

Supplier capability in the Philippines

Buoyed by the improving business climate in key overseas markets, the fashion jewelry and accessories industry in the Philippines is expecting enhanced short-term export performance.

Shipments in recent years have been dismal due to growing competition from China and the global economic crisis, which has affected clients in major destinations abroad. Escalating demand, however, is forecast to reverse this trend.

Product segments that make up the local industry are jewelry, bags and wallets, and fashion accessories. The first is the largest line and principally reflects the performance of the sector as a whole. The two other categories contribute a small portion to aggregate turnover. They play an important role, nonetheless, since they attract the most number of customers from new markets.

Key findings

1. Although demand in the coming year is seen to rise, most suppliers plan to keep prices unchanged to attract new buyers and maintain current ones. A significant number of companies are preparing to raise quotes, however, but this will be done cautiously since many customers still operate on a limited budget.
2. Despite the economic problems besetting them, the US and the EU remain the largest markets for the sector. Within the latter, France takes up the biggest share of exports. Spain and Italy are also important destinations from the bloc. Over the next 12 months, makers will continue to concentrate on product development and promotional efforts targeting these locations.
3. The appreciation of the peso against the US dollar is cited as the most crucial challenge facing the industry. Besides this, weak domestic infrastructure for power and shipping pushes up operating costs and adversely affects suppliers' profitability.
4. To avoid directly competing with China, many companies focus on the midrange. Some enterprises also manufacture upscale models to underscore product differentiation between locally made items and those from other sourcing hubs in Asia.
5. The easy availability of various types of natural materials benefits the industry since they are chiefly obtained from domestic vendors. These include hardwood, plant fibers, animal horn and bone, and marine-based inputs.

Objective, methodology & scope

The Developing Country Sourcing Report series is part of Global Sources' corporate social responsibility initiatives. It is offered in conjunction with The Kearny Alliance, whose mission is Aid through Trade. The objective is to help create jobs in developing Asia through export promotion.

This Philippines Sourcing Report is part of a series designed to provide buyers with information on new products from export manufacturers in supply markets that specialize in handmade merchandise.

To produce this report, large, midsize and emerging manufacturers, all with substantial export experience, were surveyed. The selection of suppliers is designed to reflect the composition of the industry in the Philippines in terms of geographic location, materials used and range of products offered.

For in-depth profiles, our researchers

visited the facilities of each company and interviewed senior executives who discussed their recent performance and provided forecasts for the next 12 months. All other makers in this report were either visited or contacted by phone.

In each case, companies were required to answer specific questions designed to verify their manufacturing and export credentials, including a breakdown of exports by product type and market. Suppliers also participated in a survey designed to provide insight into the industry.

This report covers the main types of fashion jewelry and accessories available in the Philippines. These include necklaces, earrings, handbags, wallets, hats and fascinators. Each product category has its own price guide that describes features of models for the low end, midrange and high end.

In this report

- 15 in-depth company profiles
- 11 short company profiles
- 138 top-selling export products
- Supplier demographics
- Supplier survey
- Industry statistics and charts

The Industry Overview section discusses key issues affecting export manufacturers. It provides insight on the composition of the industry and elaborates on the important supply centers within the Philippines.

The Products & Prices section details the features and price ranges of fashion jewelry and accessories. It also examines the design and manufacturing processes, main materials used, and sourcing centers where components are procured.