

Country Summary - Philippines



1) Location - Information

- The Philippines is located in Southeast Asia, on the eastern rim of the Asiatic Mediterranean. It is bounded in the west by the South China Sea; in the east by the Pacific Ocean; in the south by the Sulu and Celebes Seas; and in the north by the Bashi Channel
- The Philippines has no land boundaries. Nearby neighbours are Taiwan to the north, Malaysia and Indonesia to the south, Vietnam to the west, and China to the northwest
- Time–Zone–GMT+8
- Its capital and main port of entry is Manila. Cebu, which is some 562 kilometres to the south of Manila, is the second large international gateway to the country
- Manila is the centre of the country's economic, political, social, and cultural activity. It is located on the island of Luzon and spreads along the eastern shore of Manila Bay at the mouth of the Pasig River
- Administrative divisions consist of regions, provinces, chartered cities, municipalities, and barangays (villages). The Philippines has 17 regions, 79 provinces, 117 chartered cities, 1,500 municipalities, and 41,975 barangays
- The country has a tropical climate with two distinct seasons-wet and dry
- The Philippines has over 70 airports, with four major international airports
- The currency is Philippine Peso (PHP).



2) Demographics

- The Philippines is the thirteenth (13) largest country in the world by population (more than 109 million) and is the sixth largest English-speaking country
- Philippines has one of the youngest populations in the world, with about 43 percent of the population under the age of 20 years

- Approximately 90% of Filipinos are functionally literate
- The national language is Filipino, which is based on the language of Tagalog. English is considered an official language as it is both spoken and understood throughout the Philippines and used in business, government and schools
- The Philippines is one of the world's largest emigrant populations, much of which consists of legal temporary workers known as Overseas Foreign Workers or OFWs.

3) Culture & Religion

- Filipinos are basically of Indo-Malay origins mixed with some Chinese and Spanish ancestry. Over 80% of the population is Roman Catholic. Other major religions include Muslim and Protestant. The culture of the Philippines comprises a blend of traditional Filipino and Spanish Catholic traditions, with influences from America and other parts of Asia
- As a predominantly Catholic country, the Philippines observes the Lenten season, and all commercial and business establishments are closed on Holy Thursday and Good Friday
- The Filipinos are family oriented and often religious with an appreciation for art, fashion, music and food
- Festivals in the Philippines can be religious, cultural, or both. Several of these are held to honour the local Roman Catholic patron saint, to commemorate local history and culture, to promote the community's products, or to celebrate a bountiful harvest. They can be marked by Holy Masses, processions, parades, theatrical play and re-enactments, religious or cultural rituals, trade fairs, exhibits, concerts, pageants and various games and contests. Many festivals also focus on Islamic or indigenous concepts.

4) Business culture

- The Philippine business environment is highly personalised. Business matters are always best dealt with on a face-to-face basis in a warm, polite, and pleasant atmosphere, although meetings do not necessarily start promptly on account of delays due to traffic and inclement weather
- It is not uncommon for business associates to make personal inquiries about family, marital status, ethnicity, hobbies and after-hours activities or other similar questions
- Body language and hand gestures (for example, a raised eyebrow, a faint smile, a scratch in the head) are integral to how Filipinos express themselves
- Summer-wear clothing is normally worn in temperate zones which is suitable for the Philippines, where the weather tends to be very humid. It is acceptable for businessmen to conduct business in short or long-sleeved shirt and ties with or without a coat. Light pantsuits or dresses are appropriate for women.

5) Citizenship & Visas

- To be a citizen of Philippines through naturalisation, he/she must be not less than twenty-one years of age on the day of the hearing of the petition; and must have resided in the Philippines for a continuous period of not less than ten years

- British passport holders can enter the Philippines without a visa for an initial period of 30 days. One can also get a tourist visa from the Philippine Embassy before travel, which will allow an initial 59 day stay.

5) Political Landscape

- The Philippines is a democratic and republican state with a presidential form of government. Separation of powers are ensured through checks and balances among the three branches of government; the Executive, represented by the President and his/her Cabinet; the Legislative, represented by a Bicameral Congress composed of the Senate and the House of Representatives; and the Judiciary, with the power of judicial review
- The political situation in the Philippines is stable. Elected in 2016 for a six-year term, President Duterte sustains high approval ratings. He has cracked down on crime and illegal drugs. Economic stability and business activity have continued unabated.
- The human rights situation in the Philippines deteriorated in 2020. President Rodrigo Duterte's murderous "war on drugs," ongoing since he took office in June 2016, continued to target mostly impoverished Filipinos in urban areas
- According to official government figures, members of the Philippine National Police and the Philippine Drug Enforcement Agency killed 5,903 individuals during anti-drug operations from July 1, 2016 to September 30, 2020
- In October 2020, the UN Human Rights Council passed a resolution that called for the Philippines to "ensure accountability for human rights violations and abuses, and in this regard to conduct independent, full, and transparent investigations and to prosecute all those who have perpetrated serious crimes, including violations and abuses of human rights."

6) Economy

- Philippines is ranked 95 of 190 countries in terms of ease of doing business according to 'Doing Business 2020' report by World Bank
- Since 2012, Philippines has seen 6%+ GDP growth
- 71.4 % adults were unbanked in 2019
- Consumer price inflation averaged 2.5 percent in 2019
- The Philippines is behind similarly sized and ranked ASEAN neighbours in attracting foreign direct investment (FDI). This has decreased by 23 percent year-on-year to \$7.6 billion in 2019
- Government red tape, regulatory uncertainties, a slow judicial system, and corruption are cited as challenges to doing business in the country
- Credit rating agencies Moody's, Standard & Poor's (S&P Rating BBB+), and Fitch Ratings affirmed the Philippines' investment grade ratings in May 2020
- The unemployment rate in April 2021 is 8.7 %. A sharp rise from 3.36 % in previous year. This translates into 4.11 million people without employment
- The Philippines will spend about \$4.4 billion on digital infrastructure over the next six years. Priority sub-sectors include cybersecurity, the cloud, and telecommunications
- Through the Administration's "Build, Build, Build" Initiative, \$180 billion will be spent on projects including airports, ports, bridges, roads, and rail infrastructure.

- Government procurement requires a foreign firm to have a local partner, with certain exceptions.

7) Social

- The rich Philippine heritage can be experienced, not only in textbooks and museums, but also in beautifully preserved historical sites across the country.
- The 2,000-year-old Banaue Rice Terraces, the Tubbataha Reef Marine Park is a marvellous marine wilderness. The 16th century town of Vigan is “an exceptionally intact and well-preserved example of a European trading town and many more
- The popular sports are basketball, boxing, tennis, football, billiards, and volleyball. Despite being a tropical nation, ice skating has recently become a popular sport in the Philippines. Sports such as athletics, weightlifting, aerobics, and martial arts are also popular recreations
- Education in the Philippines is offered through formal and non-formal systems. Formal education typically spans 14 years and is structured in a 6+4+4 system: 6 years of primary school education, 4 years of secondary school education, and 4 years of higher education, leading to a bachelor's degree.

8) Technology

- The Philippine Long-Distance Telephone Company (PLDT) and Globe Telecom are the country's two telecommunication carriers
- The mobile signal is generally weak due to a lack of cell sites. Philippines' average internet speed is considered among the slowest and most expensive in the Asia Pacific
- Electrical outlets in the Philippines use 220 volts. This is compatible with most electronic gadgets that allow 110-220 volts
- There were 73.91 million internet users in the Philippines in January 2021. As of 2019, there were nearly 169 million mobile subscribers in the Philippines
- eCommerce market is projected as US\$5,089m in 2021, with an annual growth rate (CAGR 2021-2025) of 14.64%, resulting in a projected market volume of US\$8,788m by 2025.

9) Payments Network

- The Philippines was a global early mover in digital payments, with the launch of mobile money in 2001, although over 80 % cash is still used for retail payments BSP (Bangko Sentral NG Philipinas) Oversees the payment systems in the Philippines
- The Philippine Payments and Settlements System is known as PhilPaSS. As of May 2019, there are 41 universal and commercial banks, 3 specialised government banks, 38 thrift banks, 78 rural banks, 9 non-banks with quasi-banking functions, and 4 BSP units and external institutions participating in PhilPaSS
- The central bank kicked off digital transition several years ago when it helped launch two electronic payments systems. PESONet was established to replace the use of

checks in governments and businesses, while InstaPay was set up to replace smaller cash transactions made by individuals

- Both, PESONet and Instapay are under NRPS (National Retail Payment System).