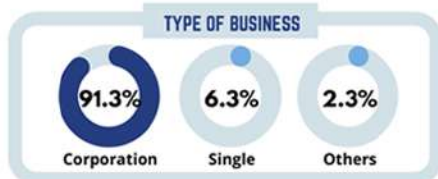


PROFILE

OF RESPONDENT-MANUFACTURING FIRMS

Base: 300 Respondents

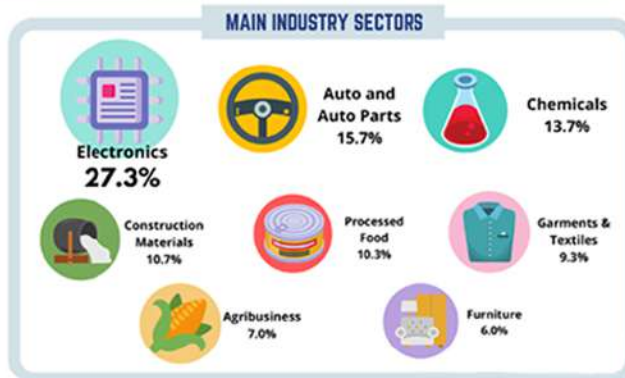


TOP 3 REGIONS

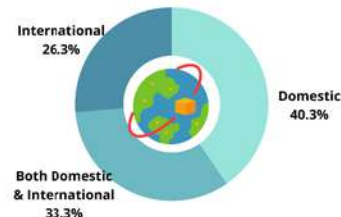
- Region IV-A (57.3%)
- Region VII (15.3%)
- NCR (12.3%)

TOP 3 PROVINCES

- Cavite (23.3%)
- Laguna (21.7%)
- Cebu (14.7%)



MAIN MARKETS/ CLIENTS OF THE FIRM



COMPANY OPERATIONS

OF RESPONDENT-MANUFACTURING FIRMS IN 2020



Average Accuracy of
Forecast Made Regarding
Customer Demand for the
Main Product

77.5%



TOP 5 REASONS FOR UNFULFILLING ORDERS

Base: 212 respondents who did not fulfill the orders of their clients

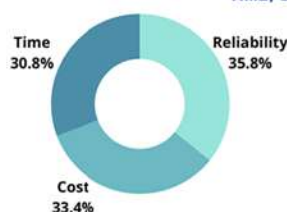
| | |
|--|-------|
| Delays in Customs Process | 35.4% |
| Congestion | 35.4% |
| Delays in Receiving Cargo | 32.1% |
| Weather | 20.8% |
| Availability of Logistics Services/Problems Coordinating Transport | 17.9% |



LOGISTICS OPERATIONS

OF RESPONDENT-MANUFACTURING FIRMS

PERCEPTION ON THE RELATIVE IMPORTANCE OF TIME, COST, AND RELIABILITY



Reliability is defined as consistency in performance both in the delivery of products and safe delivery of products.

Respondents were asked to nominate which is more important between cost and time on a scale and the degree of importance of the nominated factor if reliability is not an issue. They were also asked to nominate which is more important between reliability and time on a scale and the degree of importance of the nominated factor if cost is not an issue. Finally, they were asked to nominate which is more important between reliability and cost on a scale and the degree of importance if time is not an issue.

FIRMS' AVERAGE LEAD TIME FROM ORDERING TO DELIVERY TO THE MAIN CUSTOMERS (IN # OF DAYS)



LOGISTICS OPERATIONS MANUFACTURING FIRMS OUTSOURCE

| | # of Firms Outsourcing = 100% | With Service Level Agreement | With Service Level Agreement |
|----------------------------------|-------------------------------|------------------------------|------------------------------|
| TOTAL OUTSOURCING | 239 | 53.1% | 46.9% |
| Customs Brokerage | 149 | 48.3% | 51.7% |
| International Transportation | 137 | 49.6% | 50.4% |
| Domestic Freight Forwarding | 108 | 39.8% | 60.2% |
| Domestic Transportation | 104 | 40.4% | 59.6% |
| Value Added Services | 25 | 28.0% | 72.0% |
| Logistics IT Systems | 18 | 27.8% | 72.2% |
| Warehouse & Inventory Management | 15 | 46.7% | 53.3% |

Note: Horizontal Reading of Percentages.

LOGISTICS COSTS

OVER ANNUAL SALES IN 2020

*Logistics cost over sales reduced by **1.7%** in 2020.*

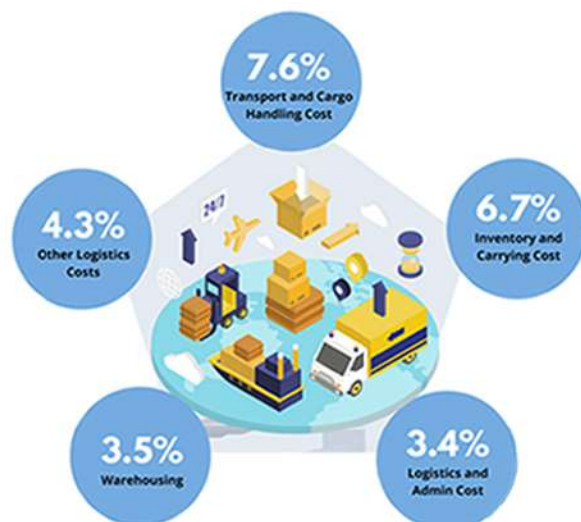
BY YEAR

27.2%

2017 LEI SURVEY

25.5%

2020 LEI SURVEY



Base: Total Respondents

Transport & Cargo Handling Cost

Warehousing

Inventory Carrying Cost

Logistics Administration

Other Logistics Costs

2017

2020

159

300

10.7%

7.6%

5.2%

3.5%

8.8%

6.7%

2.5%

3.4%

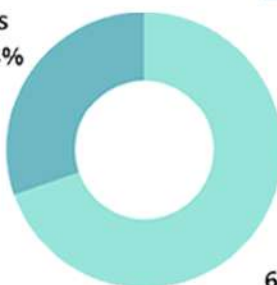
-

4.3%

BY MAIN INDUSTRY SECTORS

32.5%
Furniture26.3%
Auto and
Auto Parts26.0%
Garments &
Textile25.0%
Chemicals24.8%
Electronics24.1%
Processed
Food23.7%
Agribusiness22.7%
Construction
Materials

PRESENCE OF DOCUMENTED LOGISTICS PLAN IN THE FIRMS

Yes
30.3%No
69.7%

Interventions to equip the manufacturers with the skills to craft a workable documented logistics plan is highly recommended.

A self-help manual for developing a logistics plan would create significant ripple effects on the manufacturers' ability to manage their logistics costs.

SKILLED LOGISTICS

AVAILABILITY AND DEGREE OF IMPORTANCE











MANAGER LEVEL

| | Percent Available | Mean of Importance (5 - Highest) |
|--|-------------------|----------------------------------|
|  Operations Manager | 96.0 | 4.7 |
|  Procurement & Supply Manager | 84.3 | 4.5 |
|  Logistics/Supply Chain Manager | 77.7 | 4.3 |

TOP 3: MOST IMPORTANT SKILLED LOGISTICS







| | |
|--------------------|-----|
| Truck Driver | 4.5 |
| Customs Broker | 4.4 |
| Warehouse Operator | 4.3 |
| Inventory Planner | 4.3 |

STAFF LEVEL

| | Percent Available | Means of Importance (5 - Highest) | | Percent Available | Means of Importance (5 - Highest) |
|--|-------------------|-----------------------------------|--|-------------------|-----------------------------------|
|  Customs Brokerage | 91.3% | 4.4 |  Forklift Operator | 78.0% | 4.2 |
|  Warehouse Operatives | 89.7% | 4.3 |  Logistics Planner | 73.7% | 4.1 |
|  Truck Drivers | 87.7% | 4.5 |  Forecast Planner | 71.7% | 4.1 |
|  Packing/Packaging Operatives | 85.3% | 4.1 |  Logistics/Supply Chain Analyst | 65.0% | 3.9 |
|  Inventory Planner | 81.7% | 4.3 |  Traffic/Transport/Load Planner | 63.3% | 3.8 |











INTERNATIONAL LOGISTICS

EFFECTIVENESS AND IMPORTANCE OF FUNCTIONS

| | Mean of Effectiveness (5 - Very Good) | Mean of Importance (5 - Highest) |
|---|---------------------------------------|----------------------------------|
| Quality of Logistics Services and Competence of Service Providers  | 4.0 | 4.5 |
| Quality of Airport Infrastructure  | 3.9 | 4.6 |
| Availability of Logistics Infrastructure (i.e. Warehouse, Distribution Centres, etc.)  | 3.9 | 4.5 |
| Availability of Reliable Transport Services  | 3.9 | 4.5 |
| Possibility to Track and Trace Shipments  | 3.9 | 4.6 |
| Quality of Transport and Telecommunications Infrastructure  | 3.7 | 4.5 |
| Quality of Port Infrastructure  | 3.7 | 4.5 |
| Quality of Road Infrastructure  | 3.7 | 4.6 |
| Probability of Shipments Arriving at the Promised Time  | 3.7 | 4.7 |
| Effectiveness of Customs and other Authorities in Customs Services  | 3.6 | 4.4 |

DOMESTIC LOGISTICS

EFFECTIVENESS AND IMPORTANCE OF FUNCTIONS

| | Mean of Effectiveness (5 - Very Good) | Mean of Importance (5 - Highest) |
|---|---------------------------------------|----------------------------------|
| Availability of Domestic Shipping Services  | 3.9 | 4.6 |
| Availability of Reliable Transport Services  | 3.9 | 4.6 |
| Quality of Logistics Services and Competence of Service Providers  | 3.8 | 4.5 |
| Availability of Logistics Infrastructure (i.e. Warehouse, Distribution Centres, etc.)  | 3.8 | 4.6 |
| Possibility to Track and Trace Shipments  | 3.8 | 4.6 |
| Quality of Domestic Shipping Services  | 3.8 | 4.6 |
| Probability of Shipments Arriving at the Promised Time  | 3.8 | 4.6 |
| Quality of Airport Infrastructure  | 3.7 | 4.6 |
| Quality of Transport and Telecommunications Infrastructure  | 3.7 | 4.6 |
| Quality of Port Infrastructure  | 3.7 | 4.6 |
| Quality of Road Infrastructure  | 3.6 | 4.6 |