



The People

Origin and Culture

Majority of the population are from the Malay stock. Long before it was “discovered” in 1521 by the explorer Ferdinand Magellan, the archipelago – eventually named the Philippines after King Philip II of Spain – already had trading relations with the flourishing civilizations in the region. Spanish rule lasted for 333 years. American colonial rule followed and lasted for nearly 50 years. Many aspects of Philippine culture today reflect this varied cultural heritage.

Education

The Philippines has one of the highest literacy rates in the world. At 94%, its literacy rate is the highest in Southeast Asia, and higher than Hong Kong and Taiwan.

Education is culturally very important to the Filipino, and is usually regarded as a means of moving up the social ladder. This importance can be seen in the number of schools and students in the country. Elementary schools numbered 39,312 in 2002 and secondary schools, 7,128. In school year 2001 - 2002, a total of 12.7 million students were enrolled in the elementary level, and 5.2 million in the secondary level.

The Philippines is one of the Asian countries with an edge in number of universities, colleges and institutions of higher learning. Colleges and institutes number about 1,389 and universities at about 100. Total enrollment in the tertiary level for school year 2001 - 2002 was estimated at 2.2 million.

Language and Skills

English is widely spoken and is the medium of communication in business and higher education. The Spanish and Chinese languages are also spoken by a small minority. Filipinos are highly trainable and adept at producing medium- to hightech products. Both skilled and unskilled workers consistently rate well in quality of work per surveys of executives in the Asian region. The people have also recognized management capabilities, computer skills, craftsmanship, and design artistry.



Religion

Christianity is the predominant religion in the country, with the Roman Catholics comprising a major portion of the population. Dominant Protestant denominations include Baptists, Methodists, and Lutherans. Locally established Christian churches, namely, the Iglesia ni Kristo and the Philippine Independent Church, together with Islam and Buddhism, comprise less than 15% of the population.



Pahiyas Festival

The Philippines . . . at a Glance

Land Area: 300,000 sq. km. (115,830 sq. mi.); archipelago of 7,107 islands
Capital: Manila (land area of 38.3 sq. km.)

Government: Democratic

Political System: The 1987 Constitution provides for a presidential system of government with a bicameral parliament and 3 equal branches: the executive, legislative and judiciary

Population: 79.5 million (2002)

Population Growth Rate: 1.99% (projected annual growth rate for 2000-2005)

Population Density: 251 persons/km² (preliminary result of Census 2002)

Life Expectancy: 66.6 years, male; 71.9 years, female (data as of 2002)

Literacy Rate: 93.9%, highest among Southeast Asia, Hong Kong, and Taiwan

Languages Spoken: Filipino, English, Chinese, and Spanish

Ethnic Background: Malay, Spanish, American, Chinese, and Islamic

Major Religion: Predominantly Roman Catholic (82.9%), Protestant (5.4%), Islam (4.6%)

Ports of Entry: Manila, La Union, Cebu, Iloilo, Cagayan de Oro, Davao, General Santos, Zamboanga

Climate: Tropical with a normal year round temperature of 27°C (82°F); Two pronounced seasons, dry and wet

Time Zone: GMT + 8 hours

Currency Unit: Philippine Peso (US\$1 = Php55.059 as of March 19, 2003)

Population

Based on preliminary results of the year 2002 national census, the country's total population has reached 79.5 million, and is estimated to increase at an annual rate of 2.0% from 2000 to 2005. With a total land area of 300,000 square kilometers, the country has a population density of 251 persons per square kilometer. Urban population, which has steadily increased over the last three decades, was counted at roughly 44.4 million, around 60% of total population.

As of July 2002, the size of the labor force was estimated at 32.1 million, composed of persons age 15 years old and over. Of this number, 88% are employed.

The Land

The Philippine archipelago lies off the southeastern coast of mainland Asia. The Pacific Ocean bounds it on the east, the Celebes Sea on the south, and the South China Sea on the west and north.

The Philippines is made up of 7,100 islands and islets, making it one of the largest archipelagos in the world. The islands are grouped into three geographic areas: Luzon, the biggest island group where the capital city of Manila is located, Visayas, and Mindanao.

Topography is varied, consisting of lowlands, high mountain areas, and a coastline of 18,411 kilometers on which there are 60 natural harbors. Manila Bay, considered the country's premier seaport facility, has an area of 1,970 square kilometers and a coastline of 192 kilometers.

The country has two distinct seasons: the dry season, from November to May, and the wet season, which covers the rest of the year. The different parts of the country experience varied weather conditions because of the general airstreams that cross the islands, namely, the monsoons and tradewinds. The average annual rainfall in the Philippines is about 2,030 millimeters. Temperature ranges from 23-32 degrees centigrade and humidity varies from 70%-85%, depending on the time of year.

The Business Environment

The Philippines is competing to become the preferred location for global outsourced service provision.

As a country, it is strategically located and the time zone allows a 24 hour work shift compliment to the U.S. with its 12-hour time zone difference. It is a gateway of international shipping and airlines such as FedEx and UPS. It is accessible as well by air within four hours to any Asia capital such as Japan, Korea, and Singapore. Companies that have partners or location in the Philippines can maintain round-the-clock work progress. The country is very democratic and most liberal in terms of press freedom in Asia.

The most important asset that the Philippines has to showcase to the rest of the world is its people and is the 3rd largest english speaking country in the world. For the US market, the Filipino entrepreneur and knowledge worker speaks the same language, "American english", allowing efficient



work communication. The educational system of the country was set up by the Americans when the Philippines was still a colony from 1898 up to 1945. From entering kindergarten to college, the medium of educational instruction is American English. This resulted to the Filipinos excellent grasp of the English language that has remained the medium of instruction from pre-school up to post-graduate university.

More than 95% of Filipinos are Catholic and is the only Catholic dominated country in Asia. Filipinos value college education highly and is considered as an important legacy that a parent can give to its children. Spanish and Asian upbringing makes the Filipino naturally hospitable, caring, peaceful, and with a patient temperament.

The country produces 380,000 college graduates a year where close to 100,000 thousand are in the information and communications technology field. The educational institutions in the country as well strives to remain updated with the latest technologies in order to produce competent work force.

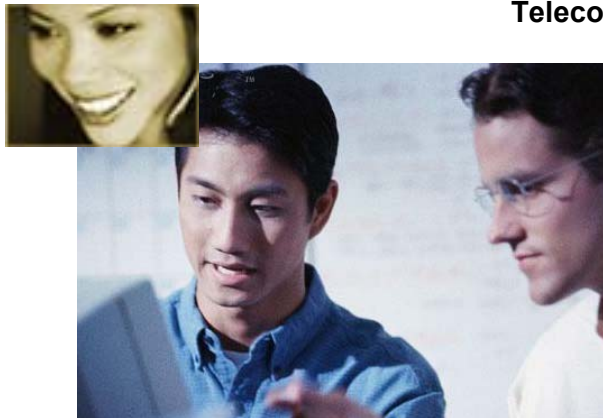
The Filipino worker is a seeker of job security and puts such on its top priority. He/she puts high importance as well to career growth, has excellent work ethic, is loyal, polite, and respectful to its superiors, flexible in working hours and views responsibility as an opportunity to enhance knowledge.

The Filipino entrepreneur and professional is widely exposed to US culture, business practices and style of management. Many US companies like Citibank and IBM, among others have been operating in the country.

The government also has various initiatives and incentives to attract US companies to put their offshore offices in the country. Cost of operating business in the Philippines can contribute 35% to 50% cost savings compared to US business operations cost. Although the country may not necessarily be the cheapest in the world but offers high quality that can be relied upon. Expatriates also finds the Philippines quality of life to be very attractive where at present, more than 100,000 of them are living here.

Value of labor in the Philippines is not the cheapest in the region but with the Filipino's inherent cultural advantage, it has become the preferred choice.

Telecommunications Infrastructure



The country's liberalization of its telecommunications infrastructure also paved the way for affordable cost of Internet access and similar facilities. T1 fiber optic lines are available from the US to the Philippines at rates ranging from US\$10,000 to US\$14,0000 and DSL lines for US\$600 with a connection time from 2-4 weeks.

There are at present 9 international carriers, 5 nationwide cellular operators, 5 nationwide long distance providers. The country has a capacity of 10 million phone lines where 3.5 million of such is in use. 13 million cellular phone capacity whereas 9 million is presently in use. To add, the Philippines is presently dubbed as the SMS text messaging capital of the world whose volume of messages remains unsurpassed. The



two largest cellular phone companies in the Philippines are GLOBE Telecommunications and SMART Communications. For US carrier subscribers roaming in the Philippines, Tmobile and AT&T are both supported by the major carriers, except for Cingular network, which is only operational within the SMART network.

Digital microwave radio system, digital fiber optic network, broadband network is also laid out to cover almost every major city in the country. Various access infrastructures is also available from dial-up, ISDN, TDM, frame relay, DSL, cable modem, satellite, and cellular GPRS.

Call Centers

The Philippines is emerging as a specific alternative to India, due to historical and cultural factors according to IDC Call Center Forecast and Analysis Report (2001-2002).

Call center services done in the Philippines cover both inbound (inquiries, help desk, technical support, payment authorization, order taking, complaints handling, directory assistance, among others) and outbound (telemarketing, telesurvey, telecollection, sales verification, sales dispatch, reactivation of lapsed accounts, among others). Solutions offered include customer relation management, partner relationship management, quality management systems, and loyalty management programs. These are all done via phone, fax, email, chat, and web collaboration tools.

Call center work are considered as careers by Filipinos who are now working in these facilities. A majority of them came from prominent educational institutions in the country and are all college graduates. The attrition rate is less than 5% where an average call center worker last for no less 2 and a half years compared to 8 to 9 months in the US.

Outsourcing Record

More than 8,000 companies have been outsourcing knowledge based work to the Philippines such as America Online, Andersen Consulting, Barnes and Noble, Caltex, Citibank, Fluor Daniel, Manulife, Morgan Stanley, Northwest Airlines, Procter and Gamble, People Support, to name a few.

The country has always been utilized as well for business process outsourcing where you'll find companies doing litigation support, scholarly publishing, content conversion, shared services, such as Elsevier Science, Blackwell Science, Microsoft, Nature Publishing, Lexis-Nexis, AIG, International Red Cross, Allitalia, Great Plains Software, Fujitsu, Accenture, Headstrong, NEC, Simteria, Trend Micro Labs, Sea Land, among others.

Creative cartoon work are also done in the Philippines such as Flinstones, Hanna Barbera, Disney, Atlantis, Cartoon Network, Iron Giant, among others.

Software Development

The Philippines is also a significant alternative choice for software development. Its IT professionals are diverse in terms of skills covering Cobol, DB2, CICS, VMS, Oracle, Visual Basic, C++, UML, Java, J2EE, J2ME, EJB, EDI, XML, among other technologies. The





country has more than 200 companies specializing in software, web, and wireless application development.

Intellectual Property Rights

The Philippine government has made it a State policy to protect and promote intellectual property rights. This policy was enshrined both in the 1973 Constitution which provides that “the exclusive right to inventions, writings and artistic creations shall be secured to inventors, authors, and artists for a limited period” and in the 1987 Constitution which explicitly mandates that the State shall protect intellectual property.

The Philippines became a member of the World Intellectual Property Organization [WIPO] in 1980.

Office Space Cost

The rate per square meter per month in Makati, which is the central business district of the Philippines ranges from Php300 to Php600 exclusive of value-added tax. Parking slot rental is Php3000 per month.

The Political System

The Philippine government is divided into three coequal branches: the executive, the legislative, and the judicial. The executive branch consists of the President and the cabinet, whose main task is to administer the functions of government. The legislative branch, which enacts laws, consists of the Senate and the House of Representatives. The judiciary, the branch that ensures administration of justice, consists of a system of courts, the highest of which is the Supreme Court.

Philippine democratic tradition, established under the First Philippine Republic and strengthened under American rule, was interrupted with the imposition of martial law by President Ferdinand Marcos in 1972. Under the Marcos regime, trade remained liberalized but consolidated among government-favored oligarchs. However, this system was toppled 14 years later in 1986 by a bloodless “People Power” revolt led by several government officials and tens of thousands of supporters. Corazon C. Aquino was installed as President and authentic democratic rule was restored.



People Power inspired nonviolent movements for democracy in Burma, South Africa, Poland, and Chile. Cory Aquino is best remembered for reestablishing democratic institutions and presiding over the peaceful transfer of power to her successor. For her determination and courage in leading a democratic revolution without bloodshed, Cory Aquino received international awards such as the Time Magazine’s Woman of the Year, the Eleanor Roosevelt Human Rights Award, the United Nations Silver Medal, the Canadian International Prize for Freedom, the J. William Fulbright Prize for International Understanding, and the International Leadership Living Legacy Award from the Women’s International Center.

Fundamental economic reforms were undertaken by the administration of President Fidel Ramos. The government



allowed private sector participation in sectors previously closed to private investors such as power generation, road/tollroad development, telecommunications, and transportation infrastructure through the BOT scheme and its variants. It also broke down monopolies, cartels, and barriers-to-trade such as tariffs. In a similar manner, the government significantly reduced state intervention in the market and encouraged private sector participation in economic and social development, fostering the development of labor-intensive industries.

President Joseph Ejercito Estrada assumed the presidency with the avowed intention of addressing the plight of the disadvantaged sectors of society and building upon the economic reforms began by Ramos. Estrada's term of office was cut short by mass protests over alleged corruption, which led to the withdrawal of support by members of his cabinet and the military and police leadership.

The second People Power revolt in January 2001 was lauded by the Nobel Peace Prize Laureates Foundation, which presented the Nobel Peace Prize Award to President Gloria Macapagal-Arroyo, installed as the country's 14th president in place of Estrada, in ceremonies marking the 15th anniversary of the first People Power.

Pierre Marchand of France, head of the Foundation, praised Filipinos for once more inspiring the world. The Philippines is the first country to receive this citation for demonstrating that a peaceful revolt can lead a smooth transition of power.

On a similar note, an annual training exercise involving US troops, training and advising their Philippine counterparts to fight terrorism is held in the small island of Basilan, Mindanao, which is 650 miles away or two hours flight and an hour boat ride from Metro Manila.

Visiting the Philippines

Visa

Americans are allowed to enter the Philippines without visas for a stay not exceeding twenty-one (21) days, provided they hold valid tickets for their return journey to their port of origin or next port of destination. Regulations require that passports are valid for a period of not less than six (6) months beyond the contemplated period of stay. However, Immigration Officers at ports of entry may exercise their discretion to admit holders of passports valid for at least sixty(60) days beyond the intended period of stay.



Flights

Philippine Airlines (PAL) is the flag carrier of the Philippines, which operates both local and international routes. PAL is the oldest airline in the Far East. It has daily flights from Manila to Los Angeles and San Francisco with an estimated airfare of \$966 one way and round trip of \$1894 with a 1 year validity of ticket.

Other major carriers such as Northwest Airlines have international routes from Manila to the US and vice versa.





Entertainment and Recreation

Theaters in the Philippines generally refer to venues for viewing commercial films and live performances. Several first-class movie houses present international films. The Cultural Center of the Philippines houses national ballet, orchestra, and theater companies, while smaller groups produce a variety of live entertainment fare ranging from torch songs in nightclubs to Broadway musical.

Metro Manila restaurants offer a wide range of Asian and Western cuisine.

The Philippines has facilities and trainers for most popular sports such as basketball, soccer, boxing, tennis, golf, bowling, track and field, cycling, mountain climbing, horseback riding, scuba diving, swimming, martial arts, archery, target shooting, and bodybuilding. First-class country clubs, open to members and guests, offer a convenient combination of sports, dining, and other recreational facilities. They may be used by visitors through special arrangements with members or club management.

Government and private resorts are established at many significant tourist venues. Lakeside resorts, remote island resorts, and various other facilities also allow local and foreign visitors to directly experience the vast range of natural phenomena and settings throughout the Philippine archipelago.

American Restaurants Located in the Philippines

Here are just some of the American restaurants that have expanded in the Philippines.

Starbucks	54 branches
California Pizza Kitchen	4 branches
TGI Fridays	6 branches

Accommodations

The Philippines can provide a wide range of accommodations to prospective investors. There are several first-class hotels as well as small luxury apartments in Metro Manila and in major urban or tourist sites. Standard hotels, pension houses, and regular apartments are also available. For long term stays, houses, townhouses, and condominiums may be bought, leased, or rented at various rates.



Top Five star hotels

Hotel Inter-Continental Manila

No. 1 Ayala Avenue, Makati City, Manila

Hotel Inter-Continental Manila is the longest running international hotel in the Philippines, and it continues to be a favourite among travellers to Metro Manila.

The Peninsula Manila

1226 Makati City, Philippines

Five Star Deluxe Rating - Philippine Department of Tourism
Top 2 Hotels in Manila - Euromoney Magazine 1994
Top 75 Hotels in the World-Institutional Investor 1992





Dusit Hotel Nikko

Ayala Center, Makati City, Philippines

The first deluxe Makati hotel from Ninoy Aquino International Airport, approximately 25 to 40 minutes by car.

Mandarin Oriental Manila

Makati Ave., Makati City, Philippines

Multi awarded for its exceptional service and cuisine, Mandarin Oriental Manila is a haven in the heart of Makati, the business and shopping district of Manila.

Makati Shangri-La, Manila

Corners of Ayala Avenue and Makati Avenue, Makati City, Manila, Philippines

Proudly stands on the crossroads of Makati City's business, shopping, dining and entertainment centre.

Golf and Country Clubs in the Philippines

Alabang

Alabang Country Club

Baguio City

Club John Hay
Baguio Country Club

Batangas

Calatagan Golf Club
Evercrest Golf Club and Resort

Cavite

Manila Southwoods Golf and Country Club
Puerto Azul Golf Course
Riviera Golf and Country Club
Sherwoods Golf and Country Club
Tagaytay Highlands International Golf Club
The Orchard Golf and Country Club
The Riviera Golf and Country Club

Intramuros

Club Intramuros Manila Golf Course

Laguna

Canlubang Golf and Country Club
Sta. Elena Golf Course
TAT Filipinas Golf Club

Laoag

Fort Ilocandia Golf Club

Makati

Fort Bonifacio Golf Club
Manila Golf and Country Club
Philippine Navy Golf Club

Mandaluyong

Wack Wack Golf and Country Club

Olongapo

Subic Bay Golf Course

Pampanga

Air Force Golf Course
Mimosa Golf and Country Club

Pasay City

Villamor Air Base Golf Course

Quezon City

Camp Aguinaldo Golf Club
Capitol Hills Golf and Country Club
Veterans Golf Course

Rizal

Eastridge Golf Club
Forest Hills Golf and Country Club
Valley Golf and Country Club

Tarlac

Luisita Golf and Country Club

