

Brief Embassy Report on Bilateral Relations – ITJ Division, DGCI&S, Kolkata.
India-Philippines Bilateral Relations

A. Introduction

1. Indian Trade Journal (ITJ) division of the Director General of Commercial Intelligence and Statistics (DGCIS) brings out weekly publication on Embassy Profile Report providing information on recent policy changes and happenings in other countries that may be of interest to the Indian trading community. This is the Embassy Profile Report for 02.04.2025 depicting the Embassy of Philippines.

2. 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.

3. Culturally, like many of the countries in the region, Philippines also enjoyed civilizational links with India. However, in the case of the Philippines, this is yet to be fully explored and documented in a systematic way. The presence of numerous words with Sanskrit roots in Tagalog (the local language) and objects such as the Laguna Copper Plate inscription, the oldest artefact discovered in the Philippines written in Kavi derived from Pallava script; the golden statue of Agusan Tara; and the localized version of Indian epic Ramayana (Maharadia Lawana) testify to the historical links between the two countries. When India launched the Look East Policy and intensified partnership with ASEAN in 1992, this also resulted in stronger relations with countries in the region including the Philippines, both bilaterally and in the regional context. With the Act East Policy initiated in 2014, the relationship with Philippines has diversified further into political-security; trade and industry and people-to-people realms. Coupled with current development trajectory in the Philippines, the stage appears to be set for further intensification in bilateral relations, covering a broad canvas of consultations and cooperation on matters related to foreign policy, security, defence, trade, finance, tourism, health, agriculture, people-to-people relations and culture.

B. Political relations:

(a) High level visits/Interactions:

Bilateral relations have strengthened over the years with the exchange of high level visits, telephonic conversations, virtual meetings, etc. On 7 Sep 2023, Prime Minister Shri Narendra Modi and President Ferdinand R. Marcos Jr. had a brief pull aside meeting on the sidelines of 20th ASEAN-India Summit held in Jakarta.

The year 2022 saw many high level interactions. Prime Minister Shri Narendra Modi spoke over phone with President Ferdinand R. Marcos Jr. [05 Aug] and congratulated him for his election as the 17th President of the Philippines. PM reiterated the important role that Philippines plays in India's Act East Policy and its Indo-Pacific vision, and expressed the desire to further expand bilateral relations. Earlier, EAM Dr. S Jaishankar visited Manila from 13 to 15 February and met

then SFA Mr. Teodoro L. Locsin Jr. during which the whole gamut of bilateral relations was discussed. Upon EAM's invitation SFA Locsin visited India on a bilateral visit from 23 to 26 April and also participated in Raisina Dialogue 2022 during the visit. On 30 June, Dr. Rajkumar Ranjan Singh, MOS (RRS) attended the inauguration of H.E. Ferdinand R. Marcos Jr. as 17th President of the Philippines as the Special Envoy of the PM. On 12 Nov, 2022 EAM met the SFA, Mr. Enrique A. Manalo on the side lines of the 19th ASEAN Summit in Cambodia. Both took stock of the bilateral relations and agreed to explore the potential for further strengthening it.

(b) Support at International Fora:

The Philippines has been supportive of a greater role for India in the UN Security Council. They supported our candidature for the non-permanent membership of the UN Security Council for the term 2021-22 as well as earlier in 2011-12. Philippines supported India in the recent election to IAEA, INTERPOL, IMO, CLCS and ITU.

(c) Defence and Security Cooperation:

The main stay of bilateral defence cooperation continues to remain capacity building with training exchanges and visits of delegations. Defence ties were significantly enhanced with the signing in January 2022 of a contract worth US \$374.9 million to supply the BrahMos missile system.

A 5-member delegation led by Philippine Coast Guard (PCG) Commandant, CG Admiral Artemio M Abu visited India from 21-23 August, 2023. During the visit, MOU on Enhanced Maritime Cooperation was signed by PCG Comdt. and ICG Director General Rakesh Pal. The MOU signing was preceded by bilateral meeting between the PCG and the ICG in New Delhi. Also, Standard Operating Procedure (SOP) for the exchange of White Shipping Information was signed by PCG Comdt. and Chief of the Naval Staff, Admiral R Hari Kumar apart from other engagements. Inaugural India-Philippines Maritime Track 2 Dialogue, co-chaired by National Maritime Foundation and Stratbase ADR Institute of the Philippines, held on 12 Sep, 2023 in Manila. Philippine Army delegation led by Lt Gen Roy Mabagos Galido, Commanding General Philippine Army visited India to attend 13th Indo Pacific Army Chief's Conference held from 25 to 27 Sep, 2023 at New Delhi.

C. 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 between India and Philippines (in terms of value) increased from USD 2.05 billion in 2019-20 to USD 3.53 billion in 2023-24, crossing USD 3 billion mark for the first time. An account of Bilateral Commodities trade in goods from financial year 2019-20 to 2023-24 with Philippines is given below:

The Export-Import statistics from 2019-20 to 2023-24
[in US \$ million]

Financial Year	India's Exports to Philippines	India's Imports from Philippines	Trade with Philippines
2019-20	1526.03	523.83	2049.86
2020-21	1457.30	572.47	2029.77
2021-22	2107.24	729.12	2836.36
2022-23	2094.15	959.59	3053.74
2023-24	2097.17	1433.60	3530.77

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 account 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.

(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 have been made by Atlantic Gulf & Pacific (AG&P) and AC Energy Corporation in India.

(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. Further, to enhance Development Cooperation, both countries signed an Agreement on Quick Impact Projects (QIP) on 7 Feb 2023, which would open, for the first time a regular grant funding window for the Philippines.

(d) Health and Medicine:

Health and Medicine is another focused sector identified by the leaders for bilateral engagement. The Philippines recognises 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

Bilateral Programme of Cooperation (POC) in Science and Technology 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. 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) were identified as key research areas. Subsequently, 3 JRP proposals have been identified for implementation covering areas of (i) Virology (ii) Artificial Intelligence and (iii) Additive manufacturing of new materials. Looking at the successful implementation of POC, both sides have agreed to enhance the scope of cooperation areas under the renewed POC for next three years i.e. 2023-2026.

(f) Other areas of Cooperation:

- India and Philippines have signed multiple Agreements/MoUs covering areas such as Education, R&D, Tourism, Defence Production, Environment, Cooperation in Space & Renewable energy. The two nations also have successful partnerships in the domain of meteorology, environment & climate change.
- A new area of engagement is Space Cooperation. 3 senior scientists from Philippine Space Agency (PhilSA) participated in the 7th Edition of Bengaluru Space Expo in September 2022 which was jointly organised by CII in association with the ISRO, Indian National Space Promotion and Authorisation Centre (IN-SPACE) and New Space India Limited (NSIL).
- An Agreement on Cooperation and Mutual Assistance in Custom Matters, signed on 24 April 2022 and ratified in June 2023, would facilitate trade. In addition, India and Philippines are also exploring cooperation in the field of Information and Communication Technology (ICT), and Renewable Energy.
- The Cultural Exchange Programme (CEP) between the two countries was renewed for the period 2019-2023 during the President of India's visit to the Philippines in October 2019. Indian cultural events are organised regularly in the Philippines in commemoration of Indian national days, Indian festivals (Holi, Diwali etc.) and other important days such as Rashtriya Ekta Diwas, Consitution Day, Pravasi Bharatiya Diwas, etc.

(g) Diaspora:

The Indian community in the Philippines is estimated to be around 1,50,000. Punjabis and Sindhis constitute the bulk of the community. While the Sindhis are primarily engaged in trading,

especially in the retail sector and also some manufacturing, the Punjabis mostly from rural background are predominantly involved in micro financing.

Since the last ten years, there are a growing number of professionals, estimated in the range of about 1500 persons, who are working in the Philippines, in multilateral organizations as also in multinational corporations, BPOs and Indian joint ventures in the country. Together with dependents, their number is estimated at around 4000.

The major Indian business associations in the Philippines are the Federation of Indian Chamber of Commerce and Industry of the Philippines (FICCI-Philippines) and Indian Business Forum (IBF). The Philippines-India Business Council, a sub-Committee of the Philippine Chamber of Commerce & Industry, helps organize business networking meetings for visiting Indian business delegations. A recent addition to the Indian diaspora business organizations has been the launch of Indian Women in Enterprise (I-WE) Philippines, an organization bringing together women professionals and MSME women entrepreneurs.

There have been a number of Indian students coming to the Philippines for medical studies in recent years. With English being widely spoken in the Philippines, it has attracted students in the past also for Management (Asian Institute of Management has Indian students), Information Technology, Nursing, Christian Theology & Divinity, Church Music and Pilot training courses among others. It is estimated that there are more than 16000 students currently, with the majority of them pursuing pre medicine/ medicine.

The resident Indian community is fairly active and they celebrate Indian festivals and organize various social events. There are cultural associations such as Indian Ladies Club, Bharati Indian Expats women's Association (comprising spouses of expats) and spiritual organisations such as Chinmaya Mission, Sri Satya Sai Organization, Art of Living, Mahaveer Foundation, Brahma Kumaris, etc. in the Philippines. There are several places of religious worship, such as Sikh Gurudwaras including Khalsa Diwan and Hindu Temples like ISKCON across the country.

Source: www.mea.gov.in