



The Philippines are one of the most attractive countries to spend your vacation. – We agree!

However, the “pearl of the east” has far more than that to offer!

Why choose the Philippines as BPO destination?

1. Qualified People:

The third largest English-speaking nation accommodates a big number of highly devoted, hard-working and fast learning employees. Out of the estimated population of 94 million, the literacy rate amounts to 95.1 %. 400,000 new graduates enter the job market every year. 110,000 of those have a background in Business Administration and 65,000 in Information Technology and Engineering. Due to their historical background, Filipinos are familiar with the Western culture. As a big boon for communication-based businesses, Filipinos hold a polite and unobtrusive attitude.



2. Low Costs:

With the Philippines being a low salary level country, outsourcing in the Philippines means saving costs by keeping up high quality. Alongside, the *Board of Investment* and regional authorities, such as *Philippine Economic Zone Authority (PEZA)*, established numerous fiscal and non-fiscal incentives for foreign investors, e.g. tax holidays and tax credit.

3. Growing Economy:

The Philippines convincingly weathered the economic and financial crisis in 2010 with an exceptional GDP growth of 7.3 %. The economy is projected to grow at a rate of at least 5% in the next years. Germany is consistently among the 10 largest trade and investment partners of the Philippines. The trade volume with Germany in 2010 amounted to 2.21 billion EUR imports and 1.11 billion EUR exports from Germany.

GDP: 351.2 billion USD (2010)
 GDP per head: 3,500 USD
 GDP growth rate: 3.8 % (2008); 0.9% (2009); 7.3% (2010); approx. 7% (2011, estimated); approx. 7 % (2012, estimated)
 Inflation rate: 3.8 % (2010)
 Budget deficit: 3.7% (2010)

The newly inaugurated, liberal President “Noynoy” Aquino, represents business hope for a suppression of corruption, an improvement of the international competitive ability as well as an increased inflow of foreign investments.



4. Excellent Business Environment:

The Philippines provide a good infrastructure and a business-friendly environment. The deregulated telecommunications industry provides numerous cost-effective options for fast, reliable and secure international connections. World-class, modern buildings and facilities are adequately situated within and around the country’s economic and political capital, Metro Manila, and recently also in other main cities such as Cebu and

Davao. The country is further strategically well located in the ASEAN region, home to 550 million inhabitants and is within four hours flight to all important cities in South East Asia, East Asia and South China.

5. The Outsourcing Market:

With a turn-over of 8.9 billion USD worldwide, the Philippines are the world’s largest voice-based offshoring destination. The country’s outsourcing business has grown over 30% in the last five years and currently corners 21% of the worldwide market. It is easily the fastest growing sector accounting for 4.5% of GDP.

	2005	2006	2007	2008	2009	2010
Turnover in bn. USD	2.4	3.2	4.8	6.1	7.2	8.9
Employees	163,250	235,575	299,300	371,965	442,164	530,000

For many years now, multinational IT/Outsourcing companies such as Accenture, IBM and Microsoft have established their base in the Philippines – some of them employing 10,000 workers. From here, they also serve their clients in Germany. German large-scale enterprises such as Deutsche Bank, Siemens, Bosch, Bertelsmann and Henkel are providing offshored services within their group of companies as well as beyond. Many German medium-sized enterprises are represented with branches in the Philippines, some of them outsource to local companies or provide their services to customers worldwide. With the exception of the Call Center sector, the Philippine outsourcing market comprises mainly of medium-sized domestic and foreign companies.

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