Philippines

Introduction

The Philippines is a country in Southeast Asia in the western Pacific Ocean. It is an archipelago made up of 7,106 islands located in relation to many of Southeast Asia's main water bodies: the South China Sea, Philippine Sea, Sulu Sea, Celebes Sea, and Luzon Strait. Proximate countries include Taiwan, Vietnam, and Indonesia. The geography is mountainous with narrow coastal lowlands. The government system is a republic; the chief of state and head of government is the president. The Philippines has a mixed economic system that includes a variety of private freedom, combined with centralized economic planning and government regulation. The Philippines is a member of the Asia-Pacific Economic Cooperation (APEC) and the Association of Southeast Asian Nations (ASEAN).

Key Economic Facts

Income Level (by per capita GNI): Lower Middle Income
Level of Development: Developing
GDP, PPP (current international $): $1,170.98 billion (2022)
GDP growth (annual %): 7.57% (2022)
GDP per capita, PPP (current international $): $10,133.20 (2022)
External debt stocks, total (DOD, current US$): $106,427,962,609.90 (2021)
Manufacturing, value added (% of GDP): 17.24% (2022)
Current account balance (BoP, current US$): -$17.83 billion (2022)
Inflation, consumer prices (annual %): 5.82% (2022)
Labor force, total: 46,990,319 (2022)
Unemployment, total (% of total labor force) (modeled ILO estimate): 2.24% (2022)
Imports of goods and services (current US$): $178.01 billion (2022)
Exports of goods and services (current US$): $114.76 billion (2022)

Budget Compositions %

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>10%</td>
</tr>
<tr>
<td>Services</td>
<td>61%</td>
</tr>
<tr>
<td>Industry</td>
<td>29%</td>
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<tr>
<td>Manufacturing</td>
<td>17%</td>
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</tbody>
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Risk Assessment (Provided by Coface)

Country rating: B - Political and economic uncertainties and an occasionally difficult business environment can affect corporate payment behavior. Corporate default probability is appreciable.

Business Climate rating: B - The business environment is mediocre. The availability and the reliability of corporate financial information vary widely. Debt collection can sometimes be difficult. The institutional framework has a few troublesome weaknesses. Intercompany transactions run appreciable risks in the unstable, largely inefficient environments rated B.

Strengths
- Large population that is young (50% is under 25), qualified and with good fluency in English
- Diverse geographic and sectoral origins of expatriate workers' remittances (10% of GDP)
- Thriving Business Process Outsourcing (BPO) sector
- Poverty reduction (Pantawid Pamilyang Pilipino Program)

Weaknesses
- Inadequate infrastructure levels, low fiscal revenues (14% of GDP)
- Governance shortcomings and high corruption perception
- High levels of income inequality, underemployment leading to expatriation
- Terrorism in the South of the country
- Strict bank secrecy and casinos that facilitate money laundering
- Exposed to natural disasters (typhoons)

U.S. Embassy

U.S. Embassy in Manila
1201 Roxas Boulevard
Manila, Philippines 1000
Phone: (632) 301-200
https://ph.usembassy.gov