DEVELOPMENT OF THE GARMENTS AND TEXTILE INDUSTRY
(source: Garments and Textile Export Board)

The Philippine garment industry is one of the country’s success stories. Starting as a cottage-type industry in early 1950s, it has expanded and strongly positioned itself as the country’s leading non-traditional export. From US$36 million worth of garments and textiles exported in 1970, it has grown tremendously, reaching its first billion dollar in 1987. The Philippine government and the private sector undertook aggressive joint marketing efforts that helped sustain the industry’s performance through the 1990s despite the Asian crisis. In 2000, the industry breached the three billion dollar mark.

Today, the industry remains the Philippines’ second biggest dollar earner, next to electronics and semiconductor, accounting for 6.23 percent of total exports in the first quarter of 2006. The United States remained its top market, followed by European Union, Canada and others. The industry likewise remains the leading employer of the manufacturing sector. As of 2005, there are 3,165 firms with direct and indirect employment totaling to 662,000.

Seeing the significant contribution of the garments industry to the millions of Filipino workers and to the Philippine economy as well, the Philippine government has prepared package assistance for the benefit of the industry, particularly on the following aspects:

- Productivity enhancement – To address the issue of low productivity, training programs are being developed together with other accredited government institutions. Advocacy/networking for productivity based wage is also being worked out, which is addressed to the different labor unions and employers.
- Market/product development and promotion through the establishment of marketing desks to attract new markets.
- Financing – The government together with some selected financing institutions are setting up a 1.2 B facility to assist the industry.
- Trade facilitation

Investments are strongly encouraged in the areas of textile and apparel manufacturing, dyeing, printing and finishing to promote global competitiveness in the midst of the free trade era. The abundance of indigenous Philippine fibers such as abaca, piña, silk and ramie provides an opportunity for the development and production of ecologically-friendly fabrics at commercial quantities.

For more information on the garments and textile industry in the Philippines, please contact the following:

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