

Department of Trade and Industry
CONSTRUCTION INDUSTRY AUTHORITY OF THE PHILIPPINES

2017 YEAR END CONSTRUCTION INDUSTRY PERFORMANCE HIGHLIGHTS

IMPACT ON THE PHILIPPINE ECONOMY

According to the Philippine Statistics Authority (PSA), the Philippine economy posted a 6.5 percent growth in 2017. Gross Domestic Product (GDP) grew by 6.7 percent for the entire year of 2017. The drivers of GDP growth was brought about by the accelerated performances of Industry sector (7.2 percent), and the Services sector at 6.7 percent. Growth in the Industry sector was brought about by the strong performances of Manufacturing at 8.6 percent, Construction at 5.4 percent, and Utilities at 3.2 percent growth.

The share of the construction industry to total employment of the country was robust at 8.8 percent in 2017. It continued to provide job opportunities, employing on the average a total of 3.537 million workers in 2017, up by 4.7 percent as compared to the 3.378 million workers in 2016.

Total Foreign Exchange Remittances by POCB-Registered contractors/consultants in 2017 amounted to US\$ 66.132 Million, up by 58.8 percent from US\$ 41.644 Million in 2016.

Construction industry contributed 34.4 percent to overall capital investments or Gross Capital Formation (GCF) in the country.

SELECTED MACROECONOMIC INDICATORS

(At Constant Prices, Base Year = 2000)

INDICATORS		2016	2017	Growth Rate (% increase/ Decrease)
Gross Domestic Product (GDP)	Total GDP (in Billion ₱)	8,126.4	8,668.3	6.7%
	GVA or Peso Contribution of Construction Industry to GDP (in Billion ₱)	519.7	548.0	5.4%
	% Share of Construction to GDP	6.4%	6.3%	-
Investment	Total Investment or Gross Capital Formation (GCF) (in Billion ₱)	2,274.8	2,479.6	9.0%
	Investments (GV) in Construction (in Billion ₱)	807.5	853.7	5.7%
	Public (in Billion ₱)	193.4	219.6	13.5%
	Private (in Billion ₱)	614.0	634.1	3.3%
	% Share of Construction to total investment or GCF	35.5%	34.4%	-
Employment	Total Domestic Employment (In thousand workers)	40,998	40,335	-1.6%
	Average Construction Employment (In thousand workers)	3,378	3,537	4.7%
	% Share of Construction to Total Employment	8.2%	8.8%	-
FOREX*	Foreign Exchange Remittances (US\$ M)	41.644	66.132	58.8%

Source: Philippine Statistics Authority, Department of Labor and Employment, CIAP-Philippine Overseas Construction Board
 Note: Private Construction includes Built-Operate-Transfer (BOT) Projects which used to be under Public Construction

CONSTRUCTION MARKET PERFORMANCE

Construction output, as measured by the Gross Value Added (GVA), amounted to PhP 548.0 Billion in real terms, an increased by 5.4 percent from PhP519.7 Billion in 2016. The growth was due to the acceleration in public construction activities.

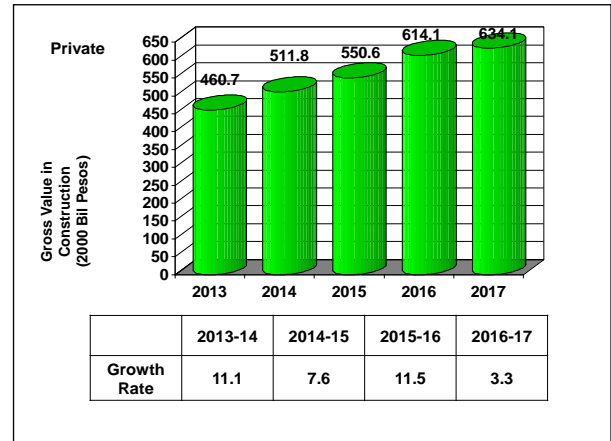
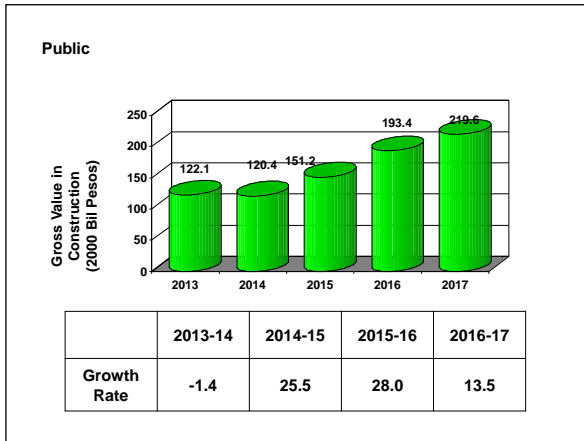
On the other hand, Construction investments, as measured by the Gross Value in Construction (GVC) valued at PhP853.7 Billion in real terms, an increased by 5.7 percent in 2017 compared to the PhP 807.5 Billion in 2016.

Government infrastructure investments (valued at PhP219.6 Billion in real terms), expanded by 13.5 percent due to the implementation of infrastructure projects under the Build! Build! Build! Program to realize the Golden Age of Infrastructure.

Private construction activities (valued at PhP634.1 Billion in real terms) increased by 3.3 percent, as

there is a continuous demand for high-rise residential condominium and commercial buildings.

The construction industry is seen to be in the limelight as government implements infrastructure projects under its Build! Build! Build! Program.



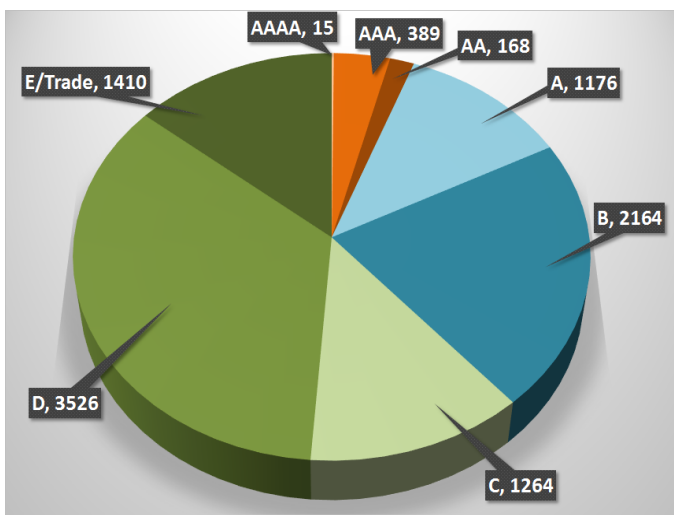
Contracting Sector

Domestic: As of 6 February 2018, the Philippine Contractors Accreditation Board (PCAB) issued a total of 10,112 contractors' licenses for CFY 2017-2018, 87 percent of which were renewing contractors and 13 percent were new entrants.

In terms of size, large contractors (AAAA, AAA & AA) accounted for 6 percent of the total contracting population. Medium-sized contractors (A & B) comprised 33 percent while small contractors (C, D, Trade/E) still remained the majority of licensed contractors at 61 percent.

As to principal classification, General Engineering (GE) contractors accounted for 44 percent of the entire population. General Building (GB) contractors consisted of 34 percent, Specialty contractors constituted 12 percent while the remaining Trade contractors were 9 percent of the total population.

In terms of nationality, special licenses were issued to 26 foreign contractors. Majority of special licenses were issued to Chinese (12), Japanese (3), and Korean (3) firms. One special license were issued each to Dutch, Spanish, French, Singaporean, Italian, Australian, Malaysian and American contractors.



Overseas: For 2017, there were 32 POCB-registered contractors/consultancy firms. There were 15 outstanding service contracts. About 3,699 overseas Filipino construction workers were deployed, a 140.2 percent surge compared to the 1,540 construction workers deployed in 2016. Increase in manpower deployment was due to the 3 new service contracts won in 2017.

On the other hand, about 3,019 construction workers were employed on-site by Filipino overseas contractors, representing an increase of 59.4 percent compared to the 1,894 manpower-on-site in 2016