



The Philippines
**AHK World Business Outlook
Survey Results**

Fall 2023



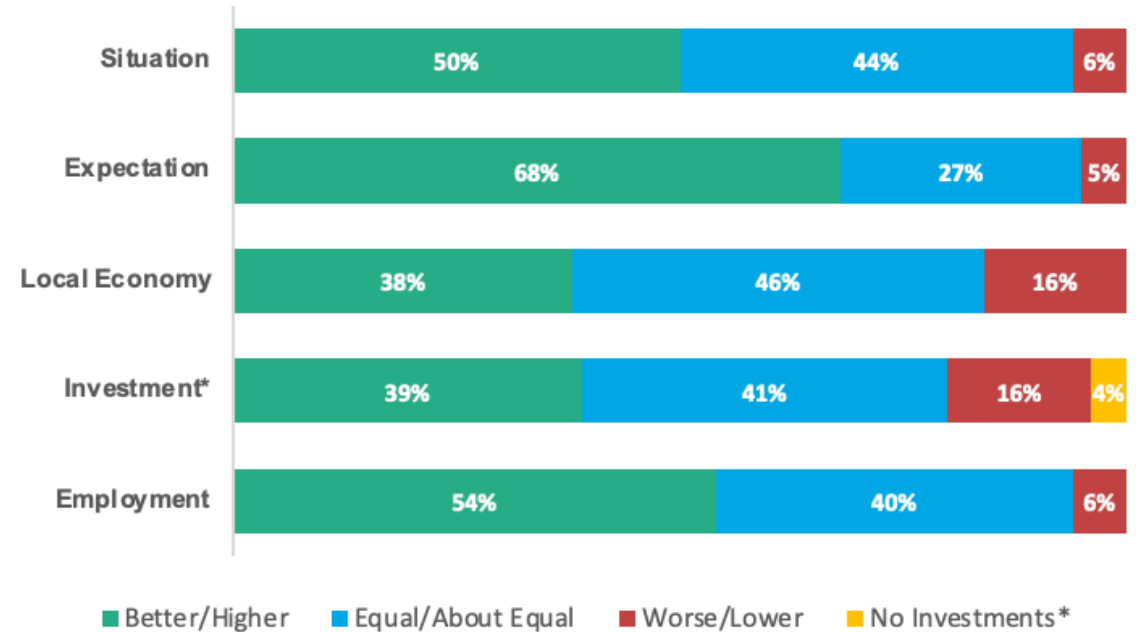
Deutsch-Philippinische
Industrie- und Handelskammer
German-Philippine Chamber
of Commerce and Industry

 **PartnerInThePhilippines**

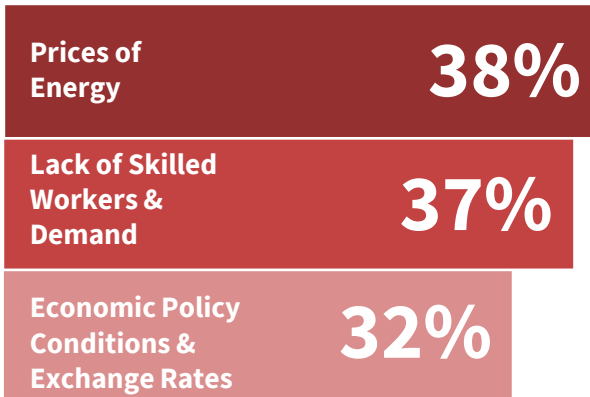
Summary – Fall 2023

Businesses engaged in German-Philippine economic relations express satisfactory local business prospects but evaluate a higher local employment demand.

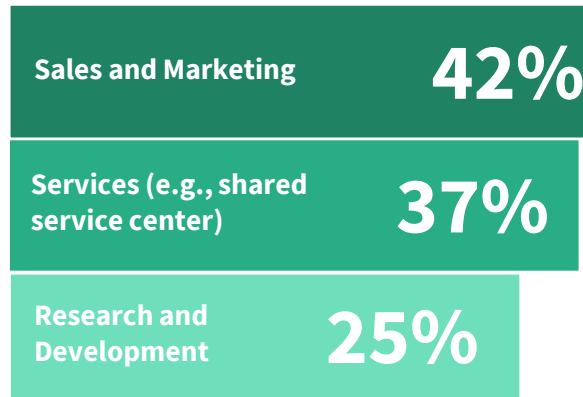
They also identify certain risks to their economic development, such as the prices of energy, the lack of skilled workers, demand, economic policy conditions, and exchange rates. the survey highlighted areas for current and potential investments and identified factors that play a dominant role in investment decisions.



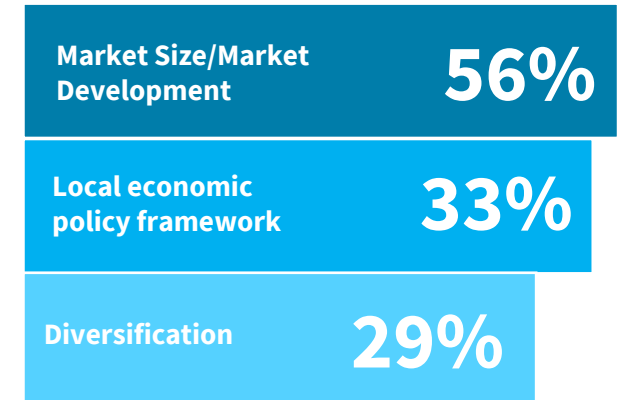
Biggest Risks



Areas of Significant Investment



Investment Factors



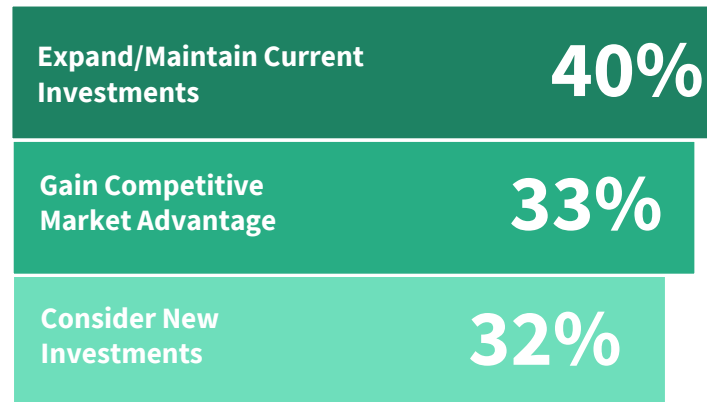
Summary: EU-Philippines Free Trade Agreement

Survey questions pertaining to the EU-Philippine Free Trade Agreement showed a majority of companies placing the agreement as crucial to their operations in the Philippines. Companies also raised current export challenges, such as cumbersome customs procedures, tariffs, quotas, and technical trade barriers. The expected benefits of the EU-PH FTAs encompass the expansion and maintenance of current investments, gaining a competitive market advantage, and exploring new investment prospects. Opportunities in goods, services, and supply chain optimization were also highlighted.

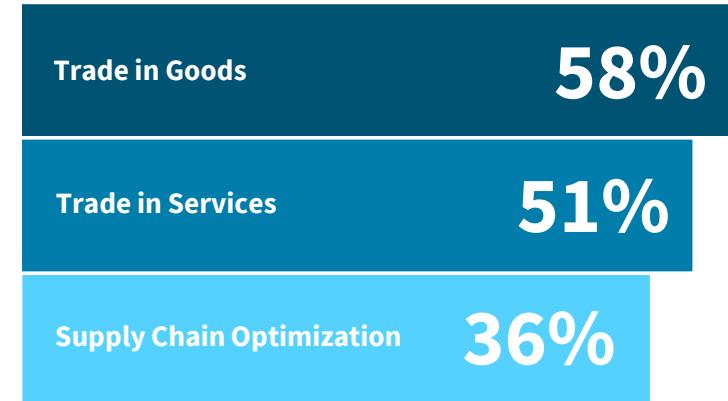
Current Challenges in Exporting



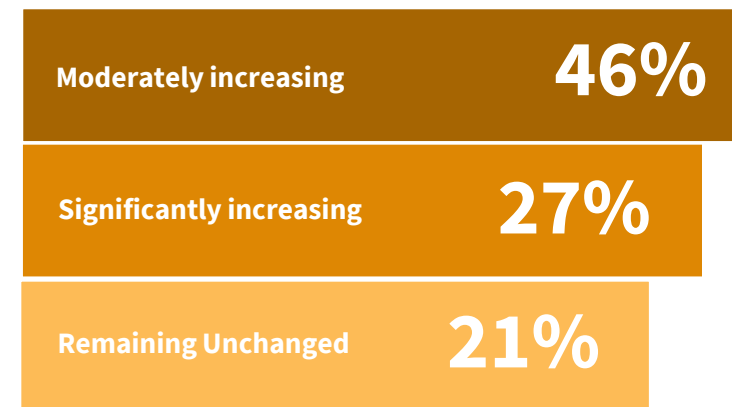
Foreseen Benefits



Areas of Opportunity

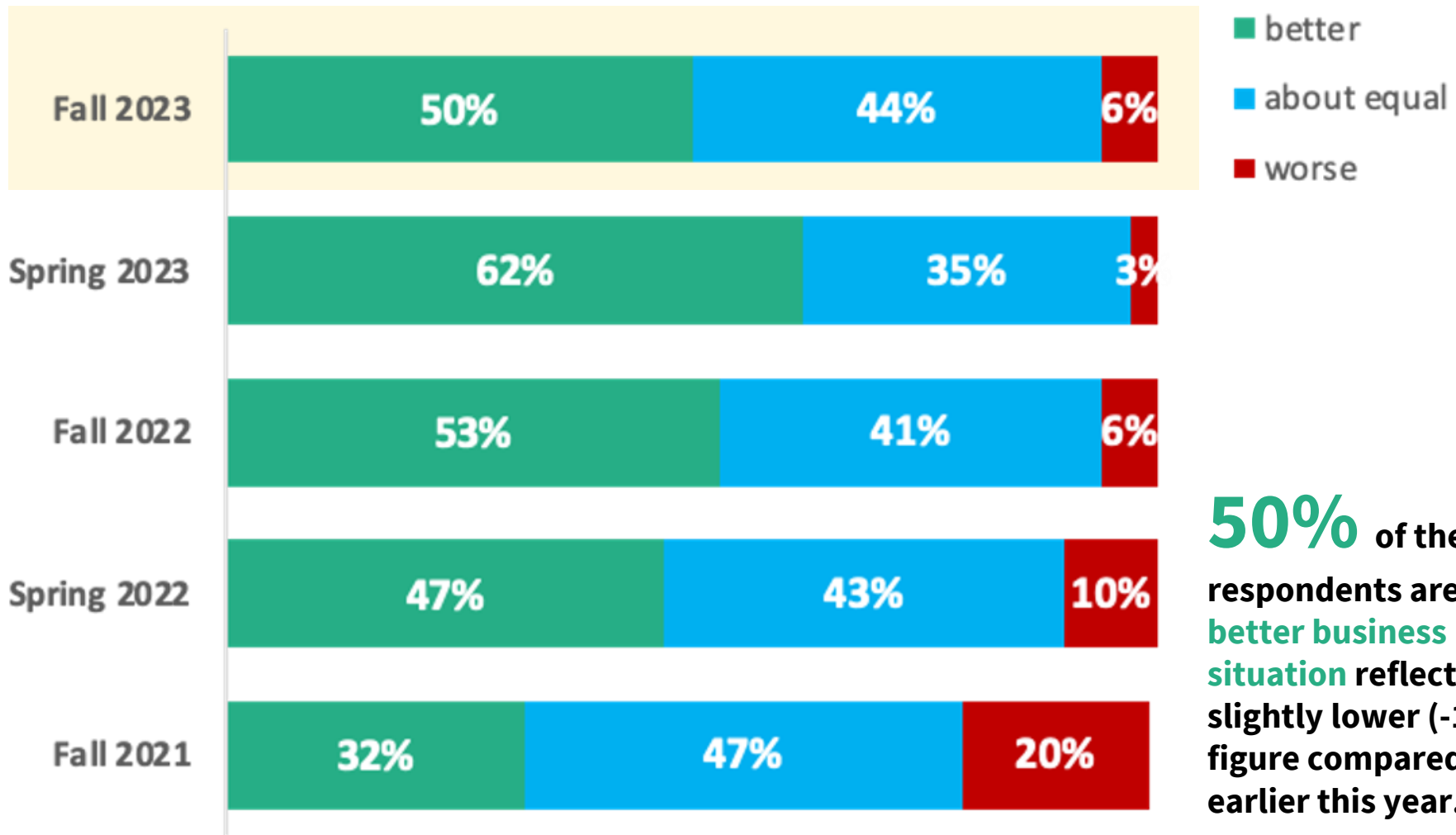


Impact on Industry Competitiveness

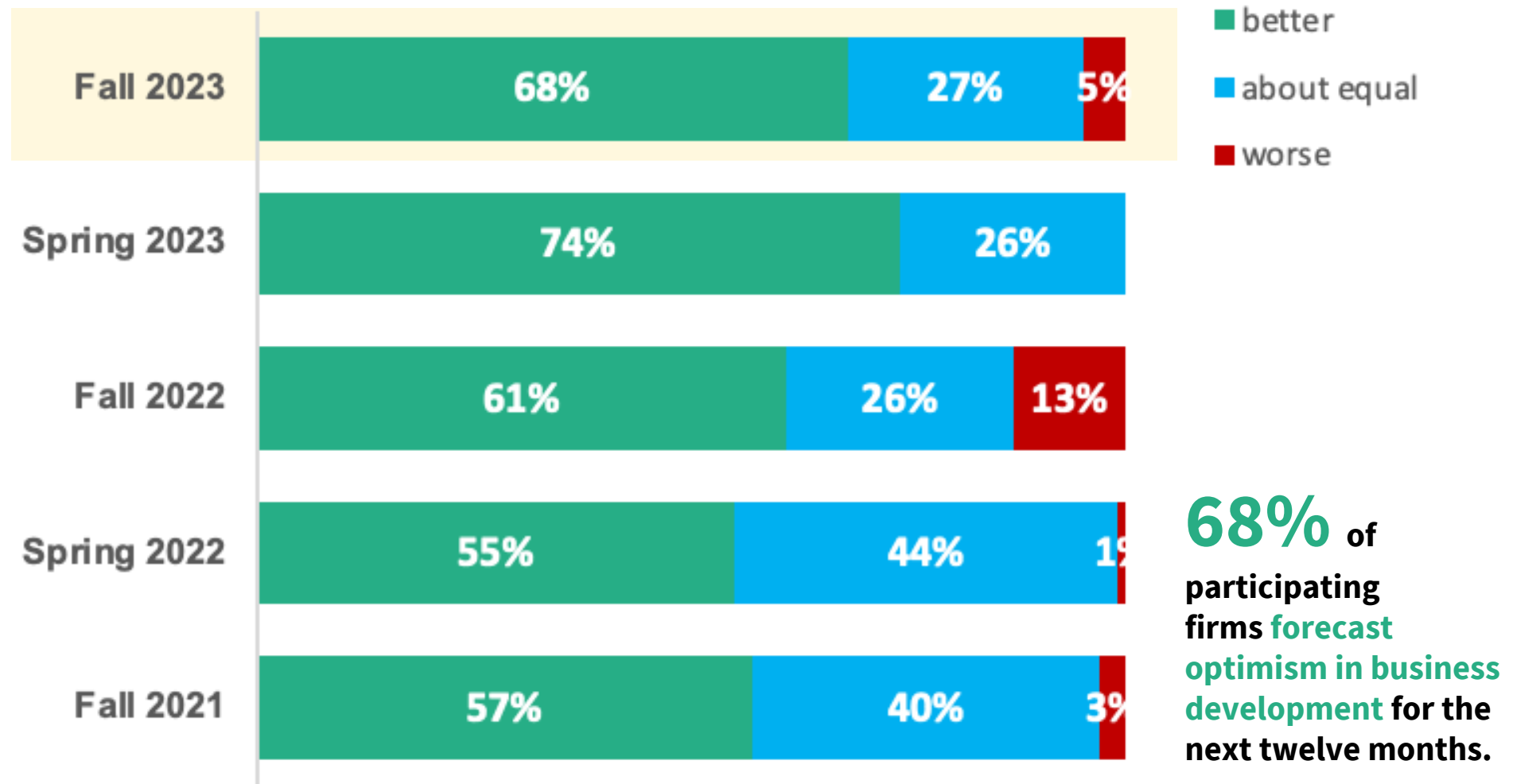


The Philippines
**Fall 2023 AHK World Business
Outlook Survey**

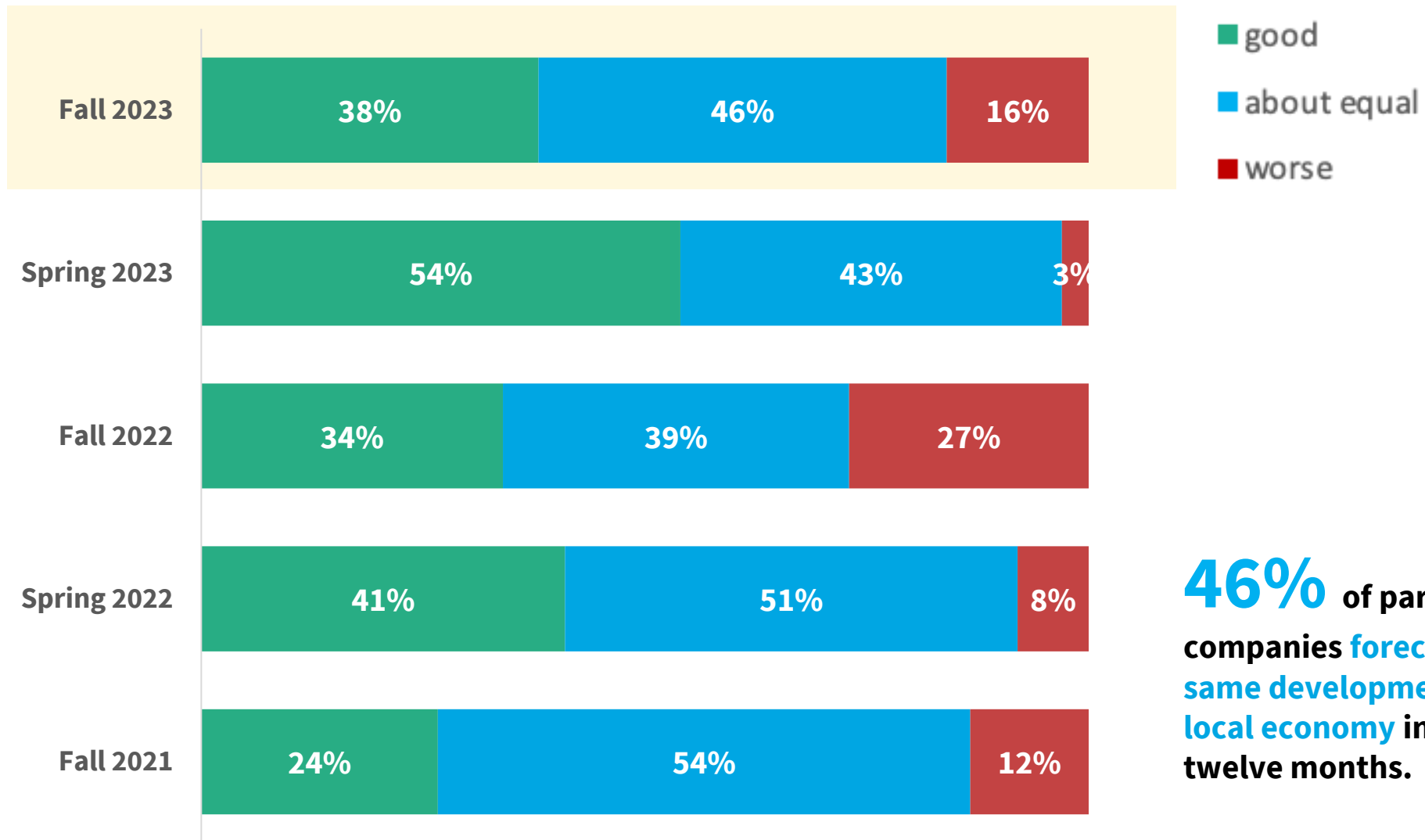
How do you assess the current situation of your company?



Which business development does your company expect for the next twelve months?

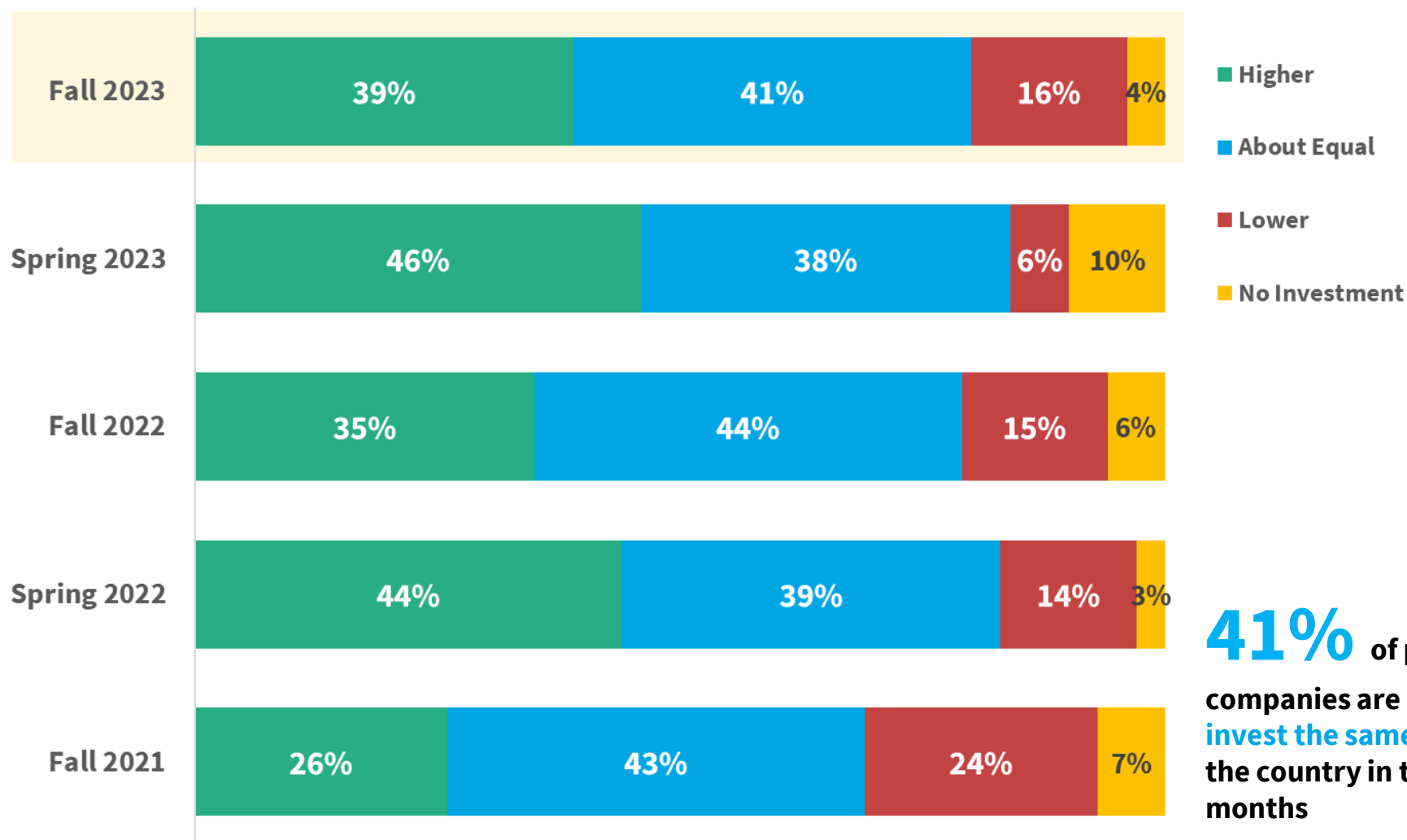


How do you judge the local economic development in the next twelve months?

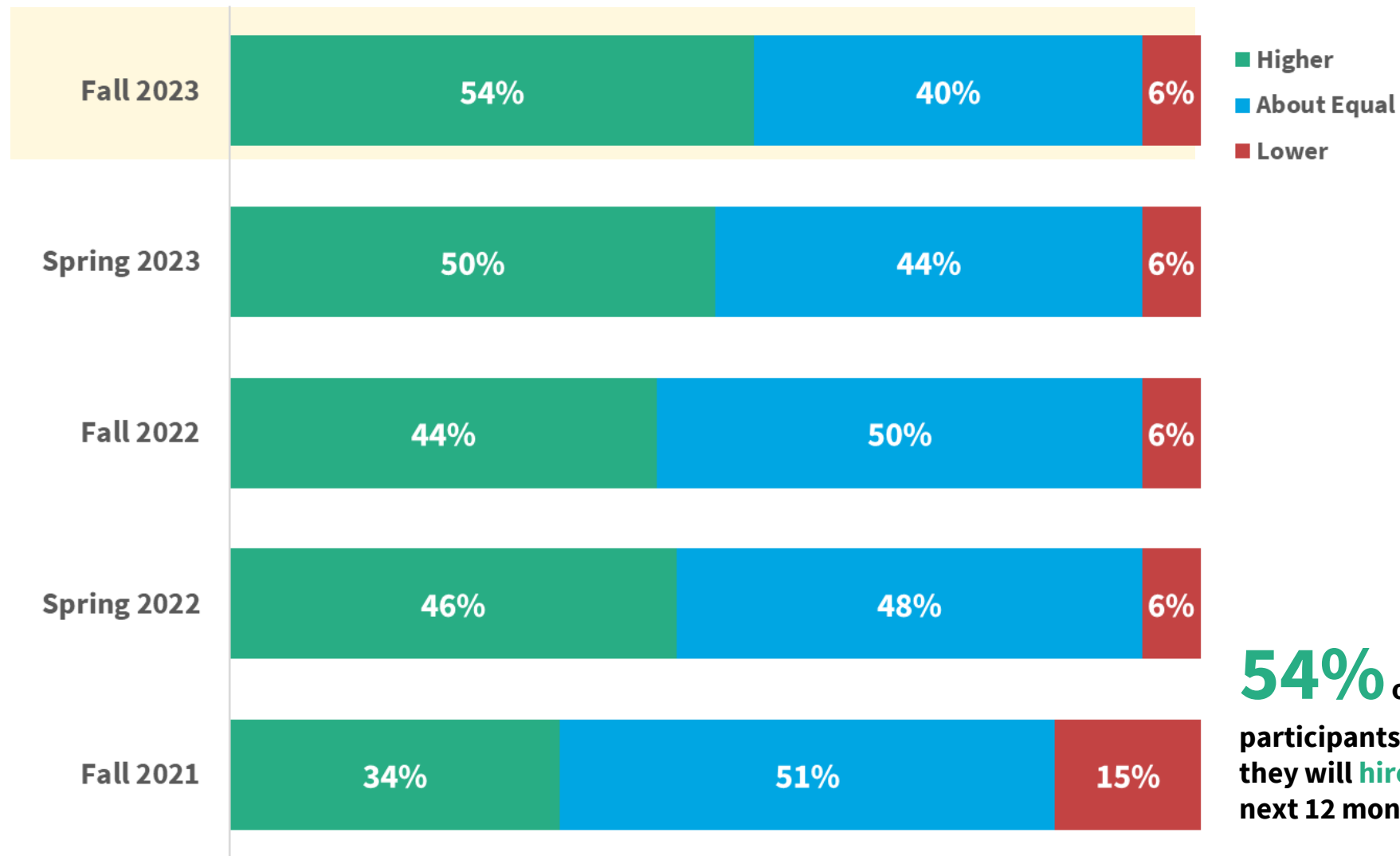


46% of participating companies forecast the same development on local economy in the next twelve months.

How do you think **local investments of your company** are likely to develop in the next twelve months?

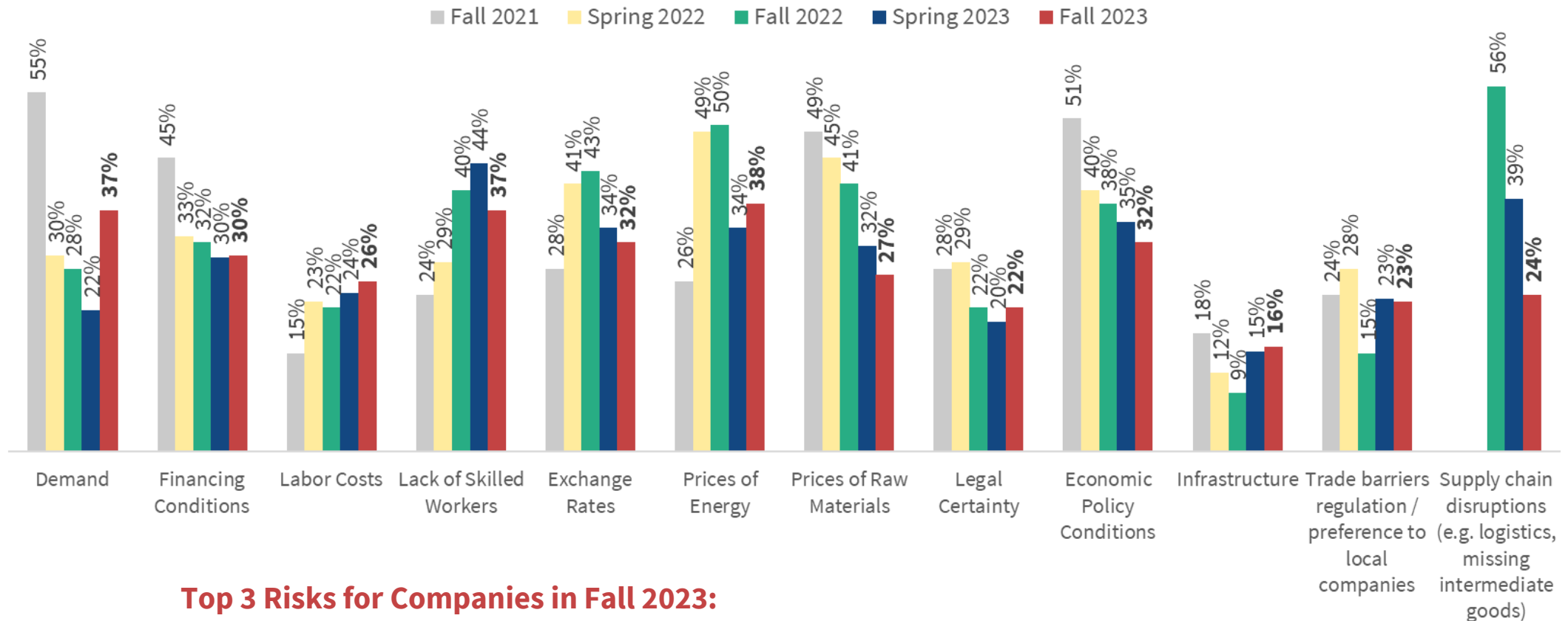


How do think local employment of your company is likely to develop in the next twelve months?



54% of survey participants said that they will **hire more** in the next 12 months

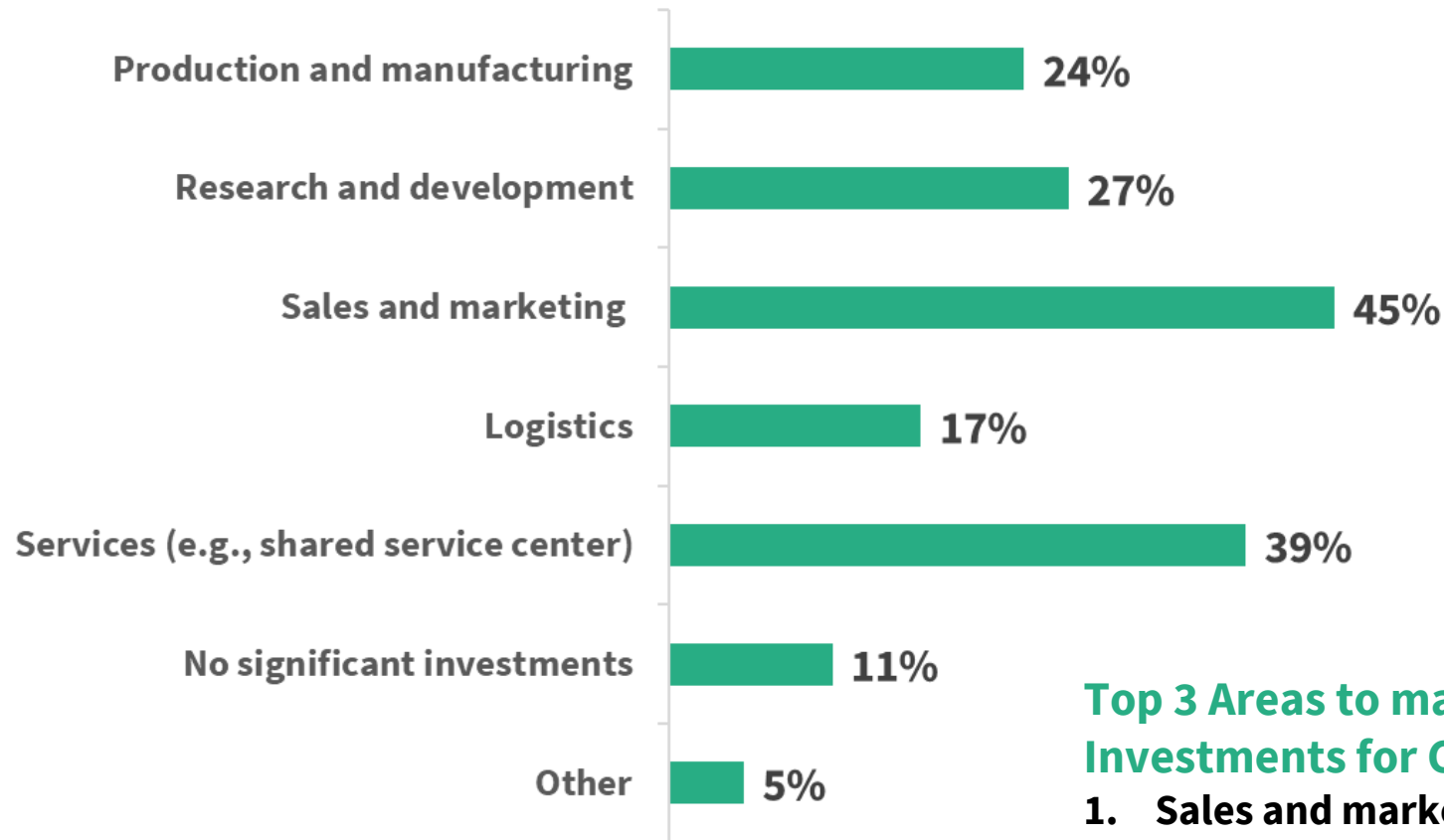
What are the **biggest risks** for your company's economic development in the next twelve months?



Top 3 Risks for Companies in Fall 2023:

1. **Prices of Energy (38%)**
2. **Demand (37%) and Lack of Skilled Workers (37%)**
3. **Exchange Rates (32%) and Economic Policy Conditions (32%)**

In which areas do you currently have or plan to make **significant investments** at your site?



Top 3 Areas to make Significant Investments for Companies in Fall 2023:

1. Sales and marketing (45%)
2. Services (e.g., shared service center) (39%)
3. Research and development (27%)

**respondent number for this question is 94*

Which factors play a **dominant role** in your decision to invest locally?



Top 3 Factors for Local Investment Decision

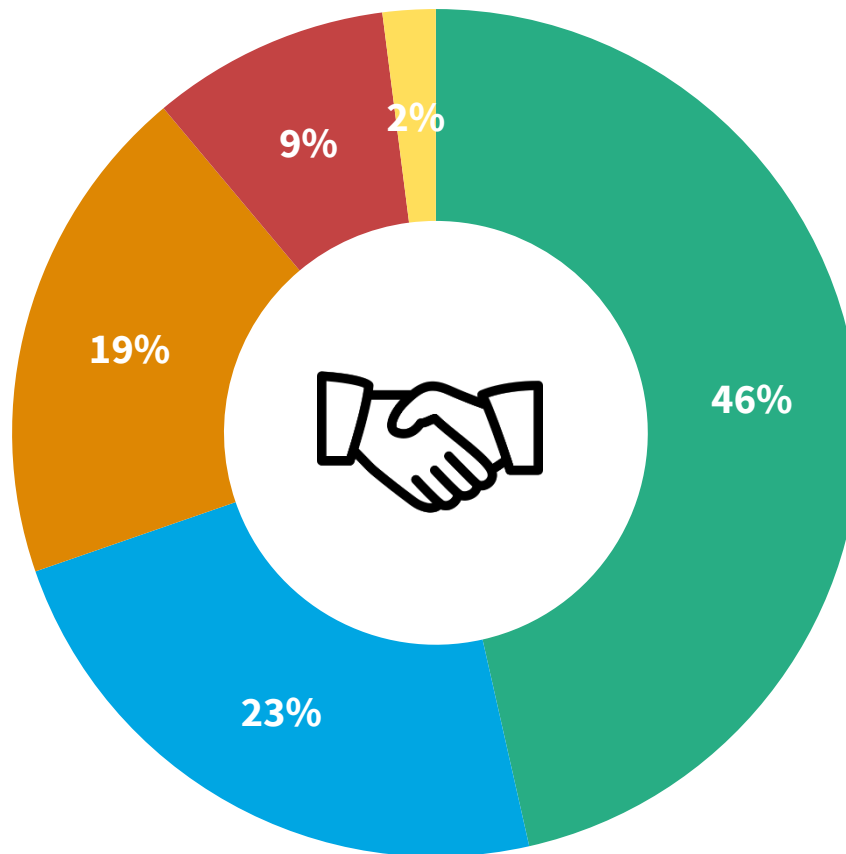
1. **Market Size/Market Development (56%)**
2. **Local economic policy framework (33%)**
3. **Diversification (29%)**

**respondent number for this question is 95*

A photograph of Ursula von der Leyen, President of the European Commission, and Ferdinand R. Marcos Jr., President of the Philippines, shaking hands. They are standing in front of a backdrop featuring the Philippine flag and the European Union flag. The scene is set in a formal meeting room with microphones and a floral arrangement visible in the foreground.

Fall 2023 Survey Segment
EU-Philippines Free Trade Agreement

How **crucial** do you anticipate the EU-Philippines Free Trade Agreement to be for the success of your company's operations in the Philippines?

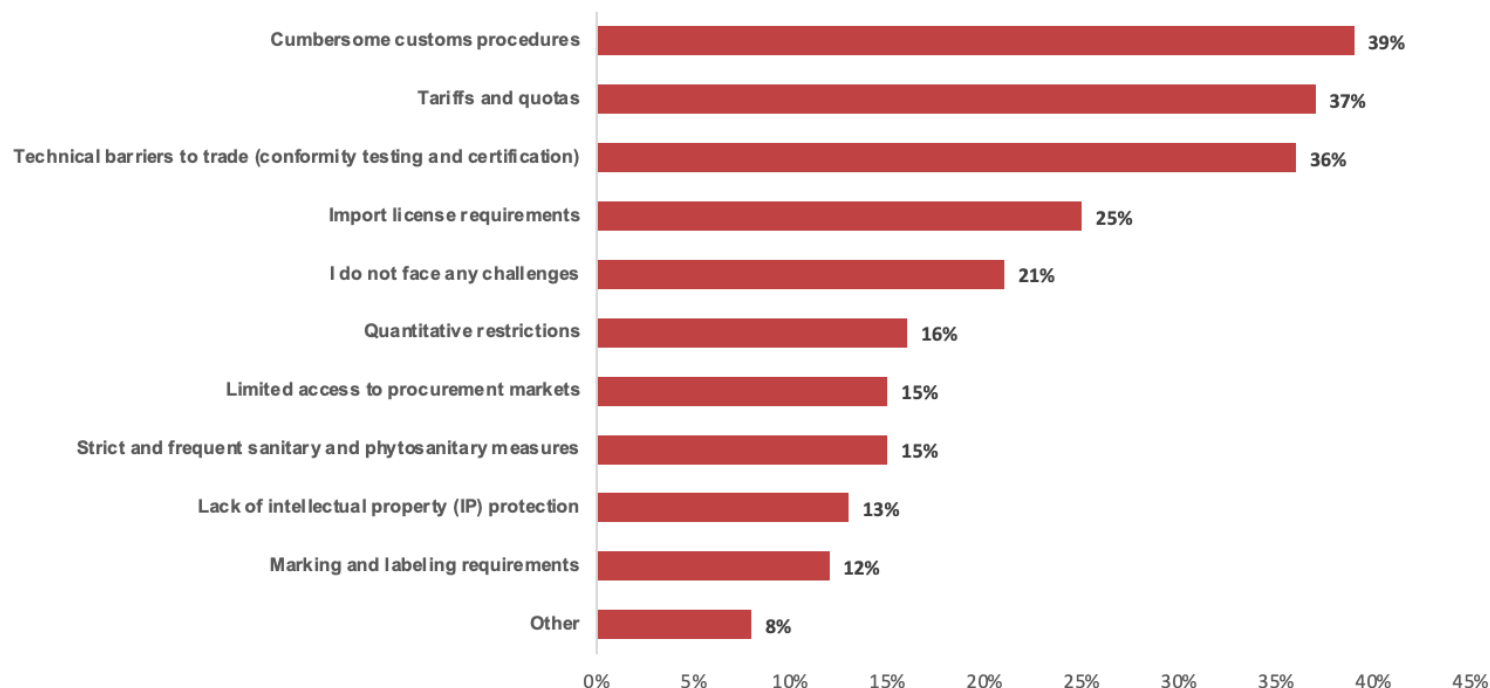


- Very Important
- Important
- Somewhat Important
- Not Important
- Not Sure

46% of the respondents view the EU-Philippine Free Trade Agreement as **very important** to their company's operations success.

**respondent number for this question is 98*

What **specific challenges** do you currently encounter when exporting goods and services from the Philippines?

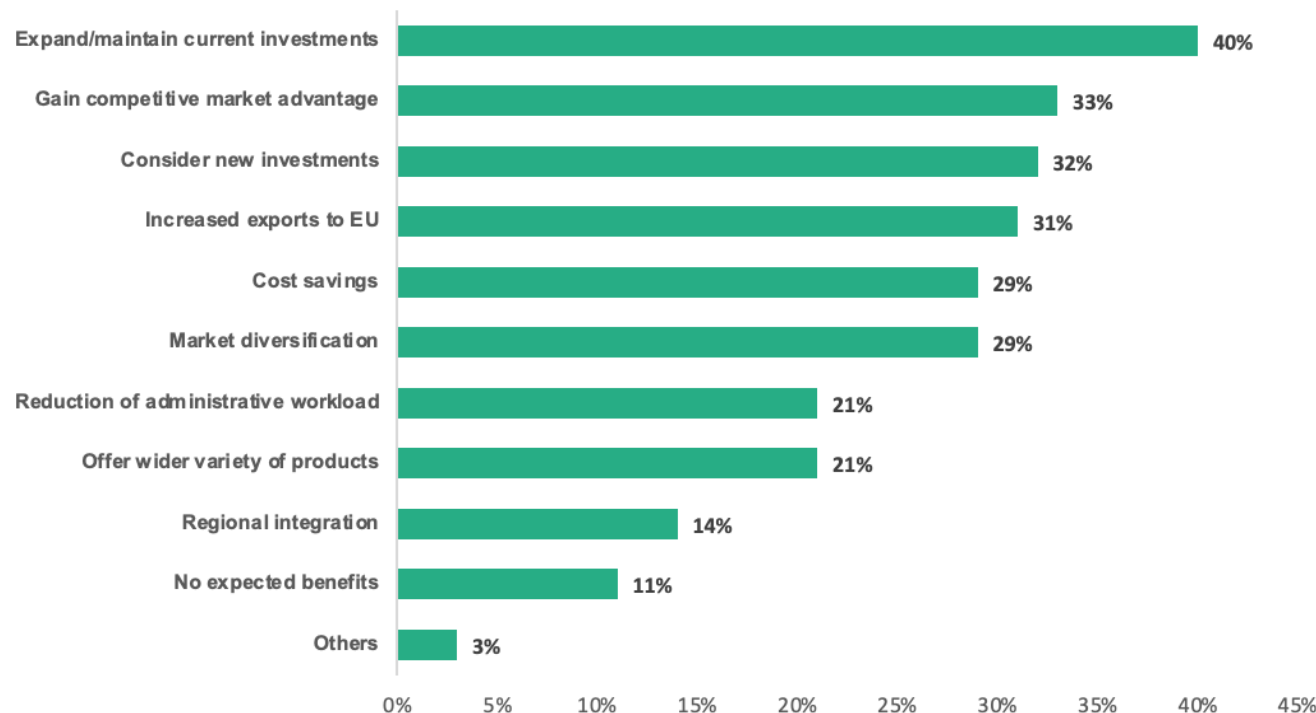


Top 3 Challenges for Companies when exporting goods and services in Fall 2023:

1. **Cumbersome customs procedures (39%)**
2. **Tariffs and quotas (37%)**
3. **Technical barriers to trade (conformity testing and certification (36%))**

**respondent number for this question is 85*

What potential benefits do you foresee for your business as a result of the EU-Philippines Free Trade Agreement?

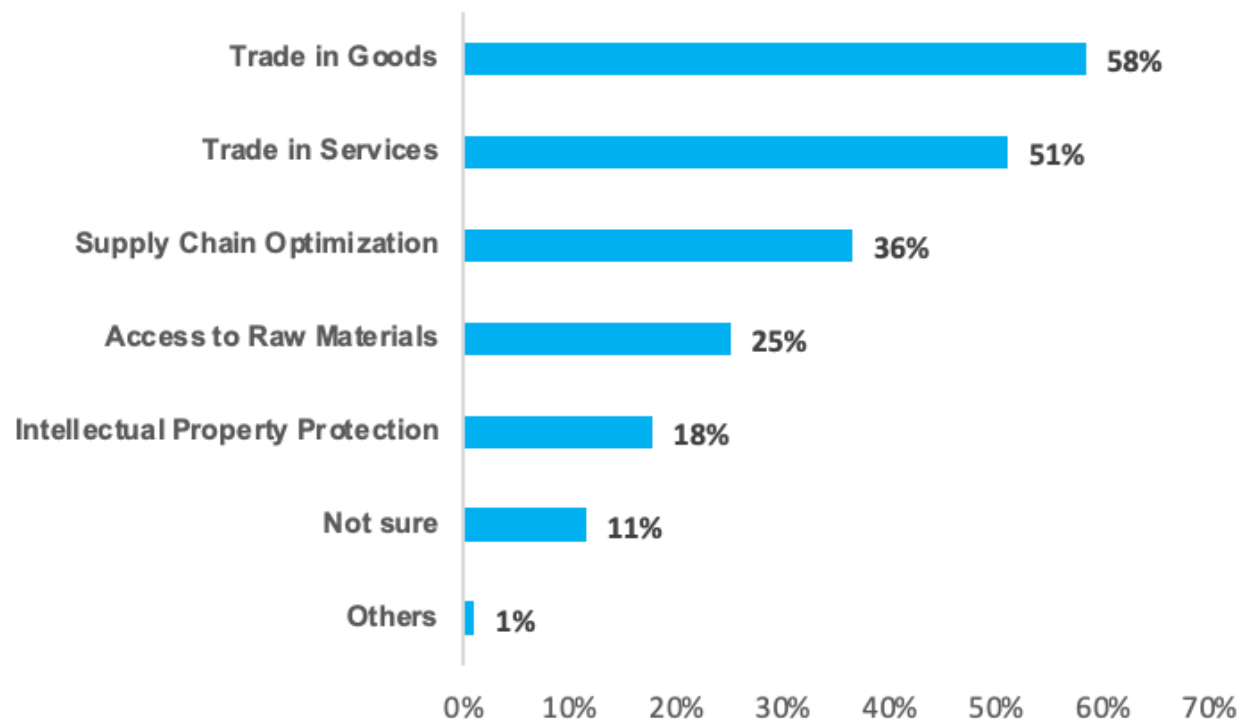


Top 3 potential benefits of the EU-PH FTA for Companies in Fall 2023:

1. **Expand/maintain current investments (40%)**
2. **Gain competitive market advantage (33%)**
3. **Consider new investments (32%)**

**respondent number for this question is 97*

In which areas do you anticipate utilizing the EU-Philippines Free Trade Agreement?

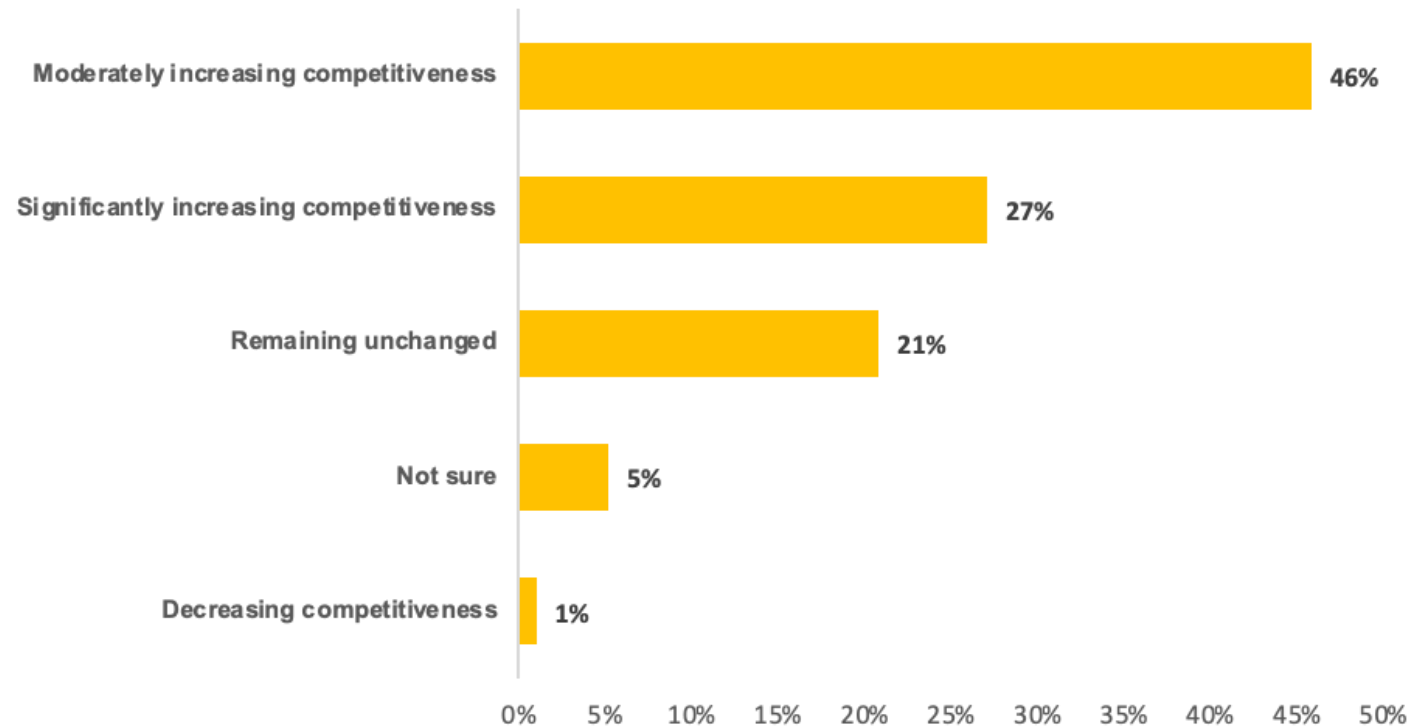


Top 3 Areas for Companies to utilize the EU-PH FTA in Fall 2023:

1. Trade in Goods (58%)
2. Trade in Services (51%)
3. Supply Chain Optimization (36%)

**respondent number for this question is 96*

How do you anticipate the EU-Philippines Free Trade Agreement affecting the competitiveness of your industry?

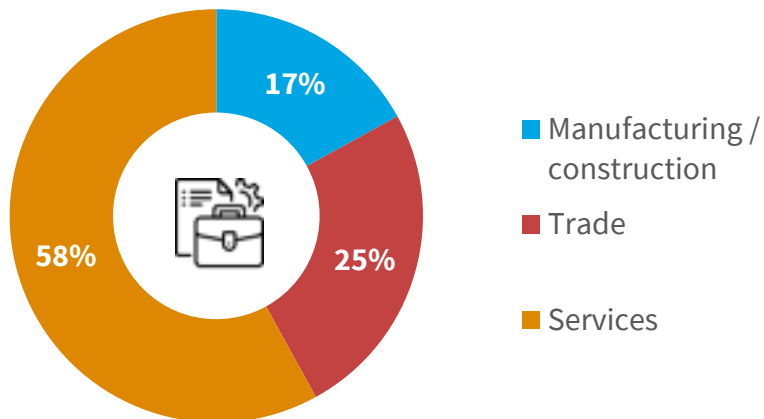


46% of the respondents anticipate the EU-Philippine Free Trade Agreement to be **moderately increasing** their company's competitiveness.

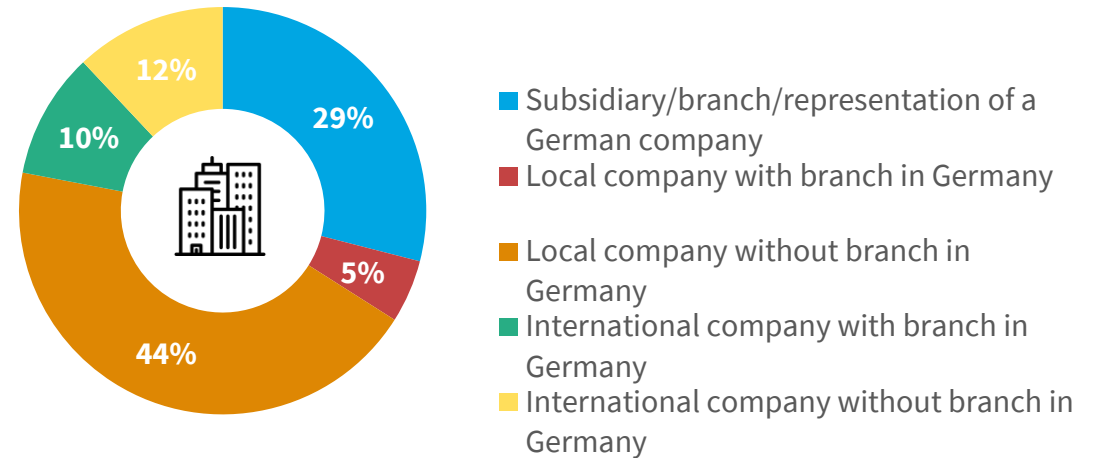
**respondent number for this question is 96*

Survey Information

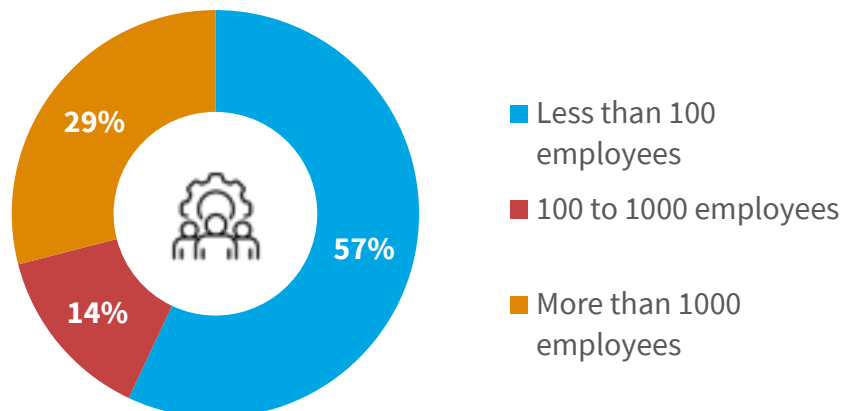
Sector



Company Type



Employees Worldwide



The survey was sent out to companies involved in the German-Philippine Business relations with a total of 100 responses collected. For more details on the DIHK / AHK WBO and the comparison to the most recent WBO surveys in the Philippines, click the links below:

- AHK Worldwide WBO Survey Results (Fall 2023): <https://bit.ly/3QRCB4t>
- AHK PH WBO Survey Results (Spring 2023): <https://bit.ly/3sF6Y4N>
- Other surveys / publications: <https://bit.ly/3TyYfIL>

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