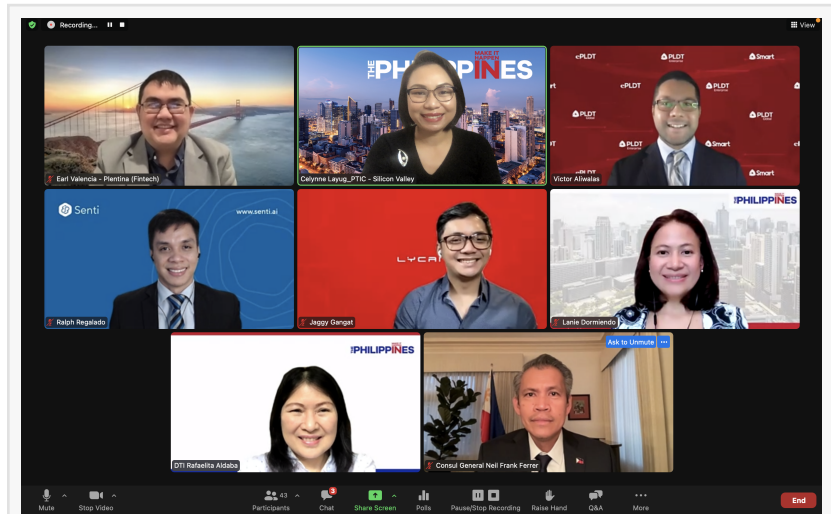


Exponential Growth in the Philippines' Digital Economy Expands Opportunities for Hyperscalers & Advanced Manufacturing

SAN FRANCISCO, CA, UNITED STATES, March 1, 2022 /EINPresswire.com/ -- The pandemic has accelerated the use of technologies like AI, IoT and robotics which are driving an inclusive, resilient, and sustainable industrial development. This was the overall topic that emerged from the Make it Happen in the Philippines: How Technology is Changing the Business Landscape in the Philippines – Opportunities for Partnerships and Investments organized by the Philippine Trade & Investment Center-Silicon Valley, the Philippine Board of Investments, and supported by the Philippine Consulate General in San Francisco.



Panel members discussing how technology is changing the business landscape in the Philippines and opportunities for partnerships and investments

Consul General Neil Frank Ferrer shared that during the pandemic, many businesses – from micro and small to big established ones --- have pivoted to doing online transactions, embracing technology to better serve their customers. Digital technologies have helped people and businesses thrive despite economic lockdowns and social distancing. What was unimaginable before – in-person classes shifting to online learning, patients getting their medical check-ups through telemedicine, online ordering of groceries and food deliveries, and availing of online financial services – have become the new normal for a lot of people. Many businesses have also adopted front and back-end digital financial solutions to better serve their customers.

Based on a 2021 report from Google, Temasek Holdings and Bain & Company, more than 75% of the population in six major Southeast Asian countries have access to the internet and as many as 40 million people across Singapore, Malaysia, Indonesia, the Philippines, Vietnam, and Thailand came online for the first time in 2021. All six countries are reported to post double-digit growth with the Philippines is leading by a large margin. The Philippines is set to post a 93% growth in gross merchandise value (GMV) from \$9 billion in 2020 to \$17 billion in 2021.

“Judging from estimated figures from market revenues alone, the Philippines has seen such a strong growth in the Philippines’ internet economy [as reflected in the Google, Temasek, and Bain & Company Study]. The projections are spectacular with a compounded annual growth of 24% and by 2025 we are looking at \$40 billion USD. Given the introduction of new and more advanced technologies to further advance our 4th industrial Revolution goals, for example in the area of A.I. , we are looking at an estimated \$92 billion USD for 2030 based on the estimates of EDBI and Kearney. This is a huge 12% contribution to the Philippine economy. It is important to gear our policies and that we work together especially in terms of integrating and linking our startups with other stakeholders, building the ecosystem. All these are aimed at addressing poverty, inequality, and building the nation” – Undersecretary Rafaelita Aldaba.

BOI Director Lanie Dormiendo added that there have been substantial changes in the use of cloud-based services and local enterprise solutions that companies in the Philippines are expected to utilize to growth their businesses. Global Data revealed that more than 90% of enterprises in the Philippines will continue to adopt cloud-based solutions and there is projected growth of enterprise demand from US\$ 1.8 billion to \$ 2.6 billion in 2024, almost doubling the country’s demand for cloud-based solutions. Government incentives in all these tech-based activities are also available with a maximum 17 years of incentives.

The panelists also shared their journey in and with the Philippines:

□BLDT, the oldest and largest telecommunications and digital company in the Philippines, shared that demand for data usage in the Philippines is continuously growing. Comparing the pre-pandemic levels of internet usage from five years ago, there were 68 million users in the Philippines. Currently, there are 82 million internet users. By 2025, internet users are estimated to be close to 90 million. Most Philippine businesses (90%) also view-cloud based technology solutions as an important factor in mitigating the impact of the pandemic.

□BLENTINA, a FINTECH & AI startup with headquarters in Silicon Valley and serving emerging markets shared that just in 2020, they grew their downloads in the Philippines by 10x in one year. The company started 2021 with about 15,000 downloads and ended the year with 300,000 downloads.

□SENTI A.I started as a simple social media listening platform and it has now transitioned into helping Philippine companies and organizations understand AI and develop solutions to bring efficiency to their operations.

□Dycan, an early-stage motorcycle startup is leveraging electronics manufacturing, as one of the most established industries in the country, as well as the status of the Philippines’ existing competitive manufacturing base for motorcycles assembly, parts, and components and combining it with AI applications.

What are the trends emerging from CES 2022 that the panelists are most excited about for the Philippines?

Hyperscale market coming to the Philippines. Geopolitical considerations combined with the Philippines' digital profile have made the Philippines attractive to CES participating companies. The country's 111 million population with an average age of mid-20s, Filipinos spending most of their time on social media, are some of the major advantages of scaling up businesses in the Philippines. PLDT is also investing 80 to 90 billion pesos every year in CAPEX to strengthen infra to support all the startup all the tech solutions.

AI growth for the Philippines. Innovation on the Finance and AI space is growing exponentially but there are a lot of opportunities to expand in the IT and Business Process Management Space such as contact center AI and document AI, among others. The ITBPM sector is one of the biggest industries in the Philippines and it is being complemented with the right technologies to remain competitive in the global market.

Innovations in intelligent manufacturing – Technologies in this space are still expensive but there is a lot of opportunity in bringing it to the low cost and making it available and viable for the local market.

The recording of the business dialogue is available on demand at

<https://youtu.be/vWm4ggA2Ay4>

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