

WHERE IS THE PHILIPPINES HEADING?

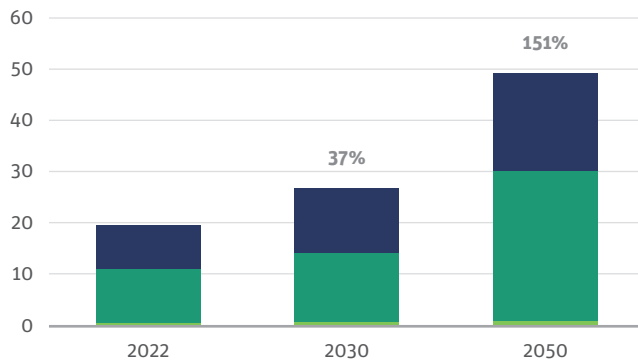
Current policies seek to rebalance freight transport modal split and reduce emissions.

CURRENT POLICY MEASURES:

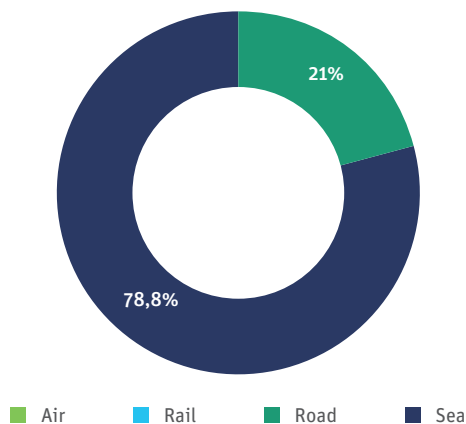
- Expand **rail infrastructure**
- Promote **eco-driving** behaviours
- Adopt more rigorous **fuel economy standards**
- Develop a domestic **electric vehicle** industry
- Build electric vehicle **charging infrastructure**

The ITF incorporated these measures in its Global Freight Model to project transport activity and emission trends between 2020 and 2050. This Current Ambition scenario reflects how the adopted measures will shape the sector without additional actions to reduce emissions.

Annual freight transport CO₂ emissions under current policies (million tonnes)



Modal split of freight transport in 2050



AMBITIOUS DECARBONISATION PATHWAYS

The SIPA-T Philippines project compares the current decarbonisation pathway with two more ambitious scenarios.

GREEN FLEET

Additional fleet measures are introduced on top of current policies:

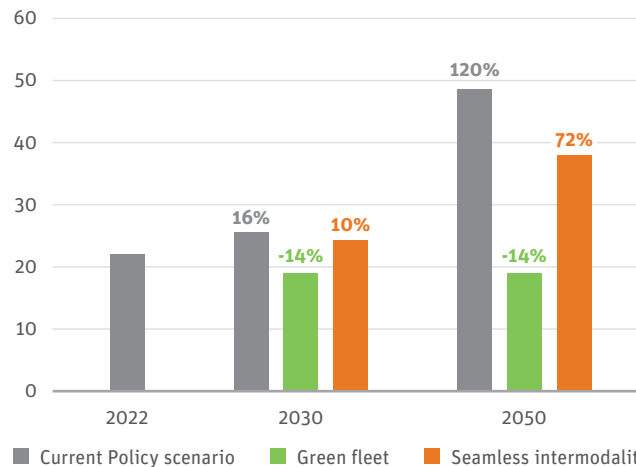
- **Replace truck fleets**
- **Adopt fuel economy standards for trucks**
- **Renew vessel fleets**

SEAMLESS INTERMODALITY

Additional measures to improve intermodality are introduced on top of current policies:

- **Increase port capacity**
- **Decrease dwell times**
- **Promote asset sharing**

Annual freight transport CO₂ emissions in 2022, 2030 and 2050 by scenario (million tonnes)



-63%

Green fleet scenario reduces carbon intensity of freight and promotes sustainability in 2050

-3%

Seamless intermodality allows for efficient and sustainable freight with lower transport costs in 2050

CONCLUSIONS:

- Currently implemented policies can be complemented with additional measures to enhance their positive impact on the environment
- Efficiency gains are beneficial for the environment and for freight trade
- Decarbonising sea trade provides substantial CO₂ reductions, given its importance for the archipelago

POLICY RECOMMENDATIONS FOR THE PHILIPPINES

Implementing the following policy measures can unlock the emission reduction potential of the green fleet and seamless intermodality scenarios, contributing to a more sustainable future.



ROAD FREIGHT

- Follow international best practices in adopting fuel economy standards for trucks. **Fuel economy standards** can promote fuel-saving measures such as aerodynamic retrofits, vehicle weight reductions, engine efficiency improvements and hybridisation.
- Identify use cases for early adoption of **zero-emission trucks** in the Philippines and incentivise fleet conversions. Supporting pilot projects and offering purchase subsidies for electric trucks can promote low-carbon technologies in road transport.
- Promote private investments in **charging infrastructure** for depot-based vehicles with predictable, short-distance mission profiles which are candidates for early electrification. Prepare the build-out of public chargers suitable for electric trucks along transport corridors.



SEA FREIGHT

- **Promote efficient ships**, for example with differentiated port fees depending on the environmental performance of vessels and investment incentives. Explore use cases for ships with alternative powertrain technology, for example, in short-sea shipping.
- Invest in **port capacity expansions** and maximise utilisation of existing assets to enable maritime transport to capture a higher modal share. Ships are the most energy-efficient freight transport mode and increasing their use can reduce overall transport energy use and emissions.



LOGISTICS AND DIGITALISATION

- Streamline and **digitalise processes** to reduce dwell times at cargo transfer points. This can smooth intermodal transport chains and reduce overall energy use and emissions if increasing the share of efficient modes.
- Incentivise and enable **asset sharing** through promoting digital technologies and platforms to connect logistics operators. Asset sharing between operators can reduce empty running of trucks and increase load factors, lowering fuel use and emissions per cargo unit.

ABOUT ITF

The International Transport Forum (ITF) at the OECD is an inter-governmental organisation with 64 member countries. It acts as a think tank for transport policy that covers all modes of transport.

The ITF's mission is to foster a deeper understanding of the role of transport in economic growth, environmental sustainability and social inclusion and to raise the public profile of transport policy. The ITF acts as a platform to discuss transport policy issues. It analyses trends, shares knowledge and promotes exchange among transport decision-makers and civil society.

ABOUT SIPA

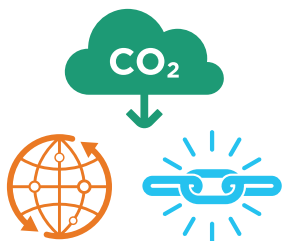
The ITF carries out transport-related work of the "Sustainable Infrastructure Program in Asia" (SIPA), a four-year programme (2021-25) led by the OECD to encourage the transition towards cleaner energy, transport and industrial systems in Central Asia and Southeast Asia.

The ITF contribution to SIPA focuses on developing sustainable transport infrastructure in the region, with studies covering the regional and national levels.

NATIONAL ROADMAP STUDY FOR THE PHILIPPINES

The national roadmap study for the Philippines focuses on developing decarbonisation pathways for freight transport. The project activities aim to:

- Take stock of the freight transport context in the Philippines.
- Assess decarbonisation pathways for freight transport in the Philippines. The work will build on the ITF's Global Freight Model to construct a tailored freight transport scenario-building tool for the Philippines.
- Disseminate best practices for fostering low-carbon freight transport systems.



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Learn more about the study

ITF SIPA-T Website



Decarbonising pathways for Freight Transport in the Philippines

Project summary

