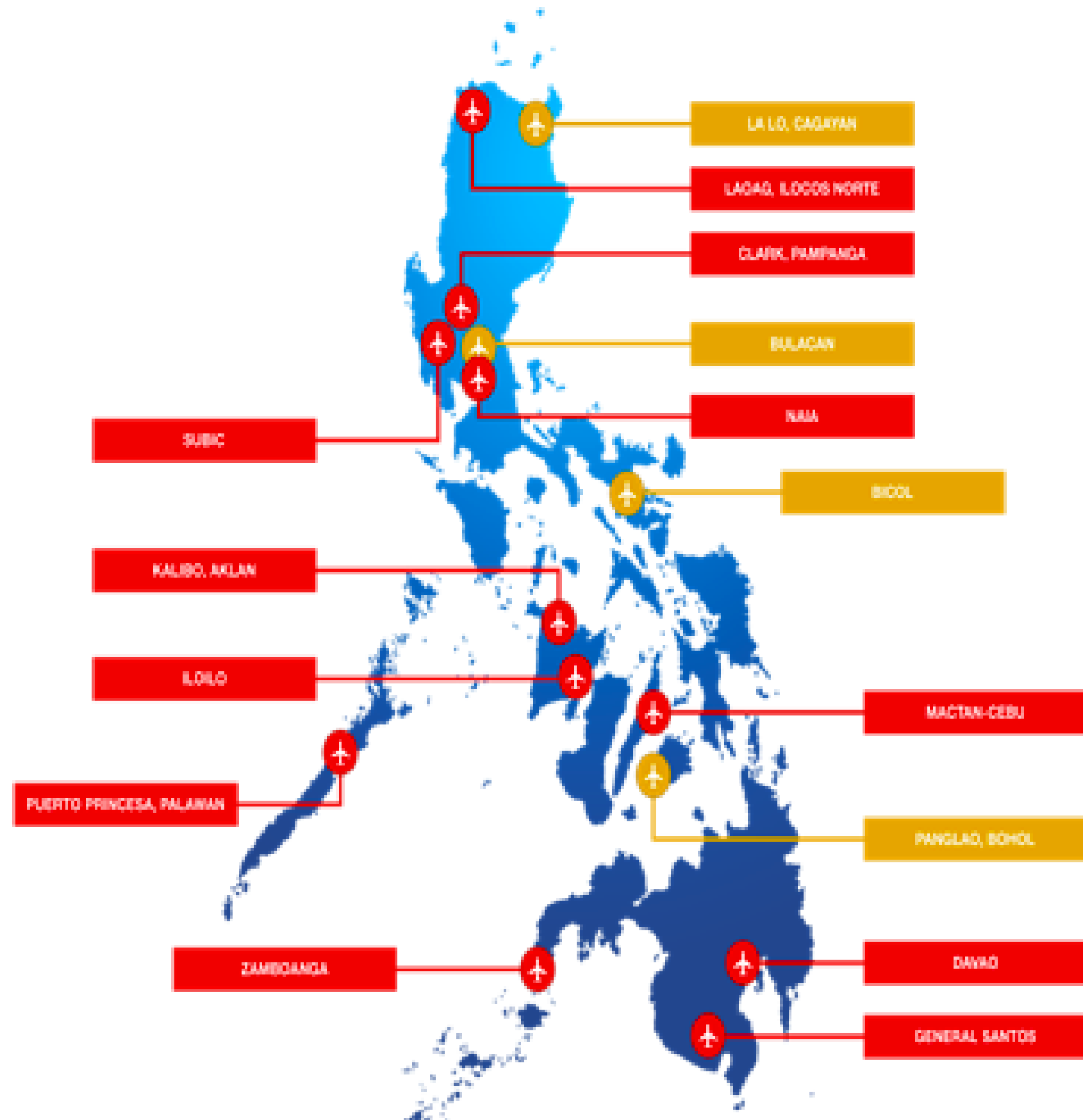
**LIGHT RAIL TRANSIT 2**  
(EAST EXTENSION)



# Airport Development and Improvement Program

Air connectivity remains one of the key factors for a country's progress.

- 180 Completed Airport Projects
- 124 On-going Airport Projects







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**BOHOL-PANGLAO  
INTERNATIONAL AIRPORT**



**MACTAN-CEBU  
INTERNATIONAL AIRPORT**



**CLARK INTERNATIONAL  
AIRPORT**



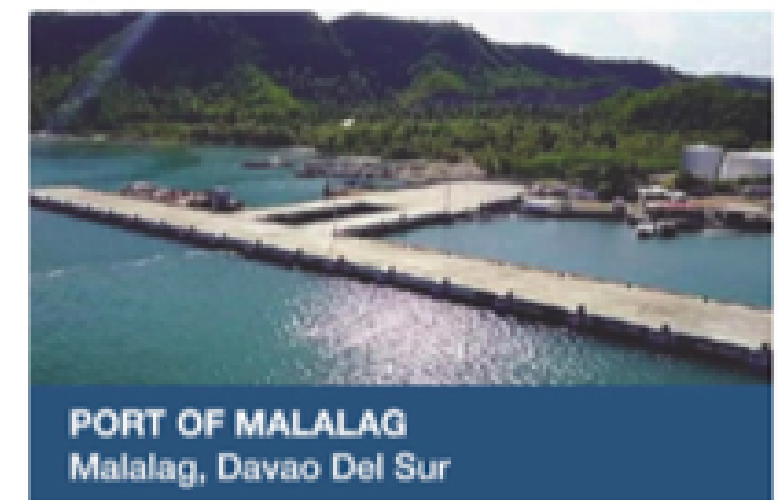
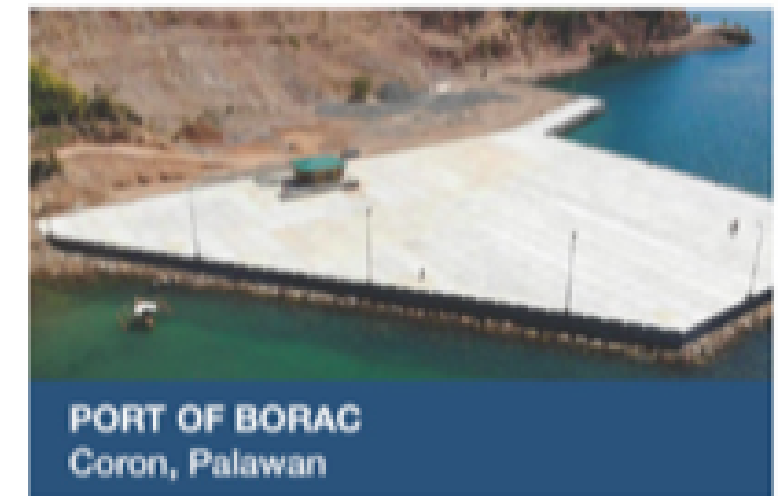
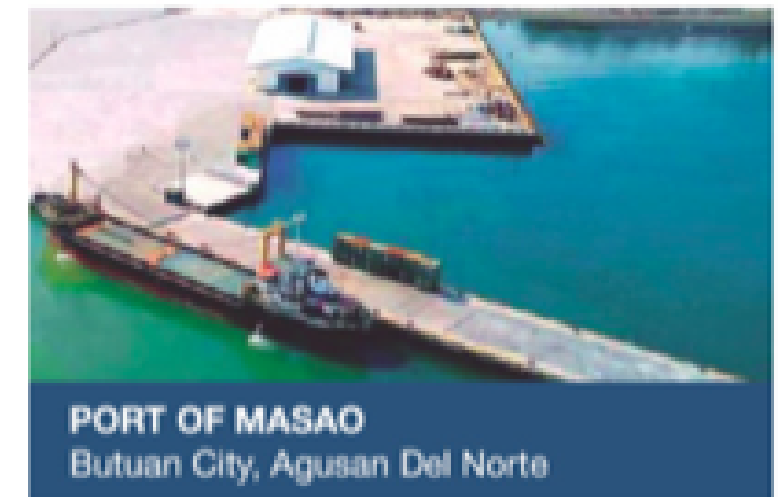
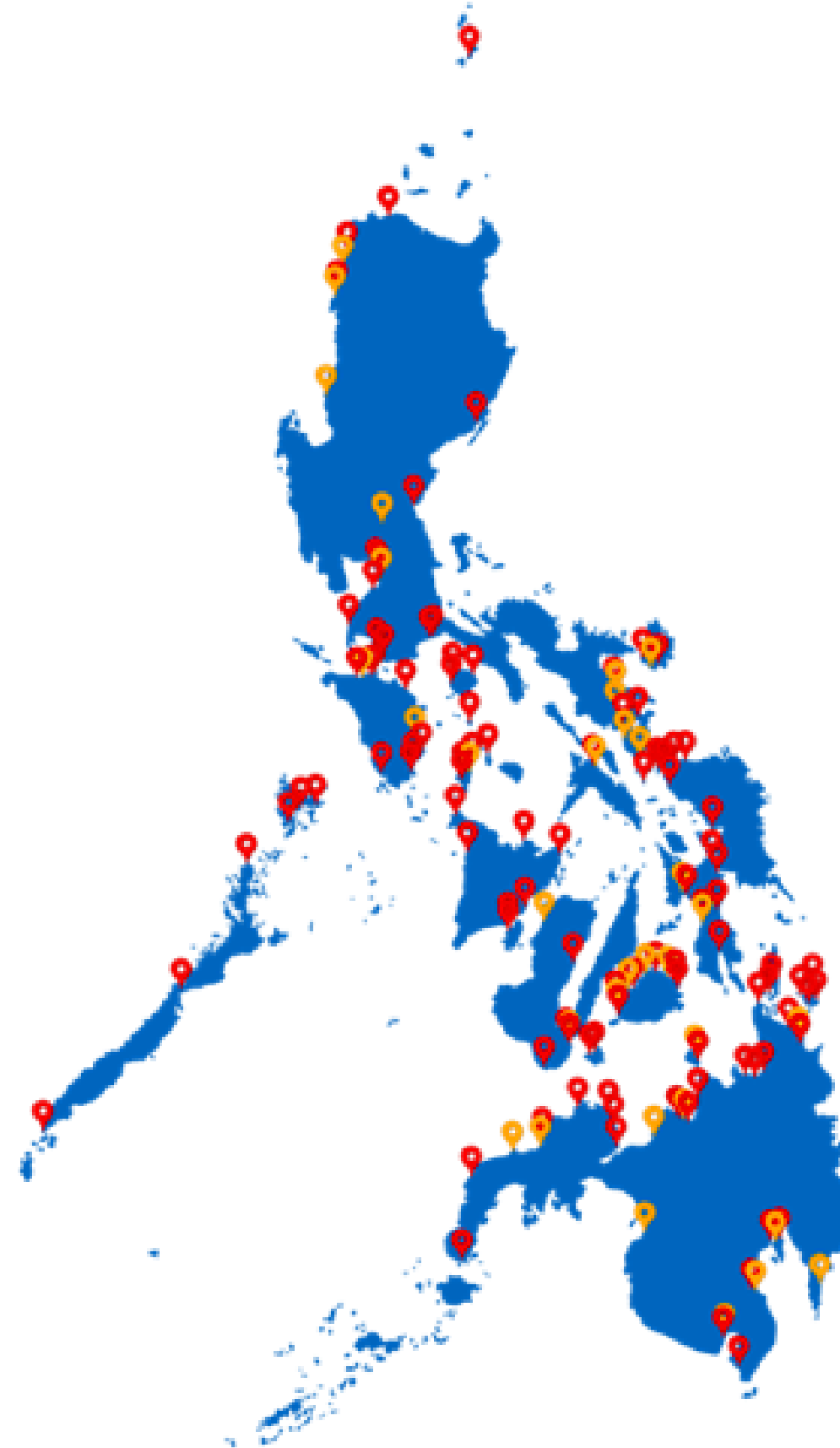
**BULACAN INTERNATIONAL  
AIRPORT**



# Commercial Port Projects

A total of 189 projects were completed in 108 commercial ports nationwide. The projects involves includes port development (Wharf for Rail Mounted Gantry Crane, Widening of Port Road, Lay Bay Area for Weigh Bridge, Back-up Area, Widening of RC Wharf, relocation of RoRo ramp, Cargo Stacking Shed, etc.), expansion (extension of breakwater, and improvement, (Solar Powered Lighting), construction of Port Operations Building and Passenger Terminal Building, Covered Walkway, improvement of power system (provision of Power Transformer and Electrical Supply Line, housing facility for Genset, Transformer and Platform, Powerhouse, ) and other related infrastructure supporting port operations and maintenance.

- 189 Completed Port Projects
- 37 On-going Port Projects



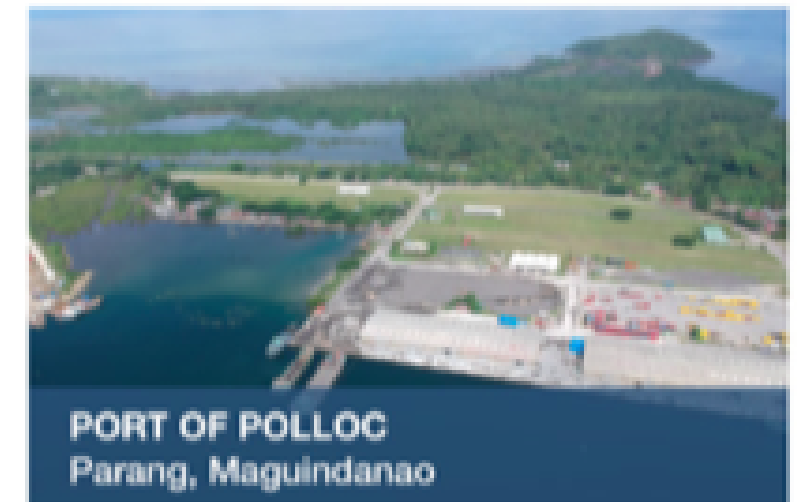
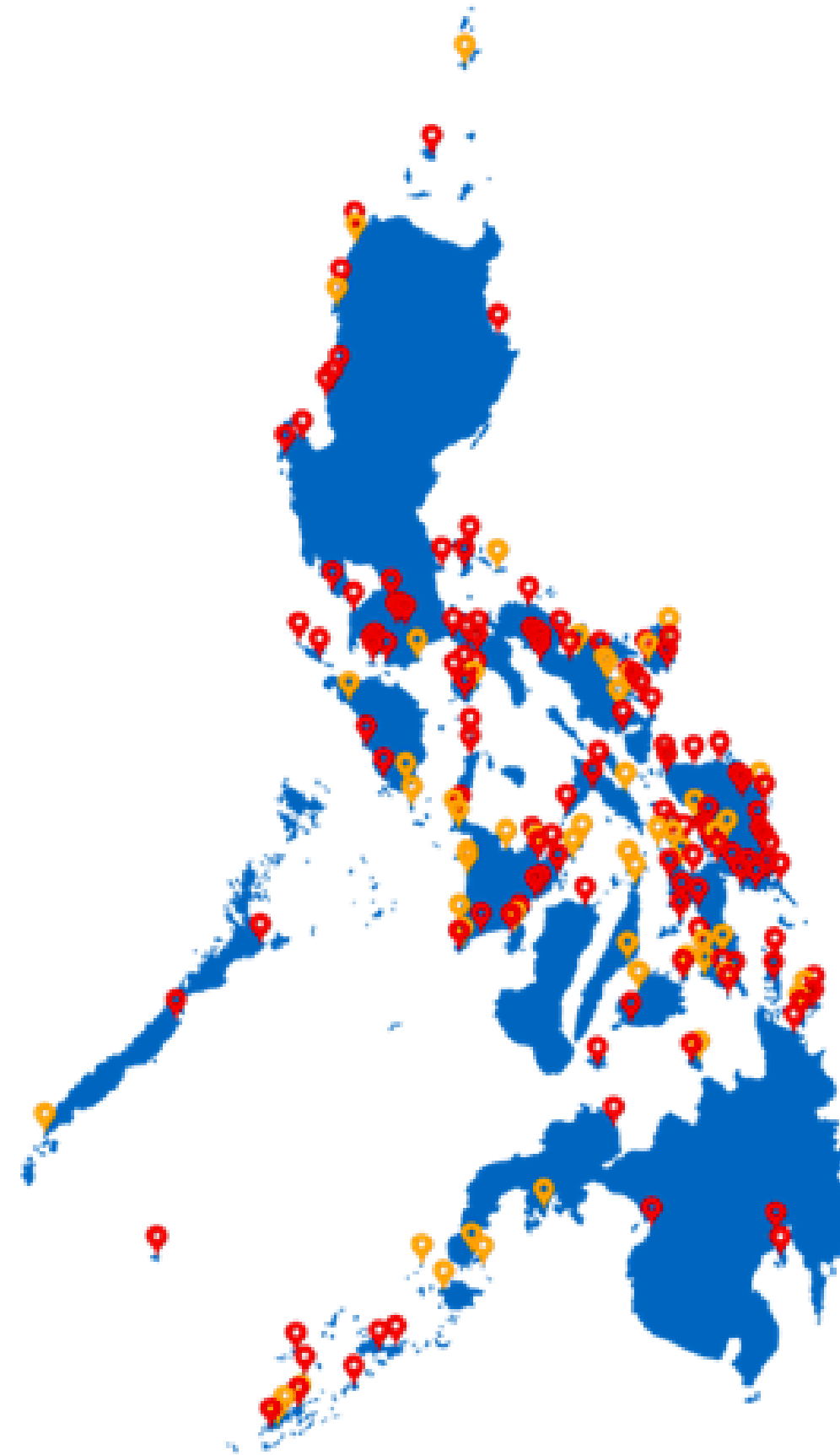




# Social/Tourism Port Projects

A total of 180 projects were completed nationwide. The projects involves includes port development (Wharf for Rail Mounted Gantry Crane, Widening of Port Road, Lay Bay Area for Weigh Bridge, Back-up Area, Widening of RC Wharf, relocation of RoRo ramp, Cargo Stacking Shed, etc.), expansion (extension of breakwater, and improvement, (Solar Powered Lighting), construction of Port Operations Building and Passenger Terminal Building, Covered Walkway, improvement of power system (provision of Power Transformer and Electrical Supply Line, housing facility for Genset, Transformer and Platform, Powerhouse, ) and other related infrastructure supporting port operations and maintenance.

- 180 Completed Port Projects
- 71 On-going Port Projects



# Flood Control Program



FLOOD RISK MANAGEMENT  
PROJECT FOR CAGAYAN RIVER



FLOOD RISK MANAGEMENT  
PROJECT FOR TAGOLOAN RIVER





# Flood Control Program

MAJOR RIVER BASINS (MRBS) WITH MASTER PLANS:

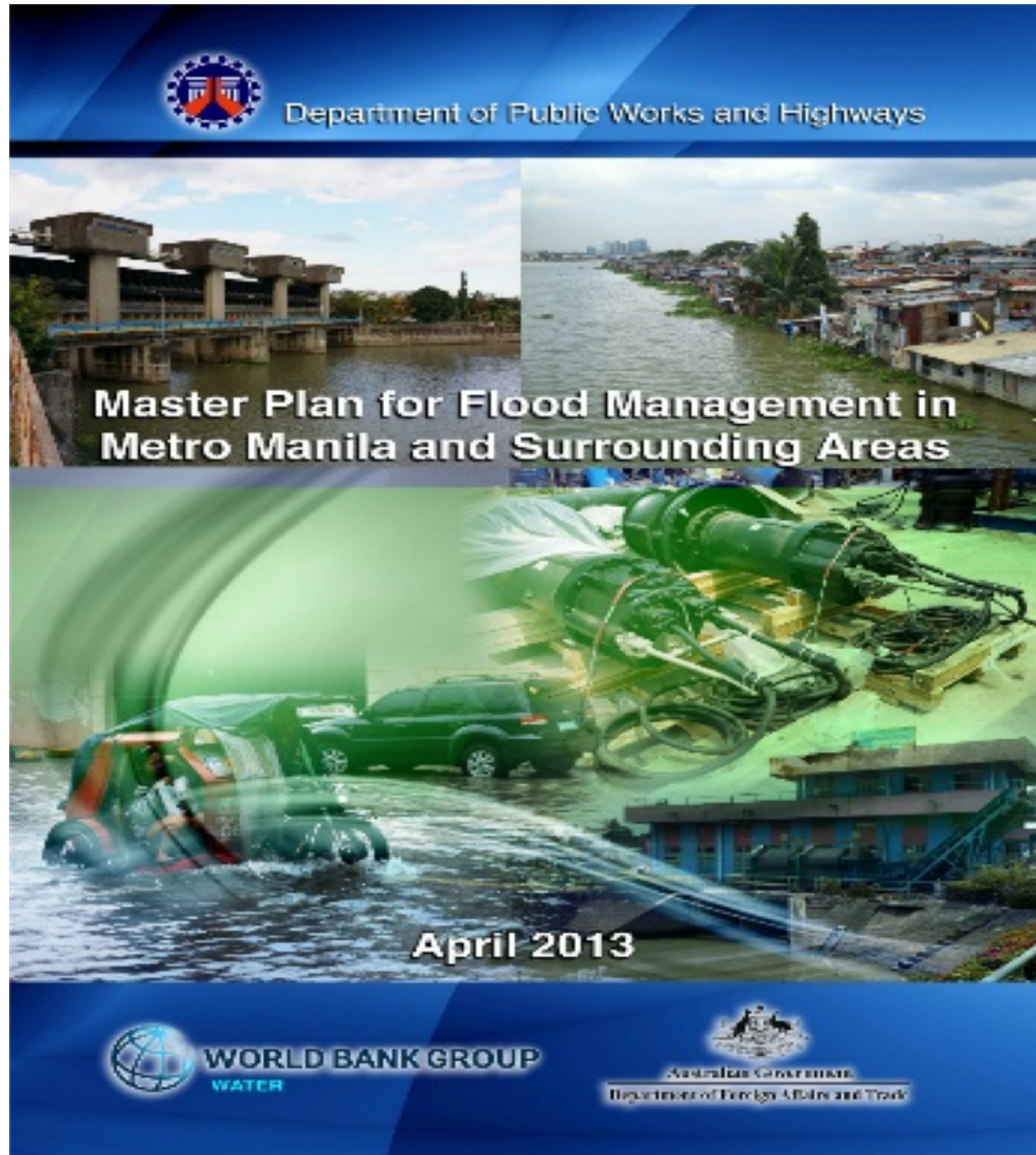
ON-GOING MASTER PLANS:

Name of MRBs	Region
1. Cagayan	II-Cagayan Valley, CAR
2. Mindanao	XII-Soccsksargen, ARMM
3. Agusan	XI-Davao Region, XIII-CARAGA
4. Pampanga	III-Central Luzon
5. Agno	I-Ilocos Region
6. Pasig-Marikina Laguna Bay	NCR, IV-A-CALABARZON
7. Bicol	V-Bicol Region
8. Ilog-Hilabangan	VI-Negros Occidental, VII-Negros Oriental
9. Panay	VI-Western Visayas
10. Tagoloan	X-Northern Mindanao
11. Cagayan De Oro	X-Northern Mindanao

Name of MRBs	Region
1. Abra	I-Ilocos Region, CAR
2. Abulug	II-Cagayan Valley, CAR
3. Tagum-Libuganon	XI-Davao Region
4. Davao	XI-Davao Region
5. Buayan-Malungun	XI-Davao Region, XII-Soccsksargen
6. Jalaur	VI-Western Visayas
7. Agus	X-Northern Mindanao, ARMM



# Master Plan for Flood Management in Metro Manila and Surrounding Areas



Name of Project	PHP'bn
Pasig-Marikina River Improvement and Dam Construction	198.44
Meycauayan River Improvement	14.04
Malabon-Tullahan River Improvement	21.64
South Parañaque-Las Piñas River Improvement	17.34
East Mangahan Floodway (Cainta & Taytay River Improvement)	25.90
West Laguna Lakeshore Land Raising	25.19
Land Raising for Small Cities around Laguna Lakeshore	7.16
Improvement of the Inflow Rivers to Laguna Lake	0.64
Manila Core Area Drainage Improvement	27.26
West Mangahan Area Drainage Improvement	5.52
Valenzuela-Obando-Meycauayan (VOM) Improvement	8.61
<b>Total Estimated Requirement:</b>	<b>PHP 351.72 bn</b>







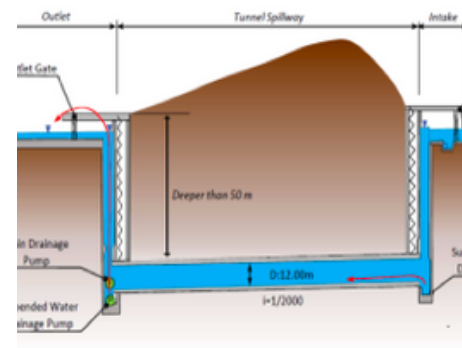
# Flood Control Program



**PASIG-MARIKINA RIVER CHANNEL IMPROVEMENT PROJECT**



**FLOOD RISK MANAGEMENT PROJECT FOR IMUS RIVER**



**PARANAQUE SPILLWAY**



**UPPER MARIKINA DAM AND RETARDING BASIN**

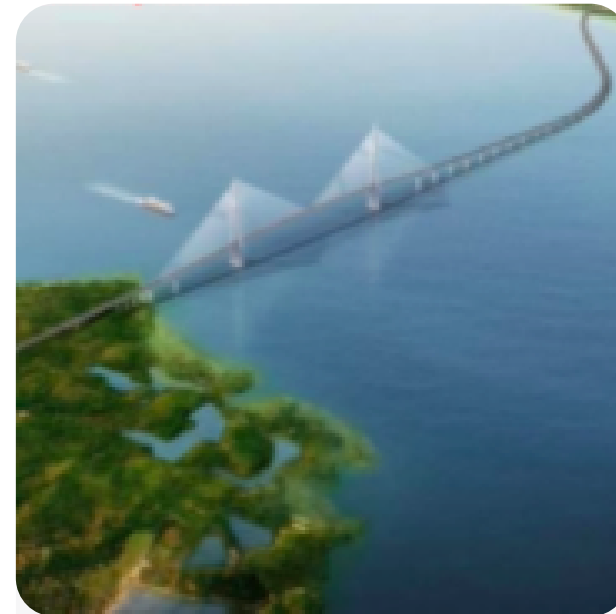
# Inter-Island Linkage / Mega Bridge Program



**BATAAN-  
CAVITE  
INTERLINK  
BRIDGE**



**CEBU-MACTAN  
BRIDGE**



**PANAY-  
GUIMARAS-  
NEGROS  
BRIDGE**



**PANGUIL BAY  
BRIDGE**



**SAMAL ISLAND-  
DAVAO CITY  
BRIDGE**





# Metro Manila Logistics Improvement Program



**BGC-ORTIGAS  
CENTER ROAD LINK**



**ESTRELLA-PANTALEON  
BRIDGE**



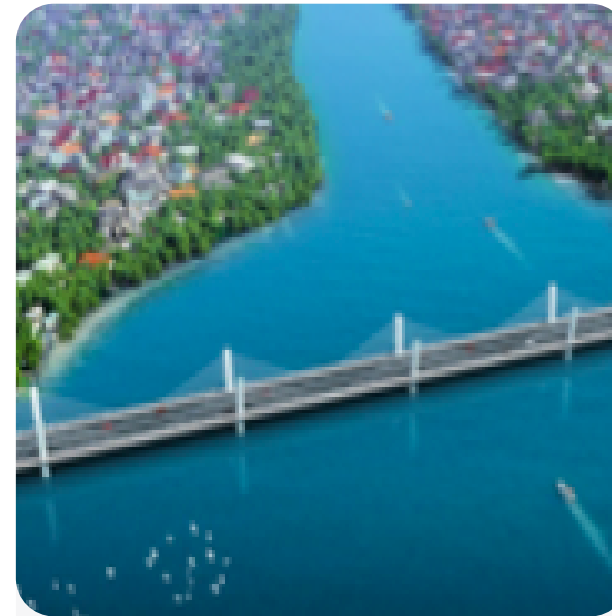
# Philippine High Standard Highway Network Program



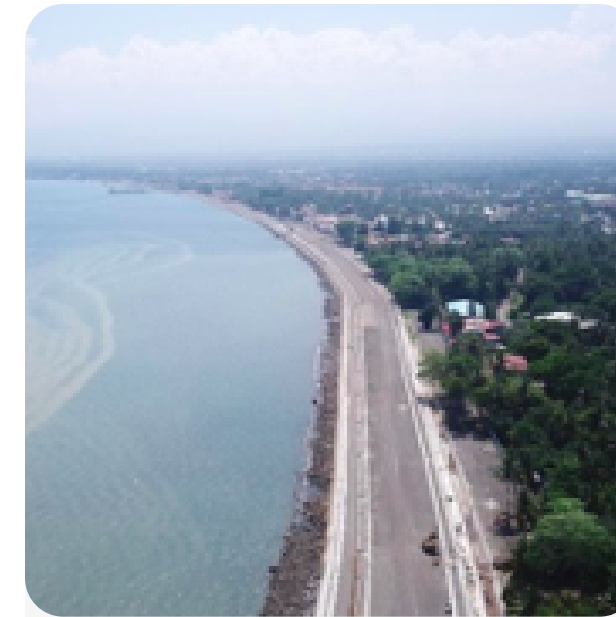
**METRO CEBU  
EXPRESSWAY**



**CEBU-  
CORDOVA LINK  
EXPRESSWAY**



**BUCANA  
BRIDGE**



**DAVAO CITY  
COASTAL ROAD**



**DAVAO CITY  
BYPASS ROAD**





# Luzon Spine Expressway Network Program

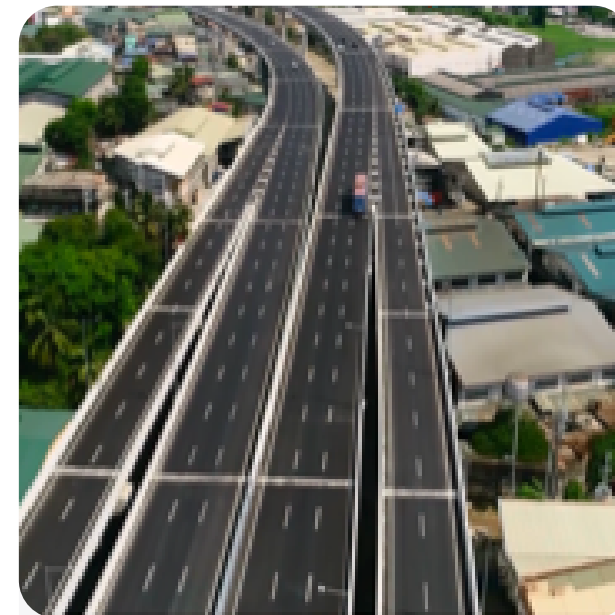
Travel time between Ilocos and Bicol will be reduced from 20 hours to just 9 hours.



**TARLAC -  
PANGASINAN -  
LA UNION  
EXPRESSWAY**



**CENTRAL  
LUZON LINK  
EXPRESSWAY**



**NORTH LUZON  
EXPRESS WAY  
HARBOR LINK  
SEG. 10**



**METRO MANILA  
SKYWAY  
STAGE 3**



**SOUTH LUZON  
EXPRESSWAY –  
TOLL ROAD 4**





# Luzon Spine Expressway Network Program (On-going Projects)



**CENTRAL LUZON LINK  
EXPRESSWAY, PHASE I**



**SOUTHEAST METRO MANILA  
EXPRESSWAY, PHASE I**



**NLEX-SLEX CONNECTOR  
ROAD**



**METRO MANILA SKYWAY  
STAGE 3**





# Luzon Spine Expressway Network Program (On-going Projects)



**C5 SOUTH LINK  
EXPRESSWAY**



**CAVITE-LAGUNA  
EXPRESSWAY**



**SOUTH LUZON EXPRESSWAY  
- TOLL ROAD 4**



**CAMARINES  
SUR EXPRESSWAY**





# Conclusion

- Construction is a crucial sector in our economy, accounting for a quarter of real GDP growth since 2016.
- Recovery in the construction sector will help the economy rebound and recreate jobs lost in the pandemic.
- We support reforms that will enhance competitiveness in the construction sector, making it an even stronger engine for growth and productivity.
- The 30-year Infrastructure Master Development Plan, which has already been filed in the Philippine Congress last 8 December 2020, will ensure the continuity of infrastructure project across different administrations.

