

Department of Trade and Industry
CONSTRUCTION INDUSTRY AUTHORITY OF THE PHILIPPINES

2015 CONSTRUCTION INDUSTRY PERFORMANCE HIGHLIGHTS

IMPACT ON THE PHILIPPINE ECONOMY

The Philippine economy sustained its growth momentum and posted a 5.4% increase in 2015. Gross Domestic Product (GDP) grew by 5.8%. The drivers of GDP growth was brought about by the strong performances of the services sectors at 6.7% and industry sector (6.0%).

Resiliency in the industry sector was brought about by the impressive performances of construction at 8.9%, manufacturing at 5.7%, and utilities at 4.8%.

Construction industry also substantially contributed 39.6% to overall capital investments or Gross Capital Formation (GCF) in the country.

The share of the construction industry to total employment of the country is 7.0% in 2015. It continued to provide job opportunities, employing a total of 2.697 Million workers in 2015, up by 4.6% as compared to the 2.578 Million workers in 2014.

SELECTED MACROECONOMIC INDICATORS

(At Constant Prices, Base Year = 2000)

INDICATORS		2014	2015	Growth Rate (% increase/ Decrease)
Gross Domestic Product (GDP)	Total GDP (in Billion ₱)	7,164.0	7,579.9	5.8
	GVA or Peso Contribution of Construction Industry to GDP (in Billion ₱)	422.2	459.6	8.9
	% Share of Construction to GDP	5.9%	6.1%	-
Investment	Total Investment or Gross Capital Formation (GCF) (in Billion ₱)	1,568.3	1,780.9	13.6
	Investments (GV) in Construction (in Billion ₱)	650.6	705.5	8.4
	Public (in Billion ₱)	129.8	156.6	20.6
	Private (in Billion ₱)	520.8	548.9	5.4
	% Share of Construction to total investment or GCF	41.5%	39.6	-
Employment*	Total Domestic Employment (In thousand workers)	38,651	38,742	0.2
	Average Construction Employment (In thousand workers)	2,578	2,697	4.6
	% Share of Construction to Total Employment	6.7	7.0	-

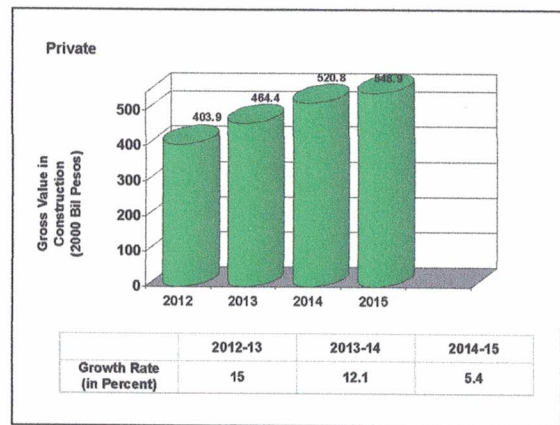
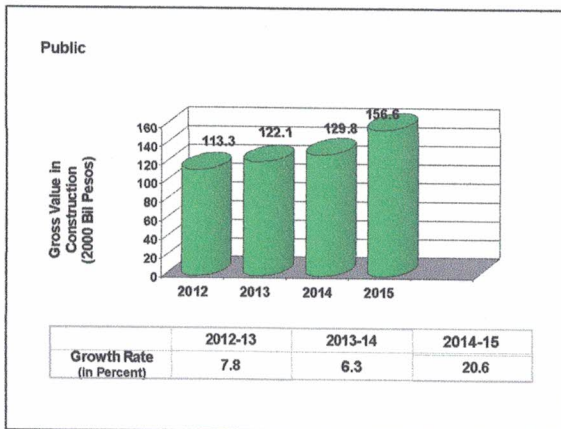
Source: Philippine Statistics Authority, Department of Labor and Employment

CONSTRUCTION MARKET PERFORMANCE

In 2015, construction investments, as measured by the Gross Value in Construction (GVC) amounted to PhP705.5 Billion in real terms, expanded by 8.4% from 2014. This was fueled by the increased in government spending especially in public construction and the strong performance in private construction activities.

On the other hand, Construction output, as measured by the Gross Value Added (GVA) amounted to PhP 459.6 Billion in real terms, registered an increase by 8.9% from PhP422.2 Billion in 2014.

Government infrastructure investments (valued at PhP 156.6 Billion in real terms), accelerated by 20.6% in 2015 due to the improved capital expenditure for government infrastructure projects. Public sector construction activities continued to improve as government addresses issues on spending bottlenecks, tax revenues increase & pipeline Public Private Partnership (PPP) projects are implemented. On the other hand, Private construction activities (valued at PhP548.9 Billion in real terms).



Contracting Sector

Domestic: As of 7 April 2016, the Philippine Contractors Accreditation Board (PCAB) issued a total of 7,915 contractors' licenses for CFY 2015-2016, 86.8 % of which were renewing contractors and the remaining 13.2% were new entrants.

In terms of size, large contractors (AAA & AA) accounted for a 5.6% share of the total contracting population. Medium-sized contractors (A & B) comprised 33.2%, while small contractors still remained a majority at 61.2%. As to principal classification, General Engineering (GE) contractors accounted for 46.5% of the entire population. General Building (GB) contractors consisted of 33.1%. Specialty contractors constituted 8.5% while the remaining Trade contractors are 11.9%.

PCAB, likewise, issued special licenses to 12 foreign contractors (all categorized as AAA), 604

Filipino contractors with Joint Venture arrangements and 9 consortium. In terms of nationality, majority of which were Chinese (7), Japanese (3), Korean (1) and Malaysian (1) firms.

Overseas. For 2015, there are ten (10) active POCEB-registered firms. There are about 39 outstanding contracts: 2 of which are project contracts and 37 service contracts. About 1,981 overseas Filipino construction workers were deployed, a 11% increase from same period in 2014.

On the other hand, about 2,076 construction workers are presently employed on-site by Filipino overseas contractors, representing an increase of 43% compared to the 1,451 manpower-on-site in the same period of 2014.