

Export Opportunities for Filipino SMEs: The EU – UK potential



Filipino small and medium sized enterprises (SMEs) have many opportunities to grow their business footprint through export. In the European Union (EU) and the United Kingdom (UK), Filipino SMEs enjoy privileged market access via the Generalized Scheme of Preferences (GSP).

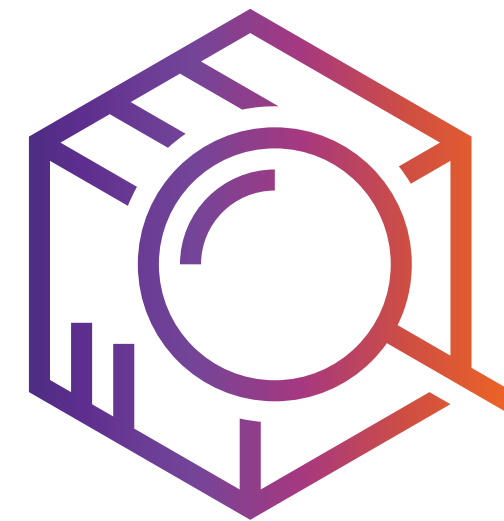
As a small business owner, there is a wealth of information online that can support your business and investment strategy. Get a head start by planning on exporting the right products to the right markets, and making the most out of trade agreements. Doing so can help with lowering your operational costs, scaling your sales volume and expanding your network.

If you are a Filipino SME registered with the Bureau of Internal Revenue, in any of the following industries, here are some export opportunities you may consider capitalizing on:

Export Opportunities



75% Philippines utilization rate of the tariff scheme per UK's Foreign Commonwealth and Development Office



0% tariff for more than 6,000 products include bananas, tuna, pineapple, and footwear.








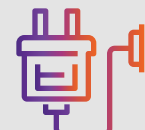














404 million – worth of goods exported by the Philippines to the UK last year

Export Opportunities

Based on top exports from the Philippines

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Top Exports in Goods to the European Union from the Philippines ² (2019) Total: € 7.452 billion		% of total	Top Exports in Goods to the United Kingdom from the Philippines ³ (2019) Total: £ 527 million		% of total
	Machinery and appliances	67.0%		Processed fish	7.69%
	Transport equipment (e.g. vehicle and aircraft parts)	5.8%		Recovered paper pulp used for recycled paper products	7.25%
	Animal or vegetable fats and oils (e.g. coconut, palm, or fish oil)	5.8%		Ink	6.46%
	Foodstuffs, beverages, tobacco	4.6%		Office Machine Parts	5.37%
	Optical and photographic instruments, etc.	4.3%		Integrated Circuits	3.35%
	Textiles and textile articles	2.5%		Industrial Printers	3.33%
	Products of the chemical or allied industries (e.g. soap, washing agents)	2.2%		Valves	3.02%
	Vegetable products	1.9%		Telephones	3.02%
	Plastics, rubber and articles thereof	1.3%		Electric Heaters	2.75%
	Footwear, hats, and other headgear	1.1%		Gas Turbines	2.47%

¹ EU's GSP removes import duties from products coming into the EU market from vulnerable developing countries. This helps developing countries to alleviate poverty and create jobs based on international values and principles, including labour and human rights.

² European Commission Directorate-General for Trade (2020, May 8). European Union, Trade with Philippines. Retrieved from https://webgate.ec.europa.eu/isdb_results/factsheets/country/details_philippines_en.pdf

³ The Observatory of Economic Complexity. (n.d.). What does United Kingdom import from Philippines? (2019). Retrieved December 02, 2020, from https://oec.world/en/visualize/tree_map/subnational_gbr/import/gbr/phl/show/2019/








Top Export Destinations in the EU

The EU is the largest foreign investor in the Philippines and the country's fourth largest trading partner. Exports to the EU reached USD 6.95 billion or 10.7 % of the total export receipts in 2020.

Revenue from exports to Germany had the highest share of USD 2.38 billion or 34.2 % of the total exports to EU member countries.

Here are the top export destinations within the EU for goods from the Philippines. Have a look at the top product categories to see what is in high demand from each market:

 Germany ⁴	 Netherlands ⁵	 France ⁶	 Poland ⁷	 Czechia ⁸
<ul style="list-style-type: none"> ● Electrical machinery and equipment and parts ● Nuclear reactors, boilers, mechanical appliances ● Optical/photographic equipment ● Animal oil or vegetable fats ● Meat, fish, seafood 	<ul style="list-style-type: none"> ● Electrical machinery and equipment and parts ● Animal oil or vegetable fats ● Nuclear reactors, boilers, mechanical appliances ● Optical/photographic equipment ● Footwear 	<ul style="list-style-type: none"> ● Electrical machinery and equipment and parts ● Nuclear reactors, boilers, mechanical appliances ● Ships, boats, and floating structures ● Aircraft, spacecraft, and parts ● Optical/photographic equipment 	<ul style="list-style-type: none"> ● Electrical machinery and equipment and parts ● Nuclear reactors, boilers, mechanical appliances ● Optical/photographic equipment ● Meat, fish, seafood ● Fruits, nuts, edible, peel of fruit 	<ul style="list-style-type: none"> ● Electrical machinery and equipment and parts ● Nuclear reactors, boilers, mechanical appliances ● Footwear ● Optical/photographic equipment ● Vehicle parts and accessories

⁴ The Observatory of Economic Complexity. (n.d.). What does Philippines export to Germany? (2018). Retrieved December 02, 2020, from https://oec.world/en/visualize/tree_map/hs92/export/deu/frashow/2018/

⁵ The Observatory of Economic Complexity. (n.d.). What does Philippines export to the Netherlands? (2018). Retrieved December 02, 2020, from https://oec.world/en/visualize/tree_map/hs92/export/nld/frashow/2018/

⁶ The Observatory of Economic Complexity. (n.d.). What does Philippines export to France? (2018). Retrieved December 02, 2020, from https://oec.world/en/visualize/tree_map/hs92/export/phl/frashow/2018/

⁷ The Observatory of Economic Complexity. (n.d.). What does Philippines export to Poland? (2018). Retrieved December 02, 2020, from https://oec.world/en/visualize/tree_map/hs92/export/pol/show/2018/

⁸ The Observatory of Economic Complexity. (n.d.). What does Philippines export to Czech Republic? (2018). Retrieved December 02, 2020, from https://oec.world/en/visualize/tree_map/hs92/export/phl/cze/show/2018/



Trade Incentive for Filipino SMEs

The Philippines currently enjoys a major incentive to trade with the EU under the [Generalized Scheme of Preferences Plus \(GSP+\)](#). This preferential arrangement grants Philippine exports full duty-free entry to the European Union covering two-thirds of all EU tariff lines. The Philippines is also covered by the [UK's own GSP Enhanced Framework](#), the counterpart of EU GSP+ which adopts the same market access and benefits.

The top GSP+ exports of the Philippines include: crude coconut oil, vacuum cleaners, preserved tunas, electro-thermic apparatus, spectacle lenses, pneumatic tires, pineapples, fatty alcohols (industrial), electrical equipment and semiconductor parts.

FedEx is a strong advocate for the growth of small and medium enterprises across the Asia Pacific region. With its well-connected and reliable courier services, FedEx has and continues to help many SMEs launch their products and services in foreign markets.

Click [here](#) to learn more about some FedEx tools and services you can leverage for cross-border sales and business expansion.

For more stories on how other SMEs are working with FedEx in APAC, please visit FedEx Business Insights.