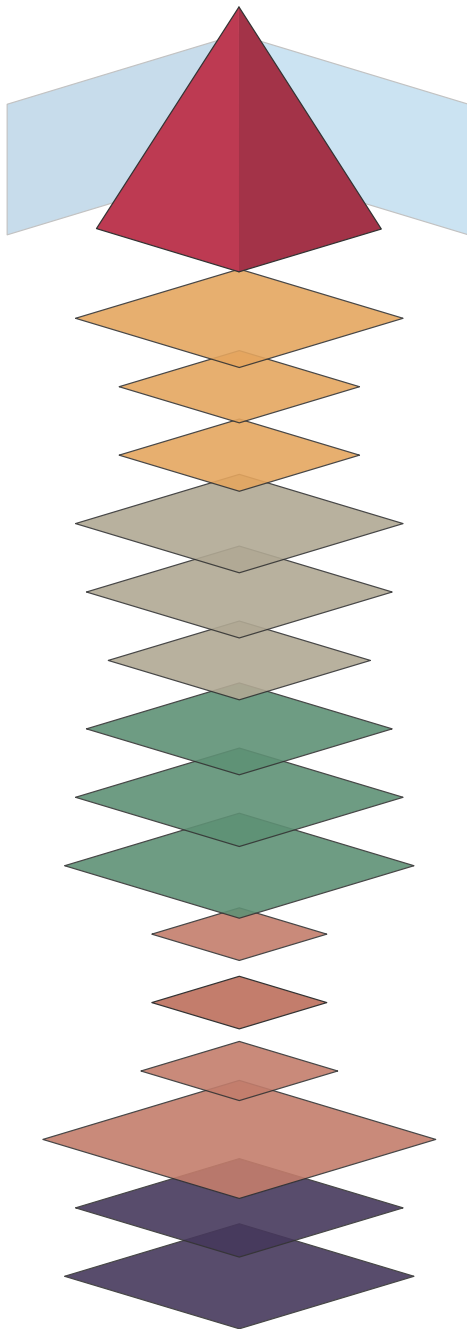



 **PHILIPPINES**



 **6.63**
CRIMINALITY SCORE
25th of 193 countries
10th of 46 Asian countries
4th of 11 South-Eastern Asian countries

 **CRIMINAL MARKETS** **6.57**

HUMAN TRAFFICKING	7.50
HUMAN SMUGGLING	5.50
EXTORTION & PROTECTION RACKETEERING	5.50
ARMS TRAFFICKING	7.50
TRADE IN COUNTERFEIT GOODS	7.00
ILLICIT TRADE IN EXCISABLE GOODS	6.00
FLORA CRIMES	7.00
FAUNA CRIMES	7.50
NON-RENEWABLE RESOURCE CRIMES	8.00
HEROIN TRADE	4.00
COCAINE TRADE	4.00
CANNABIS TRADE	4.50
SYNTHETIC DRUG TRADE	9.00
CYBER-DEPENDENT CRIMES	7.50
FINANCIAL CRIMES	8.00

 **CRIMINAL ACTORS** **6.70**

MAFIA-STYLE GROUPS	8.00
CRIMINAL NETWORKS	6.50
STATE-EMBEDDED ACTORS	8.00
FOREIGN ACTORS	7.50
PRIVATE SECTOR ACTORS	3.50

 **4.21**
RESILIENCE SCORE



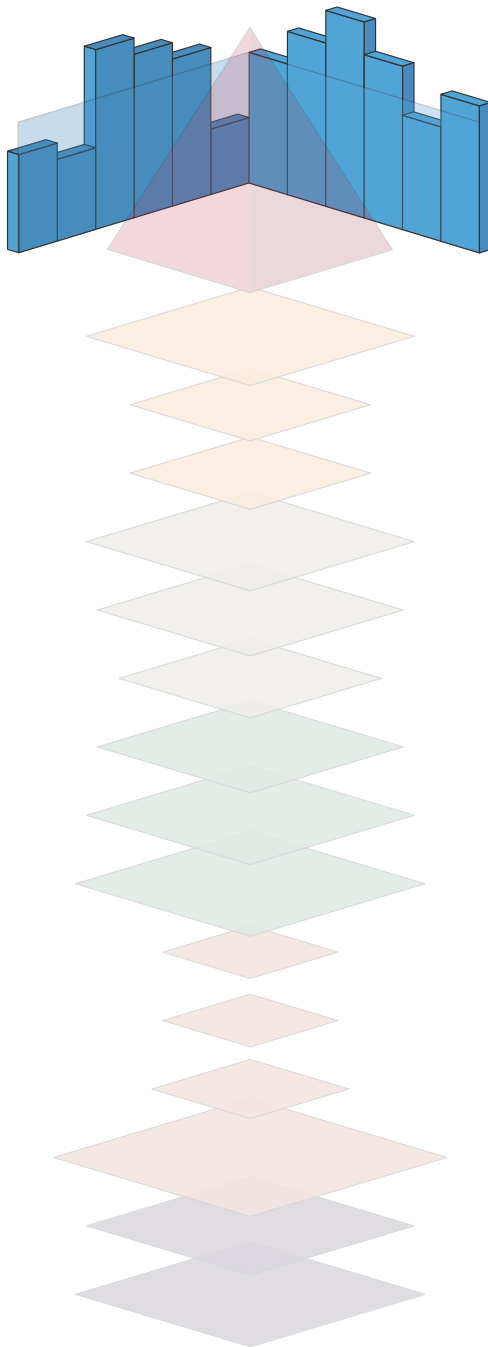
Funding provided by the United States Government.



Funded by the European Union

ENACT is funded by the European Union and implemented by the Institute for Security Studies and INTERPOL, in affiliation with the Global Initiative Against Transnational Organized Crime.

 **PHILIPPINES**



 **4.21**
RESILIENCE SCORE

124th of 193 countries
24th of 46 Asian countries
7th of 11 South-Eastern Asian countries

<u>POLITICAL LEADERSHIP AND GOVERNANCE</u>	3.00
<u>GOVERNMENT TRANSPARENCY AND ACCOUNTABILITY</u>	2.50
<u>INTERNATIONAL COOPERATION</u>	5.50
<u>NATIONAL POLICIES AND LAWS</u>	5.00
<u>JUDICIAL SYSTEM AND DETENTION</u>	4.50
<u>LAW ENFORCEMENT</u>	2.00
<u>TERRITORIAL INTEGRITY</u>	4.00
<u>ANTI-MONEY LAUNDERING</u>	5.00
<u>ECONOMIC REGULATORY CAPACITY</u>	6.00
<u>VICTIM AND WITNESS SUPPORT</u>	5.00
<u>PREVENTION</u>	3.50
<u>NON-STATE ACTORS</u>	4.50

 **6.63**
CRIMINALITY SCORE

 CRIMINAL MARKETS	6.57
 CRIMINAL ACTORS	6.70



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CRIMINALITY

CRIMINAL MARKETS

PEOPLE

Human trafficking remains a significant issue in the Philippines, despite government efforts to fight it. Filipino nationals are trafficked for labour and sexual exploitation, both domestically and internationally. Labour is a key export, with recruitment especially focused on impoverished women and children. The use of the internet and social media has exacerbated human trafficking activities, particularly with respect to online child abuse material. The COVID-19 pandemic has worsened poverty and vulnerability, leading to an increase in minors being trafficked for forced labour in a number of industries. Adults are also affected, as women are coerced into sexual exploitation through Philippine offshore gaming operators (POGOs) and workers are exploited there for forced criminality. Although the government has taken steps to prevent the activities of POGOs, many businessmen and supporters of the current government are closely tied to these operations, inhibiting measures taken by the government. Domestic 'sex tourism' and online pornography continue to grow, with children being especially vulnerable to exploitation.

Human smuggling in the Philippines is closely linked to human trafficking, with the country serving mainly as a source for labour migration and human smuggling to other South East and East Asian countries, as well as the US, EU and the Gulf region. The COVID-19 pandemic has caused many Filipino nationals to fall victim to human smuggling rings in search of better economic opportunities. Individuals are also frequently recruited online through social media platforms and local networks, with promises of employment opportunities abroad. Corrupt government officials and immigration agencies are reported to be involved in human smuggling and trafficking operations, facilitating the departure of overseas Filipino nationals and assisting in the production of false documents.

Extortion and protection racketeering are widespread issues in the Philippines, with petty extortion being carried out by those in positions of authority. Criminal groups in some regions are also known to extort small businesses. Sexual extortion – or sextortion – is a growing problem in the Philippines, enabled by high technology and the cyber domain. Criminal gangs control the sextortion industry in the country, with reports suggesting that the Philippines may serve as a base for organized groups engaged in the activity.

TRADE

Arms trafficking in the Philippines continues to be a significant problem, as the country's porous borders allow traders to move between licit and illicit sectors. Legally manufactured arms find their way into the illicit market, with most of them being domestically produced or leaked from government stockpiles. The cottage industry of homemade weapons in Danao, Cebu, also contributes to the illegal arms trade. Some affiliated militias of the military allegedly undertake the illicit domestic trade of imported weapons, which are used by various violent non-state armed groups in the country. Corruption among border forces at official entry points along the country's vast sea border also enables this trade. Despite this, violent deaths have been declining for years, gun laws are stricter and actively enforced, as authorities seize thousands of firearms each year. However, the recent presidential and local elections saw weapons changing hands as candidates did not only rely on official government security.

Illicit trade is a widespread problem in the Philippines, with corruption among customs officials a significant driver. The country is a source, transit and destination country for counterfeit goods, including fake whiskey and liquor, shampoo and soap, fake designer clothing and counterfeit diplomas. The COVID-19 pandemic has led to an increase in counterfeit medicines, making the Philippines a hotspot for counterfeit drugs in the region. Despite law enforcement raids, counterfeit sellers are becoming bolder in openly discussing the illicit nature of their products. The Philippines has also been facing a problem of illicit trade of excisable goods, mainly tobacco products. The increase in excise tax on tobacco has led to a rise in demand for cheaper illegal products, resulting in an increase in seizures of illicit cigarettes in recent years. Despite efforts made, illegal cigarette labelling sites have been uncovered and raided, indicating that the Philippines might also be a source of contraband cigarettes. As a result, lawmakers are considering giving more power to enforcement agencies to intensify their efforts and increase penalties for illegal traders.

ENVIRONMENT

Illegal logging and flora trafficking remain significant issues in the Philippines, leading to deforestation and endangerment of animal species. The Sierra Mountain range, Palawan and Samar Island are the main hotspots for flora crimes. The illicit logging industry is composed of two sectors: commercial-scale logging, which exports wood to other countries; and small-scale logging, carried out by local communities in survival mode. Corruption and the difficulty in policing vast forest areas contribute to the ongoing problem. While the Philippine government has made

some efforts to combat illegal logging, weak governance and poverty continue to pose significant challenges.

Wildlife trafficking is also rampant in the Philippines, making it one of the most valuable markets for this crime globally. The COVID-19 pandemic has exacerbated the issue, as reduced controls and fewer law enforcement officials have worsened some spheres of wildlife trafficking, including bird, pangolin, porcupine, sea turtle and giant clamshell trafficking. Social media networks have become a primary hub for the illicit wildlife trade. Although there have been seizures, prison sentences in the Philippines are low. Furthermore, officers have little training to detect wildlife trafficking. Bird trafficking, particularly of the myna and parrot, has worsened during the pandemic. There is also evidence of an increase in giant clamshell seizures, potentially as a replacement for elephant ivory. Although illegal, unreported and unregulated fishing has improved, the Philippines remains vulnerable due to low maritime security.

The Philippines is a top producer of non-renewable resources, such as gold, copper and nickel. However, illegal mining continues to operate in different regions, putting communities at risk. Some of these communities have called for a halt to illegal mining in regions such as Rizal and Mindanao, but politicians have often ignored these claims. The practice is unlikely to flourish without the participation or tacit approval of local strongman-politicians, who rely on it as a means to enhance their authority. The symbiosis between local politicians and illegal mining is tacitly allowed by the central government. At the same time, joint extraction regimes are breaking up due to the government's efforts to rationalize the mining sector and attract more investments. Indeed, the expanding presence of large mining companies in the country is changing the dynamics of local politics.

DRUGS

The Philippines has a relatively low consumption of heroin and other opiates due to the availability of cheaper illegal drugs. Nonetheless, it is a regional trans-shipment and destination point for illegal drugs, including heroin. The country faces a problem of drug smuggling across its borders, with this taking place using containerized cargo shipments and mail services. The reporting of recent seizures suggests that the Philippines may be increasingly becoming a transit point for cocaine in the region, despite not being a major consumer of the drug.

Cannabis is widely used in the Philippines and constitutes the majority of the total weight of drugs seized. Domestic cultivation is the main source of the drug, but the country is not considered to be on any international routes for cannabis. There has been an increase in reports of airport and customs arrests of imported marijuana for medicinal purposes. A growing movement is promoting the use of cannabis for medical treatment, and attitudes appear to be

changing. Organized criminals may find trading in synthetic drugs more profitable, leaving cannabis production and distribution to petty criminals.

The Philippines is a major source, transit and destination country for synthetic drugs, particularly methamphetamine or 'shabu'. The main source of methamphetamines is China, but domestic production is also important, with Chinese organized crime groups playing a role in this supply chain. Precursor chemicals smuggled into the country mainly come from China and Vietnam. The COVID-19 pandemic has increased the use of digital platforms and the dark web for drug trafficking, especially for synthetic drugs. Efforts to counter the narcotics trade in the country are undermined by systemic corruption at all levels of state institutions.

CYBER-DEPENDENT CRIMES

The Philippines is at critical risk of cybercrime and has become a hub for it, posing a threat to national security, the private sector and the government. The country experienced an increase in cybercrime during the COVID-19 pandemic, ranking among the most affected countries worldwide in terms of the number of cyber-attacks and threats. In the private sector, over half of medium and small businesses in the country have experienced cyber incidents in recent years. Cybercriminals have used ransomware and distributed denial-of-service attacks against government institutions as a means to attack political and media opposition. Even major media outlets have fallen victim to politically motivated cyber-attacks.

FINANCIAL CRIMES

Financial crimes are a major issue in the Philippines, with their frequency having increased during the COVID-19 pandemic. In recent years, trillions of Philippine pesos have been lost due to illegal withdrawals. Many of these crimes are linked to cybercrime, including phone scams, card game scams, taxi and pyramid scams. The Philippines has one of the highest numbers of cybercrime victims related to financial crimes, which include fraudulent schemes and other illicit activities that have arisen in conjunction with the increase in online transactions. Tax evasion is also a significant contributor to overall financial crime in the country, with some national stores and prominent personalities involved in such illegal activities. Furthermore, the Philippines has gained notoriety for illegal cryptocurrency-related schemes, with these promising high returns but putting both Filipino and foreign investors at risk.

CRIMINAL ACTORS

There is evidence of widespread links between organized crime, politics and state institutions in the Philippines. Clan-based political patronage drives corruption and its connection to power is reported to have increased in

recent years. The majority of the legislative body is also reported to be controlled by these actors. Some of these powerful groups are involved in criminal activities, with the lines between them and mafia groups blurred. Some political clans have even emerged from mafia-style groups that entered politics to preserve their illicit enterprises or protect themselves from competitors. Others originally gained their wealth and influence from landholding or control of key industries but have evolved into mafia-style groups. These actors often resort to violence.

Criminal networks in the Philippines are loosely organized and are mainly involved in the drug market, car theft and swindling. Some of these gangs are reported to have

re-emerged in late 2020 and 2021 following the elections. This is not uncommon as criminal networks proliferate during the uncertainties of the electoral process. While some of these gangs have specific modus operandi, they remain loosely organized and structured.

Foreign actors involved in organized crime in the Philippines, especially Chinese triads and networks, are widespread, due to the corruption and inefficiency of anti-crime agencies. They primarily engage in drug and human trafficking. The influence of the private sector is found to be moderate and there are no recent reports of major organized criminal activities involving private sector actors.

RESILIENCE

LEADERSHIP AND GOVERNANCE

The government's unclear stance on anti-crime efforts in the Philippines has raised concerns, with critics citing the police-led war on drugs campaign as lacking a clear strategy and contributing to extrajudicial killings. Reports indicate tens of thousands of civilian deaths, leading to criticism from the human rights community and investigations for crimes against humanity. The capture of state institutions by political clans and other vested interests continues to hinder transparency and accountability, despite a change in leadership in 2022. Concerns also exist about the bloating of intelligence funds, which are not subject to usual audit rules, and the lack of independence among Supreme Court justices.

Regarding international cooperation, the Philippines remains a strong member of regional agreements and cooperation around organized crime. It also strengthened its relationship and collaboration with India and China in recent years. The Philippines has implemented national policies and laws aimed at fighting organized crime, including anti-terror, anti-human trafficking and human rights laws, as well as establishing a new government department to protect overseas smuggled individuals and fight human smugglers and traffickers. The Department of Trade and Industry is working on new approaches to prevent financial crimes and a new national policy is being developed to address cyber-enabled financial crimes. However, a government task force aimed at ending the insurgency has ramped up propaganda against leftist organizations and political parties, putting them at risk of violence.

CRIMINAL JUSTICE AND SECURITY

The judicial system in the Philippines is affected by corruption, inefficiency and lack of accountability from the country's elite. Moreover, in recent years, there has been a series of murders and threats against judges and lawyers. The country's militaristic approach to controlling the COVID-19 pandemic has led to overcrowded federal prisons and an increase in prison gang activity. Despite proposals to modernize the prisons and related criminal justice facilities, no action has been taken so far.

Law enforcement in the Philippines remains fragile and fragmented, with law enforcers, especially customs, border and maritime officials, frequently accused of corruption. Some police and military officials are alleged to be implicated in illegal markets such as drug trafficking, arms trafficking and extortion. These officials are described to operate more like another organized criminal group than a state security apparatus. The Philippines has also failed to prosecute officials involved in human trafficking.

The Philippines' control over its territory and borders remains weak. While new ports were opened in the last two years and strategies are currently being implemented to increase a maritime presence in the defence of the territory, positive outcomes here have yet to be seen. Regional cooperation on the expansion of trilateral patrols against transnational organized crime is currently being discussed, with the possibility of increasing the government's control over its territory and borders.

ECONOMIC AND FINANCIAL ENVIRONMENT

The Philippines has long been known as a hub for money laundering, with weak enforcement and widespread corruption allowing for criminal proceeds to be laundered more easily. Despite progress in combatting this crime, challenges remain due to the country's growing economy and its position along a drug trafficking route. The Philippines has been grey-listed by the Financial Action Task Force for money laundering multiple times for its failure to address strategic deficiencies. Red flags in this area include online sexual exploitation, the offshore online gambling industry, online drug sales and the use of e-commerce for dubious transactions. Money laundering is not considered a stand-alone criminal act in the Philippines, and a predicate crime is required for an investigation to be launched.

The COVID-19 pandemic has had a significant impact on the economy of the Philippines. Owning a business is reported to be difficult, and wages and legally mandated benefits are often ignored by the government. Restrictions on investments exist in several markets and capital markets are underdeveloped. The government has not introduced any new economic policies to address these hardships.

CIVIL SOCIETY AND SOCIAL PROTECTION

The Philippines has been increasing its efforts to protect trafficked persons and other vulnerable citizens, although rehabilitation programmes for female victims of human trafficking have been criticized for focusing only on perceived

victims without addressing underlying conditions. Victim and witness support is largely provided by NGOs, church groups and the private sector, as the government has not allocated sufficient resources or developed a long-term plan to address the issue. The Philippine civil society and media are vibrant, despite journalists being threatened and harassed. Cyber-attacks against media outlets are also on the rise. Although non-governmental organizations are working to protect human trafficking victims, the pandemic has hampered their efforts. Private organizations are seeking to collaborate with the Philippines to combat illegal software use and cybercrime.

Prevention efforts by the Philippines National Police (PNP) have largely relied on the use of force rather than cooperation and joint activities with civil society. This approach has been applied in both the war on drugs and the response to the pandemic. As for organized crime, the PNP has intensified measures such as checkpoints, community awareness campaigns, mobile patrols and police presence.

This summary was funded in part by a grant from the United States Department of State. The opinions, findings and conclusions stated herein are those of the authors and do not necessarily reflect those of the United States Department of State.