

THE PHILIPPINES **MAKE IT HAPPEN**

*Garments and Textile Industry
Investment Opportunities*



fibre2fashion.com



ASIA Textile MILLS, INC.

Textile Manufacturing

- **269 companies*** in the Philippines are engaged in the different stages of textile manufacturing
- More than 50% of the textile companies manufacture **textiles for industrial use**
- More than **15,000 workers*** are working in Textile Industry
- **Two companies** have integrated textile facilities that can do the preparation up to the finishing of textiles and garment manufacturing

Garments Manufacturing

- The garments industry is highly concentrated in 3 regions:
 - National Capital Region (NCR)
 - Central Luzon (Region 3)
 - CALABARZON (Region 4A)
- And now emerging in Central Visayas (Region 7) making Cebu the primary producer of the best garment products in the Central Philippines.
- More than **70,000 workers*** and **999 establishments***



Garments Manufacturing

Domestic-Oriented

e.g., Taytay Garment Industry

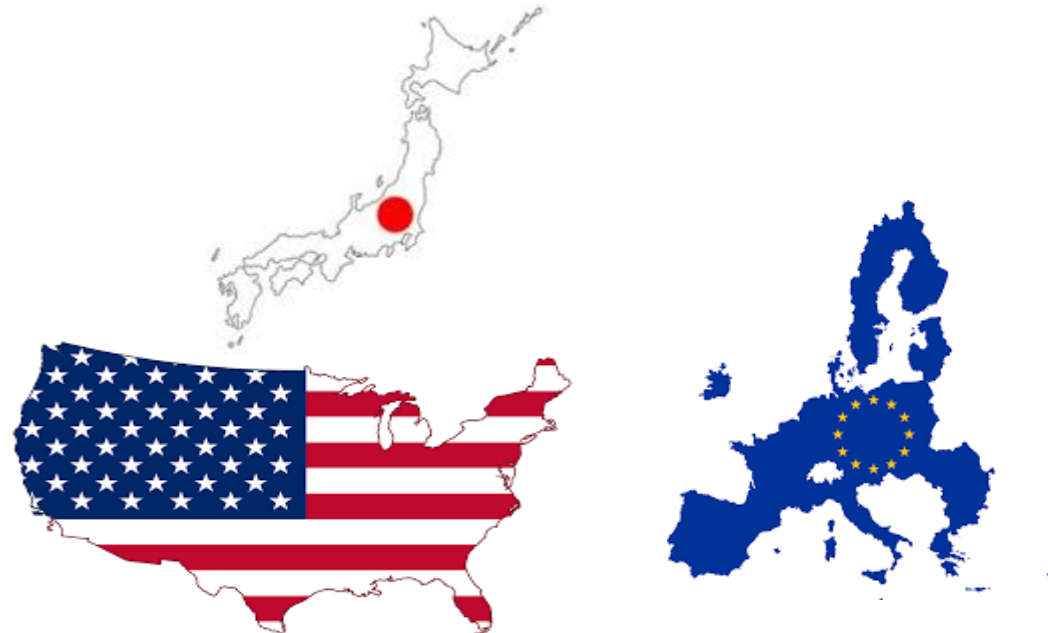
- 190 registered garment manufacturers
- 29 registered ready-to-wear (RTW) retailers
- 4,000 market sellers



Export-Oriented

e.g., Luen Thai Philippines

- Caters to Global Brands
- Major market include USA, EU, South Korea, Japan



Some Filipino Brands that are aligned with the Latest Trend on Sustainable Manufacturing



UNEP cites that the textile sector accounts for about 8% of global greenhouse gas emissions



ANTHILL Markets – Alternative Nest and Trading / Training Hub for Indigenous or Ingenious Little Livelihood Seekers – ANTHILL has engaged 66,042 weavers



Rags2Riches was one of the first brands to successfully champion ‘circular fashion’, sustainability and ethical working practices



Craftcha bags, pants, blankets, pillowcases, skirts, eco-bags and rugs are 99% made from repurposed materials



Rio Estuar successfully took on the challenge of creating clothes using scraps discarded from the fashion industry



Re Clothing offers sustainable pieces - shirts, bags, trousers – all made from second-hand items or deadstock fabric



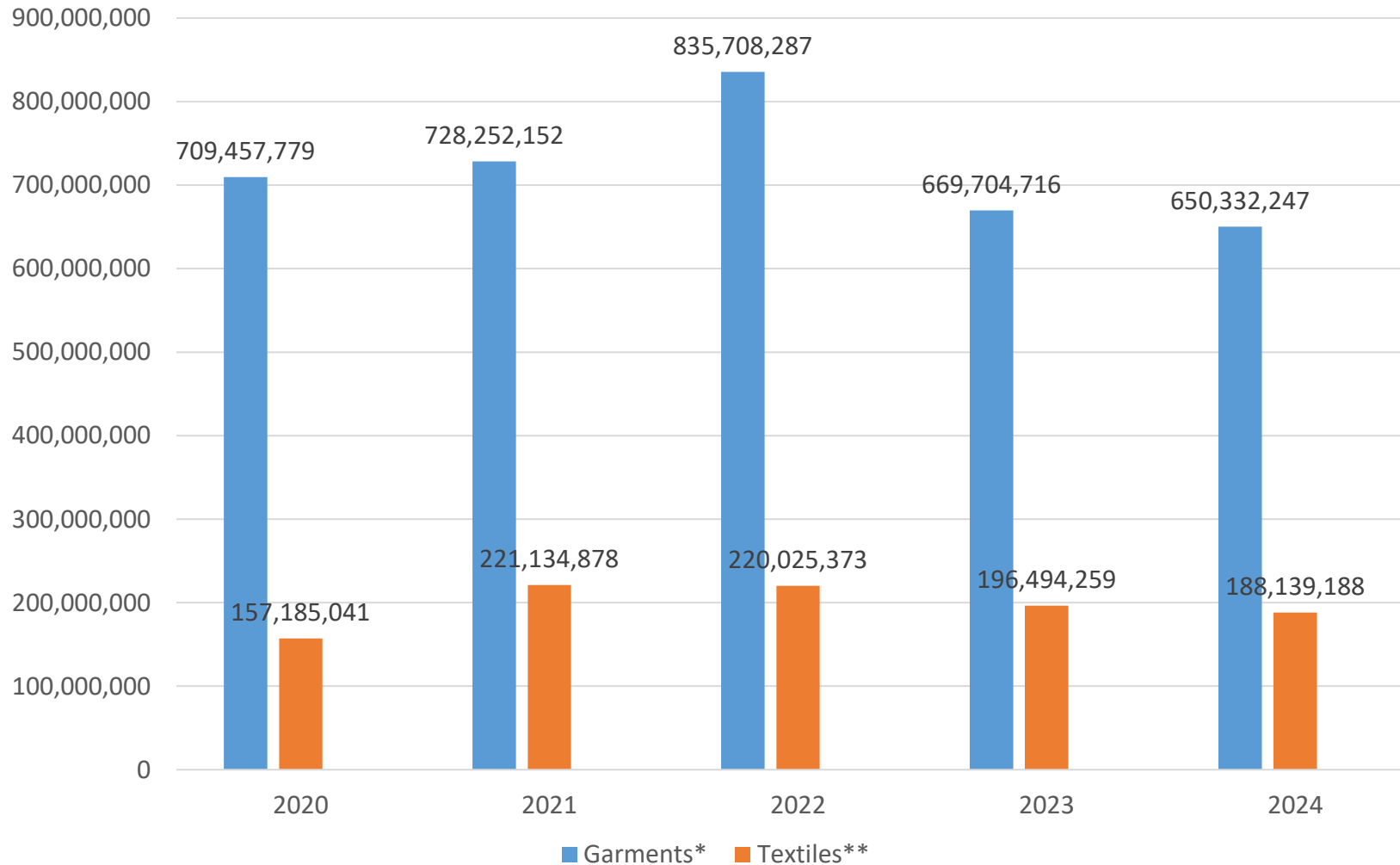
TELStory uses biodegradable textiles or locally sourced deadstock waste fabric to produce women’s fashion garments



Candid Clothing uses upcycled fabrics – mostly excess from large manufacturers – aiming for zero-waste

Philippine Garments and Textile Trade Data

EXPORTS in US\$



Major Export Markets (2024)

Garments	Textiles
United States of America	China
Japan	Japan
South Korea	South Korea
UK Great Britain and N. Ireland	Thailand
China	United States of America

Source: www.tradelinphilippines.dti.gov.ph

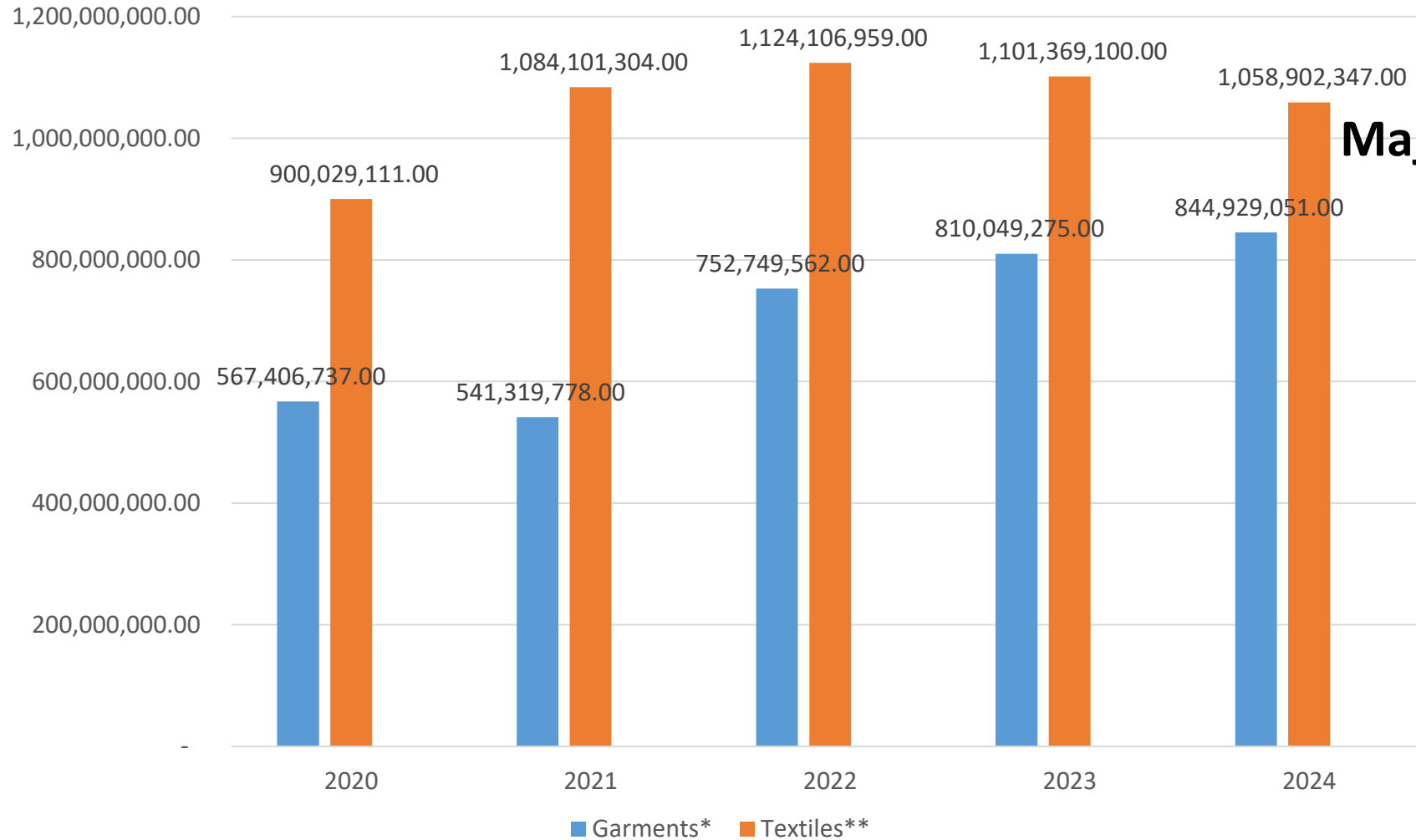
*Tariff Book Chapters 61 to 63

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Philippine Garments and Textile Trade Data

IMPORTS in US\$



Major Import Suppliers (2024)

Garments	Textiles
China	China
Vietnam	Japan
Bangladesh	South Korea
Indonesia	Vietnam
Cambodia	Taiwan

Source: www.tradelinephilippines.dti.gov.ph

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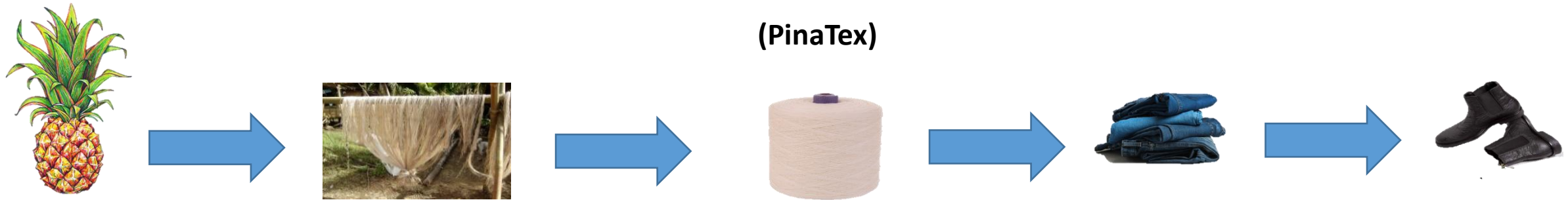
Investment Opportunities for Some Potential Local Textiles

(Abaca Tex)



- The Philippines is the largest producer of abaca – accounting for 85% to 90% percent of global supply

(PinaTex)



- One of the success stories of developing textiles from indigenous materials is Piñatex.
- Piñatex is a newly-developed natural and sustainable textile material that is now being used as an alternative to leather. It was successfully launched in London at the Royal College of Art in December 2014.

Investment Opportunities for Some Potential Local Textiles

(Bamboo Tex)



- A study revealed “Kawayang Tinik (Bambusa blumenea)” as a most suitable raw material for yarn production, yielding the highest fiber recovery (38.41%) among other natural textile fibers studied.
- It is softer than cotton, with a texture similar to a blend of cashmere and silk and it can be transformed into hygiene wipes and tea bags.
- Other promising sources of natural fibers are **sisal, coconut, banana, and water hyacinth**

Philippine Consumer Market

POPULATION



- Philippines is projected to reach 114 Million by 2025 per PSA
- Manila is the largest city in ASEAN in terms of population; Other key cities include Davao, Zamboanga and Cebu

- In addition to the large consumer base in the Philippines, the 8.7% growth rate (2023 -2024) of foreign tourist also contributed to the strong domestic consumption in the country – Reaching more than 5M in 2024



8 KG – per capita
consumptions of
wearables

The PH Garments and Textile Industry is supported by the Philippine Government to ensure its growth

- Annual PH Garments/Fabrics Expo
- Philippine Textile Research Institute (PTRI) under the Department of Science and Technology
- Technical Education and Skills Development Authority (TESDA)
- Incentives for manufacturing and R&D activities under the Republic Act No. 12066 or the CREATE More Act.
- Capacity building and training activities for garments and textile manufacturers
- Strong protection and enlargement of intellectual property rights (IPR)

Garments and Textile Industry Associations in the Philippines:

- Garment Business Association of the Philippines (GBAP)
- Confederation of Wearable Exporters of the Philippines (CONWEP)
- Textile Mills Association of the Philippines (TMAP)
- Textile Producers Association of the Philippines, Inc. (TEXPAP)
- Foreign Buyers Association of the Philippines (FOBAP)

Republic Act No. 12066 or the *CREATE MORE Act*

Status: SIGNED by Philippine President Ferdinand R. Marcos, Jr. on 8 November 2024

Key Features

- **Reduction of Corporate Income Tax (CIT) Rate from 25% to 20%** for Registered Business Enterprises (RBEs) under the Enhanced Deductions Regime (EDR) on their taxable income derived from registered projects or activities.
- **Powers: Investments Promotion Agencies (IPA)** – Have the jurisdiction to register all projects or activities regardless of the amount of investment capital; **Fiscal Incentives Review Board (FIRB)** – Approve grants of incentives for projects with investment capital of above P15B; **President** - May grant up to 10 ITH then SCIT or EDR, or SCIT or EDR immediately at SCO.
- **Length of Incentives (IPA & FIRB):**

Project /Activity	IPA – Domestic Market Enterprise	IPA – Registered Export Enterprise	FIRB - Domestic Market Enterprise	FIRB - Registered Export Enterprise
Entirely New	a. 4 to 7 ITH, then 10 EDR; or b. 14 to 17 EDR	a. 4 to 7 ITH, then 10 EDR or SCIT; or b. 14 to 17 EDR	a. 4 to 7 ITH, then 20 EDR; or b. 24 to 27 EDR	a. 4 to 7 ITH, then 20 EDR or SCIT; or b. 24 to 27 EDR
Qualified Expansion	8 EDR	8 EDR or SCIT	13 EDR	13 EDR or SCIT

Formulation of the **Strategic Investment Priority Plan**



The BOI, in consultation with the FIRB, IPAs, OGAs administering tax incentives, and private sector, shall formulate the SIPP and include areas of investment that are specific to an area or region, taking into consideration the project or activity that the IPA in those area or region deem fit to promote.

Key messages

- The Philippines as a source of highly capable and cost-competitive talent and as no.1 country to invest in because of the available qualified talent pool who are highly trainable and fluent in English, among others
- The Philippines is one of the fastest growing consumer markets in the world
- Inter-agency government support for the development of the industry
- The Philippines wearables industry represents **CRAFTMANSHIP AT ITS FINEST.**
- Garments and textile manufacturing is a priority activity under the 2022 SIPP, hence, it may qualify for registration and avail of incentives under the CREATE MORE Act.

THE PHILIPPINES MAKE IT HAPPEN

THANK YOU!!!



**SPEAK TO OUR TEAM AT
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