

Philippines Facility Management Market - Growth, Trends, Covid-19 Impact, and Forecasts (2023 - 2028)

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Report description:

The Philippines Facility Management Market is expected to grow by registering a CAGR of 6.1% during the forecast period (2022-2027). Factors such as growing urbanization, an increase in the number of MNCs setting up their offices in the country, and the number of BPOs are driving the demand for facility management services in the country.

Key Highlights

The Department of Human Settlements and Urban Development (DHSUD) estimates that close to 102 million Filipinos will live in cities by 2050. To make this transition smooth and sustainable, the government has already approved its 2040 National Housing and Urban Development Sector Plan. Such trends are expected to significantly drive the growth of the infrastructure sector in the country, which is positive news for the growth of the facility management market in the country.

In the Philippines, the data center market is also gaining traction with the presence of several tech companies such as IBM, Microsoft, and Google. The presence of these companies, along with the growing demand for cloud services across various sectors, is driving investments in the data center infrastructure of the country.

For instance, in March 2022, PLDT, a telecom company in the Philippines, commenced the construction of a 100MW data center in Santa Rosa in the Laguna province of the Philippines. As facility management is an essential service for the effective management of data centers, such investments are expected to drive the demand.

Moreover, the awareness about the benefits of facility management is low in the country as compared to countries such as China and India. The penetration of Integrated FM is still in the nascent stage. However, it is expected to grow during the forecast period as the general awareness of FM services increases.

Owing to the outbreak of COVID-19, the country witnessed one of the longest lockdown periods, which has significantly impacted the macroeconomic condition of the country. The major economic sectors of the country, such as construction and service, reported a decline in new activities. However, with the condition moving towards normalcy, the government is taking initiatives to

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limit the impact of the pandemic.

For instance, the updated Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act were passed in March 2021 to make it more responsive to the needs of businesses negatively affected by the pandemic. Such initiatives are expected to create a positive market scenario for the growth of the studied market during the forecast period.

Philippines Facility Management Market Trends

The Rise of BPO Sector in the Country to Drive the Demand

Over the past few years, the Philippines has emerged to be among the major outsourcing destinations. A majority part of the country's population, especially the young demographic, is proficient in English and is digitally literate. The availability of a workforce along with supportive government regulations are encouraging global players to operate from the country. Some of the major companies operating in the BPO sector, such as Concentrix, Accenture, IBM, and Convergys, have their presence in the country.

As the BPO industry consumes a large amount of commercial office space, the demand for facility management services in the country has been gaining traction lately. For instance, Global FME provides facilities management for both commercial and residential clients. Some of the major names in its clientele include Symphony, Wil Tower, and Cerritos Tower, among others. Furthermore, according to an industry-wide survey carried out by the IT & Business Process Association of the Philippines (IBPAP), 87% of IT-BPM companies indicated that they are expecting to see growth between 5-15% in 2021, while flat growth was anticipated by the other 13%. Additionally, a significant portion of the vendors also expressed that within the next 12 to 18 months, they have plans to expand in the countryside. Such trends are expected to create a suitable business environment for the growth of the facility management market in the country.

Growth of Construction Sector to Drive the Demand for Facility Management Services

The construction industry in the Philippines has shown remarkable growth in the past few years as the investment is increasing across both the public and private sectors. According to the Philippine Statistics Authority (PSA), in the second quarter of 2021, construction posted the highest growth rate at 25.7%. Furthermore, the total value of constructions amounted to PHP 85.62 billion in the third quarter of 2021 and registered an annual increase of 10.4 percent.

The government in the country has been an avid supporter of this sector and has been running several projects to modernize the infrastructure sector of the country. For instance, under the country's 'Build, Build, Build' program, the government of the Philippines is set to spend USD 164.7 billion on infrastructure over the next decade.

In January 2022, the Department of Public Works and Highways (DPWH) announced that last year, they completed four flagship projects, including stage 3 of the 18-kilometer Metro Manila Skyway. Such trends are expected to create ample opportunities for the facility management service providers in the country.

Philippines Facility Management Market Competitor Analysis

The Philippines Facility Management market is still in its nascent stage and is moderately competitive. The competition in the studied market is expected to grow during the forecast period as the entry of MNCs is expected to drive the awareness of facility management services, which in turn will encourage the local players to adopt them. Some of the major players operating in the market include Atalian Global Service, Global Facilities Experts Inc., MIESCOR Group, and Philkleen Industries Corporation.

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April 2022 - Planate Management Group was awarded a contract to provide Facility Maintenance Services at a shipyard in Subic Bay, Philippines. As per the contract, the company will maintain and update facilities and associated equipment, including plumbing, HVAC, electrical, and carpentry.

March 2022 - Mitsubishi Heavy Industries Engineering, Ltd. (MHIENG), a part of Mitsubishi Heavy Industries (MHI) Group, announced the completion of the rehabilitation project for the Manila Metro Rail Transit System Line 3, that primarily serves the metropolitan area of the country.

Additional Benefits:

The market estimate (ME) sheet in Excel format
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