



Recommendations:

The Philippines is a fast growing and strategically located country. A large population with low labor costs and strong English language skills makes the country suitable for business process outsourcing, but poor transportation infrastructure and institutional obstacles create challenges. ****Good choice for many business sectors****

- (+) Consistent economic growth over last decade
- (+) Low household debt
- (+) Large, English-speaking labor population
- (+) Strategic location

- (-) Government bureaucracy makes business slow and cumbersome, but slowly improving
- (-) Transportation infrastructure is inadequate
- (-) High remittance taxes & complex ownership laws

Highlights:

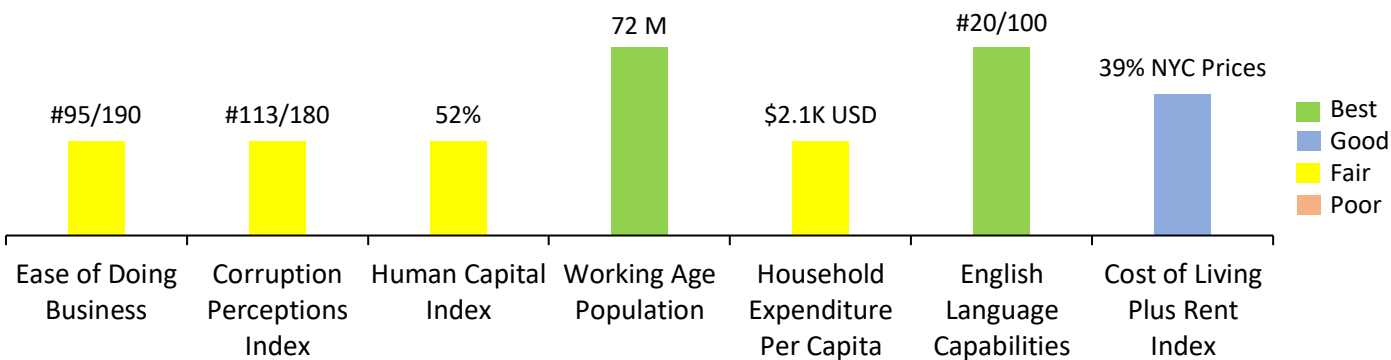
- OECD recognized top growth country in ASEAN-5; 6%+ average GDP growth over last 10 years
- Top 20 country in English language capability with a large working-age population and low labor costs
- 'Build, build, build' initiative promises to reshape the infrastructure gaps in Philippines, but it is moving slowly in actual development

"The Philippines is one of the **fastest growing economies** in the world with its **strategic location** and **robust socioeconomic projects**. There is also an abundance of foreign investment opportunities in various industries."

- EY statement, 2020

Country Facts:

Population: 108 million with a 72.8 million working-age population
GDP: \$377 billion USD, 6.0% growth (3rd largest economy in SE Asia)
GNI per capita: \$3,850 USD, 2.48% Inflation, lower middle-income country
Industries: Services (business process outsourcing, tourism); manufacturing (pharmaceuticals, mining/minerals, shipbuilding), agriculture (processed fruits and vegetables)
Tourism: Growing tourism sector (11%) - #8th favorite country in the world (CNT ranking)



Marketing:

Per capita expenditure: \$2,100 USD
 Internet penetration: 67% (Southeast Asia 63%)
 Shop online: 35%
 Mobile ownership: 159%
 Primary messaging: Facebook Messenger
 Primary website: Facebook

Average Labor:

Annual Labor Productivity: \$21,000
 Prof. Salary: \$25,200
 Worker Salary: \$10,800

Infrastructure:

Ports: Fair
 Roads: Fair
 Airfields: Fair
 Railroads: Poor

Opening a Business:

Relevant Laws: RA 11232, Revised Corporation Code, 2019
Time to Incorporate: 35+ days to incorporate, 6-9 months for all additional tasks
Fees to Incorporate: Dependent on type of incorporation (\$200-\$50000 USD)
Paid-in Capital: Between \$100 and \$200,000 USD depending on industry and amount of local equity (more than 40% foreign ownership raises costs and reduces investment options)
Remittance Taxes: Corporation dependent (15% for a branch corporation to transfer to head office)
Restrictions: 100% foreign ownership is possible but exceeding 40% has costs; Foreign Investment Negative List restricts percentage of ownership for some industries
Trends: RA11232 has made it easier for foreigners to invest in Philippines; government reform is present, but slow in terms of adoption

BBA Services:

BBA retains several staff members in Philippines to include an attorney skilled in market entry procedures. BBA can assist SMEs in most sectors and find trusted local partners, among other local services.
<https://businessbridgeasia.com>