

Department of Trade and Industry  
**CONSTRUCTION INDUSTRY AUTHORITY OF THE PHILIPPINES**

**FIRST TO THIRD QUARTER 2017 CONSTRUCTION INDUSTRY PERFORMANCE HIGHLIGHTS**

**IMPACT ON THE PHILIPPINE ECONOMY**

According to the Philippine Statistics Authority (PSA), the Philippine economy posted a 6.6 percent growth during the first to third quarter of 2017. Manufacturing, Trade, and Real Estate, Renting and Business Activities were the main drivers of growth during the period. Gross Domestic Product (GDP) grew by 6.7 percent brought about by the accelerated performances of the Industry sector (7.2 percent) and Service sector (6.7 percent). Meanwhile, Agriculture showed significant increase by 4.6 percent from a negative 1.3 percent growth in the same period in 2016.

Construction industry also substantially contributed 35.1 percent to overall capital investments or Gross Capital Formation (GCF) in the country.

The share of the construction industry to total employment of the country increased by 8.9 percent in the first nine months of 2017. It continued to provide job opportunities, employing on the average a total of 3.541 Million workers, up by 5.4 percent as compared to the 3.359 Million workers in the same period in 2016.

Growth in the industry sector was brought about by the strong performances of Manufacturing at 8.5 percent, and Construction at 6.4 percent growth.

**SELECTED MACROECONOMIC INDICATORS**  
 (At Constant Prices, Base Year = 2000)

INDICATORS		Q1-Q3 2016	Q1-Q3 2017	Growth Rate (% increase/ Decrease)
<b>Gross Domestic Product (GDP)</b>	Total GDP (in Billion ₱)	5,927.1	6,324.7	6.7%
	GVA or Peso Contribution of Construction Industry to GDP (in Billion ₱)	378.3	402.6	6.4%
	% Share of Construction to GDP	6.4%	6.4%	-
<b>Investment</b>	Total Investment or Gross Capital Formation (GCF) (in Billion ₱)	1,633.9	1,785.8	9.3%
	Investments (GV) in Construction (in Billion ₱)	587.2	627.0	6.8%
	Public (in Billion ₱)	148.0	162.7	10.0%
	Private (in Billion ₱)	439.2	464.3	5.7%
	% Share of Construction to total investment or GCF	35.9%	35.1%	-
<b>Employment</b>	Total Domestic Employment (In thousand workers)	40,557	39,929	-1.5%
	Average Construction Employment (In thousand workers)	3,359	3,541	5.4%
	% Share of Construction to Total Employment	8.3%	8.9%	-
<b>FOREX*</b>	Foreign Exchange Remittances (US\$ M)	27.290	64.496	136.3%

Source: Philippine Statistics Authority (Revised data as of January 2018), Department of Labor and Employment  
 Note: Private Construction includes Built-Operate-Transfer (BOT) Projects which used to be under Public Construction

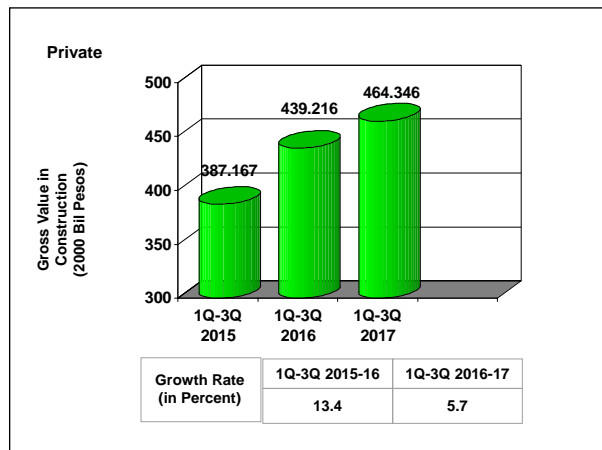
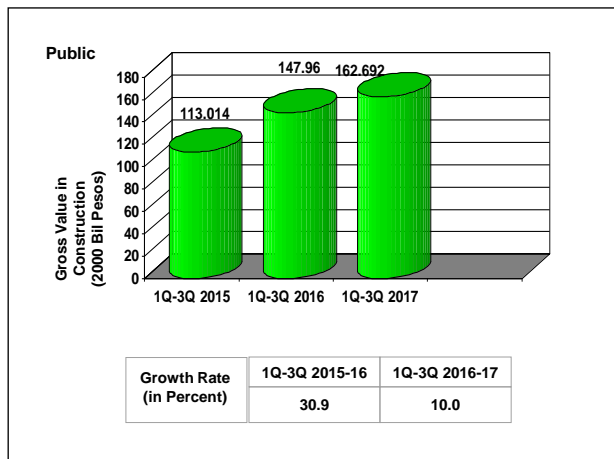
**CONSTRUCTION MARKET PERFORMANCE**

For the first to third quarter of 2017, Construction output, as measured by the Gross Value Added (GVA) amounted to PhP402.6 Billion in real terms, registering a 6.4 percent increase from PhP378.3 Billion in the same period in 2016.

On the other hand, Construction investments, as measured by the Gross Value in Construction (GVC) valued at PhP627.0 Billion in real terms, compared with the PhP587.2 Billion investment during the same period in 2016.

However, Construction investment grew slower by 6.8 percent during the first to third quarter of 2017, compared with the 17.4 percent growth recorded in the same period in 2016.

Government infrastructure investments (valued at PhP162.7 Billion in real terms), showed robust growth by 10 percent. On the other hand, private construction activities (valued at PhP464.3 Billion in real terms) accelerated by 5.7 percent.



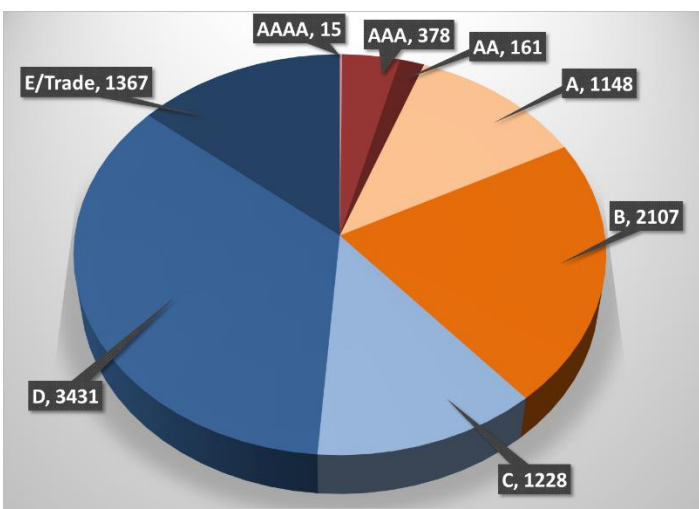
### Contracting Sector

**Domestic:** As of 31 December 2017, the Philippine Contractors Accreditation Board (PCAB) issued a total of 9,835 contractors' licenses for the CFY 2017-2018, 88.9 percent of which were renewing contractors and 11.1 percent were new entrants.

As to principal classification, General Engineering (GE) contractors accounted for 44.3 percent of the entire population. General Building (GB) contractors consisted of 34.0 percent, Specialty contractors constituted 9.2 percent while the remaining Trade contractors were 12.5 percent of the total population.

In terms of size, large contractors (AAAA, AAA & AA) accounted for 5.6 percent of the total contracting population. Medium-sized contractors (A & B) comprised 33.1 percent while small contractors (C, D, Trade/E) still remained the majority of licensed contractors at 61.3 percent.

In terms of nationality, special licenses were issued to 25 foreign contractors. Majority of special licenses were issued to Chinese (12), Korean (3), Japanese (3), Malaysian (2), Italian (1), Singaporean (1), Dutch (1), French (1), and Australian (1) firms.



**Overseas:** As of 3<sup>rd</sup> quarter 2017, there were 32 POCB-registered contractors/consultancy firms. There were 15 outstanding service contracts. About 3,697 overseas Filipino construction workers were deployed, a 179.4 percent increase compared to 1,323 for the same period in 2016. The increase in manpower deployment was due to the 200.0 percent increase in terms of the number of service contracts won for the same period.

On the other hand, about 3,017 construction workers were employed on-site by Filipino overseas contractors, representing a 55.7 percent increase compared to the 1,938 manpower-on-site in the same period of 2016.