



The Electrification of Philippine Logistics: An Emerging Growth and Investment Opportunity

By Michel Brekelmans



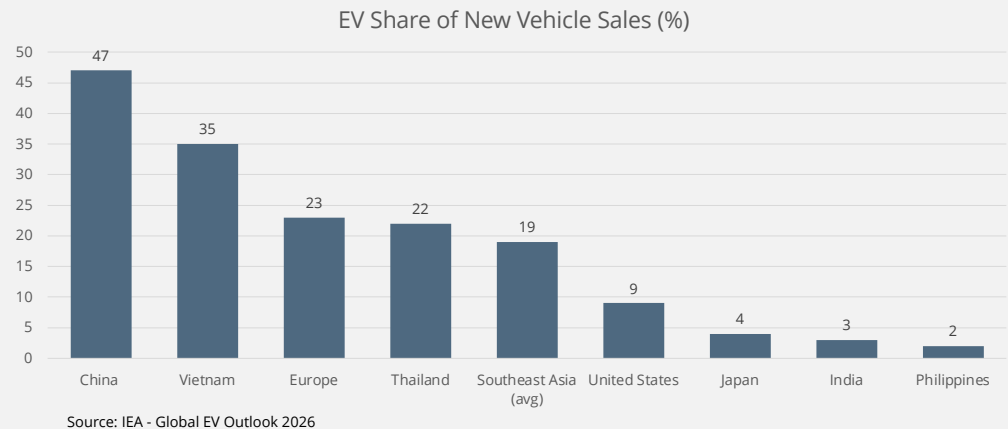
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The discussion surrounding electric vehicles in Southeast Asia has often centred on passenger transportation. Yet at Solar & Storage Live Philippines 2026, a different narrative emerged. Across presentations, panel discussions and conversations with industry participants, a common theme became apparent: some of the most compelling opportunities for electrification may lie not in private transportation, but in commercial logistics.

This shift is being driven by a convergence of factors. Logistics operators face increasing pressure from multinational customers to reduce carbon emissions, while rising fuel costs continue to challenge profitability. At the same time, declining battery costs, improving vehicle economics and growing investment in charging infrastructure are making electrification increasingly viable for commercial fleets.

The Philippines remains at an early stage of EV adoption. However, the market's size, growing consumer economy and expanding logistics requirements suggest that the long-term opportunity could be substantial. Importantly, the discussions at Solar & Storage Live Philippines highlighted that the opportunity extends well beyond vehicle sales. The development of charging infrastructure, energy storage, fleet financing and integrated logistics solutions may ultimately create a broader ecosystem of investment opportunities.

EXHIBIT 1: EV Share of New Vehicle Sales (Philippines vs other markets)



A Large Addressable Market with Low EV Penetration

The Philippines possesses many of the characteristics that support long-term growth in logistics demand. With a population exceeding 115 million, a rapidly expanding middle class and continued growth in e-commerce, demand for transportation and distribution services is expected to increase significantly over the coming decade.

The logistics sector already plays a critical role in supporting domestic consumption and connecting the country's geographically dispersed islands. As consumer spending grows and supply chains become increasingly sophisticated, demand for warehousing, transportation and last-mile delivery services is likely to expand accordingly.

Against this backdrop, EV penetration remains relatively low. Electric vehicles account for only a small proportion of the country's overall vehicle fleet, while adoption within commercial trucking and logistics remains at an even earlier stage. This suggests that the future growth opportunity is primarily one of substitution rather than market creation. The question is not whether logistics demand

will grow, but rather how much of that demand will ultimately be served by electric rather than internal combustion engine (ICE) vehicles.

For investors, this distinction is important. Markets driven by replacement demand often offer greater visibility and scale than those dependent on entirely new categories of consumption.

Why Commercial Logistics May Lead the Transition

One of the strongest themes emerging from Solar & Storage Live Philippines was that commercial fleet operators may be better positioned than private consumers to accelerate EV adoption.

Unlike individual vehicle owners, fleet operators make decisions based on measurable operating economics. Vehicles are deployed on predictable routes, utilisation rates are closely monitored and energy costs represent a significant component of overall operating expenses. As a result, commercial operators are often able to evaluate electrification through a clear return-on-investment lens.

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Several logistics operators highlighted that the economic case for electrification has strengthened considerably in recent years. Vehicle acquisition costs remain higher than for conventional trucks, but declining battery prices and lower operating expenses are gradually narrowing the gap. In addition, fleet operators increasingly value the predictability of electricity costs relative to the volatility associated with diesel fuel.

Beyond economics, sustainability considerations are becoming increasingly influential. Many multinational manufacturers, retailers and consumer goods companies have established ambitious carbon reduction targets across their supply chains. As these organisations seek to reduce Scope 3 emissions, logistics providers are coming under growing pressure to demonstrate measurable progress in fleet decarbonisation.

The experiences shared by operators such as Mober and FAST Logistics illustrate how these forces are beginning to influence investment decisions. Rather than treating electrification as a future possibility, a growing number of operators are already deploying

EVs, integrating solar generation into logistics facilities and evaluating battery storage solutions to support fleet operations.

EXHIBIT 2:

Why Commercial Fleets May Electrify Faster Than Passenger Vehicles

Characteristic	Passenger Vehicles	Commercial Fleets
Route predictability	Low	High
Asset utilisation	Variable	High
Charging location control	Limited	High
Ability to invest in infrastructure	Limited	High
Cost management focus	Moderate	High
Total cost of ownership focus	Low	Very High
Potential adoption speed	Moderate	High

Building an Ecosystem, Not Simply Deploying Vehicles

Perhaps the most important insight from the conference was that the transition to EV logistics is not fundamentally a vehicle adoption challenge. It is an ecosystem development challenge.

This distinction was highlighted repeatedly by participants across the value chain. Discussions frequently returned to issues such as charging reliability, maintenance capabilities, payment systems, grid readiness and operational accountability. The consensus was that installing charging infrastructure is only the first step. Long-term success depends on creating a reliable operating environment capable of supporting commercial fleet requirements.

One particularly compelling observation came from Darwin Pasco of Professional Parking Group, who argued that EV chargers should be viewed more like ATMs than consumer electronics. In other words, they represent mission-critical infrastructure that must deliver consistent performance, seamless payment functionality and clearly defined accountability when failures occur.

This perspective reflects a broader shift in how the industry is beginning to think about EV infrastructure. For commercial fleet

operators, charging downtime directly affects vehicle utilisation, customer service levels and profitability. Reliability therefore becomes just as important as network coverage.

The experiences shared by several logistics operators further reinforced this point. Early adopters are increasingly pursuing integrated approaches that combine fleet charging, renewable energy generation and operational planning. Rather than relying exclusively on public charging networks, many are seeking to build dedicated ecosystems that provide greater control over energy costs and operational performance.

SIDEBAR:

Key Insights from Solar & Storage Live Philippines 2026

1. **The conversation has shifted from vehicles to ecosystems.** Charging, energy management, financing and operations are becoming as important as vehicle deployment itself.
2. **Commercial fleets may electrify faster than passenger vehicles.** Fleet operators have stronger economic incentives and greater operational control.
3. **Logistics companies are increasingly becoming energy companies.** Investments in solar generation, battery storage and charging infrastructure are becoming part of core logistics strategies.
4. **Infrastructure quality matters as much as infrastructure quantity.** Reliability, uptime and payment integration are critical for commercial adoption.
5. **Collaboration will determine the pace of adoption.** Utilities, logistics operators, property developers, financiers and government agencies all play critical roles

Structural Barriers Remain Significant

Despite growing momentum, the path toward widespread electrification of Philippine logistics is unlikely to be linear. The discussions at Solar & Storage Live Philippines underscored that many of the remaining challenges are structural rather than technological.

Plethora of small operators who lack the financial resources to undertake fleet renewal programs

Perhaps the most significant barrier is the fragmented nature of the logistics industry itself. While large operators are increasingly experimenting with electric fleets and associated infrastructure, much of the sector remains dominated by small and medium-sized operators. Industry participants noted that many trucking companies operate fleets of only five to ten vehicles. These businesses often lack the financial resources required to undertake large-scale fleet renewal programs and, in many cases, have only recently invested in conventional diesel vehicles.

This creates a difficult transition dynamic. While electrification may offer compelling long-term economics, many operators must first recover investments made in existing assets.

Infrastructure presents a second challenge. Commercial fleets require high-power charging, predictable availability and minimal downtime. As a result, many early adopters are pursuing private charging solutions integrated into warehouses and logistics hubs, requiring substantial investment in electrical infrastructure and energy management systems.

A third barrier relates to operational capabilities. Electrification requires logistics companies to develop competencies in charging strategies, battery management, software integration and electricity procurement. These requirements differ significantly from those associated with conventional fleet management.

Finally, financing remains a critical constraint. Many financial institutions are still developing underwriting frameworks for EV-related assets, creating uncertainty around residual values, battery performance and long-term economics.

Implications for Investors and Strategic Acquirers

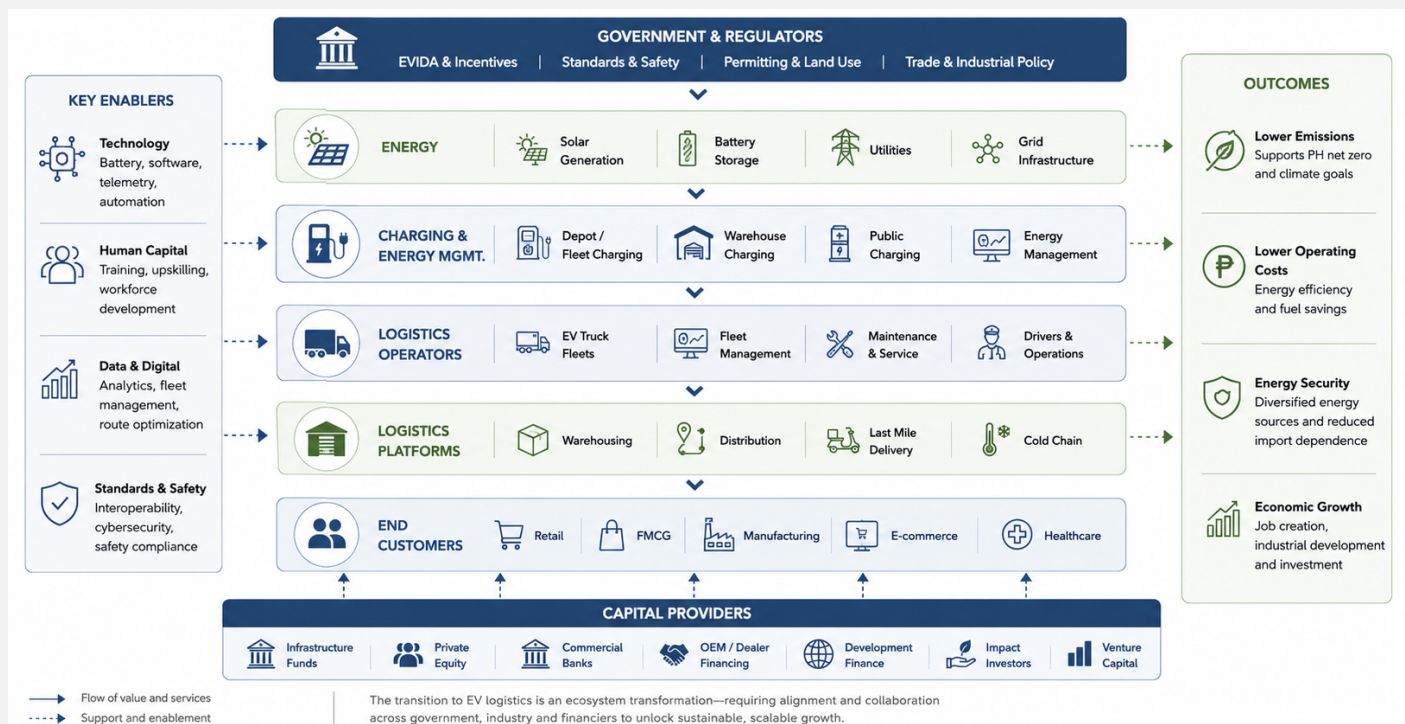
While much of the discussion surrounding EV adoption focuses on vehicle manufacturers, the conference highlighted a broader

investment thesis. The transition to electric logistics is creating opportunities across multiple layers of the value chain.

Charging infrastructure represents one such opportunity. As logistics operators increasingly seek dedicated charging solutions, demand is likely to emerge for developers, operators and financiers capable of delivering charging-as-a-service models.

Energy infrastructure represents a second area of interest. One of the most notable themes at the conference was the growing convergence of logistics, solar power and battery storage. Several operators described initiatives aimed at integrating rooftop solar generation with fleet charging operations. Logistics facilities typically possess significant roof space, predictable energy demand and long investment horizons, creating favourable conditions for integrated energy solutions.

EXHIBIT 3: The Emerging EV Logistics Ecosystem



The experience of FAST Logistics reflects this broader trend. The company has begun integrating solar installations with EV charging infrastructure across selected facilities as part of its sustainability strategy. While technical and economic challenges remain, the initiative reflects a growing recognition that energy generation, storage and transportation are becoming increasingly interconnected.

Financial investors may also find attractive opportunities in fleet financing and leasing. The transition to EVs requires significant capital expenditure, particularly for smaller operators. This creates scope for innovative financing structures that reduce upfront investment requirements while allowing operators to capture operating cost benefits.

Perhaps the most strategic opportunity lies in industry consolidation. Electrification may reinforce the competitive advantages of larger operators with greater access to capital and stronger customer relationships. Over time, this could create opportunities for both strategic acquirers and private equity investors to consolidate fragmented segments of the market around modern, technology-enabled operating platforms.

The Role of Government: Moving from Incentives to Ecosystem Development

Government policy will play an important role in determining how quickly the Philippine logistics sector transitions toward electrification. The Philippines has already established a supportive policy framework through the Electric Vehicle Industry Development Act (EVIDA), which provides a foundation for promoting EV adoption and supporting infrastructure deployment.

Grid readiness will become critical as commercial fleets electrify at scale

However, as the market matures, the focus should increasingly shift toward ecosystem development. Stakeholders highlighted the importance of streamlining permitting processes, improving coordination between regulatory agencies and ensuring that electrical infrastructure keeps pace with future demand. Grid readiness will become increasingly important as commercial fleets begin electrifying at scale.

Targeted financing initiatives may also accelerate adoption. Concessional financing, credit guarantees and accelerated depreciation mechanisms could help address some of the upfront capital barriers facing fleet operators.

Most importantly, government can play a coordinating role. Successful electrification requires alignment between vehicle manufacturers, logistics operators, utilities, property developers, charging providers and financial institutions. International experience suggests that ecosystem coordination often has a greater impact on adoption than subsidies alone.

Conclusion

The conversations at Solar & Storage Live Philippines suggest that the future of electrification in the Philippines may be shaped as much by logistics as by passenger mobility.

The market remains at an early stage, and meaningful barriers persist. Yet the underlying drivers appear increasingly compelling. Sustainability commitments, improving economics, growing logistics demand and supportive policy frameworks are creating favourable conditions for long-term growth.

What makes the Philippine opportunity particularly interesting is that electrification is emerging not as a standalone transportation trend, but as part of a broader transformation encompassing energy, infrastructure and supply chains. The organisations best positioned to succeed are therefore unlikely to be those focused solely on vehicles. Rather, they will be those capable of building and participating in the broader ecosystem that supports electric mobility.

For investors, corporate strategists and policymakers alike, the implication is clear: the electrification of logistics is no longer simply an environmental agenda. It is becoming an increasingly important strategic and economic opportunity.

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Solar & Storage Live Philippines 2026: SCP/Asia MD Michel Brekelmans in a fireside chat with Ralph Menchavez, President and CEO of Movem Electric, the e-mobility arm of MERALCO.