

**Brief Embassy Report on Bilateral Relations dated 06/12/2023 – ITJ
Division, DGCI&S, Kolkata**

**India-Philippines Bilateral Relations (prepared based on MEA’s October, 2023
India-Philippines Report)**

1 Introduction

India and Philippines established diplomatic relations shortly after both countries gained independence [Philippines in 1946 and India in 1947]. Relations have been friendly with shared values and commonalities, such as vibrant democratic polity, pluralistic society, rule of law, an independent judiciary and free press, and the widespread use of the English language. Bilateral relations have strengthened over the years by way of high-level visits, interactions and extending support at International Fora.

2. Commercial Relations (Trade and Foreign Investment) – Recent facts & figures:

a. Bilateral Trade:

As per the official trade figures of Department of Commerce, GoI, bilateral trade (export and import combined) between India and Philippines (in terms of value) increased from USD 2.32 billion in 2018-19 to USD 3.05 billion in 2022-23, crossing USD 3 billion mark for the first time in the reference period. Imports from Philippines has been steadily increasing since 2020-21 till 2022-23. An account of Bilateral Commodities trade in goods from financial year 2018-19 to 2022-23 with Philippines is given below:

The export-import statistics for the last seven years as per India’s Ministry of Commerce data bank are as follows: -

Export-Import statistics from 2018-19 to 2022-23 (USD mln)

Financial Year	India’s Exports to Philippines	India’s Imports from Philippines	Trade with Philippines
2018-19	1743.64	581.10	2324.74
2019-20	1525.96	523.83	2049.79
2020-21	1457.30	572.47	2029.77
2021-22	2107.24	729.08	2836.31
2022-23	2094.15	959.59	3053.73

The major items of export from India to Philippines include engineering goods; automobiles part and accessories, transmission apparatus, electric transformers, petroleum products, semi-finished products of iron and steel; drugs and pharmaceuticals, organic and inorganic chemicals; electronic goods; plastic and linoleum; rice; bovine meat, oil seeds; tobacco; groundnuts and others. Philippines accounts for around 20% of total Indian pharma exports to the ASEAN region.

The major items of import from Philippines include Electrical machinery; semi- conductors; ores, slag and ashes; copper, lead; plastics; pearls and precious stones; residue and waste from food industry; animal fodder and others.

An Agreement on Cooperation and Mutual Assistance in Custom Matters, was signed on 24 April 2022 and later ratified in June, 2023 in order to facilitate trade.

(b) Bilateral Investments:

Indian investment in the Philippines has over the years been mainly in the areas of IT & ITES [BPO]; pharmaceuticals and healthcare; yarn and textiles; infrastructure (airport); chemicals; automobiles; agriculture; biomass energy; FMCG and others.

Philippine investments in India have been modest in the past and mainly comprised companies like V. Merida (processing of waste), Ayala (Renewable energy, construction & ITES); SPI Technologies (ITES); Del Monte & Liwayway (Food processing); Atlantic Gulf & Pacific Company (AG&P); Lloyd Laboratories, IPI (Pharma). Major investments in India have been made by Atlantic Gulf & Pacific (AG&P) and AC Energy Corporation.

(c) Financial Sector Engagement and Development Cooperation:

Financial Technology (Fintech) is one of the focused sectors identified by the leaders of both the countries. MoU for constitution of JWG on Cooperation in Financial Technology was signed on 19 June, 2023. This would facilitate partnership between India and Philippines in the fields of digital payments, financial inclusion, fintech and related areas.

d. Health and Medicine:

Health and Medicine is another focused sector identified by the leaders of both the countries for bilateral engagement. The Philippines recognizes India as a global leader in terms of pharmaceuticals and medical supplies. Philippines was the first ASEAN Member State to grant Emergency Use Authorization (EUA) for Bharat Biotech's Covaxin. An AYUSH delegation from National Institute of Ayurveda (NIA), Jaipur visited Manila on 13-15 June, 2023.

(e) Science & Technology:

The two nations have agreed upon a Bilateral Programme of Cooperation (POC) in Science and Technology (and now further extended covering 2023-2026) outlining five broad areas of cooperation, namely agricultural biotechnology; health, pharmaceutical & medical sciences; Information and Communication Technology (ICT); Material Science & Technology; and Ocean & Atmospheric Science. Other key areas of research include Applications of Artificial Intelligence in diverse areas such as agriculture, health and smart cities; Block chain technologies on Government services/processes; and Additive manufacturing of new materials (metal and ceramics).

(f) **Other areas of Cooperation:**

- Engagement of the two nations in Space Cooperation.
- India and Philippines are also exploring cooperation in the field of Information and Communication Technology (ICT) and Renewable Energy.
- Bilateral defence cooperation continues to remain between two nations in the form of capacity building with training exchanges and visits of delegations.
- Cultural Exchange Programme (CEP) is a common feature that exists in the bilateral relations between India-Philippines. Indian cultural events are organized regularly in the Philippines in commemoration of Indian national days, Indian festivals (Holi, Diwali etc.) and other important days such as Rashtriya Ekta Diwas, Constitution Day and Pravasi Bharatiya Diwas etc.
