

WHY PHILIPPINES? YOUR BUSINESS. YOUR PEOPLE.

The Philippines has come a long way from being an economic laggard in Asia to one of the fastest growing economies in the world in the last eight years. Its economy continues to show strong macroeconomic fundamentals, growing foreign direct investments, high export rates and robust domestic consumption, supported by economic reforms and good governance.

Stable and Resilient Economic Growth - The Philippines continue to be one of the fastest growing economies in Asia. In 2016, the Philippines posted growth rate of 6.8% compared to 2015 with 5.9%. Over the span of five years, the Philippine economy continued to grow as a result of robust inflow of foreign direct investments. In 2016, actual foreign direct investments reached a record high of US\$ 7.93 billion reflecting a 40.7% increase from the 2015 figure of US\$ 5.64 billion. The Philippine Board of Investments indicated a growth forecast of 13.7 percent in local and foreign inflow of investments for 2017.

Global Competitiveness – The Philippines ranked 57th out of 138 countries in the Global Competitiveness Index of the World Economic Forum. In the World Competitiveness Yearbook, the Philippines ranked 42 out of 60 countries. In 2015, the Philippines was upgraded by +13 in the Ease of Doing Business Report of the World Bank – TFC from #108 to #95. In the 2014/2015 Global Competitiveness Index of the World Economic Forum, the Philippines received an upgrade of +7 from #59 to #52 out of 144 countries. In the Economic Freedom of the World 2014 Report by the Fraser Institute, the Philippines was ranked #51 from being #56 out of 152 countries, while the Economic Freedom Index 2015 by Heritage Foundation upgraded the Philippines by 13 notches, ranking #76 from #89 out of 178 countries.

All three major global credit-rating agencies – Standard and Poor’s (BBB Stable), Fitch Ratings (BBB Positive), and Moody’s Investors Service (BAA2 Stable) – view the Philippines as investment grade.

Opportunities - The country’s location is a critical entry point to over 600 million people in the ASEAN market and a natural gateway to the East-Asian economies. The Philippines is located at the heart of ASEAN which became a fully integrated economy in 2015. The country is likewise placed at the crossroads of international shipping and airlines.

The Philippines is the 3rd largest English speaking country with a 40 million workforce. Labor cost for English-speaking professionals are among the lowest in the world. As a result, the Information Technology – Business Process Management (IT-BPM) industry, now a US\$25 billion sector, has become one of the most competitive, overtaking even China and India in many areas.

The Philippines offers unlimited opportunities and incentives to foreign investors including tax exemptions, tax and duty-free importation of specific equipment and materials, particularly in the country's Special Economic Zones (73 Manufacturing Economic Zones, 243 Information Technology Parks/Centers, 21 Agro-Industrial Economic Zones, 19 Tourism Economic Zones and 2 Medical Tourism Parks/Centers).

I invite you to explore the Philippines as the new investment hub for Israeli businesses and companies in the Far East, and join us in building strong partnerships between the business sectors from the Philippines and Israel.