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Global INTAN Invest

Intangible Assets in the Global Economy

Better Data for Better Policy

Intangible investment trends in the Philippines:

methods and data description

Technical report

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Index

1. Intangible investments in the Philippines……………………………………………………3
2. Result 1: Intangible investment in the Philippines has remained flat at 4–5% of GDP since 2010, while tangible non-residential investment is three to four times larger and far more responsive to economic shocks……………………………………………………………3
3. Result 2: The Philippines records the lowest intangible investment share in the sample with one of the highest tangible shares, with a gap wider than any peer…………………………4
4. Result 3: Tangible investment outpaced intangible investment in the Philippines over 2010 to 2025, making it one of the few economies in the sample where the infrastructure boom overshadowed knowledge capital accumulation……………………………………………..5
5. Result 4: The majority of intangible investment is in Non-National Accounts assets, the highest share in the sample and far above any peer including Brazil and India………..……6
6. Result 5: Philippine National Accounts intangibles grew nearly sixfold in real terms from 2011 to 2022 — the fastest in the sample……………………………………………………7
7. Result 6: Own-account assets have persistently accounted for over half of Philippine intangible investment since 2010, though the National Accounts and purchased components have grown slowly as a share…………………………………………………………………..8

Intangible investments in the Philippines

This report analyses trends in intangible investment in the Philippines, particularly it contextualizes investments against other countries in the database. Drawing on a comparative sample that includes the United States, United Kingdom, European Union, Japan, Brazil, and India, the report examines the size, composition, and growth trajectory of Philippine intangible investment and situates these trends within the broader cross-country distribution.

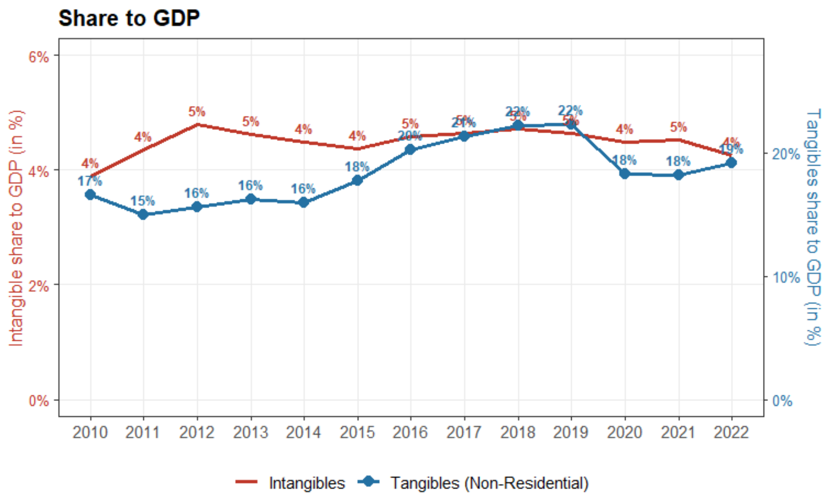
The analysis shows that the country is at an early and structurally constrained stage of the intangible transition. The Philippines invests far less in intangibles relative to GVA than any country in the sample while simultaneously recording some of the highest tangible non-residential investment shares. Its intangible base is overwhelmingly concentrated in Non-National Accounts assets dominated by own-account organisational capital with R&D, software, and formal training playing a minimal role.

While National Accounts intangibles record a low share in investments, it has also grown rapidly in real terms from. The findings point to a structural gap between the Philippines' physical capital trajectory and its knowledge capital base and carry direct implications for productivity measurement, innovation policy, and the country's long-run growth prospects.

Result 1: Intangible investment in the Philippines has remained flat at 4–5% of GDP since 2010, while tangible non-residential investment is three to four times larger and far more responsive to the economic shocks.

Over the period 2010 to 2022, intangible investment in the Philippines remained remarkably flat, hovering between 4 and 5 percent of GDP with no sustained upward trend. This is in contrasts sharply with advanced economies such as the United States, United Kingdom, and the European Union, where intangible shares have risen consistently over comparable timeframes, and suggests that strong GDP growth over the period was not accompanied by a parallel deepening of the knowledge economy.

Figure 1: Intangibles share to GDP, at current prices

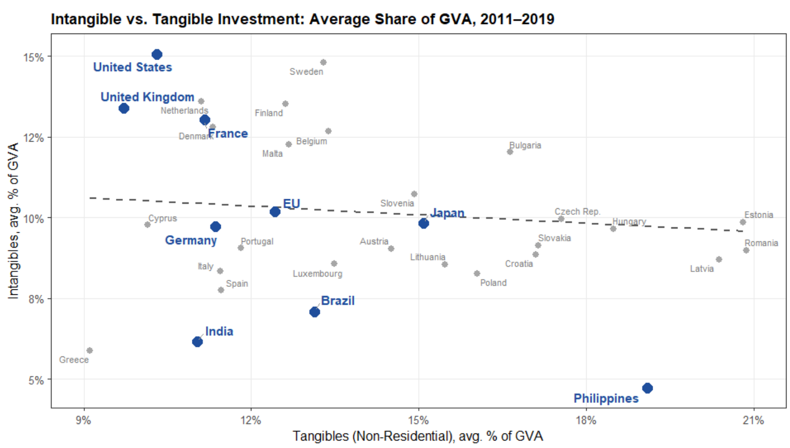


Tangible non-residential investment grew from 17 percent of GDP in 2010 to a peak of 22 percent in 2018–2019. This reflects the infrastructure boom of that period. It is also more responsive to the economic cycle, contracting sharply in 2020 before partially recovering.

Result 2: The Philippines records the lowest intangible investment share in the sample with one of the highest tangible shares, with a gap wider than any peer

The Philippines has the lowest intangible investment share in the sample at around 5% of GVA with one of the highest tangible non-residential shares at around 19%. This gap is wider than any other country shown. While most economies cluster within an intangible range of 8 to 15%, the Philippines sits well below this band and is closer in tangible intensity to Eastern European economies yet far behind them on intangibles.

Figure 2: Intangibles share to Value Added across countries, at current prices

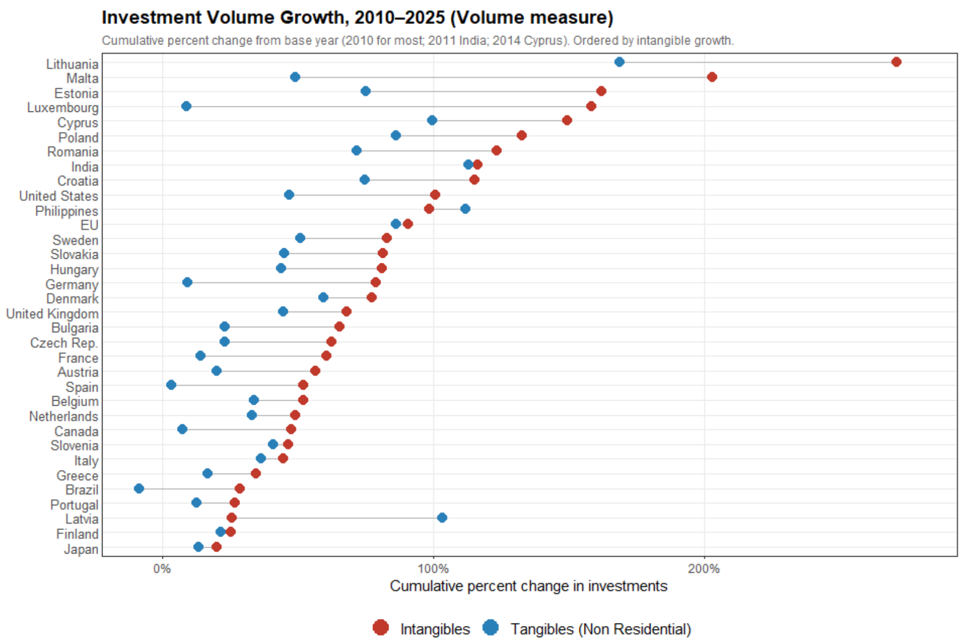


The dashed trend line across the full sample reveals a mild inverse relationship between the two investment types. Countries with higher tangible shares tend to record lower intangible shares which suggests some degree of substitution between physical and knowledge capital accumulation. The Philippines sits at the extreme end of this pattern which implies that the dominance of tangible investment in its capital formation may be partly crowding out the conditions under which intangible investment would otherwise grow.

Result 3: Tangible investment outpaced intangible investment in the Philippines over 2010 to 2025 making it one of the few economies in the sample where the infrastructure boom overshadowed knowledge capital accumulation.

Across most countries in the sample intangible investment grew faster than tangible non-residential investment between 2010 and 2025 in volume terms which reflects the broader global shift toward knowledge-based capital accumulation. The Philippines runs against this pattern. Tangible investment grew faster than intangible investment over this period which places it among a small set of exceptions that also includes Latvia and Luxembourg. In the Philippine context this likely reflects the infrastructure investment surge of the mid-to-late 2010s which drove tangible investment to a peak of 22% of GDP in 2018 and 2019 before the COVID-19 shock caused a sharp contraction.

Figure 3: Volume measure growth of tangible and intangible investments across countries

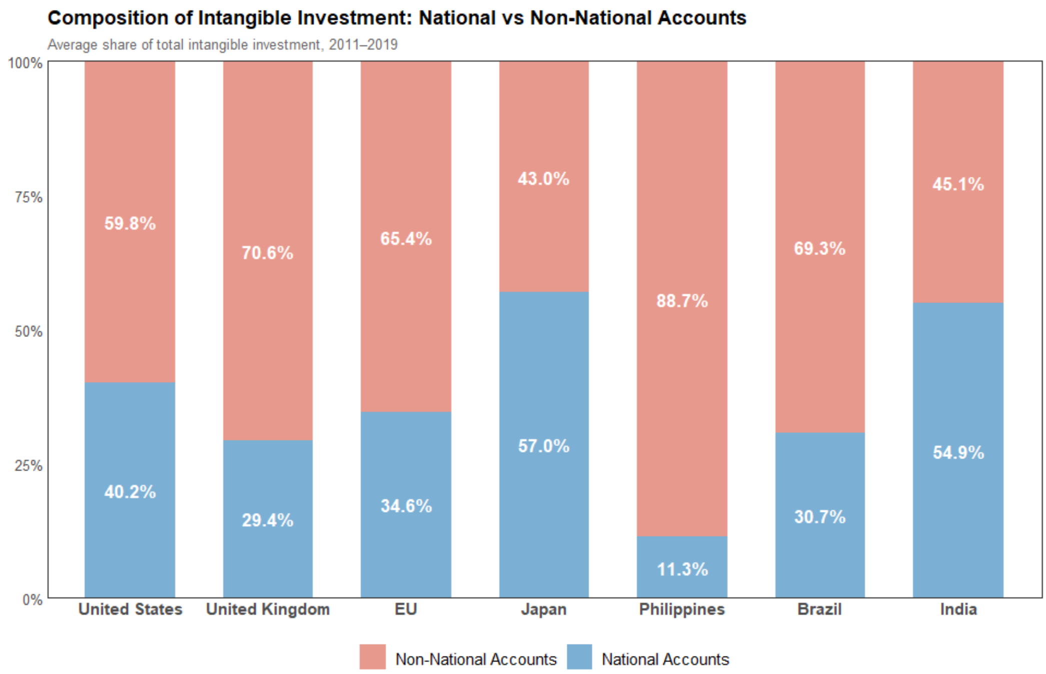


The Philippines sits in the middle of the cross-country distribution and does not stand out as a strong performer. India records comparable intangible growth while also growing its tangible investment at a similar pace. The overall picture for the Philippines is one where physical capital investments sharply outpace and intangible investments.

Result 4: Majority of intangible investment to Non-National Accounts assets, the highest share in the sample and far above any peer including Brazil at and India

Non-National Accounts assets account for 88.7% of total intangible investment on average over 2011 to 2019 which is the highest share. Every other country allocates at least 29% of its intangible investment to National Accounts assets. Japan records the highest National Accounts share at 57% followed by India at 54.9% and the United States at 40.2%. The Philippines at 11.3% sits far below even Brazil and the United Kingdom.

Figure 4: Composition of intangible investments across countries, at current prices

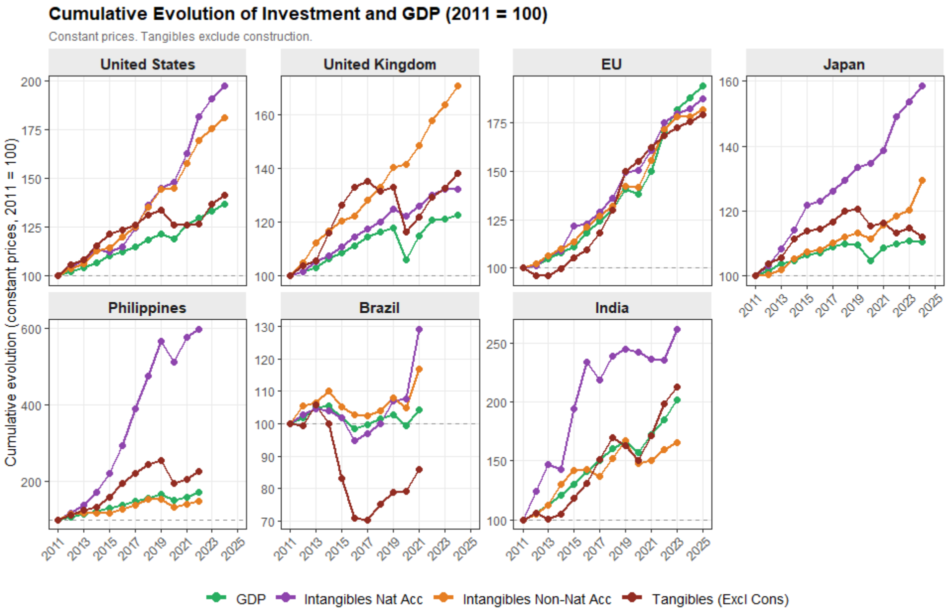


The heavy concentration of Philippine intangible investment in Non-National Accounts assets such as organisational capital and brand equity reflects an investment base that is largely informal, and difficult to measure.

Result 5: Philippine National Accounts intangibles grew nearly sixfold in real terms from 2011 to 2022, the fastest in the sample.

National Accounts intangibles grew nearly sixfold from 2011 to 2022, which is the sharpest growth trajectory in the entire sample and far exceeds even India and the United States. Non-National Accounts intangibles by contrast grew only modestly to around 175 tracking closely with GDP growth and tangible investment. This points to rapid catch-up in SNA-recognised assets such as software and R&D from an extremely low base while the dominant Non-National Accounts component stagnates in real terms.

Figure 5: Index growth of tangible and intangible investments across countries, volume measure

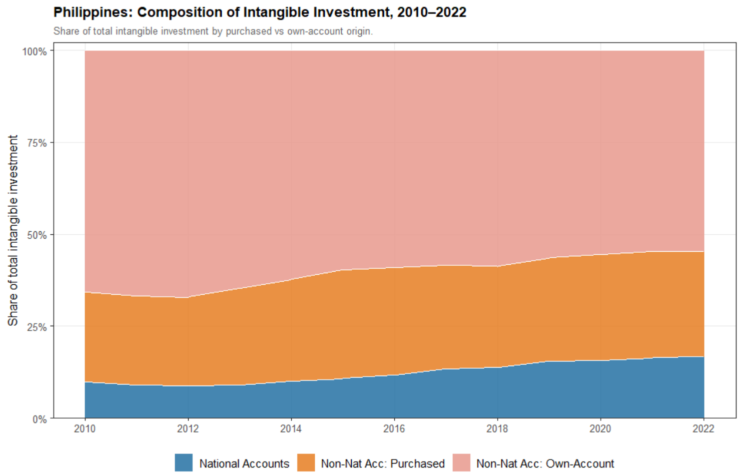


In the United States the United Kingdom and the EU all four series move broadly together with intangibles leading GDP growth consistently. In Brazil tangible investment contracted sharply after 2013 and never fully recovered while intangibles barely moved above the baseline. In India National Accounts intangibles also grew rapidly though less dramatically than in the Philippines while Non-National Accounts kept pace.

Result 6: Own-account assets have persistently accounted for over half of Philippine intangible investment since 2010 though the National Accounts and purchased components have grown slowly as a share

Within the Non-National Accounts component, the chart distinguishes between purchased and own-account assets. The data shows that that own-account assets make up the majority on the investments throughout the entire period. The own-account component consistently accounts for roughly 55 to 60% of total intangible investment from 2010 to 2022 and shows no meaningful decline over time.

Figure 6: Evolution of asset composition in the Philippines, at current prices



The purchased Non-National Accounts component grows gradually from around 23% in 2010 to around 28% by 2022 while the National Accounts share rises slowly from around 11% to around 17%. The overall composition has shifted only modestly over 12 years which suggests the structure of Philippine intangible investment is relatively entrenched.