



### 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:

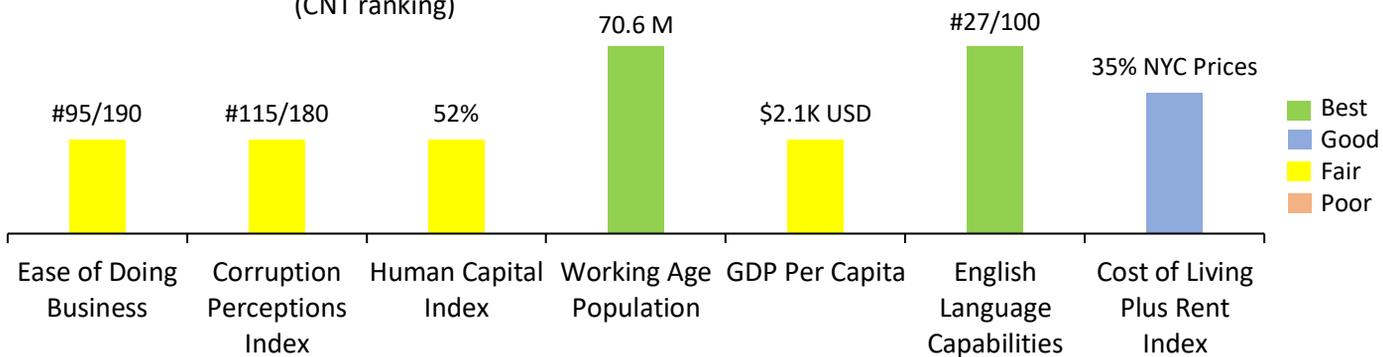
- OECD recognized top growth country in ASEAN-5; 6%+ average GDP growth over last 10 years
- Generally good English language capability with a large working-age population and low labor costs
- Hit hard economically by COVID-19, but prospects for recovery look good

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<sup>rd</sup> 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<sup>th</sup> 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>