

# THE PHILIPPINES CEMENT INDUSTRY

One of the most resilient and indeed buoyant cement markets in the world, the Philippines is as exciting as it is complex.

**Article**

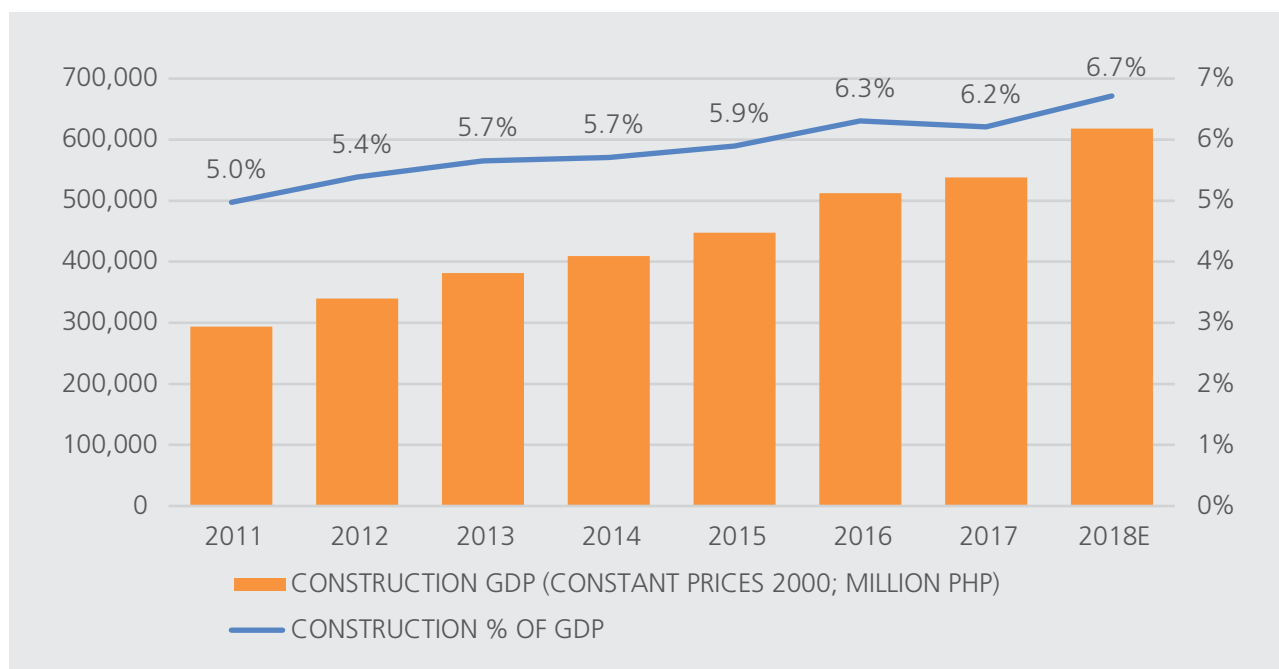


**Cement  
Business  
Research**

## MACRO

The Philippines established itself as one of the most dynamic economies of the South East Asia region, being frequently regarded as a rising-star economy. In the face of turbulent global geopolitical and macroeconomic conditions, the Philippines economy managed to grow at a rapid pace, whilst effectively escaping any negative impact from the global financial crisis of 2008-2009.

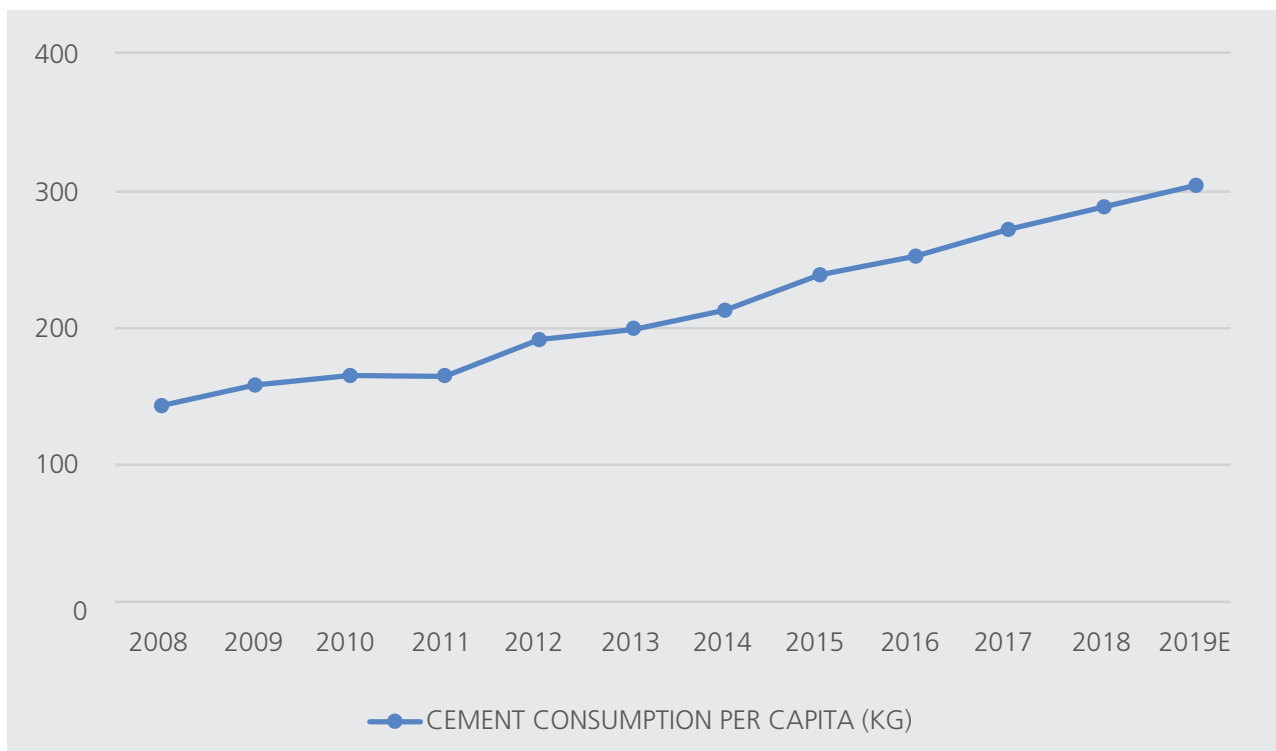
## CONSTRUCTION ACTIVITY



The country's construction investment grew on the back of high consumer confidence, strong labour market conditions and low inflation and interest rates. Other major contributors included the development of the Business Process Outsourcing sector, the Governmental program "Build Build Build" and the increase in the number of both investors and tourists.

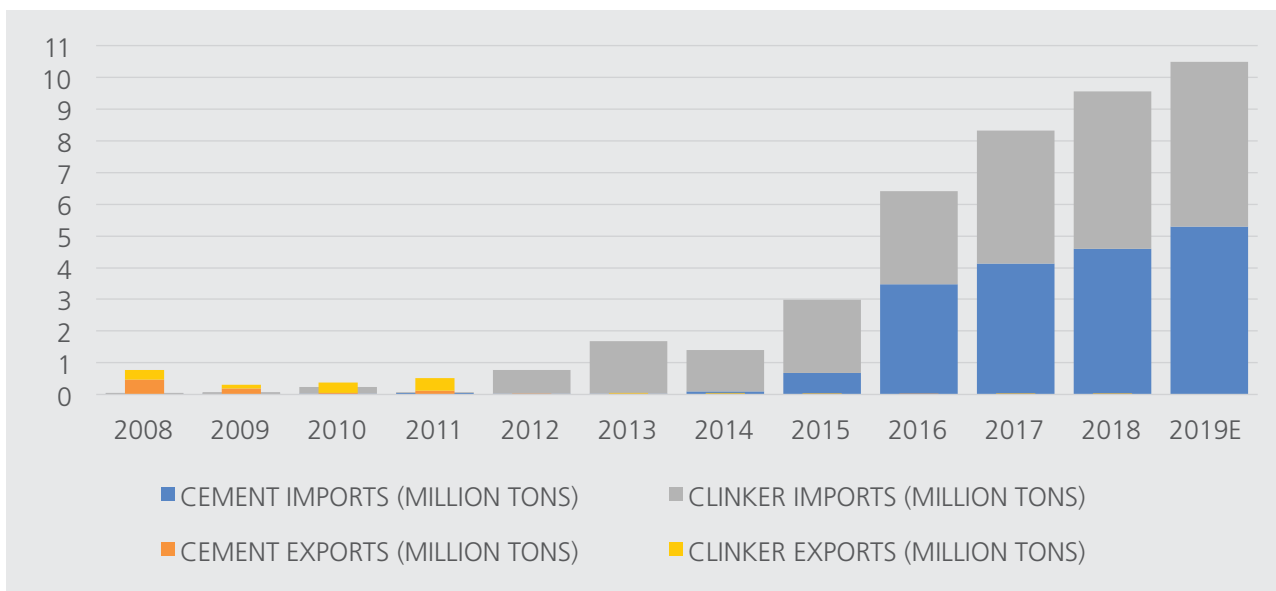
## CEMENT MARKET – DEMAND

Cement consumption is expected to reach just below 33 million tonnes in 2019. This will result in a per capita consumption of 305 KG. On the regional front, the Philippines remains in the below average pack of countries, although continuously reducing the gap.



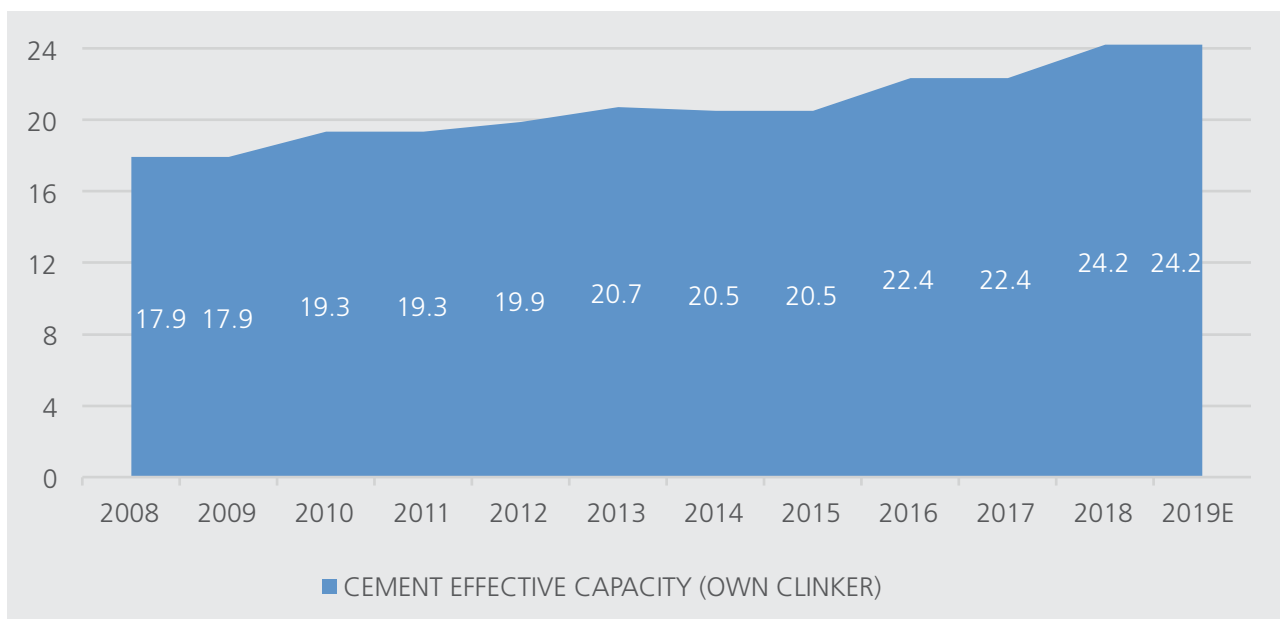
## TRADING

In the last seven years, demand in the Philippines accelerated significantly surprising the industry which was endowed with generally old and capacity constrained assets unable to satisfy demand. As a result, several indigenous producers began to import both clinker and cement whereas several “opportunistic” independent importers entered the market.



## SUPPLY

The Philippines produced approximately 16 million tonnes of clinker in 2018, increasing by a compound annual growth rate of 3.7% since 2008. During this time, only three new kilns were commissioned.



## PROJECTIONS

The Philippines cement market is expected to grow significantly over the next five years. This growth is driven by several drivers including a significant push towards more infrastructure in the country as reflected in the “Build Build Build” programme. The country demographics also support further growth in cement consumption.

CemBR’s analysis suggests that the Philippines is in a good position to complete the planned projects. This coupled with the currently high housing deficit will support further growth in cement consumption.

As a result, the clinker equivalent volumes (for domestic cement excluding imports) will be insufficient to support the country’s projected demand.

The Philippines Cement Market Report to 2024 was published in September 2019 and provides an unrivalled source of insights to both domestic and international parties interested in this market. The 56-page report can be purchased directly from our website (<https://cement-businessresearch.com/product/19624/Philippines>). Alternatively, do not hesitate to contact the CemBR Team for further information.