

PHILIPPINES-INDIA BILATERAL TRADE AND INVESTMENTS

The Philippines and India signed a Trade Agreement in 1979.

India is ranked as the Philippines' 20th trading partner and the two countries' bilateral trade figures have been around \$1.8 billion in 2015-2016.

Following are some of the economic related agreements signed between the Philippines and India:

Bilateral Agreement	Date Signed
Basic Agreement on Scientific and Technological Cooperation between the Government of the Republic of the Philippines and the Government of the Republic of India	08 April 1987 (Valid for a period of two years and shall be continue in force thereafter unless terminated by either government)
Convention between the Philippines and India for the Avoidance of Double Taxation and Prevention of the Fiscal Evasion (DTAC)	12 February 1990 (This Convention shall remain in force indefinitely but either of the Contracting States may, on or before the thirtieth day of June in any calendar year beginning after the expiration of a period of five years from the date of its entry into force, give the other Contracting State through diplomatic channels, written notice of termination and, in such event, this Convention shall cease to have effect)
Agreement on Economic and Technical Cooperation between the Government of the Republic of the Philippines and the Government of the Republic of India	03 August 1990 (Remain force for a period of five years and shall be automatically extended/renewed for subsequent periods of five years at a time unless either of the signatories file a notice in writing, six months in advance of its intention to terminate)
Memorandum of Understanding on Cooperation in the Field of Agricultural Science and Technology between the Government of the Republic of the Philippines and the Government of the Republic of India	29 April 1991
Memorandum of Understanding on Scientific and Technological Cooperation between the Government of the Republic of the Philippines and the Government of the Republic of India	04 March 1997 (Valid for three years, automatically extended for another three (3) years)
Agreement between the Government of the Republic of the Philippines and the Government of the Republic of India for the Promotion and Protection of Investments	28 January 2000

Memorandum of Understanding on Policy Consultation Talks between the Department of Foreign Affairs of the Republic of the Philippines and the Ministry of External Affairs of the Republic of India	28 November 2000 (Valid for five years from the date it was signed, and will be automatically renewed for successive two-year periods)
Agreement on Cooperation in the Field of Tourism between the Government of the Republic of the Philippines and the Government of the Republic of India	04 February 2006 (Shall remain in force for five years and shall be automatically renewed for the same period unless terminated with written consent)
Memorandum of Understanding on Cooperation in Agriculture and Related Fields between the Government of the Republic of the Philippines and the Government of the Republic of India	04 February 2006 (Valid for a period of five years and shall be automatically renewed for the same period unless terminated with written consent)
Agreement between the Government of the Republic of the Philippines and the Government of the Republic of India on the Establishment of a Joint Commission on Bilateral Cooperation	05 October 2007
Memorandum of Agreement between the Department of Energy of the Republic of the Philippines and the Ministry of New and Renewable Energy of the Republic of India on Enhanced Cooperation in the Field of Renewable Energy	05 October 2007
Memorandum of Understanding between the Government of the Republic of the Philippines and the Government of the Republic of India on Cooperation in the Field of Health and Medicine	05 October 2007 (Valid for five years, shall be extended for similar periods, if terminated either signatories notifies in writing six months before the intended termination)
Declaration on a Framework of Bilateral Cooperation between the Government of the Republic of the Philippines and the Government of the Republic of India	05 October 2007

The 12th Meeting of the Joint Working Group on Trade and Investments (JWGTI) between the Philippines and India was held in May 2016 in New Delhi, India. Representatives of the two countries discussed areas of cooperation including bilateral cooperation initiatives and issues on trade, investments, and improved market access for both countries.

Three (3) meetings of the Joint Commission on Bilateral Cooperation (JCBC), the highest formalized dialogue mechanism at the level of Foreign Ministers have convened. The 3rd Philippines-India JCBC was held in October 2015 in New Delhi and was co-chaired by Foreign Minister Sushma Swaraj. The Philippine delegation was led by former Foreign Secretary Albert F. Del Rosario. The two Ministers discussed and stressed the importance of enhancing cooperation in sectors such as agriculture, new and renewable energy, science and technology, information technology, and education and encouraged the convening of relevant Joint Working Groups to further strengthen cooperation in these fields. The Ministers also expressed satisfaction at the growing

economic ties between the two countries and committed to further enhance bilateral trade and investment. In light of vibrant economic prospects for both countries, then Secretary Del Rosario encouraged investments from India in the areas of Public Private Partnership, infrastructure development and information and communications technology, among others. He also expressed hope that two-way trade will continue to increase and that a healthier balance can be achieved.

Following are the updates on various Philippines-India Joint Working Groups:

- **JWG on Agriculture-** The 1st meeting of the Joint Working Group on Agriculture took place in New Delhi in August 2008. The 2nd JWG on Agriculture is expected to take place in the Philippines in 2017.
- **JWG on Tourism Cooperation-** the 2nd JWG on Tourism Cooperation was held in 2012 in India. Both countries gave an overview of the “Tourism Sector” in their respective countries and re-emphasized on its potential for employment generation and economic growth, among others.
- **JWG on Renewable Energy-** The 1st meeting of India-Philippines JWG on Renewable Energy took place in New Delhi on 11 July 2013.
- **JWG on Health and Medicine-** the 2nd JWG on Health and Medicine was held on 10-11 February 2016. The Philippines and India delegations shared each best practices in different areas of cooperation such as drugs and pharmaceutical products, medical equipment, medical education, hospital management, communicable and non-communicable diseases, health insurance, traditional and alternative medicine.
- **JWG on Trade and Investment-** the 12th JWG on Trade and Investment was held on 31 March 2016 in New Delhi where the two countries discussed avenues for stronger economic, trade, and investment cooperation between the two countries.
- **JWG on Counter Terrorism-** the 1st JWG on Counter Terrorism was held on 29 April 2016 where both countries discussed various challenges and efforts to strengthen cooperative mechanism in relation to counter terrorism.

Philippine Investments in India

Philippine investments in India are in telecommunications, IT, real estate and reprocessing of waste and human resource development (management education). Some of the companies operating in India are: V.Merida (processing of waste), Ayala (Construction and ITES), Philippine Wireless (Paging service), SPI Technologies (ITES), Del Monte, Oishi (Food processing), among others.

The Philippines is also embarking on a series infrastructural projects, which are likely to be of interest to Indian business and industry. GMR, in partnership with a local company undertook the renovation of the Mactan-Cebu International Airport, a PHP17.7 billion restructuring project.

Indian Investments in the Philippines

One of the most dynamic and fastest growing sectors in the Philippines is Information Technology- Business Process Outsourcing (IT-BPO). Collaboration between the Philippines and India in the BPO sector has grown exponentially in the last few years. This close partnership in IT & BPO has become a win-win situation for both countries and the growing investment in this sector is substantial. Several Indian IT companies have set up BPO operations in the Philippines and these include: WIPRO, Tata Consultancy Services, L&T Infotech, Genpact, Infosys, Intelenet, Aegis, HIMT (Hindujas), and Tech Mahindra.

Tata Motors through their distributor, Pilipinas Taj, has also introduced seven eco-friendly diesel vehicles in the Philippine market including four sedans and three pickup utility vehicles. Mahindra also started its operation in the Philippines in 2015 with a few products including the Xylo and the Enforcer SUV. The company supplied the Philippine National Police with 1,470 units of the Enforcer SUV. Mahindra has been catering their products and services through their official distributor Asianbrands Motors Corporation. Bajaj also entered the Philippine motoring scene in 2003 through its venture with Kawasaki Philippines Corporation. The two companies share some motorcycle platforms such as the Kawasaki-Bajaj models.

Major pharmaceutical companies such as: Dabur Pharma, Torrent, ZydusCadilla, Claris Life Sciences have set up liaison office to take advantage of the Philippine Government's policy for affordable health for all through the push in generics. Although the export of Indian pharmaceutical products to the Philippines is growing at an average rate of around 20%, its share in total pharmaceutical market of Philippines is around 3.5%. Besides generics, there is potential in high-end medicines/medical consumables/equipment such as oncology, lab equipment, among others.

The Aditya Birla Group of Companies which is owned by Mrs. Rajashree Birla, Philippine Honorary Consul General in Mumbai, has a large investment in the Philippines since 1975-the Indo Phil Textile Mills in Marilao, Bulacan. Said textile mill presently employs about 1,200 people and exports 30 per cent of its annual production of about 21,500 metric tons of textiles.

Trade

Exports to Philippines in India averaged US\$ 33.97 Million (INR 2.31 Billion) from 1991 until 2016, reaching an all time high of US\$ 150.14 Million (INR 10.21) in January 2016 and a record low of US\$ 44.12 Million (INR 0.03 Billion) in June 1991. From January 2014 to November 2016, India exported 663,003 shipments valued at USD 3.82 Billion to Philippines.

Below are the top five (5) of India's exports to Philippines (2015-2016) with detailed break up at major HS codes, products and ports.

S.No.	Top 5 Products Exported to PH by IN	Jan-Nov 2015	% Export Share	Jan-Nov 2016	% Export Share	Growth %
1	Meat of bovine animals, frozen	\$107.41M	9.7521	\$96.80M	7.6833	-9.8715
2	Motorcycles (including mopeds) and cycles fitted with an auxiliary motor, with or without side-cars	\$87.17M	7.9149	\$92.41M	7.3347	6.0105
3	Medicaments (excluding Goods of Heading 3002, 3005 or 3006) consisting of mixed or unmixed products for therapeutic or prophylactic uses, put up in measured doses (including those in the form of transdermal administration systems) or in forms or packings	\$121.13M	10.9982	\$131.79M	10.4600	8.7987
4	Motor cars and other motor vehicles principally designed for the transport of persons (other than those of Heading 8702), including station wagons and racing cars	\$78.74M	7.1491	\$66.88M	5.3086	-15.0542
5	New pneumatic tyres, of rubber	\$58.15M	5.2794	\$56.94M	4.5194	-2.0721

Imports from Philippines in India averaged US\$ 1.25 Million (INR 0.85 Billion) from 1991 until 2016, reaching an all time high of US\$ 64.12 Million (INR 4.36 Billion) in April of 2015 and a record low in February of 1992. From January 2014 to November 2016, India imported 170,855 shipments valued at USD 1.31 Billion from Philippines.

Below are the top five (5) of India's imports from the Philippines (2015-2016) with detailed break up at major HS codes, products and ports.

S.No.	Top 5 Products Imported from PH by IN	Jan-Nov 2015	% Export Share	Jan-Nov 2016	% Export Share	Growth %
1	Electronic integrated circuits	\$32.40M	7.0125	\$32.43M	7.2468	0.0681
2	Parts and accessories of motor vehicles of headings 8701 to 8705	\$27.23M	5.8931	\$12.74M	2.8474	-53.2121
3	Printing machinery used for printing by means of plates, cylinders and other printing	\$47.93M	10.3737	\$48.78M	10.9011	1.7560

	components of heading 8442; other printers, copying machines and facsimile machines, whether or not combined; parts and accessories thereof					
4	Palm oil and its fractions, whether or not refined, but not chemically modified	\$13.74M	2.9743	\$16.63M	3.7157	20.9696
5	Monitors and projectors, not incorporating television reception apparatus, reception apparatus for television, whether or not incorporating radio-broadcast receivers or sound or video recording or reproducing apparatus – cathode ray tube monitors	\$12.51M	2.7084	\$15.52M	3.4680	23.9893

ASEAN- India

The Agreement on Trade in Goods between India and ASEAN was signed on 13 August 2009 and was fully implemented in 2011.

Over the past decade, trade and investment relations between ASEAN and India have continued to improve. Total bilateral trade increased more than threefold from US\$21 billion in 2005-2006 to US\$65 billion in 2015-2016.

The Philippines as founding member of ASEAN and India as longstanding dialogue partner with FTA, are part of the Regional Comprehensive Economic Partnership (RCEP) negotiations. RCEP covers trade in goods, trade in services, investment, economic and technical co-operation, intellectual property, competition, dispute settlement and other issues. The 18th RCEP meeting was held in the Philippines on 02-12 May 2017, while the 19th RCEP Meeting will be held on 18-28 July 2017 at Hyderabad International Convention Center (HICC) in India.

This year (2017), ASEAN and India would observe 25 years of their Dialogue Partnership, 15 years of Summit Level interaction and 5 years of Strategic Partnership by undertaking a series of commemorative activities in ASEAN Member States and India in a wide range of areas, including political, economic, cultural, youth, and tourism.

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