



LAND MATRIX



LARGE SCALE LAND ACQUISITIONS PROFILE PHILIPPINES

This country profile presents the Land Matrix data for the Philippines, detailing large-scale land acquisition (LSLA) transactions that:

- entail a transfer of rights to use, control or own land through sale, lease or concession;
- cover 200 hectares (ha) or larger;
- have been concluded since the year 2000;
- are affected by a change of use (often from extensive or ecosystem service provision to commercial use);
- include deals for agricultural and forestry purposes. Mining operations are excluded.

The objective of this country profile is to present LSLA data at national level to a broad panel of stakeholders, stimulating broad engagement and data exchange, facilitating the continuous improvement of the data. Data used in this country profile was downloaded on February 2018.¹

¹ Land Matrix Philippines database: [click here](#)

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Table 1: Socio-economic situation in the Philippines.

BASIC SOCIO-ECONOMIC CHARACTERISTICS ²	
Population (million, 2016) ³	3
Total Land ('000 hectares, 2017) ⁴	29 817
Total Agricultural Land ('000 hectares, 2015) ⁵	12 440
Total Agricultural Land (% of Land Area)	41.72
Arable Land (hectares, 2015) ⁶	5 590 000
Arable Land (% of Land Area, 2015) ⁷	18.75
Contribution of Agriculture to GDP (% , 2016) ⁸	9.7
Food Imports (% of merchandise imports, Year)	11.74
Food Exports (% of merchandise imports, Year)	7.79
INSTITUTIONAL VARIABLES	
Political stability index (2016) ¹⁰	-1.30
Voice accountability index (2016) ¹¹	0.14
Government effectiveness index (2016) ¹²	-0.01
Control of corruption index (2016) ¹³	-0.53
Investor protection rank (2017) ¹⁴	56

² <http://data.worldbank.org/country/philippines>
³ <https://data.worldbank.org/country/Philippines>
⁴ <https://data.worldbank.org/indicator/AG.LND.TOTL.K2?view=chart>
⁵ <https://data.worldbank.org/indicator/AG.LND.AGRI.K2?view=chart>
⁶ <https://data.worldbank.org/indicator/AG.LND.ARBL.HA?view=chart>
⁷ <https://data.worldbank.org/indicator/AG.LND.ARBL.ZS?view=chart>
⁸ <https://data.worldbank.org/indicator/AG.LND.TOTL.K2?view=chart>
⁹ info.worldbank.org/governance/wgi/pdf/c175.pdf
¹⁰ https://www.theglobaleconomy.com/rankings/wb_political_stability/#Philippines
¹¹ https://www.theglobaleconomy.com/rankings/wb_voice_accountability/#Philippines
¹² https://www.theglobaleconomy.com/rankings/wb_government_effectiveness/#Philippines
¹³ https://www.theglobaleconomy.com/rankings/wb_corruption/#Philippines
¹⁴ <http://reports.weforum.org/global-competitiveness-index-2017-2018/competitiveness-rankings/>

CONCLUDED LAND DEALS FOR ALL INTENTIONS EXCLUDING MINING IN THE PHILIPPINES

Agricultural Department of the Guangxi Zhuang Autonomous Region (ADGZAR), (China)
 Exact location unknown — 40 000 ha

Exact location unknown — 40 000 ha

Exact location unknown — 40 000 ha

Exact location unknown — 40 000 ha

Exact location unknown — 40 000 ha

Exact location unknown — 40 000 ha

Exact location unknown — 40 000 ha

Exact location unknown — 40 000 ha

Exact location unknown — 40 000 ha

Exact location unknown — 40 000 ha

Exact location unknown — 40 000 ha

Exact location unknown — 40 000 ha

Exact location unknown — 40 000 ha

Curcas Oil N.V. (Netherlands)
 Exact location unknown — 8 300 ha



Hover over the information pane to reflect the location of the deal on the map.

Agriculture
 Renewable Energy

Startup phase (no production) In operation (production) Project not started No information Project abandoned

Figure 1: Spatial representation of concluded deals in Philippines.



OVERVIEW OF LARGE-SCALE LAND ACQUISITIONS

Table 2: Dynamics of international large-scale land acquisitions according to negotiation status.

	NUMBER OF DEALS	INTENDED SIZE (HECTARES)	CONTRACT SIZE (HECTARES)	SIZE UNDER CONTRACT (% OF THE INTENDED SIZE)
Contract signed	13	47 400	80 908	170.70
Oral agreement	12	671 600	46 300	6.90
Concluded	25	719 000	127 208	17.70
Expression of interest	6	302 000	0	n.a
Under negotiation	18	2 924 423	1 002 000	34.26
Intended	24	3 226 423	1 002 000	31.05
Negotiations failed	1	1 000 000	n.a	n.a
Contract cancelled	1	n.a	94 000	n.a
Failed	2	1 000 000	94 000	9.4
Total	51	4 945 423	1 223 208	24.73

- The number of concluded deals and intended deals are almost the same. But the number of concluded deals only cover 15% of the intended land area while those still under negotiation or with expression of interest will cover a larger area at 65% of the total area targeted for investments so far.
- The total land area covered by concluded deals are 127 208 has and is approximately equivalent to 2% of the total arable land of the country.
- Only 18% of the target size of land under concluded deals have signed contracts.
- A sizeable hectareage at 3.2 million hectares are still under negotiation. This hectareage however is already equivalent to 58% of the arable lands of the country which might have grave implication on their food self-sufficiency capacity.
- The failed deals were abandoned due to anomalies in the size of the land.

Table 3: Concluded deals according to implementation status.

IMPLEMENTATION STATUS	NUMBER OF CONCLUDED DEALS	SIZE UNDER CONTRACT (HA)	AVERAGE SIZE UNDER CONTRACT (HA)	CURRENT SIZE UNDER PRODUCTION (HA)	AVERAGE SIZE UNDER PRODUCTION (HA)
In operation	12	37 430	5 347.14	33 950	5 658.33
Start-up phase (no production)	1	0	n.a	1 000	n.a
Project not started	1	5 000	5 000	0	n.a
Project abandoned	2	11 000	11 000	0	n.a
No information	9	73 778	10 539.71	0	n.a
Total	25	127 208	7950.5	34 950	5 658.33

- There are no available information for 35% of the concluded deals giving no indication therefore on the project's current status. As per record, only 12 of the concluded deals were currently operational, others are only setting-up or starting the project while two (2) projects have been abandoned.
- The nine (9) projects cover 58% of the intended lands for investments. Different reasons have been cited for the failure of the project including contract failure or loss of the viability of the intended agricultural product.

Table 4: Number of deals according to the intended size of land area.

DEAL SIZE (HA)	FREQUENCY
1 000 - 5 000	12
5 001 - 10 000	8
10 001 - 50 000	14
50 001 - 100 000	9
100 001 - 500 000	3
500 001+	3
No information	16
Total	51

- Majority of the deals occupies huge tracts of lands whose sizes range between 10 001 to 50 000 hectares. There are also three deals which will cover more than 500 000 hectares. This may affect the country's bid for food security negatively.

Figure 2: Concluded deals over time (2006 to 2013).



- No consistent pattern can be observed in terms of the number of deals concluded per year. However, there is notable increase between 2006 to 2007 and 2008 may be attributed to the increased interests of speculative capital on agricultural commodities during this period. Speculative capital was one of the major reasons

supposedly for the 2008 food and energy crisis. Hence the criticisms leveled against speculative capital can also account for the sudden decrease in the number of deals by 2009.

- The contract size spiked in 2007 but noticeably became lower in the years after.

Table 5: Nature of the deal (concluded deals).

NATURE OF DEAL	NUMBER OF DEALS	CONTRACTED AREA (HA)
Lease/Concession	9	1 094 350
Outright purchase	1	1 000
No information	41	127 858
TOTAL	51	1 223 208

- 80% of the deals have no available information whether these are lease/concession or outright purchases although it only cover 10% of the contracted area. 18% of the deals were under leases/concessions but these cover 89% of the contracted area for all the concluded deals.





INVESTORS AND INVESTOR COUNTRIES

Table 6: Number of deals based on type of investor.

INVESTOR	ORIGIN
Domestic	24
Foreign	27

- Domestic and foreign investors share 47% and 53% of the deals respectively, projecting an almost equal sharing on the number of investments.
- Domestic investments may generate more income for the target country because this implies that income garnered by these companies will be invested back inside the country.

Table 7: International investor countries (concluded deals).

INVESTOR COUNTRY	FREQUENCY	
Asia	Bahrain	1
	China	7
	Japan	3
	Hong Kong Special Administrative Region	1
	Malaysia	1
	Qatar	1
	Republic of Korea	7
	Philippines	29
	Saudi Arabia	3
	Thailand	1
Australia	United Arab Emirates	1
	Australia	1
	Netherlands	1
Europe	Spain	2
	United Kingdom of Great Britain and Northern Ireland	6
	United States of America	2

- Majority of the LSLA investors in the Philippines are from Asia. 68% of the deals were made by Asian investors. If domestic investors are included, the percentage rate will even increase to 82%.
- Among foreign investors from Asia, China and the Republic of Korea tried to negotiate the most number of deals recorded with seven (7) deals for each country. United Kingdom of Great Britain and Northern Ireland comes in 2nd negotiating a record six (6) deals.
- China and the United Kingdom of Great Britain and Northern Ireland tried to negotiate deals with the biggest land area. The two countries targeted investing or leasing one million hectares of land each, which is already equivalent to 36% of the total arable area of the country currently pegged at 5.5 million hectares. Fortunately, the negotiations failed and no contract was signed. Otherwise, the possible adverse impacts to the country's bid for food self-sufficiency would have been huge.

Table 8: Region of international investors countries.

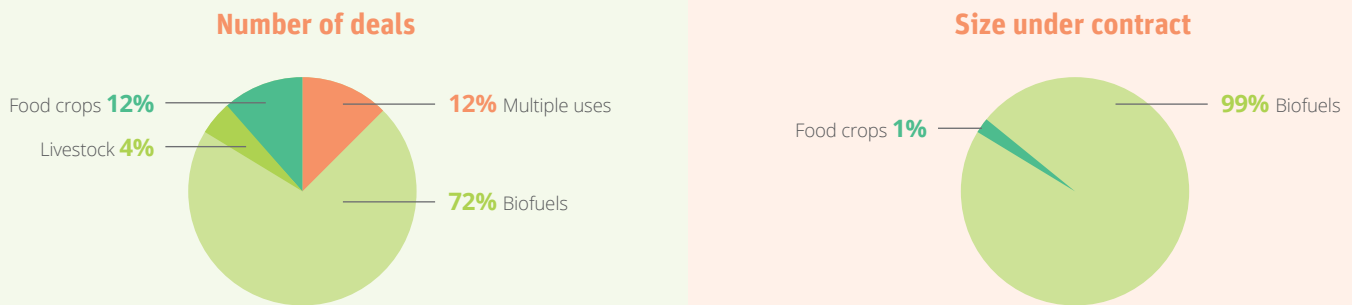
INVESTOR COUNTRY	FREQUENCY	
Asia	China	3
	Japan	2
	Philippines	16
	Republic of Korea	3
	Thailand	1
Europe	Netherlands	1
	United Kingdom of Great Britain and Northern Ireland	4

- Asian countries are the primary foreign investors for large-scale land acquisitions in the Philippines. Europe comes in second with at least two countries involved in five (5) large-scale land acquisitions deals.



DRIVERS AND AIMS OF PRODUCTION

Figure 3: Aim of investment (concluded deals).



- 72% of the deals covering 99% of the land area of all the total deals are intended for biofuel. This follows the trend in the market for renewable energy source such as Jatropha and sugar cane. However, this may have adverse environmental and food security impacts.
- Biofuels are lucrative in the market and this may prove advantageous to investors. Unfortunately, this does not

necessarily translate to increased earnings given that lease rentals are what farmers usually get and these are often fixed at the start of the negotiations.

- Majority of the investments are intended for agricultural purposes targeting arable lands. This may result in displacement of farmers from their lands, loss of livelihood or unjust contracts and compensations.



FORMER LAND USE

Table 9: Former land use (number of concluded deals).

FORMER LAND USE	NUMBER OF DEALS	CONTRACT SIZE
Commercial (large-scale) agriculture	1	1 000
Forestry	2	n.a.
Smallholder agriculture	8	26 350
Pastoralism	1	n.a.
Conservation	1	n.a.
No information	42	1 195 858

- The former land use in majority of the deals were unknown or has not been indicated. This is unfortunate since it covers the largest chunk of land under contract

with investors. Eight (8) deals covering 26 530 hectares were formerly tilled by small holders.



HOW LAND DEALS ARE IMPLEMENTED

Table 10: Community reaction to the deals (concluded deals).

COMMUNITY REACTION	NUMBER OF DEALS
Mixed reaction	3
No information	41
Rejection	7
TOTAL	51

- There is no available information in 41 or 80% of the concluded deals how the community reacted to the large-scale land acquisitions. Communities in seven of the concluded deals have rejected the deals though these were concluded nonetheless.

Table 11: Involvement of the community in the concluded deals.

COMMUNITY CONSULTATION	NUMBER OF DEALS
Limited consultation	4
No Information	47
TOTAL	51

- There is no available information in 47 or 92% of the concluded deals if the communities were involved in consultations about the large-scale land acquisitions happening in their community. Communities in 4 of the deals related that they have been consulted in a limited capacity.

DATA FIELDS WHICH WERE NOT INCLUDED IN THIS COUNTRY PROFILE DUE TO A LACK OF DATA

Please help us enhance the data, by contributing to the following fields:

- In-country processing activities
- Water usage
- Former legal land owner
- Number of projects with reported evictions
- Involvement of the community in pre-contract negotiations
- Compensation received by communities
- Reported and actual community benefits
- Foreign and domestic employment (planned and actual)

WE HAVE SOME INFORMATION ON SOME OF THESE ITEMS, BUT IMPROVEMENTS AND ADDITIONS WOULD BE WELCOME

CONTRIBUTE!

The purpose of the Country Profile brief is to enhance data and data quality. Please help us to achieve this by directly contributing to www.landmatrix.org

HOW TO CONTRIBUTE

If you would like to comment, contribute to the data, or obtain additional information.

- Contact the Land Matrix directly on <http://www.landmatrix.org/en/get-involved/>
- Add comments on existing land deals: www.landmatrix.org/en/
- **Contact:** Carmina F. Obaniil (afamenchie@asianfarmers.org or carmina.flores.obaniil@gmail.com) and Lorraine Ablan (afalorraine@gmail.com)

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