



PLASTIC

BASIC INDUSTRY INFORMATION

Product/Service Coverage

Composed of local plastic fabricators and converters manufacturing packaging, industrial and consumer plastic products.

- Flexible plastics
- Plastic bags
- Styro Products
- PVC products
- Pipes and fittings
- Recycled Plastics
- Net, twine and sack
- Rigid Plastics, tapes & others

Industry Players

Per latest PSA data for 2014, majority of the local plastic manufacturers are situated in the National Capital Region (NCR) with 642 firms and generating some 26,609 jobs. This is followed by CALABARZON area with 176 firms with 17,012 generated employment. While Central Luzon registered 87 firms with 5,287 jobs. Central Visayas have 87 firms with 2,751 generated employment. Northern Mindanao and Davao regions registered 68 firms with 3,231 jobs.

Per latest PSA data for 2014, there are 1,088 firms throughout the Philippines, generating about 56,114 jobs.

Some large domestic plastic companies are engaged in the production of plastic motor-vehicle parts and components for Toyota, Mitsubishi and Isuzu. Some are engaged in shipbuilding through fabricated glass.

Per PPIA, most micro and small plastic firms are engaged in the production of plastic packaging such as the plastic bags.

Industry Association/s

- Philippine Plastics Industry Association, Inc. (PPIA)

Linkages

- Motor-vehicle
- Shipbuilding
- Appliances
- Construction materials
- Packaging

INDUSTRY ROADMAP

The Philippine Plastics Industry Roadmap was completed by the Philippine Plastics Industry Association (PPIA) on January 04, 2013 thru the efforts of PPIA Vice-President Vicente Co. The Plastics Roadmap is among the firsts industry roadmaps which was submitted to BOI by the industry associations.

It has been identified by DTI under its Promotion of Green Economic Development (ProGED) Program. The USAID Philippine had also worked with PPIA to enhance the data of the Philippine Plastics Industry Roadmap.

OPERATIONAL MANAGEMENT TEAM

BOI Sectoral Champion Director Evariste M. Cagatan, BOI-MIS
Industry Champion Mr. Willie Go, PPIA President

VISION, GOALS, TARGET AND MILESTONES

VISION	
A proactively adaptive downstream plastic industry that is able to fully supply the growing and changing demands of the domestic and export market, create employment opportunities with a positive well-informed on the environmental image and perception	
GOALS	
<ul style="list-style-type: none"> • Satisfy the domestic demand • Promote high level of productivity • Be innovative 	<ul style="list-style-type: none"> • Develop a sustainable industry • Strengthen the plastics recycling industry • Create a wide range of innovative products
TARGET	
<ul style="list-style-type: none"> • 2016 (Strong Philippines) – Should be able to develop the local market; aims to promote integration of values of innovation in the primary and secondary level of education in line with K+12 program; 20% recovery and recycling. • 2022 (Enter ASEAN + 4 Doors) – venture towards ASEAN market; pursue tertiary education through applied courses in Science and Technology and produce a pool of MS/PhD in the field of plastics; a 40% recovery & recycling • 2030 (Global Market Capture) – venture towards global market; to have trained Filipino scientist for the plastic industry; 60% recovery and recycling. 	

MAJOR STRATEGIES/PLAN OF ACTION (2016)

- To coordinate with other government agencies in securing more capacity building seminars and workshops for MSMEs in the plastics industry;
- Assist the plastic industry in conducting dialogue with other government agencies and stakeholders in the release of the result of the Life Cycle Assessment (LCA) for plastic bags;
- Assist the plastic industry for its inclusion in the IPP;
- Work on the proposed Mapping of all Recycling Facilities in the Philippines and the Philippine Recycling Industry Roadmap

PRIORITY STRATEGIES/PLAN OF ACTION

3 Major Reform Issues	Timeline
1. To be considered under the IPP	
2. Initiate dialogue regarding the release of complete work on Life Cycle Assessment (LCA) for plastic bags and Styrofoam	
3. Initiate dialogue among government agencies in streamlining permits, licenses and/or other documentary requirements for plastic manufacturers	
3 Administrative Bottlenecks	
1. Banning the use of plastic bags	
2. Proliferation of cheap imported substandard and smuggled plastic products in the local market	
3. High power and raw material costs	
2 Concrete Projects	
1. Mapping of all recycling facilities in the Philippines	
2. Philippine Plastics Recycling Roadmap	

PERFORMANCE

		2014	2015	2016
% share in Manufacturing GVA (in Million Pesos) 1st to 3rd Quarter		PhP19,572 (PSA data includes plastics with rubber)	PhP20,130 (PSA data includes plastics with rubber)	PhP25,153 (PSA data includes plastics with rubber)
Exports	Exports	US\$596,367,742	US\$486,045,637	US\$ 469,104,196 (January to July 2016)
	Imports	US\$2,380,861,527	US\$1,276,612,513	US\$ 1,584,438,116 (January to July 2016)
Employment (PSA data)		56,114 jobs (while in <u>2013 only</u> <u>46,363 jobs</u> were generated)		

UPDATES/RECENT DEVELOPMENTS ON ROADMAP

STRATEGIES/ACTION PLAN

- The Department of Trade and Industry (DTI) and the German Cooperation (GIZ) through the Promotion of Green Economic Development Project (ProGED) had identified the Philippine Plastics Industry Roadmap in the greening project.

In this regard, the BOI Chemical Sectoral Group, assisted the plastics industry, particularly its MSMEs, to benefit from ISO Workshops on Environment Management (ISO 14000) and Energy Management System (ISO 50001).

- Release of the result of the Life Cycle Assessment (LCA) for plastic bags which would assist the plastic industry in discussing the issue of banning the plastic bag with the local government units (LGUs) that impose them.

CHALLENGES TO THE IMPLEMENTATION OF THE ROADMAP

- Problems on smuggling and high cost of power remain to persist;
- More capacity building workshops and seminars for the MSMEs in the plastics industry which comprises about 95% to make them competitive and enabled in manufacturing high end plastic products;
- Government procurement law which makes it

REMARKS

- The 2015 ISO Workshops on Environment Management (ISO 14000) and Energy Management System (ISO 50001) were made possible by the efforts of BOI Chemical Working Group and DTI – RGMS through the funding of EU-TRTA.
- The LCA for plastic bags was made possible through the efforts of DOST and the National Solid Waste Commission. Dr. Biona of De La Salle University was the expert commissioned to come up with the LCA study. The domestic plastics industry could make use of the result of the LCA to discuss with LGUs the plastic ban which most of them had implemented.

RECOMMENDATIONS

- The Economic Development Council (EDC) must craft the appropriate corresponding policies and mechanism that would resolve horizontal issues such as smuggling and high power cost in the manufacturing sector.
- DTI must be able to secure more capacity buildings for MSMEs in the plastics industry.
- There must be an amendment on the current government procurement law which would allow domestic manufacturing firms to be awarded with government contract. Per PPIA, even the sacks being used by NFA for its rice are imported.