

# IT AND TECHNOLOGY IN THE PHILIPPINES:

## INNOVATION

The Philippines is now **50th in the Global Innovation Index**, a huge leap from being ranked 100th in 2014. The country ranks particularly well on Business Sophistication (29th) and Knowledge & Technology Outputs (26th).

### Selected sub-categories:

**1st on High-tech Imports**

**3rd on High-tech Net Exports**

**8th on ICT Services Exports**

**19th on e-participation**



The Philippine Innovation Act will fast-track improvements in science, technology and innovation culture, awareness of R&D activities and improvements in human capital. The Innovative Startup Act provides benefits and support for the startup ecosystem. Several government programmes support startups through acceleration and incubation, integration with traditional supply chains, and international exposure.

## INTERNET USAGE

- **67% - internet penetration** in the Philippines (2021) accounting for approx. **74 million users**.
- **80.7% - social media usage** in the Philippines (2021) accounting for approx. **89 million users**.
- Philippine e-commerce is **projected to grow to USD 12 billion by 2025**.
- Consumers still prefer cash on delivery as payment method. Only 24% of payments are settled via credit card.



## IT-BUSINESS PROCESS OUTSOURCING (IT-BPO)

- The Philippines is the Call Center Capital of the World.
- Since the 1990s, IT-BPO businesses became a major component of the Philippine economy due to its large workforce, and majority of its population are fluent in speaking English and have an excellent customer service skill.
- IT-BPO revenue rose from USD 8.9 billion in 2010 to **USD 26.3 billion in 2019** with new growth-segments including health care, gaming and animation services.



# OPPORTUNITIES IN THE PHILIPPINES



## DIGITALIZATION

- 95% of SMEs in the Philippines are not equipped with an up-to-date set of digital tools. While a lot of processes in the Philippines remain paper-centric, the COVID-19 pandemic has accelerated to process of digitalization.
- This ranges from expansion of cloud solutions and data warehousing, big data analytics, business process software, building information management, tele-health solutions, online banking and payment systems.



## CYBERSECURITY SOLUTIONS

- With increasing integration of digital solutions and electronic payment solutions, the demand for cybersecurity has picked up as well.
- Many companies in the Philippines work with several sources of data, not all integrated or digital: standardizing data data streams, access and storage are still in its infancy. A 2019 estimate projected USD 3.5 billion, but a shift to work-from-home across industries has further exposed the Philippines to various cyber risks.



## SMART CITY TECHNOLOGY

- The Philippines is experiencing rapid increase in population coupled with urbanization, therefore resulting to congested cities.
- Traffic in Metro Manila alone is among the worst in the world. Hence, public transport infrastructure has been prioritized and demand for smart city technology and smart home appliances is expected to take off across the country.

Presented by:



DUTCH CHAMBER  
OF COMMERCE IN  
THE PHILIPPINES

Copyright © 2021 Dutch Chamber of Commerce in the Philippines  
Contact DCCP directly through [www.dccp.ph](http://www.dccp.ph)  
or email via [secretariat@dccp.ph](mailto:secretariat@dccp.ph)