



PHILIPPINES - COUNTRY REPORT

**34th Federation of ASEAN Pulp and Paper Industries Conference
Danang, Vietnam – 1 November 2019**

Philippine Paper Manufacturers Association Inc. (PPMAI)

Ray N. Geganto

Exec. Director



PPMAI

PHILIPPINE PAPER MANUFACTURERS ASSOCIATION INC.

PHILIPPINES: Economic Indicators

	2018	2018 (as of Q2)
POPULATION	107.0 Million	108.0 Million
GDP GROWTH, % p.a.	6.2%	5.5 %
INFLATION RATE	5.2%	3.1 %
PER CAPITA GDP (PPP)	US\$7,943	US\$8,500
EXPORTS	Electronics, Business Process Outsource (BPO), Agri-/Fishery-Products, Apparel, Manpower services	
IMPORTS	Mineral fuels, Electronics, Machinery & Equipment, Finished Products	
Major Trading Partners	US, Japan, China/HK/TW, South Korea, ASEAN	
CREDIT RATINGS	S &P : BBB+ (Stable) Moody : Baa2 (Stable) Fitch : BBB (Stable)	

- Sources of Data : Bangko Sentral ng Pilipinas, PSA



PPMAI
PHILIPPINE PAPER MANUFACTURERS ASSOCIATION INC.

PHILIPPINES: Paper Industry – Current Status

	2018	2019 Est. (Annualized from Jan-July)
No. of Paper Mills	22	22
Paper & Board Capacity, '000 mt/yr	1,325	1,325
Production, '000 mt/yr	998	1,062
Imports	1,470	1,463
Exports	30	- nil -
CONSUMPTION, mt/yr	2,438	2,525
Paper & Board per Capita Consumption	23	23



PPMAI

PHILIPPINE PAPER MANUFACTURERS ASSOCIATION INC.

Paper and Paperboard Market by Grades – 2018

2018 (in Thousand Tons)	Local Production	Imports	Total Market	Segment Share of Market %
Printing & Writing	110	194	304	12%
Newsprint	50	23	73	3%
Packaging Paper & Board	801	779	1,580	64%
Tissue/Sanitararies	37	61	98	4%
Other Paper & Board	-	413	413	17%
TOTAL	998	1,470	2,468*	
			<i>*w/ small amount of exports</i>	



PPMAI

PHILIPPINE PAPER MANUFACTURERS ASSOCIATION INC.

RECOVERED PAPER CONSUMPTION AND RECYCLING

2018 (in Thousand Tons)	Local Sourced	Imported	Total
OCC / DLK	780	11	791
DEINKING/MIX PAPER (ONP/OIN/OMG/SWL)	305	116	171
PULP SUBS (HWS/SWS/SBS/White Trims)	35	31	66
TOTALS	1,120	158	1,278
Recovery Rate	50%		
Utilization Rate	94%		



PHILIPPINES : Relevant Developments in the Forest Products Industries

INCREASED CAPACITIES AND UTILIZATION RATE:

- PH added new capacities (net) of around 90,000 Tons/year mostly containerboards to raise total national capacity to 1.32 Million Tons/year paper and board as of 2018.
- In 2019, capacity utilization is expected to improve from 76% to 80% to raise local production to about 1.06 Million Tons/year paper & board.
- New capital investments are on-going to add new capacities amounting to about 386,100 Tons/year of mostly containerboard and bag paper, bringing the total country capacity to 1.71 Million Tons/year P&B.



PPMAI
PHILIPPINE PAPER MANUFACTURERS ASSOCIATION INC.

PHILIPPINES : Relevant Developments in the Forest Products Industries

ON-GOING PROGRAMS UNDER THE INDUSTRY ROADMAP

- Improve paper recovery rate to 65%
 - 3rd year of an 8-year Program with National Solid Waste Management Commission (NSWMC), Local gov't, recycling sector, and paper mills to raise paper recovery.
 - Improved from 49% to 52% in 2017 but reduced back to 50% in 2018, due to large increase in total paper consumption relative to local production/use of RCP.
- Board of Investments (BOI) continues to pursue foreign investments for pulpmill projects (350,000 TPY BHKP and 100,000 TPY BCTMP).
 - Wood chip exports from tree plantations being explored as immediate option to re-encourage reforestation of new areas.



PHILIPPINES : Relevant Developments in the Forest Products Industries

OTHER PROGRAMS UNDER THE INDUSTRY ROADMAP

- Government to continue the reforestation of degraded forestlands to meet its target of 1.6 Million hectares, of which:
 - 750,000 has. for timber and pulpwood
 - 300,000 has. for biomass fuel

Of which 126,000 has. located in Eastern Mindanao, planted with A. falcata, Acacia mangium, Eucalyptus spp., Gmelina a.
- Studies to develop new pulping capacities for non-wood fibers (abaca, banana, rice straw, bast fibers).
- Establish local capacity for specialty paper manufacturing (banknotes, coffee/industrial filters, etc.).



PPMAI

PHILIPPINE PAPER MANUFACTURERS ASSOCIATION INC.

Thank you!



PPMAI

PHILIPPINE PAPER MANUFACTURERS ASSOCIATION INC.