



Embassy of Italy
Manila

Machinery and Manufacturing Sector Guide

Prepared for: **Embassy of Italy in Manila**

DESIGNED BY



DEZAN SHIRA & ASSOCIATES

Your Partner for Growth in Asia



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Sector overview

Philippines – Sector Overview

| EMBASSY OF ITALY IN MANILA

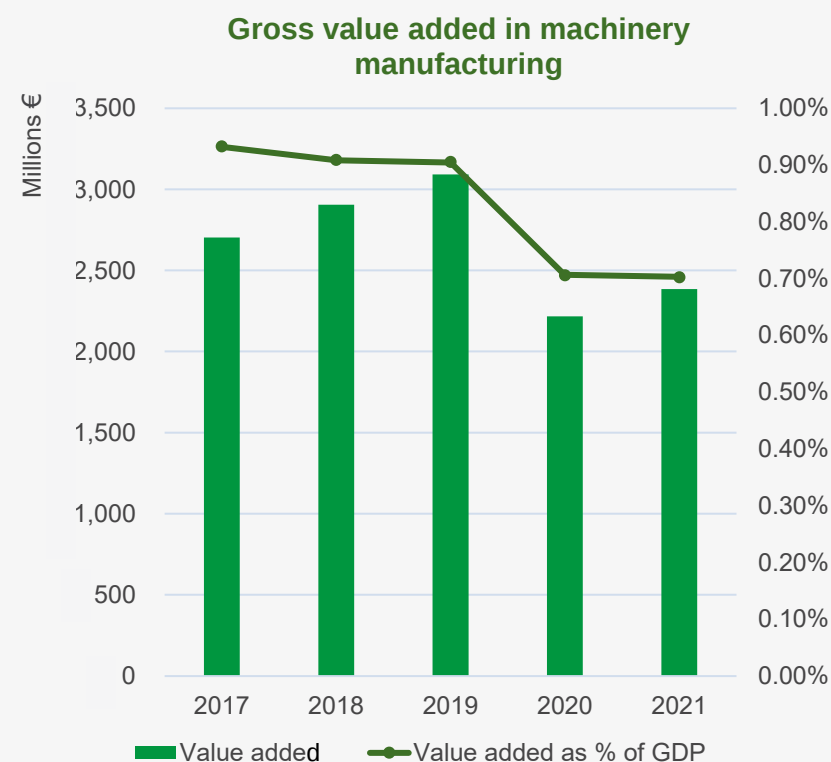
The Philippines presents a potential market for machinery and equipment products, especially in the manufacturing sector.

Market supply

- The machinery manufacturing sector is a small but fast-growing industry of the Philippines. Before the pandemic, the gross value added in machinery manufacturing had grown at a AAGR (2017-2019) of 7%, contributing to 0.9% of the country's GDP. In 2019, gross value added in machinery manufacturing was recorded at nearly EUR3.1 billion. Severe pandemic led to a steep drop of 28% in gross value added of the industry in 2020, before recovering at the previous growth rate of 7% in 2021.
- Domestic supply is insufficient as the country's machinery and equipment manufacturing industry remains under-developed and limited to simple products, such as industrial fans, disperser machines, or mechanical items like taps, cocks, valves, etc.
- Highly complex and precise technological machinery is still in short supply. A major share of demand is met by imported suppliers, especially from Asian countries like China, Japan, South Korea, Taiwan, as well as the US and Germany. Products with dominant foreign suppliers are machinery in semiconductor, CPU boards assembly and other electronics manufacturing, metalworking, compressors, etc.

Market demand

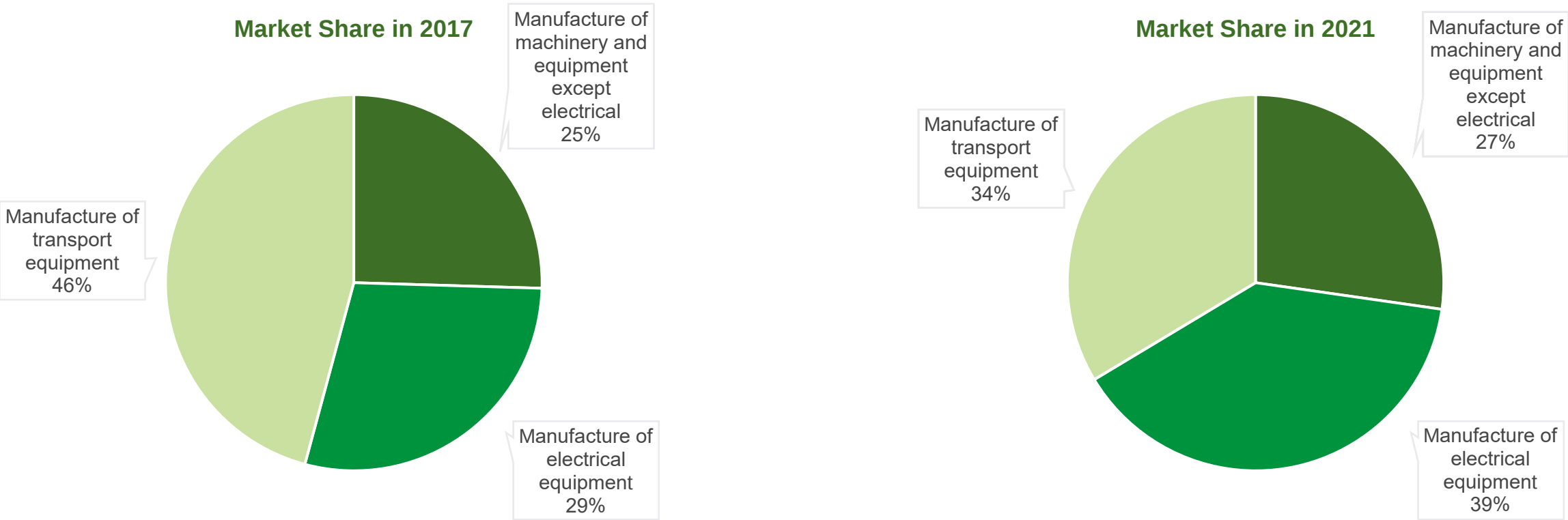
- Demand for industrial machinery in the Philippines has expanded significantly in the last decade, sustained by both domestic and foreign-invested businesses.



Philippines – Key Product Groups

Market Share

Previously, **transport equipment** accounted for nearly half of the Philippines' gross value added in machinery manufacturing. However, in the last few years, the industry is shifting towards **mechanical equipment** and **electrical machinery**

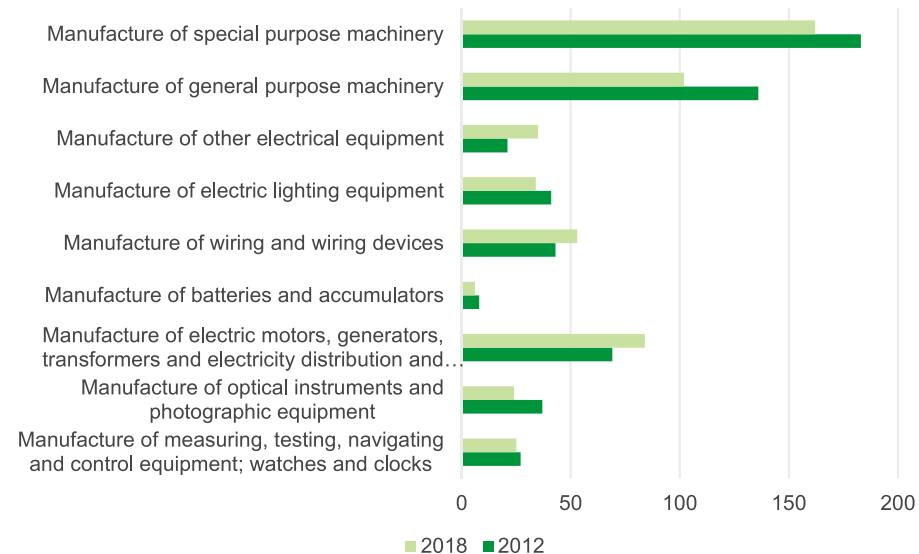


Philippines – Machinery Manufacturing Establishments and Revenue

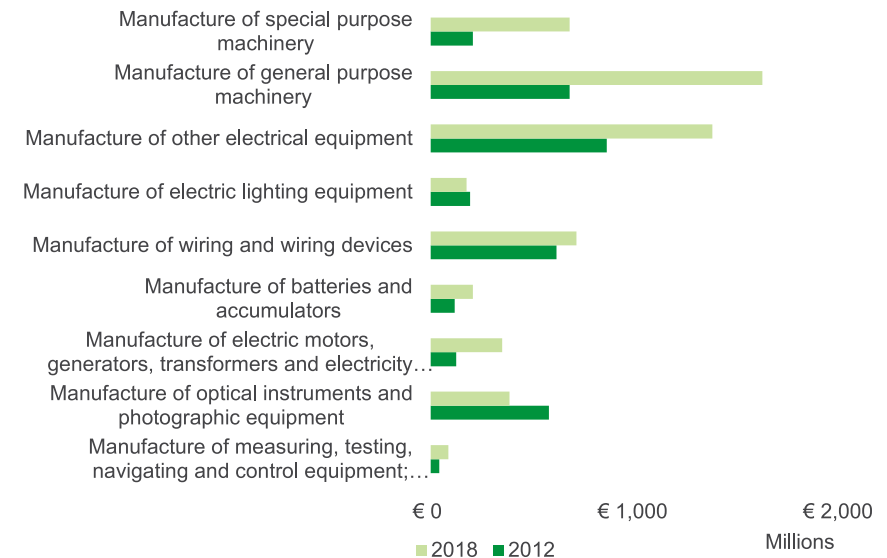
| EMBASSY OF ITALY IN MANILA

- Almost every machinery manufacturing segment expanded significantly during 2012-2018, except for **the manufacture of electric lighting equipment, optical instruments and photographic instruments**. Both the number of establishment and revenue of these industries declined by at least 10% in the last decade.
- Consolidation has been witnessed in certain machinery industries when their revenues rose significantly, in contrary to the decreasing numbers of businesses. These include the **manufacture of special & general-purpose machinery, batteries and accumulators, as well as measuring and testing equipment**.
- Fastest growing segments have been **the manufacture of special & general-purpose machinery, electric motors, generators, transformers and other electric equipment**. These are also the major segments of the machinery manufacturing industry.

Number of machinery manufacturing establishments, 2012 and 2018



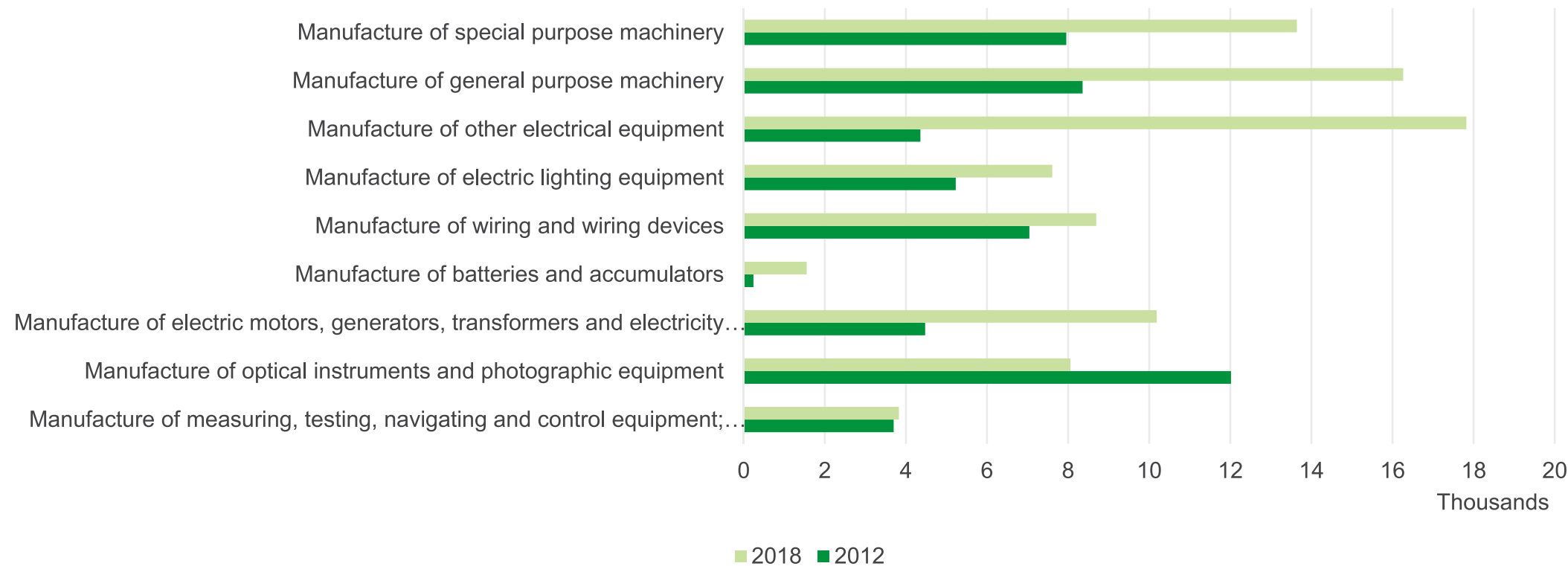
Revenue of machinery manufacturing establishments, 2012 and 2018



Philippines – Machinery Manufacturing Labor

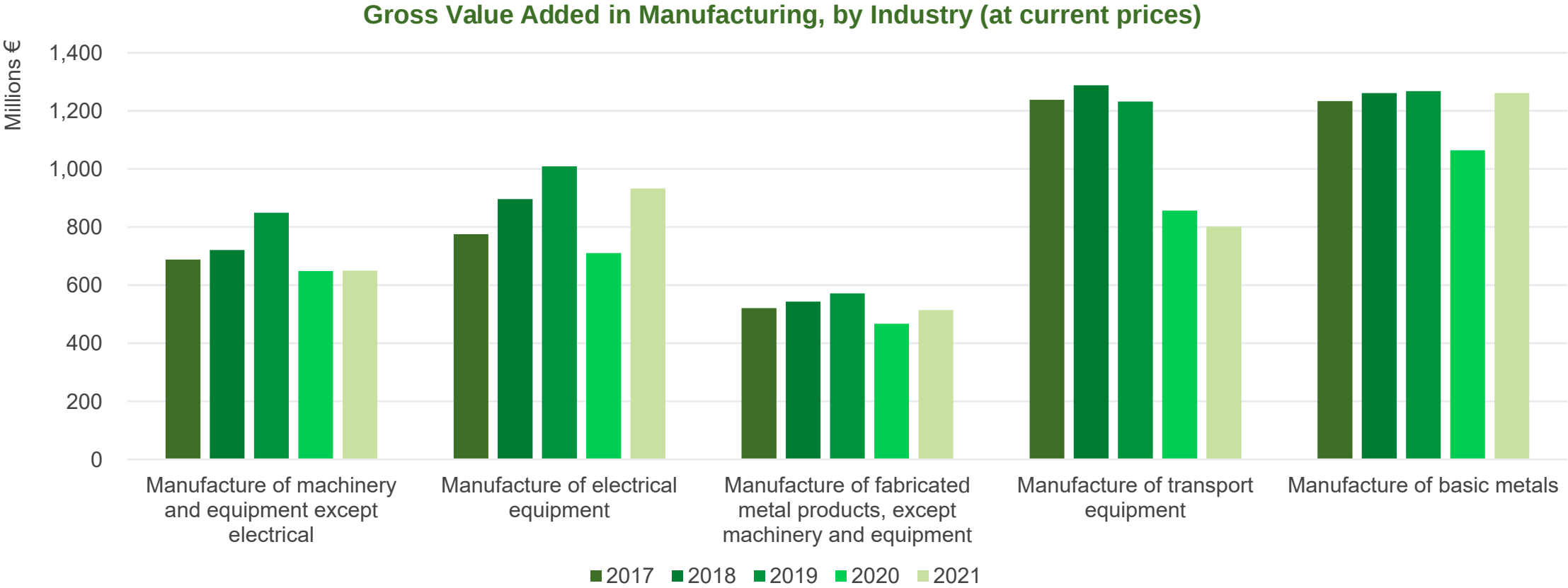
The total labor force in all industrial machinery manufacturing industries was estimated at over 87,000 people. Labor is concentrated in the largest sectors such as **the manufacture of electrical equipment, special & general-purpose machinery, as well as electric motors, generators, and transformers**

Labor in machinery manufacturing establishments, 2012 and 2018



Philippines – Gross Value Added in Machinery Manufacturing

Here, we have highlighted the gross value added in machinery manufacturing, along with the key relevant sectors. **Manufacture of transport equipment** had the highest gross value added before COVID-19 at over EUR1.2 billion yet fell to the second place after the gross value added in **manufacture of electrical equipment** in 2021.

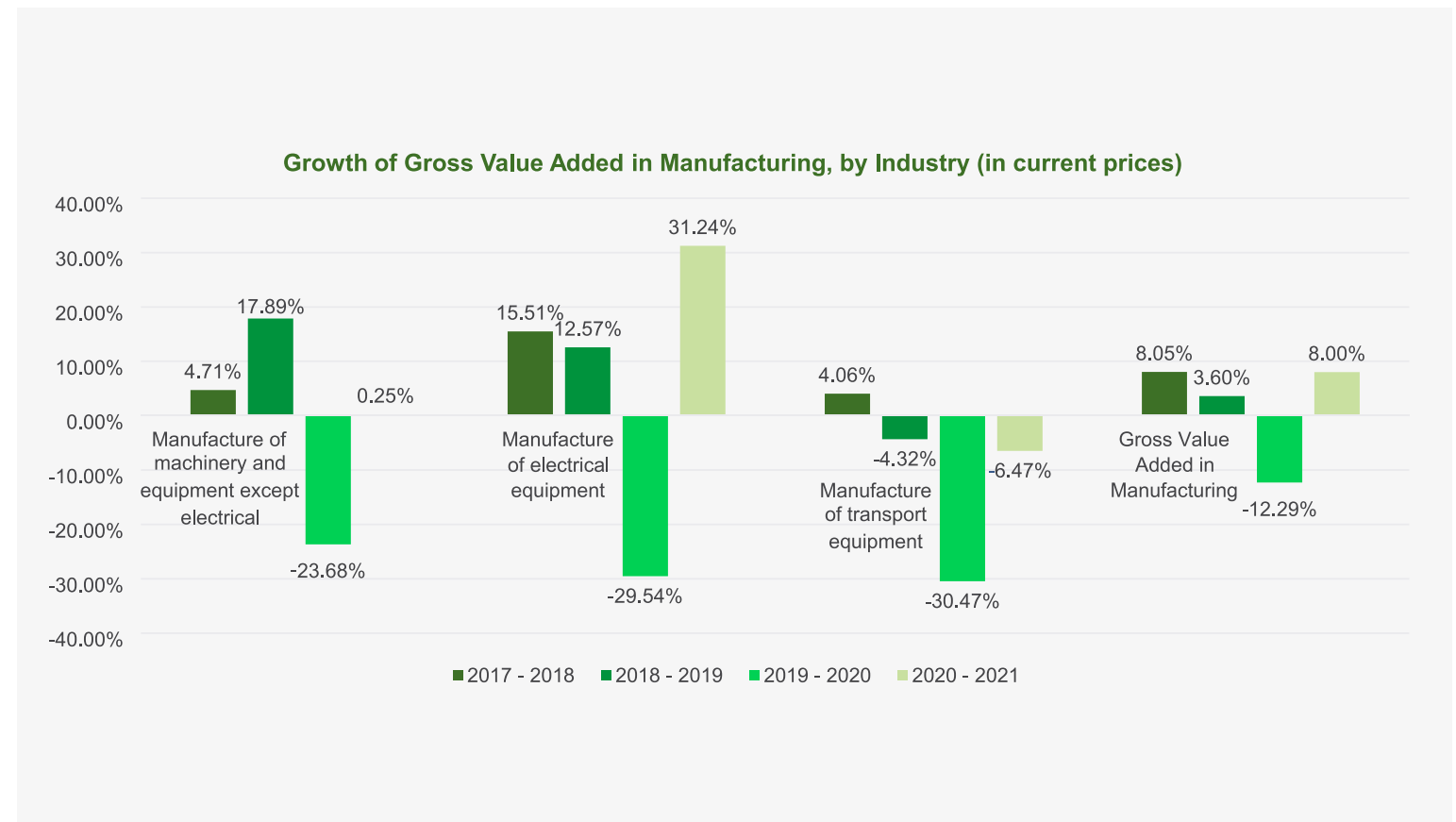


Philippines – Growth in Machinery Manufacturing Sector

| EMBASSY OF ITALY IN MANILA

Here we have highlighted the growth in the gross value added of manufacturing for **machinery**, compared with the **overall growth in the manufacturing sector**.

- **Manufacture of electrical equipment** has been the strongest and fastest growing industry when it maintained higher growth rate than the overall manufacturing sector before COVID-19. Although it was subjected to a more severe drop during 2019-2020 because of the pandemic, gross manufacturing value added in this industry recovered at an impressive rate of 31.24% in 2020-2021, which was more than 3 times higher than the overall growth of the sector.
- The growth in gross value added of the **manufacture of machinery and equipment (except electrical)** had been notable at 17.98% in 2018-2019, higher than any other machinery manufacturing segment in that year. However, the segment hasn't recovered much after the pandemic when its gross value added only grew by 0.25% in 2020-2021.
- The growth of **the manufacture of transport equipment** is lagging behind other segments. The industry posted significant drop in gross value added during 2018-2021.



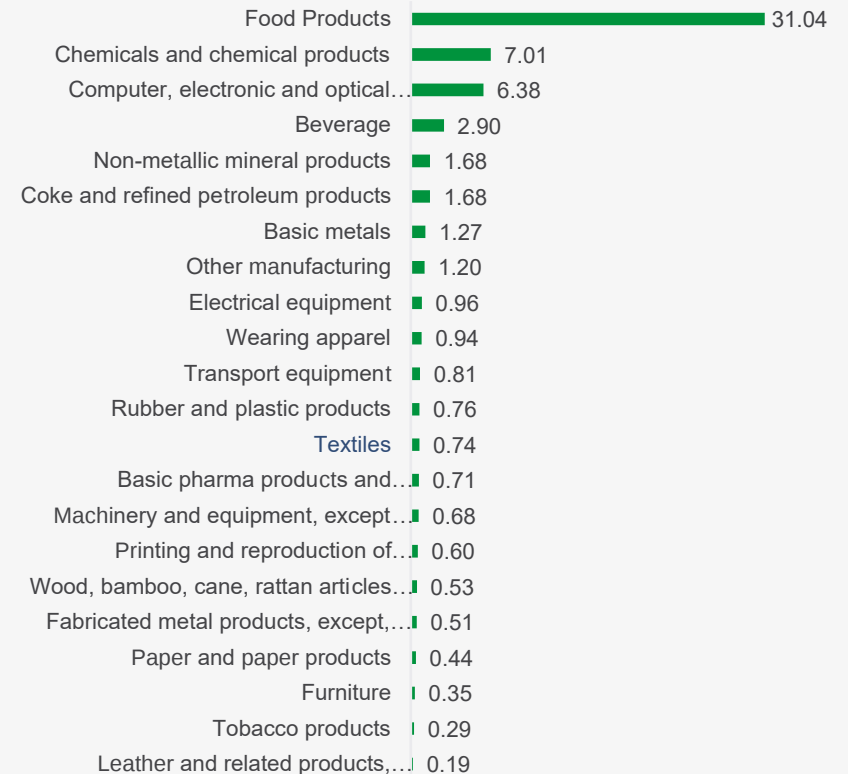
Philippines – Growth Drivers

| EMBASSY OF ITALY IN MANILA

The machinery and equipment market in the Philippine is driven by expanding manufacturing FDI inflows; growing demand from major industries; rapid technological advances; and active government support.

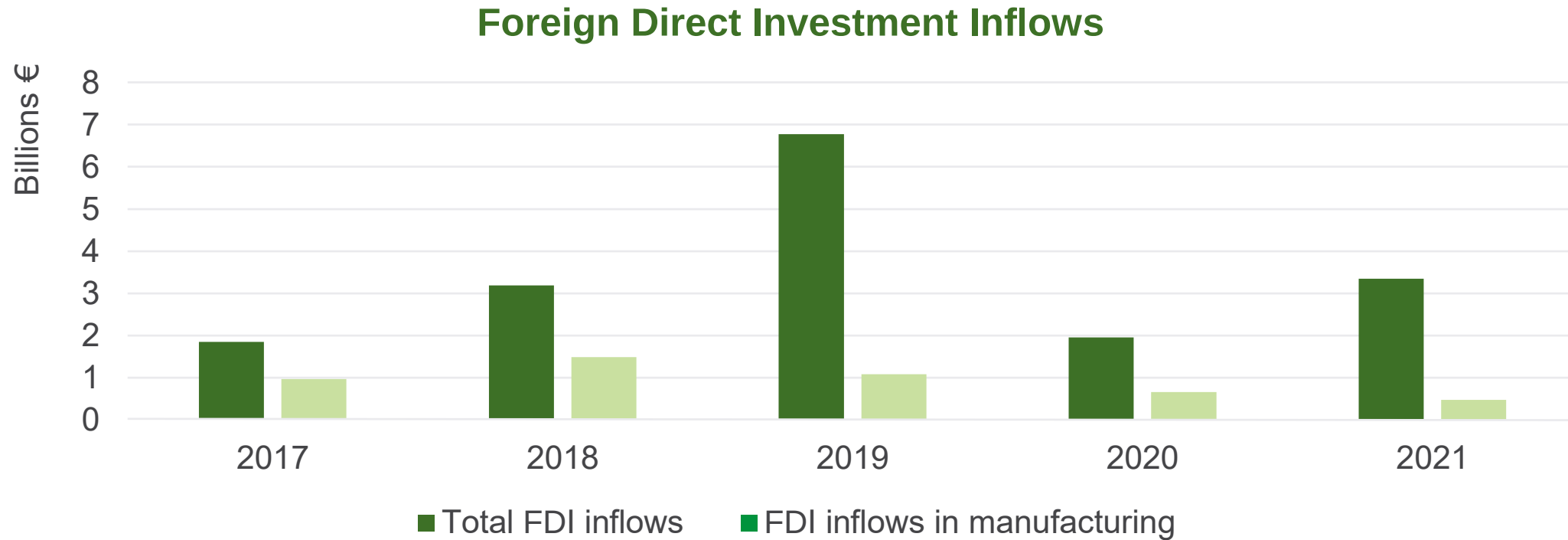
- The manufacturing sector has been the biggest recipient of foreign investment in the Philippines. Therefore, demand for industrial machinery is significant and expected to drive the market growth as FDI inflows begin to pick up after COVID-19.
- The growth of the Philippines' key industries like F&B, chemical, automotive and electronics & electrical appliances industries is also an important factor driving demand for modern machine tools.
- Rapid advances in technology is expected to drive innovation in industrial machinery manufacturing, thus driving the market during the upcoming period. Technologies such as 3D printing, AI, IoT and big data analytics are being integrated in manufacturing and resulting in higher productivity, lower operating costs and higher margins.
- The machinery sector is also supported by the Philippines government. Under the Manufacturing Industry Road Map (MIR) final phase during 2022-2025, regional and global hubs shall be established for target sectors such as Auto, Electronics, Food, Machinery and Garments. All the necessary measures are executed under the roadmap, ranging from human resource development to competitive exchange rate to bolster the sector's growth.

Gross value added generated from the manufacturing industry in the Philippines in 2021, by industry (in Euro billions)



Philippines – Growth Drivers

EMBASSY OF ITALY IN MANILA



The background of the slide is a grayscale photograph of electronic components, including a circuit board with various chips and connectors, and a keyboard. A large, solid green rectangular area covers the left half of the image, serving as a background for the title text.

Sector specific regulations

Philippines – Sector Regulations

| EMBASSY OF ITALY IN MANILA

The laws govern the manufacturing and machinery sector are as follows:

- Republic Act No. 4724, An Act to Develop the Metals Industry of the Philippines by Establishing the Metals Industry Development Center, Providing Funds Therefor, and for Other Purposes
- Republic Act No. 6428, An Act to Amend Republic Act No. 4724 by Reorganizing the Metals Industry Development Center, Giving it Corporate Existence, Enlarging its Powers, Providing for the Financing Thereof and for Other Purposes
- Republic Act No. 7183: An Act Regulating the Sale, Manufacture, Distribution and Use of Firecrackers and Other Pyrotechnic Devices - It is the purpose of this Act to regulate and control the manufacture, sale, distribution and use of firecrackers and other pyrotechnic devices consistent with, and in furtherance of, public safety, order and national security, as well as the enhancement of the cultural traditions.



Philippines – Sector Regulations

- The Department of Trade and Industry's Bureau of Philippine Standards (DTI-BPS) is the National Standards Body of the Philippines. It is the country's member to the International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC).
- The DTI-BPS adopts the latest version of the international standard on Safety of machinery – General principles for design – Risk assessment and risk reduction, ISO 12100:2019 as Philippine National Standard (PNS), PNS ISO 12100:2019 in 27 August 2019. PNS ISO 12100:2019 specifies the basic terminology, principles and methodology for achieving safety in the design of machinery. The procedures in PNS ISO 12100:2019 are described for identifying hazards, estimating and evaluating risks during the relevant phases of the machine life cycle, and for the elimination of the hazards. This standard will promote common understanding among stakeholders involved in machine safety design.
- The DTI-BPS also adopted the following international standards on safety of machinery as Philippine National Standards:
 - PNS ISO 13849-1:2019 Safety of machinery – Safety-related parts of control systems – Part 1: General principles for design
 - PNS ISO 13849-2:2019 Safety of machinery – Safety-related parts of control systems – Part 2: Validation
 - PNS ISO 13850:2019 Safety of machinery – Emergency stop function – Principles for design
 - PNS ISO 13851:2019 Safety of machinery – Two-hand control devices – Principles for design and selection
 - PNS ISO 13857:2019 Safety of machinery – Safety distances to prevent hazard zones being reached by upper and lower limbs
 - PNS ISO 13854:2019 Safety of machinery – Minimum gaps to avoid crushing of parts of the human body
 - PNS ISO 14120:2019 Safety of machinery – Guards – General requirements for the design and construction of fixed and movable guards

EMBASSY OF ITALY IN MANILA



FDI regulations



Philippines – FDI Regulations

| EMBASSY OF ITALY IN MANILA

- Republic Act 7042, also known as the “**Foreign Investments Act of 1991**,” (FIA), is a law regulating foreign investments in the Philippines. This act allows foreign investors to invest up to 100% equity in domestic market enterprises, but also sets restrictions via the **Foreign Investment Negative List (FINL)**, which is a list of areas of economic activity where foreign ownership is restricted or limited.
- The latest 12th FINL has the **list of sectors** that does not allow foreign equity at all to sectors that restrict foreign equity between 25% to 40% depending on several factors.
- **One hundred percent (100%) foreign equity may be allowed in all areas of investments** under the Foreign Investments Act (FIA), except those included in the Foreign Investment Negative List (FINL).
- **The Machinery sector is completely open to foreign investors.**



The background of the slide is a photograph of an industrial facility, possibly a steel mill or a large construction site. It features complex metal structures, walkways, and bright overhead lights that create a hazy, atmospheric effect. A solid green rectangular overlay covers the left half of the image, serving as a background for the title text.

Import and Exports

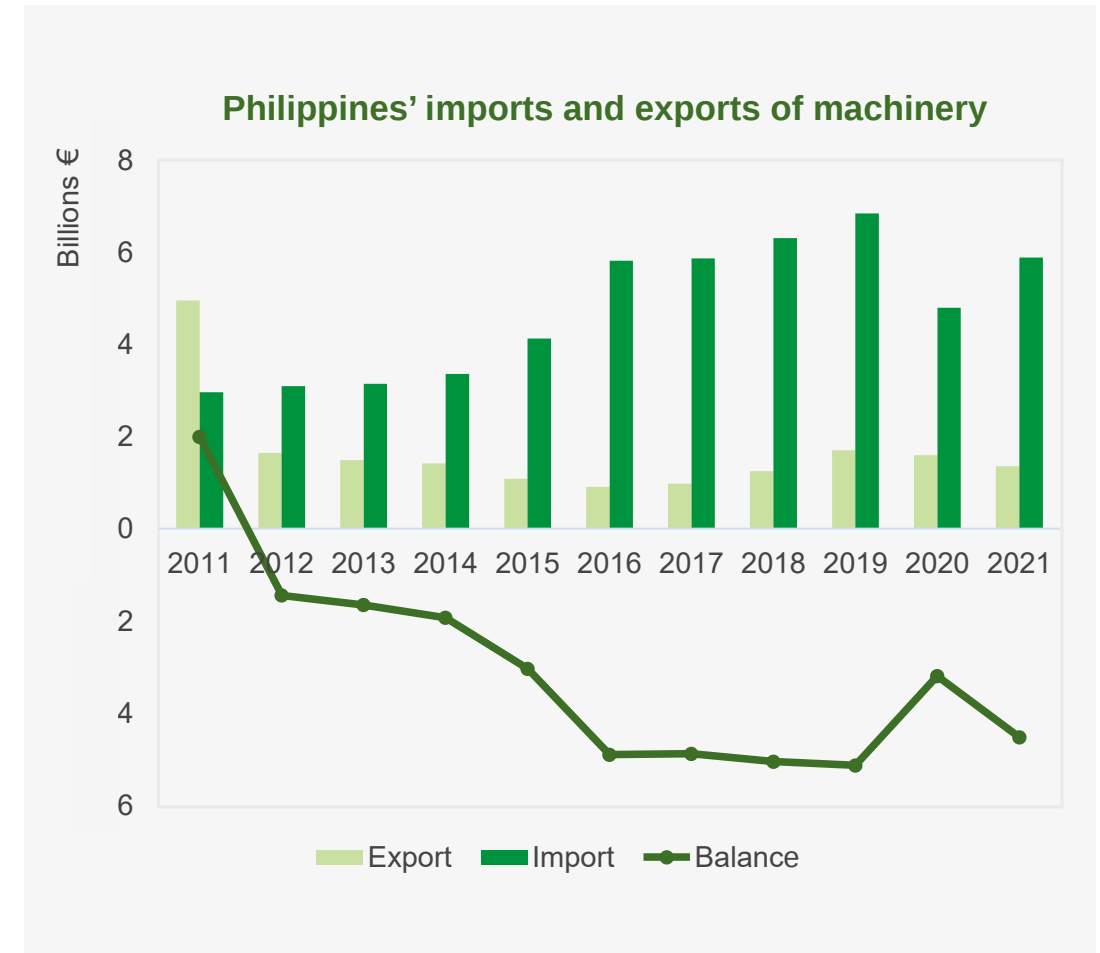
| EMBASSY OF ITALY IN MANILA

Philippines – Total Imports and Exports of Machinery

| EMBASSY OF ITALY IN MANILA

Since 2012, the Philippines has been a net importer of machinery and equipment due to expanding demand from manufacturing businesses and lagging domestic machinery production industry

- Export value fluctuated and the figure in 2021 was EUR1.36 billion, only one-third of that in 2011.
- Meanwhile, import value increased at a strong CAGR (2011-2021) of 7.1% and recorded at EUR5.88 billion in 2021.
- Consequently, Philippines' trade deficit for this product group expanded significantly and reached EUR4.54 billion in 2021.



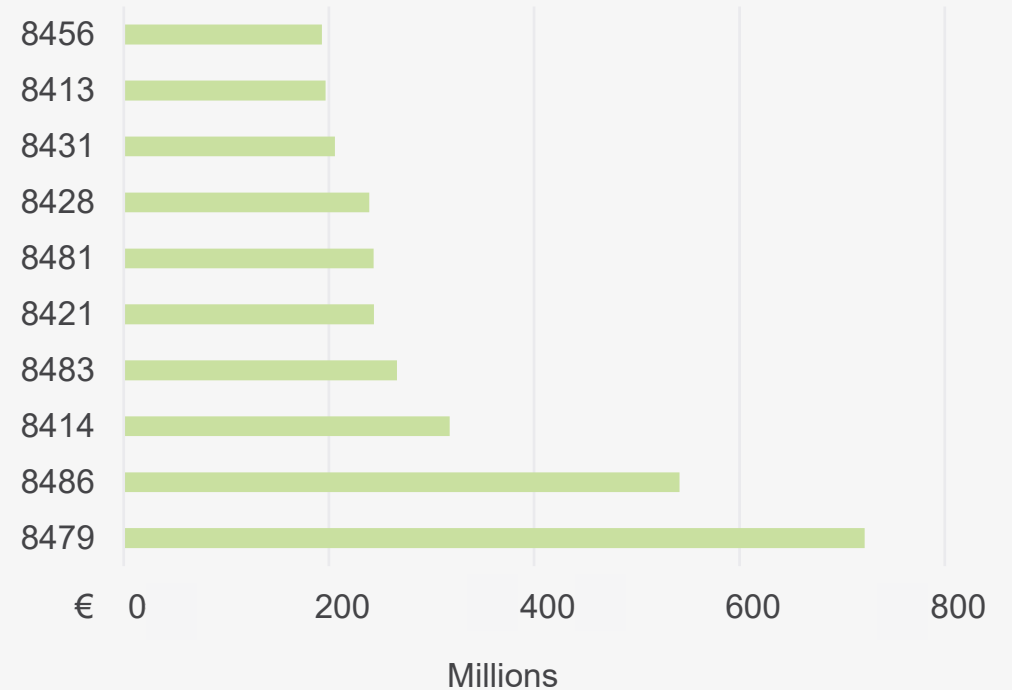
Philippines – Total Imports and Exports of Machinery

| EMBASSY OF ITALY IN MANILA

Top imported product groups in highest demand have been:

- 8479: Miscellaneous machinery and equipment, including industrial robots. Import value of this products group accounted for 12% of total machinery imports in 2021.
- 8486: Machinery used in the manufacture of semiconductor and other related electronics items. Huge inflows of FDI in electronics has resulted in great demand for manufacturing machinery in this industry.
- 8414: Gas compressors, fans and related items. Import value for these products was EUR317.7 million, representing notable demand from industrial businesses in Philippines since this equipment is critical in a wide range of industries.

Top imported machinery products, 2021



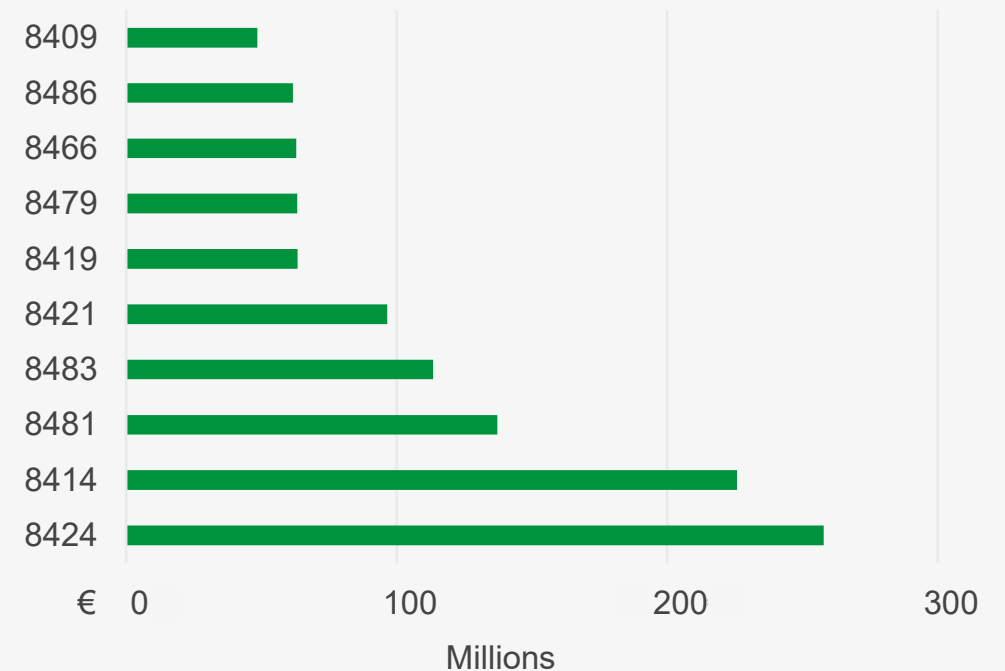
Philippines – Total Imports and Exports of Machinery

| EMBASSY OF ITALY IN MANILA

Key export products of the Philippines in the sector have been

- 8424: Machinery for spraying liquids or powders, sand blasting machines. Export value of this product was estimated at EUR257.8 million, accounted for 19% of total machinery exports.
- 8414: Gas compressors, fans and related items. Philippines' businesses are able to produce certain simple products like industrial fans at a competitive cost. Export value of fans was EUR165 million, contributing to export value of the product group at EUR225.8 million in 2021.
- 8481: Taps, cocks, valves and similar appliances for pipes, boiler shells, tanks, vats. As the metalworking industry in the Philippines is relatively strong compared to other industries, such mechanical items are major export products for the country, valued EUR137 million in 2021.

Top exported machinery products, 2021



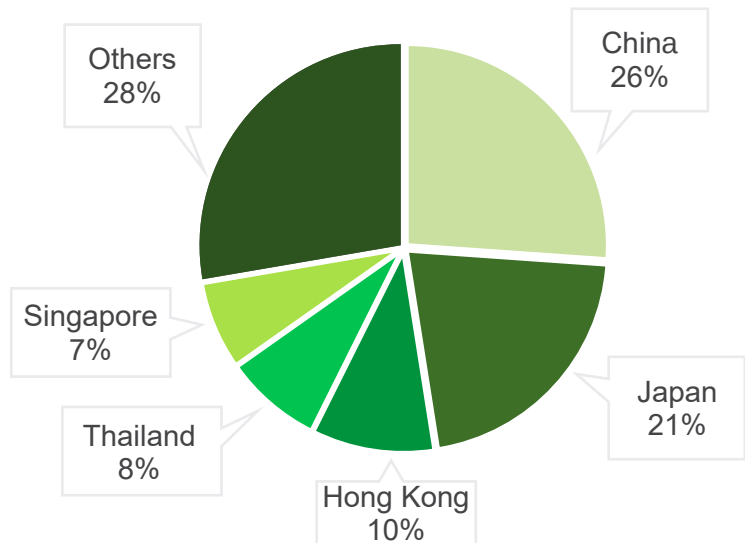
Philippines – Total Imports and Exports of Machinery

| EMBASSY OF ITALY IN MANILA

IMPORT

by markets

Philippines' machinery import share, 2021



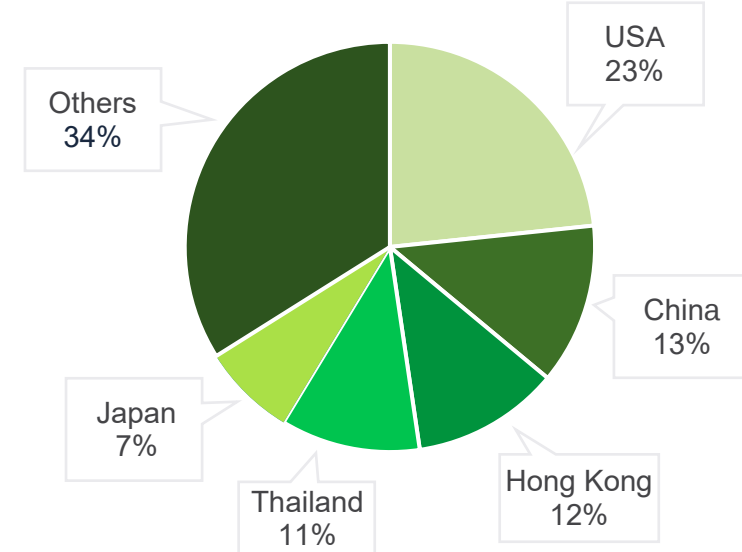
Top suppliers of machinery and equipment to the Philippines are Asian countries, including China, Japan, Hong Kong, Thailand and Singapore

Other major exporters are USA, Malaysia, Taiwan, South Korea, and Germany

EXPORT

by markets

Philippines' machinery export share, 2021



Top markets for Philippines machinery and equipment are USA, China, Hong Kong, Thailand and Japan.

Other notable importers are Germany, Taiwan, Singapore, Mexico and the Netherlands

Major Trends



Philippines – Major Trends

High flow of investment in manufacturing supports demand for machinery

The Philippines remains an attractive market for manufacturing investment since almost half of the approved FDI went to the manufacturing sector. Department of Trade and Industry (DTI) aims to attract investments in the manufacturing sector with the current policy. Philippines FDI inflow is projected to trend around US\$1 billion in 2023 and US\$1.2 billion in 2024. Manufacturing is one of the sectors taking huge beneficiaries. Therefore, demand for manufacturing machinery will maintain its growth momentum in the future.

Imported machinery continues to dominate

The Philippines machinery manufacturing industry is capable of producing simple, small to medium sized machines. Large machinery with complex structures are still imported from Asian countries (China, Hong Kong, Japan, etc.), EU nations (Germany, Italy, etc.) and the US. As little advancement is seen in the domestic machinery industry, imported supplies EW expected to remain dominant in the next decade.

EU and US machines are losing the market share to Asian products

In 2017, imports of machinery from EU countries accounted for 9.2% of Philippines' total imports in this product group. In 2021, the share fell to just 7.3%. Simultaneously, made-in-China machines had expanded their market share from 20.6% in 2017 to 26% in 2021. The shift towards Asian suppliers, including Chinese ones, was partly due to supply chain disruption from COVID-19. Businesses prioritized nearer sources of supplies so that they could shorten delivery timeline.

Technology advancement

Products in the market will increasingly come with technology advancement. With Artificial Intelligence, the projected growth in the manufacturing sector in the Philippines will increase by 40% in 2035. Also, manufacturing will enhance production efficiency by automating manufacturing and supply chain processes using intelligent machines or enhancing the flow of data using Radio Frequency Identification Technology (RFID) technology. About 75,000 of the 700,000 new graduates in the Philippines each year are in the STEM fields, which are essential to making the technology revolution a reality.



EMBASSY OF ITALY IN MANILA

Challenges

Philippines – Challenges

Problem with raw materials

The Philippine iron and steel industry is a critical component in providing necessary inputs for manufacturing machinery and equipment. Philippines-based iron and steel manufacturers have expanded their production capacities in the long products sector, but still fall short of domestic demand, mainly because of the absence of an integrated steel mill (ISM).

Reliance on imports

While the Philippines manufacturing market grows, domestic manufacturing is heavily import-dependent because the localization program in the country has not really taken off, especially in the electronics and semiconductor sector. Thus, the localization has not yet reached the “ideal” localization level.

High cost of power

Electricity prices in the Philippines are amongst the highest in Southeast Asia and is considered relatively high compared to global standards, at roughly \$0.20 per kWh, mainly due to heavy reliance on imported fossil fuels and uncompetitive market structures.

Inefficient infrastructure

The Philippines’ overall infrastructure lags behind those of its Southeast Asian neighbors. Infrastructure development in the country is hampered by a poor business environment; weaknesses in planning, coordination, and financing; and a decrease in private sector involvement in infrastructure provision.



Existing and Emerging Opportunities

Philippines – Existing and Emerging Opportunities

Industrial relocation

With soaring wages and operating costs in China, many manufacturers are looking for alternative production bases in Southeast Asia to relocate or diversify their production. Unlike Vietnam and Myanmar, the alternative production bases in Southeast Asia that can boast cheap labor, the Philippines' comparative advantages and opportunities lie in its burgeoning local sales market, English-speaking skilled labor and management efficacy.

Small Medium Enterprises (SME)

With 99.5% of all businesses in the Philippines being micro, small, and medium enterprises (MSMEs) according to the Department of Trade and Industry (DTI), small businesses are practically the local economy's lifeblood. SMEs in manufacturing represent 6.87% of total output. The large number of small and medium enterprises (SMEs) significantly contribute to the manufacturing industry of the Philippines. Through numerous SME programs such as SME Roving Academy (SMERA), etc., the Philippine government has encouraged and supported MSMEs in the manufacturing and supporting sectors.

Economic zones

The Philippines is one of the many countries in Southeast Asia that have extensively pursued economic zone development. In January 2020, there were 407 operating zones and an additional 144 zones were being developed. The country has developed a number of economic zones, which have attracted many foreign companies.





Major players

Philippines – Major players

| EMBASSY OF ITALY IN MANILA

- **Mechanical equipment:** Overall, the market is highly competitive and dominated by foreign brands, especially brands from Japan (Kobelco, Mazak, etc.) and EU countries (Thyssenkrupp, Bosch, etc.). That said, there are a few large domestic players maintaining reputable brands in certain markets, including F&B (Gomeco), packaging (Elixir), and energy (Desco), etc.
- **Electrical equipment:** Filipino electrical equipment industry is relatively developed and able to compete with foreign brands. Leading domestic companies in the segment are First Philec, Electrical Equipment and System Integration Inc., (EESi), Delta Star Power Mfg Corporation, Power Box Solution, Inc. Meanwhile, most well-known foreign brands are also present in the market (3M, ABB, APC by Schneider Electric, etc.)
- **Transport equipment:** Almost all brands in the Philippines' transport equipment market are foreign. Leading players are Komatsu, Hyundai, Toyota, TCM, XCMG, etc. They manage the market via a well-developed network of local dealers.

Mechanical equipment



Electrical equipment



Transport equipment



Philippines – Major players

Italian companies and brands in the Philippines operate mainly in the electrical and mechanical equipment market. However, most of them do not manufacture in the country. The local subsidiaries or partners are all specializing in sales and distribution.



BTicino was the first Italian manufacturer to tackle the problem of producing electrical components in light of modern design thinking, founded in the 20th century. BTicino Philippines is a multi-brand company offering industry specific professional solutions for lighting, launched in the Philippines market in 1993. The series of marketing and launching events organized by BTICINO in the past years has stirred up the local market and created a brand name offering quality and aesthetic products.



Forma Lighting was established in the late 1960s by an Italian, Lorenzo Magnaghi, and specializes in architectural lights. The company operates a subsidiary in Manila to develop business in the Philippines



Antonio Carraro is a historic Italian corporation, located in Campodarsego, Padua, Veneto region. It is a worldwide leader in the production of compact tractors for specialized agriculture and civil maintenance. In the Philippines, Carraro is represented by its exclusive distributor CMC NIVRA Industries.



Major products/services

Philippines – Major products/services

| EMBASSY OF ITALY IN MANILA

Products in highest demand are some general mechanical items that can be used across the manufacturing sector, and machines used in electronics, metalworking industries

HS Code	Description	Import value in 2021
8479	Machinery and mechanical appliances; having individual functions, n.e.c. in this chapter	€ 720,651,564
8486	Machines and apparatus of a kind used solely or principally for the manufacture of semiconductor boules or wafers, semiconductor devices, electronic integrated circuits or flat panel displays; machines and apparatus specified in note 9-C to this Chapter	€ 540,750,608
8414	Air or vacuum pumps, air or other gas compressors and fans; ventilating or recycling hoods incorporating a fan whether or not fitted with filters	€ 317,252,727
8483	Transmission shafts (including cam and crank) and cranks; bearing housings and plain shaft bearings; gears and gearing; ball or roller screws; gear boxes and other speed changers; flywheels and pulleys; clutches and shaft couplings	€ 265,731,753
8421	Centrifuges, including centrifugal dryers; filtering or purifying machinery and apparatus for liquids or gases	€ 243,371,167
8481	Taps, cocks, valves and similar appliances for pipes, boiler shells, tanks, vats or the like, including pressure-reducing valves and thermostatically controlled valves	€ 243,229,117
8431	Machinery parts; used solely or principally with the machinery of heading no. 8425 to 8430	€ 205,522,269
8413	Pumps; for liquids, whether or not fitted with measuring device, liquid elevators	€ 196,492,305
8456	Machine-tools; for working any material by removal of material, by laser or other light or photon beam, ultrasonic, electro-discharge, electro-chemical, electron beam, ionic-beam, or plasma arc processes; water-jet cutting machines	€ 192,891,948
8466	Parts & accessories suited for use only/mainly with machines of headings 8456-8465, including work/tool holders, self-opening dieheads, dividing heads & other special attachments for the machines; tool holders for any type of tool for working in the hand	€ 191,714,932

Philippines – Major products/services

| EMBASSY OF ITALY IN MANILA

Products with fastest-growing demand are a wide range of machines used in metalworking

HS Code	Description	AAGR in import value (2017-2021)
8456	Machine-tools; for working any material by removal of material, by laser or other light or photon beam, ultrasonic, electro-discharge, electro-chemical, electron beam, ionic-beam, or plasma arc processes; water-jet cutting machines	173%
8410	Turbines; hydraulic water wheels and regulators therefor	30%
8449	Machinery; for manufacture or finishing felt or non-wovens in the piece or in shapes, including machinery for making felt hats, blocks for making hats	25%
8411	Turbo-jets, turbo-propellers and other gas turbines	23%
8463	Machine-tools; n.e.c. for working metal, sintered metal carbides or cermets without removing material	21%
8412	Engines and motors; n.e.c. (e.g. reaction engines, hydraulic power engines, pneumatic power engines)	19%
8480	Moulding boxes for metal foundry, moulding patterns, moulds for metals (excluding ingot moulds), metal carbides, glass, mineral materials, rubber or plastics	12%
8460	Machine-tools; for deburring, sharpening, grinding, honing, lapping, polishing or otherwise finishing metal, sintered metal carbides or cermets by means of grinding stones, abrasives or polishing products	12%
8465	Machine-tools; (including machines for nailing, stapling, glueing or otherwise assembling) for working wood, cork, bone, hard plastics or rubber or similar hard materials	11%
8420	Machines; calendering or other rolling machines, for other than metal or glass and cylinders therefor	10%

The background of the slide is a photograph of a textile factory. It shows rows of spinning spindles mounted on a metal frame. The spindles are covered in white thread. The image is slightly blurred, giving it a soft, industrial feel. A large, solid green rectangle is overlaid on the left side of the image, covering approximately the left third of the frame. The title text is written in white, bold, sans-serif font within this green area.

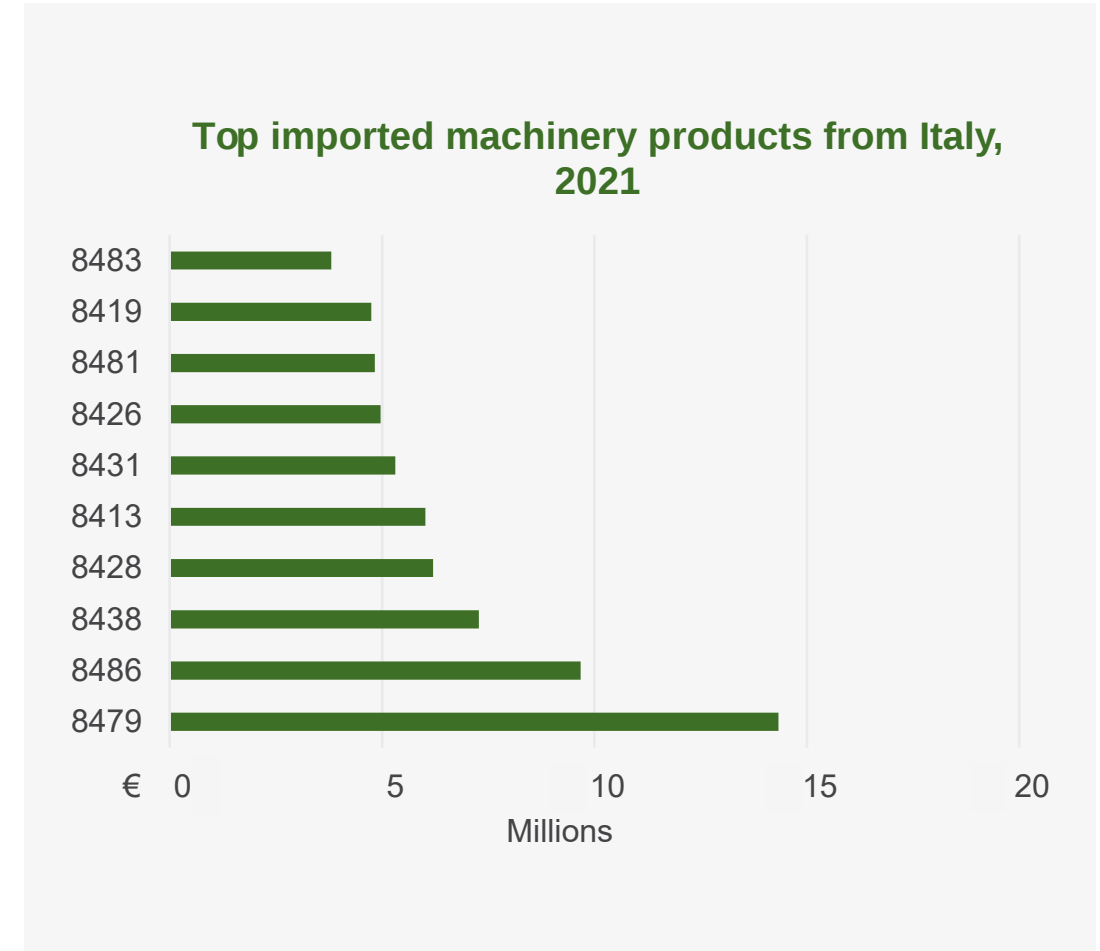
Imports (from Italy to the Philippines) and Custom Duties

Philippines – Italian Exports to the Philippines by Product Classification

| EMBASSY OF ITALY IN MANILA

Major machinery and equipment imported from Italy have been:

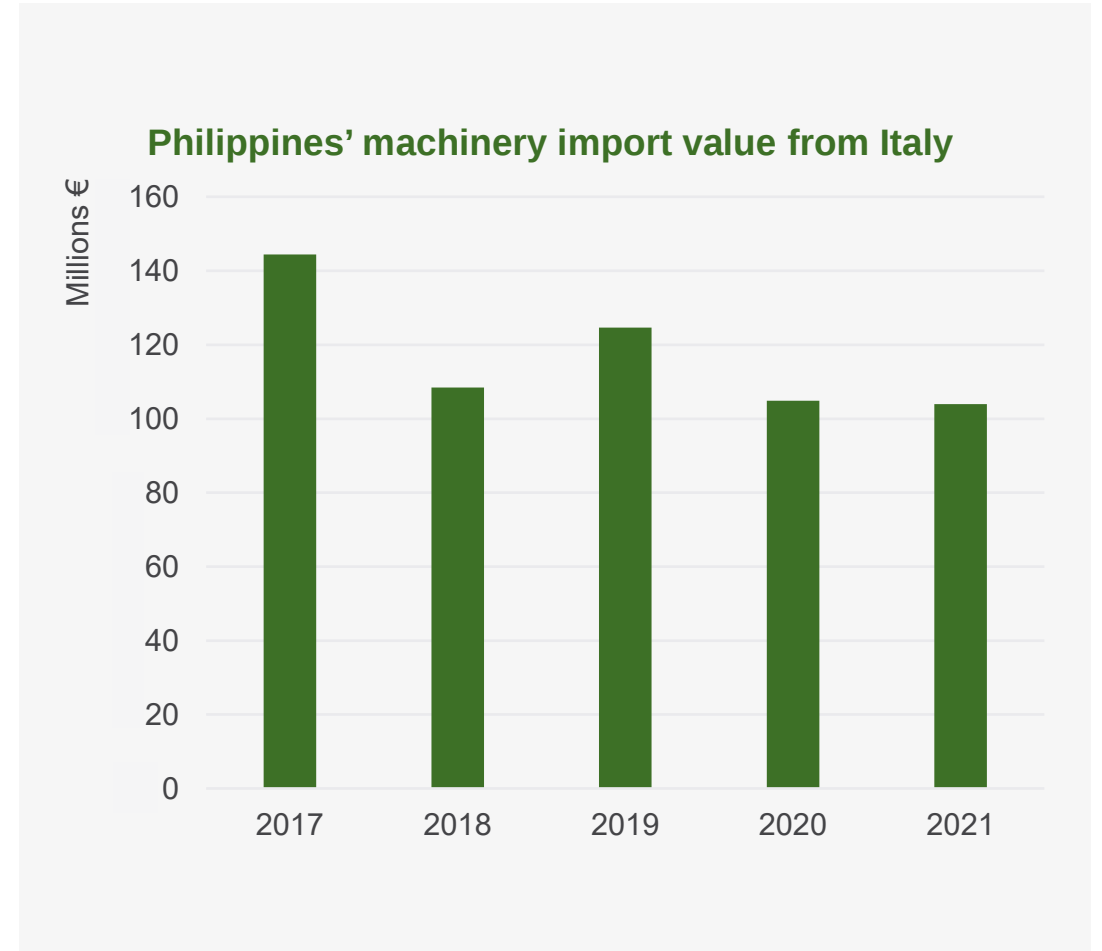
- 8479: Miscellaneous machinery. Metalworking machinery has been a critical imported product from Italy in this group.
- 8486: Machinery used in the manufacture of semiconductor and other related electronics items. European-owned businesses in electronics industry is the main consumer of these products.
- 8438: Machinery in F&B manufacturing. In 2021, Philippines imported EUR5 million of machinery used in the production of spaghetti, macaroni and similar products.



Philippines – Italian Exports to the Philippines by Product Classification

| EMBASSY OF ITALY IN MANILA

The Philippines' machinery imports from Italy had slightly declined in the last few years, partly because of disruption from COVID-19. Local businesses favor machinery imported from regional markets so that the delivery time is shortened. In 2021, machinery import value from Italy was EUR104 million, only two thirds of that in 2017.



Import Duties for Italian Imports

The table below outlines average import tariff of the Philippines for machinery products from Italy

HS Code	Description	Average Philippines Import Duties (average rates of all products under the 6-digit categories)
8402	Boilers; steam or other vapour generating (other than central heating hot water boilers, capable also of producing low pressure steam), super heated water boilers	8.80%
8403	Central heating boilers; excluding those of heading no. 8402	7.00%
8404	Auxiliary plant for use with boilers of heading no. 8402 or 8403; e.g. economisers, super-heaters, soot removers, gas recoverers), condensers for steam or other vapour power units	3.89%
8405	Generators for producer or water gas with or without their purifiers acetylene gas generators and similar water process gas generators, with or without their purifiers	1.00%
8406	Turbines; steam and other vapour turbines	1.00%
8407	Reciprocating or rotary internal combustion piston engines	2.70%
8408	Compression-ignition internal combustion piston engines (diesel or semi-diesel engines)	4.76%
8409	Parts suitable for use solely or principally with the engines of heading no. 8407 or 8408	1.50%
8410	Turbines; hydraulic water wheels and regulators therefor	1.00%
8411	Turbo-jets, turbo-propellers and other gas turbines	3.00%

Import Duties for Italian Imports

HS Code	Description	Average Philippines Import Duties (average rates of all products under the 6-digit categories)
8412	Engines and motors; n.e.c. (e.g. reaction engines, hydraulic power engines, pneumatic power engines)	1.86%
8413	Pumps; for liquids, whether or not fitted with measuring device, liquid elevators	1.42%
8414	Air or vacuum pumps, air or other gas compressors and fans; ventilating or recycling hoods incorporating a fan whether or not fitted with filters	3.16%
8416	Furnace burners for liquid fuel, for pulverised solid fuel or for gas; mechanical grates, mechanical ash dischargers and similar appliances	0.00%
8417	Furnaces and ovens; industrial or laboratory, including incinerators, non-electric	3.78%
8419	Machinery, plant (not domestic), or laboratory equipment; electrically heated or not, (excluding items in 85.14) for the treatment of materials by a process involving change of temperature; including instantaneous or non electric storage water heaters	0.54%
8420	Machines; calendering or other rolling machines, for other than metal or glass and cylinders therefor	0.22%
8421	Centrifuges, including centrifugal dryers; filtering or purifying machinery and apparatus for liquids or gases	1.71%
8423	Weighing machines; excluding balances of a sensitivity of 5cg or better, including weight operated counting or checking machines and weights of all kinds	1.64%
8424	Mechanical appliances for projecting, dispersing or spraying liquids or powders; fire extinguishers, spray guns, steam, sand blasting machines	3.03%

Import Duties for Italian Imports

| EMBASSY OF ITALY IN MANILA

HS Code	Description	Average Philippines Import Duties (average rates of all products under the 6-digit categories)
8425	Pulley tackle and hoists other than skip hoists; winches and capstans; jacks	0.00%
8426	Derricks, cranes, including cable cranes, mobile lifting frames, straddle carriers and works trucks fitted with a crane	0.00%
8427	Fork-lift and other works trucks; fitted with lifting or handling equipment	0.00%
8428	Lifting, handling, loading or unloading machinery; n.e.c. in heading no. 8425, 8426 or 8427 (e.g. lifts, escalators, conveyors, teleferics)	0.00%
8431	Machinery parts; used solely or principally with the machinery of heading no. 8425 to 8430	0.83%
8434	Milking machines and dairy machinery	0.00%
8435	Presses, crushers and similar machinery; used in the manufacture of wine, cider, fruit juices or similar beverages	0.00%
8437	Machines for cleaning, sorting, grading seed, grain, dried leguminous vegetables; machinery used in the milling industry for the working of cereals or dried leguminous vegetables, not farm type machinery	1.67%
8438	Machinery n.e.c. in this chapter, for the industrial preparation or manufacture of food or drink; other than machinery for extraction or preparation of animal or fixed vegetable fats or oils	0.25%
8439	Machinery; for making pulp of fibrous cellulosic material, or for making or finishing paper or paperboard	0.00%
8440	Book-binding machinery; including book-sewing machines	0.00%
8441	Machines; for making up paper pulp, paper or paperboard, including cutting machines of all kinds	0.00%

Import Duties for Italian Imports

| EMBASSY OF ITALY IN MANILA

HS Code	Description	Average Philippines Import Duties (average rates of all products under the 6-digit categories)
8442	Machinery, apparatus and equipment (excluding machines of headings 8456 to 8465) for preparing or making printing components; plates, cylinders and other printing components; lithographic stones prepared for printing purposes	0.00%
8444	Textile machinery; for extruding, drawing, texturing or cutting man-made textile materials	0.00%
8445	Textile machinery; spinning, doubling, twisting machines, textile reeling or winding machines and machines for preparing textile yarns for use on machines of heading no. 8446 and 8447	0.00%
8446	Weaving machines (looms)	0.13%
8447	Knitting machines, stitch-bonding machines and machines for making gimped yarn, tulle, lace, embroidery, trimmings, braid or net and machines for tufting	0.00%
8448	Machinery, auxiliary; for use with machines of heading no. 8444 to 8447 (e.g. dobbies, jacquards, automatic stop motions, shuttle changing mechanisms) parts, accessories for machines of heading no. 8444, 8447	0.23%
8449	Machinery; for manufacture or finishing felt or non-wovens in the piece or in shapes, including machinery for making felt hats, blocks for making hats	0.00%
8451	Machinery (not of heading no. 8450) for washing, cleaning, wringing, drying, ironing, pressing, bleaching, dyeing, dressing, finishing, coating or impregnating textile yarn, fabrics or made up articles	0.72%
8452	Sewing machines; other than book-sewing machines of heading no. 8440; furniture, bases and covers specially designed for sewing machines; sewing machine needles	3.33%

Import Duties for Italian Imports

HS Code	Description	Average Philippines Import Duties (average rates of all products under the 6-digit categories)
8453	Machinery for preparing, tanning or working hides, skins or leather or for making or repairing footwear or other articles of hides, skins or leather, other than sewing machines	0.00%
8454	Converters, ladles, ingot moulds and casting machines; of a kind used metallurgy or in metal foundries	0.00%
8455	Metal-rolling mills and rolls therefor	0.00%
8456	Machine-tools; for working any material by removal of material, by laser or other light or photon beam, ultrasonic, electro-discharge, electro-chemical, electron beam, ionic-beam, or plasma arc processes; water-jet cutting machines	1.25%
8457	Machining centres, unit construction machines (single station) and multi-station transfer machines for working metal	0.00%
8458	Lathes for removing metal	0.00%
8459	Machine-tools; (including way-type unit head machines) for drilling, boring, milling, threading or tapping by removing metal, other than lathes of heading no. 8458	0.00%
8460	Machine-tools; for deburring, sharpening, grinding, honing, lapping, polishing or otherwise finishing metal, sintered metal carbides or cermets by means of grinding stones, abrasives or polishing products	3.00%
8461	Machine-tools; for planing, shaping, slotting, broaching, gear cutting and grinding, finishing, sawing, cutting off and other tools working by removing metal, sintered metal carbides or cermets n.e.c.	1.80%

Import Duties for Italian Imports

HS Code	Description	Average Philippines Import Duties (average rates of all products under the 6-digit categories)
8462	Machine-tools; (including presses) for working metal by forging, hammering or die-stamping, for bending, folding, straightening, flattening, shearing or punching metal	0.00%
8463	Machine-tools; n.e.c. for working metal, sintered metal carbides or cermets without removing material	1.50%
8464	Machine-tools; for working stone, ceramics, concrete, asbestos-cement or like mineral materials or for cold working glass	1.00%
8465	Machine-tools; (including machines for nailing, stapling, glueing or otherwise assembling) for working wood, cork, bone, hard plastics or rubber or similar hard materials	0.00%
8466	Parts & accessories suited for use only/mainly with machines of headings 8456-8465, including work/tool holders, self-opening dieheads, dividing heads & other special attachments for the machines; tool holders for any type of tool for working in the hand	0.33%
8467	Tools; for working in the hand, pneumatic, hydraulic or with self-contained electric or non-electric motor	1.35
8468	Machinery and apparatus for soldering, brazing, welding, whether or not capable of cutting, other than those of heading no. 8515; gas-operated surface tempering machines and appliances	2.00%
8474	Machinery for sorting, screening, separating, washing, crushing, grinding, mixing or kneading earth, stone, ores in solid form, shaping, moulding machinery for solid mineral fuels	2.67%
8475	Machines; for assembling electric or electronic lamps, tubes, valves, flash-bulbs, in glass envelopes, machines for manufacturing or hot working glass or glassware	0.13%

Import Duties for Italian Imports

HS Code	Description	Average Philippines Import Duties (average rates of all products under the 6-digit categories)
8476	Automatic goods-vending machines (e.g. postage stamp, cigarette, food or beverage machines), including money-changing machines	2.40%
8477	Machinery; for working rubber or plastics or for the manufacture of products from these materials, n.e.c. in this chapter	0.00%
8478	Machinery; for preparing or making up tobacco, n.e.c. in this chapter	0.00%
8479	Machinery and mechanical appliances; having individual functions, n.e.c. in this chapter	1.27%
8480	Moulding boxes for metal foundry, moulding patterns, moulds for metals (excluding ingot moulds), metal carbides, glass, mineral materials, rubber or plastics	1.00%
8481	Taps, cocks, valves and similar appliances for pipes, boiler shells, tanks, vats or the like, including pressure-reducing valves and thermostatically controlled valves	2.05%
8482	Ball or roller bearings	0.25%
8483	Transmission shafts (including cam and crank) and cranks; bearing housings and plain shaft bearings; gears and gearing; ball or roller screws; gear boxes and other speed changers; flywheels and pulleys; clutches and shaft couplings	0.63%
8484	Gaskets and similar joints of metal sheeting combined with other material or of two or more layers of metal; sets or assortments of gaskets and similar joints, dissimilar in composition, put up in pouches, envelopes or similar packings; mechanical seals	4.67%

Import Duties for Italian Imports

HS Code	Description	Average Philippines Import Duties (average rates of all products under the 6-digit categories)
8486	Machines and apparatus of a kind used solely or principally for the manufacture of semiconductor boules or wafers, semiconductor devices, electronic integrated circuits or flat panel displays; machines and apparatus specified in note 9-C to this Chapter	0.00%
8487	Machinery parts; not containing electrical connectors, insulators, coils, contacts or other electrical features, n.e.c. in this chapter	4.00%

Annex
HS code of target
products

Philippines - HS code of target products

| EMBASSY OF ITALY IN MANILA

As per the Philippine Standard Commodity Classification (PSCC), DSA has focused on the below product group as per classification for trade data;

HS Code	Description
8402	Boilers; steam or other vapour generating (other than central heating hot water boilers, capable also of producing low pressure steam), super heated water boilers
8403	Central heating boilers; excluding those of heading no. 8402
8404	Auxiliary plant for use with boilers of heading no. 8402 or 8403; e.g. economisers, super-heaters, soot removers, gas recoverers), condensers for steam or other vapour power units
8405	Generators for producer or water gas with or without their purifiers acetylene gas generators and similar water process gas generators, with or without their purifiers
8406	Turbines; steam and other vapour turbines
8407	Reciprocating or rotary internal combustion piston engines
8408	Compression-ignition internal combustion piston engines (diesel or semi-diesel engines)
8409	Parts suitable for use solely or principally with the engines of heading no. 8407 or 8408
8410	Turbines; hydraulic water wheels and regulators therefor
8411	Turbo-jets, turbo-propellers and other gas turbines
8412	Engines and motors; n.e.c. (e.g. reaction engines, hydraulic power engines, pneumatic power engines)
8413	Pumps; for liquids, whether or not fitted with measuring device, liquid elevators
8414	Air or vacuum pumps, air or other gas compressors and fans; ventilating or recycling hoods incorporating a fan whether or not fitted with filters

Philippines - HS code of target products

| EMBASSY OF ITALY IN MANILA

As per the Philippine Standard Commodity Classification (PSCC), DSA has focused on the below product group as per classification for trade data;

HS Code	Description
8416	Furnace burners for liquid fuel, for pulverised solid fuel or for gas; mechanical grates, mechanical ash dischargers and similar appliances
8417	Furnaces and ovens; industrial or laboratory, including incinerators, non-electric
8419	Machinery, plant (not domestic), or laboratory equipment; electrically heated or not, (excluding items in 85.14) for the treatment of materials by a process involving change of temperature; including instantaneous or non electric storage water heaters
8420	Machines; calendering or other rolling machines, for other than metal or glass and cylinders therefor
8421	Centrifuges, including centrifugal dryers; filtering or purifying machinery and apparatus for liquids or gases
8423	Weighing machines; excluding balances of a sensitivity of 5cg or better, including weight operated counting or checking machines and weights of all kinds
8424	Mechanical appliances for projecting, dispersing or spraying liquids or powders; fire extinguishers, spray guns, steam, sand blasting machines
8425	Pulley tackle and hoists other than skip hoists; winches and capstans; jacks
8426	Derricks, cranes, including cable cranes, mobile lifting frames, straddle carriers and works trucks fitted with a crane
8427	Fork-lift and other works trucks; fitted with lifting or handling equipment
8428	Lifting, handling, loading or unloading machinery; n.e.c. in heading no. 8425, 8426 or 8427 (e.g. lifts, escalators, conveyors, teleferics)
8431	Machinery parts; used solely or principally with the machinery of heading no. 8425 to 8430
8434	Milking machines and dairy machinery

Philippines - HS code of target products

| EMBASSY OF ITALY IN MANILA

As per the Philippine Standard Commodity Classification (PSCC), DSA has focused on the below product group as per classification for trade data;

HS Code	Description
8435	Presses, crushers and similar machinery; used in the manufacture of wine, cider, fruit juices or similar beverages
8437	Machines for cleaning, sorting, grading seed, grain, dried leguminous vegetables; machinery used in the milling industry for the working of cereals or dried leguminous vegetables, not farm type machinery
8438	Machinery n.e.c. in this chapter, for the industrial preparation or manufacture of food or drink; other than machinery for extraction or preparation of animal or fixed vegetable fats or oils
8439	Machinery; for making pulp of fibrous cellulosic material, or for making or finishing paper or paperboard
8440	Book-binding machinery; including book-sewing machines
8441	Machines; for making up paper pulp, paper or paperboard, including cutting machines of all kinds
8442	Machinery, apparatus and equipment (excluding machines of headings 8456 to 8465) for preparing or making printing components; plates, cylinders and other printing components; lithographic stones prepared for printing purposes
8444	Textile machinery; for extruding, drawing, texturing or cutting man-made textile materials
8445	Textile machinery; spinning, doubling, twisting machines, textile reeling or winding machines and machines for preparing textile yarns for use on machines of heading no. 8446 and 8447
8446	Weaving machines (looms)
8447	Knitting machines, stitch-bonding machines and machines for making gimped yarn, tulle, lace, embroidery, trimmings, braid or net and machines for tufting

Philippines - HS code of target products

| EMBASSY OF ITALY IN MANILA

As per the Philippine Standard Commodity Classification (PSCC), DSA has focused on the below product group as per classification for trade data;

HS Code	Description
8448	Machinery, auxiliary; for use with machines of heading no. 8444 to 8447 (e.g. dobbies, jacquards, automatic stop motions, shuttle changing mechanisms) parts, accessories for machines of heading no. 8444, 8447
8449	Machinery; for manufacture or finishing felt or non-wovens in the piece or in shapes, including machinery for making felt hats, blocks for making hats
8451	Machinery (not of heading no. 8450) for washing, cleaning, wringing, drying, ironing, pressing, bleaching, dyeing, dressing, finishing, coating or impregnating textile yarn, fabrics or made up articles
8452	Sewing machines; other than book-sewing machines of heading no. 8440; furniture, bases and covers specially designed for sewing machines; sewing machine needles
8453	Machinery for preparing, tanning or working hides, skins or leather or for making or repairing footwear or other articles of hides, skins or leather, other than sewing machines
8454	Converters, ladles, ingot moulds and casting machines; of a kind used metallurgy or in metal foundries
8455	Metal-rolling mills and rolls therefor
8456	Machine-tools; for working any material by removal of material, by laser or other light or photon beam, ultrasonic, electro-discharge, electro-chemical, electron beam, ionic-beam, or plasma arc processes; water-jet cutting machines
8457	Machining centres, unit construction machines (single station) and multi-station transfer machines for working metal
8458	Lathes for removing metal
8459	Machine-tools; (including way-type unit head machines) for drilling, boring, milling, threading or tapping by removing metal, other than lathes of heading no. 8458

Philippines - HS code of target products

| EMBASSY OF ITALY IN MANILA

As per the Philippine Standard Commodity Classification (PSCC), DSA has focused on the below product group as per classification for trade data;

HS Code	Description
8460	Machine-tools; for deburring, sharpening, grinding, honing, lapping, polishing or otherwise finishing metal, sintered metal carbides or cermets by means of grinding stones, abrasives or polishing products
8461	Machine-tools; for planing, shaping, slotting, broaching, gear cutting and grinding, finishing, sawing, cutting off and other tools working by removing metal, sintered metal carbides or cermets n.e.c.
8462	Machine-tools; (including presses) for working metal by forging, hammering or die-stamping, for bending, folding, straightening, flattening, shearing or punching metal
8463	Machine-tools; n.e.c. for working metal, sintered metal carbides or cermets without removing material
8464	Machine-tools; for working stone, ceramics, concrete, asbestos-cement or like mineral materials or for cold working glass
8465	Machine-tools; (including machines for nailing, stapling, glueing or otherwise assembling) for working wood, cork, bone, hard plastics or rubber or similar hard materials
8466	Parts & accessories suited for use only/mainly with machines of headings 8456-8465, including work/tool holders, self-opening dieheads, dividing heads & other special attachments for the machines; tool holders for any type of tool for working in the hand
8467	Tools; for working in the hand, pneumatic, hydraulic or with self-contained electric or non-electric motor
8468	Machinery and apparatus for soldering, brazing, welding, whether or not capable of cutting, other than those of heading no. 8515; gas-operated surface tempering machines and appliances
8474	Machinery for sorting, screening, separating, washing, crushing, grinding, mixing or kneading earth, stone, ores in solid form, shaping, moulding machinery for solid mineral fuels

Philippines - HS code of target products

| EMBASSY OF ITALY IN MANILA

HS Code	Description
8475	Machines; for assembling electric or electronic lamps, tubes, valves, flash-bulbs, in glass envelopes, machines for manufacturing or hot working glass or glassware
8476	Automatic goods-vending machines (e.g. postage stamp, cigarette, food or beverage machines), including money-changing machines
8477	Machinery; for working rubber or plastics or for the manufacture of products from these materials, n.e.c. in this chapter
8478	Machinery; for preparing or making up tobacco, n.e.c. in this chapter
8479	Machinery and mechanical appliances; having individual functions, n.e.c. in this chapter
8480	Moulding boxes for metal foundry, moulding patterns, moulds for metals (excluding ingot moulds), metal carbides, glass, mineral materials, rubber or plastics
8481	Taps, cocks, valves and similar appliances for pipes, boiler shells, tanks, vats or the like, including pressure-reducing valves and thermostatically controlled valves
8482	Ball or roller bearings
8483	Transmission shafts (including cam and crank) and cranks; bearing housings and plain shaft bearings; gears and gearing; ball or roller screws; gear boxes and other speed changers; flywheels and pulleys; clutches and shaft couplings
8484	Gaskets and similar joints of metal sheeting combined with other material or of two or more layers of metal; sets or assortments of gaskets and similar joints, dissimilar in composition, put up in pouches, envelopes or similar packings; mechanical seals
8486	Machines and apparatus of a kind used solely or principally for the manufacture of semiconductor boules or wafers, semiconductor devices, electronic integrated circuits or flat panel displays; machines and apparatus specified in note 9-C to this Chapter
8487	Machinery parts; not containing electrical connectors, insulators, coils, contacts or other electrical features, n.e.c. in this chapter



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