



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, despite COVID-19 challenges
- (+) Large, English-speaking labor pool
- (+) Strategic location

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

Highlights:

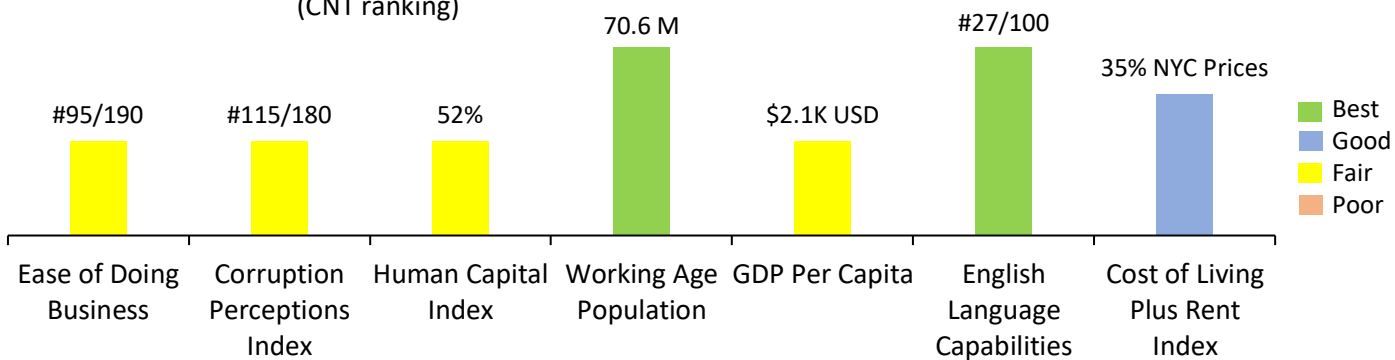
- OECD recognized top growth country in ASEAN-5; 6%+ average GDP growth over last 10 years
- Generally good English language capability with a large working-age population and low labor costs
- Hit hard economically by COVID-19, but prospects for recovery look good

With increasing urbanization, a **growing middle class**, and a **large and young population**, the Philippines' economic dynamism is rooted in **strong consumer demand** supported by a **vibrant labor market** and robust remittances.

- World Bank, 2021

Country Facts:

Population:	110.3 million with 70.6 million working-age population
GDP:	\$361.5 billion USD; -9.6% 2020 growth, 4.5% predicted for 2021; 3 rd largest economy in SE Asia
GNI per capita:	\$3,430 USD, 4.4% Inflation, lower middle-income country
E-Commerce:	\$4 billion USD in 2020; expected to reach \$15 billion US in 2025
Industries:	Services (business process outsourcing, tourism); manufacturing (pharmaceuticals, mining/minerals, shipbuilding), agriculture (processed fruits and vegetables)
Tourism:	Growing tourism sector (11%) - #8 th favorite country in the world (CNT ranking)



Marketing:

Per capita expenditure:	\$2,370 USD
Internet penetration:	67% (Southeast Asia 69%)
Shop online:	80.2%
Mobile ownership:	138%
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 has a robust staff in the Philippines capable of supporting multiple sectors. BBA can assist companies with sales, market entry, research, due diligence, and other services.

<https://businessbridgeasia.com>