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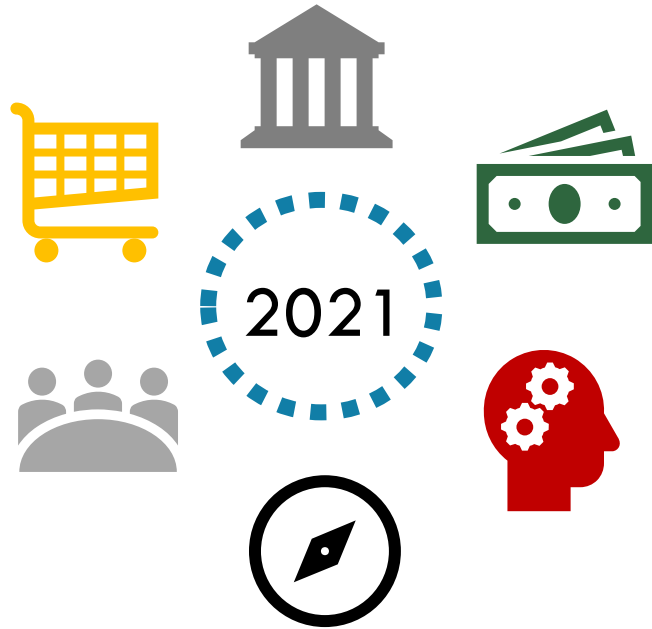


# ASSESSING THE PHILIPPINE ENTREPRENEURSHIP ECOSYSTEM

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# MEET CIELO MONTEVERDE



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# HOW STRONG IS THE PHILIPPINE ENTREPRENEURSHIP ECOSYSTEM?

Over half of the world has a stronger entrepreneurship ecosystem

## MOST ENTREPRENEURIAL COUNTRIES

	Rank
United States	1
Switzerland	2
Canada	3
United Kingdom	4
Australia	5
Denmark	6
Iceland	7

## PHILIPPINES AND ITS NEIGHBORS

	Rank
Singapore	27
China	43
Malaysia	58
Thailand	71
Philippines	84
Vietnam	87
Indonesia	94

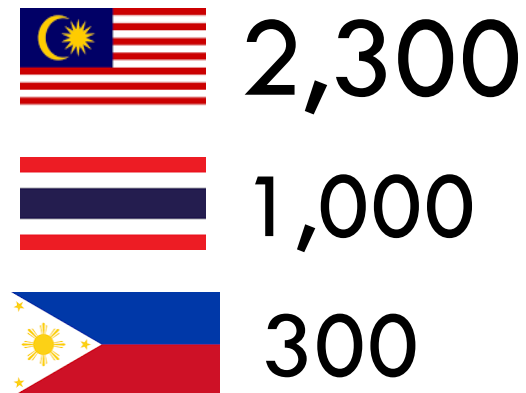
Source: The Global Entrepreneurship Index, 2018.  
Ranking includes 137 countries

# ...HOW EFFECTIVE IS THE PHILIPPINE ENTREPRENEURSHIP ECOSYSTEM?

The Philippine ecosystem suffers from a low firm *birth rate*

New firms born in 2016

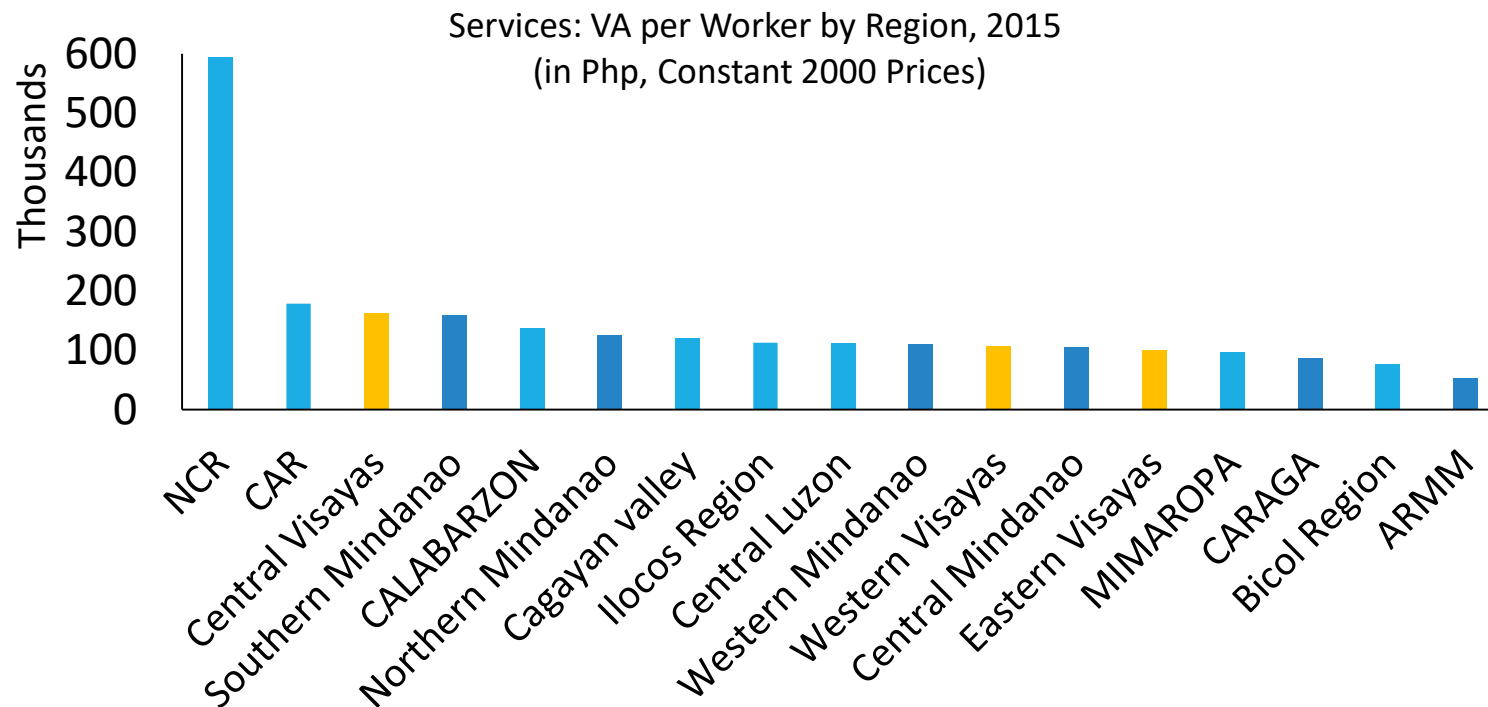
For every 1 million  
working age population...



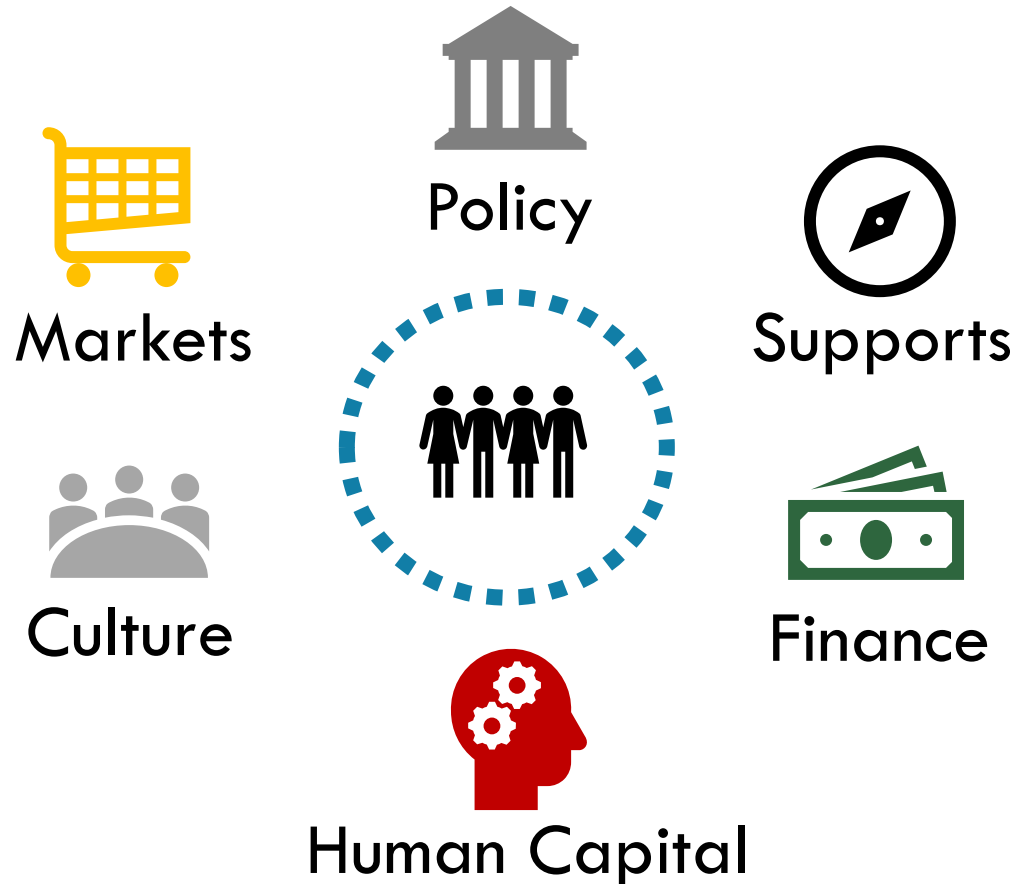
Source: World Bank. 2018. World Development Indicators  
Business Density

# ...HOW INCLUSIVE IS THE PHILIPPINE ENTREPRENEURSHIP ECOSYSTEM?

Some subnational ecosystems lead to higher productivity levels



# ASSESSING THE ECOSYSTEM USING THE WORLD BANK'S ENTREPRENEURSHIP DIAGNOSTIC TOOLKIT

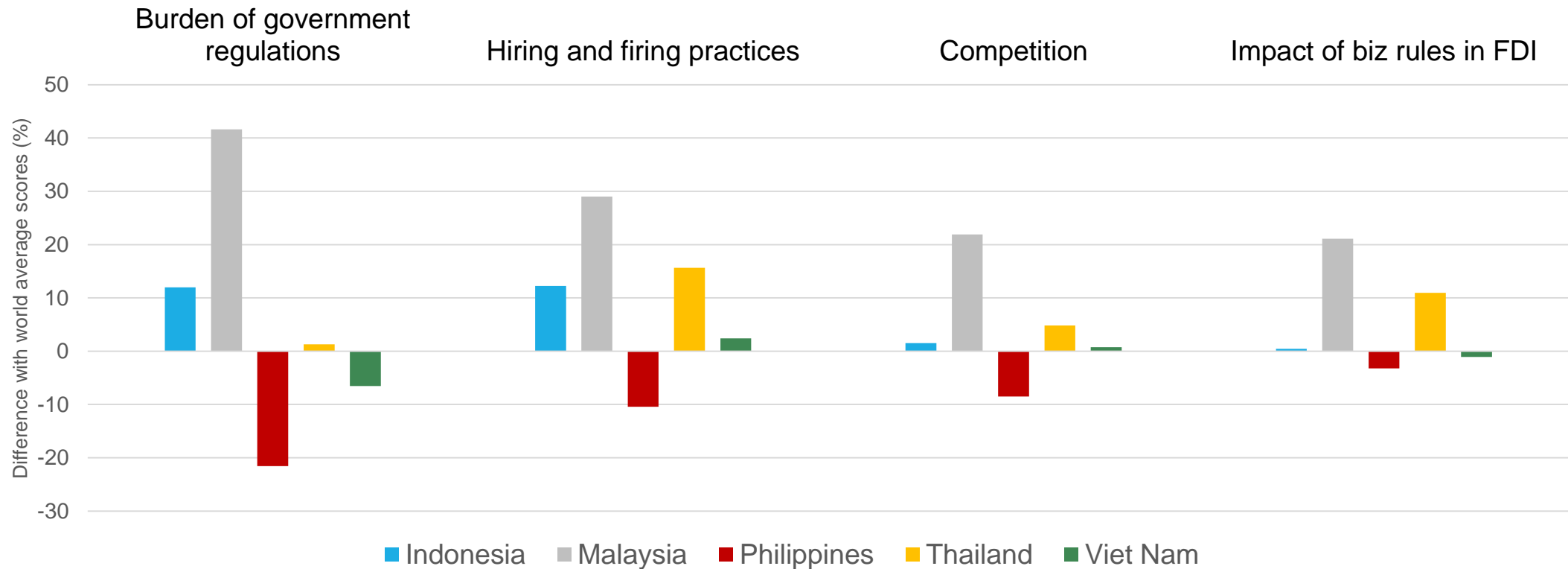


Source: Babson Entrepreneurship Ecosystem Project.



# POLICY

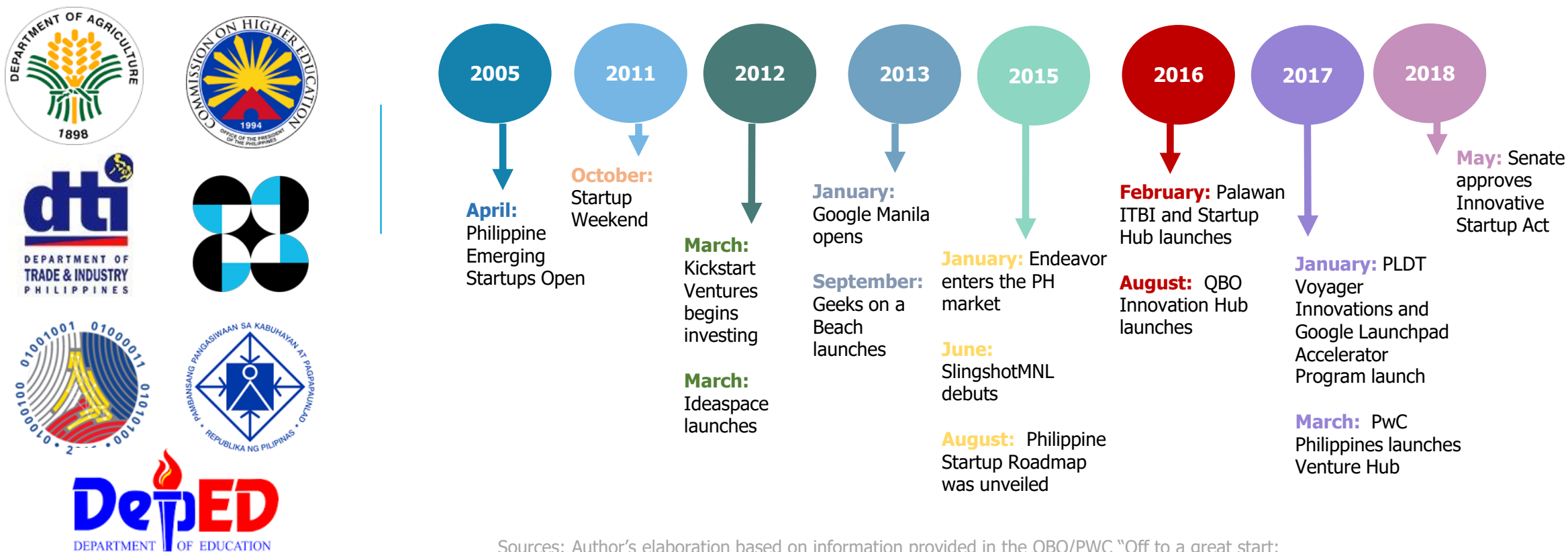
## It's less bureaucratically fun in the Philippines



Source: WEF, 2017. World Competitiveness Report

# SUPPORTS

Support mechanisms have increased over time. Time to take stock and coordinate.



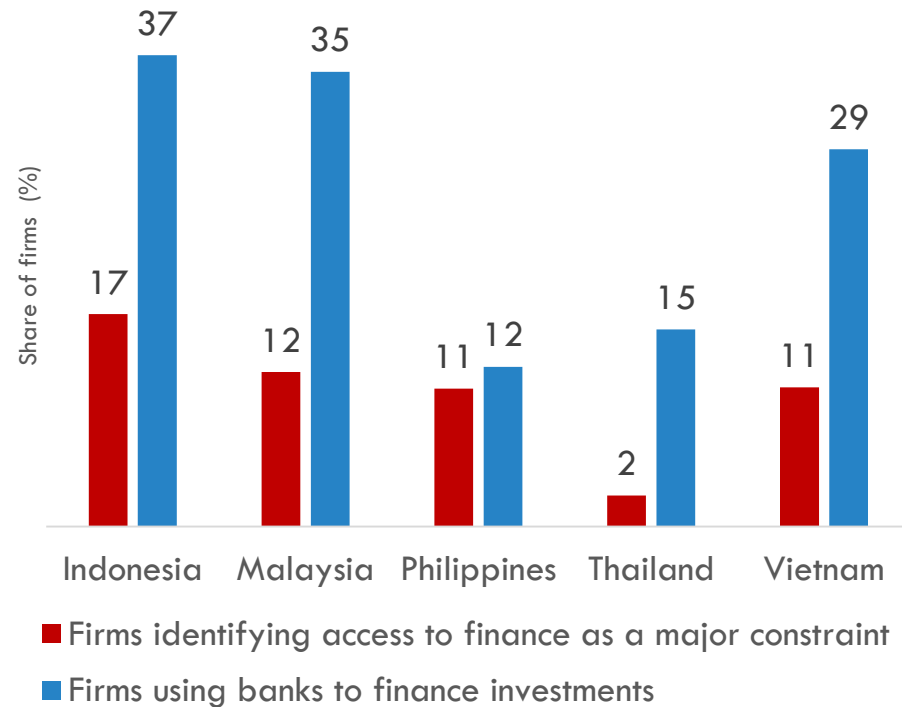
Sources: Author's elaboration based on information provided in the QBO/PwC "Off to a great start: 2017 Philippine Startup Survey", VMware Cloud Index, and data collection.





# FINANCE

Access to finance might not be a major constraint but few firms use banks to finance investments



Source: World Bank, 2015. Enterprise surveys.

In 2017, Philippine tech startups attracted a small share of regional investment



100 deals  
\$18 million



310 deals  
\$3 billion

Source: CB Insights, 2017 (Jan-Sept).



# HUMAN CAPITAL

Filipino firms train a greater portion of their employees, but don't spend much on software

- Lots of firms offer training to their full time employees



60%



19%

- Neighboring countries spend more than the Philippines on software



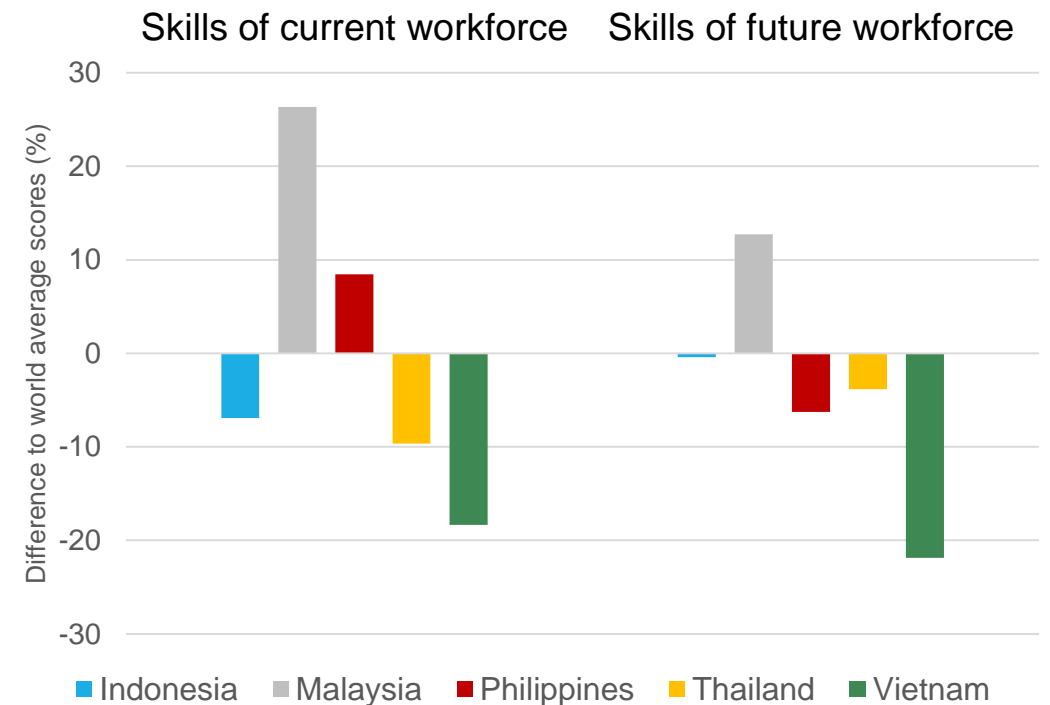
50%



33%

Source: Cornell, INSEAD, WIPI, 2018. Global Innovation Index

Skills of today are above average but they are not fully ready for the future

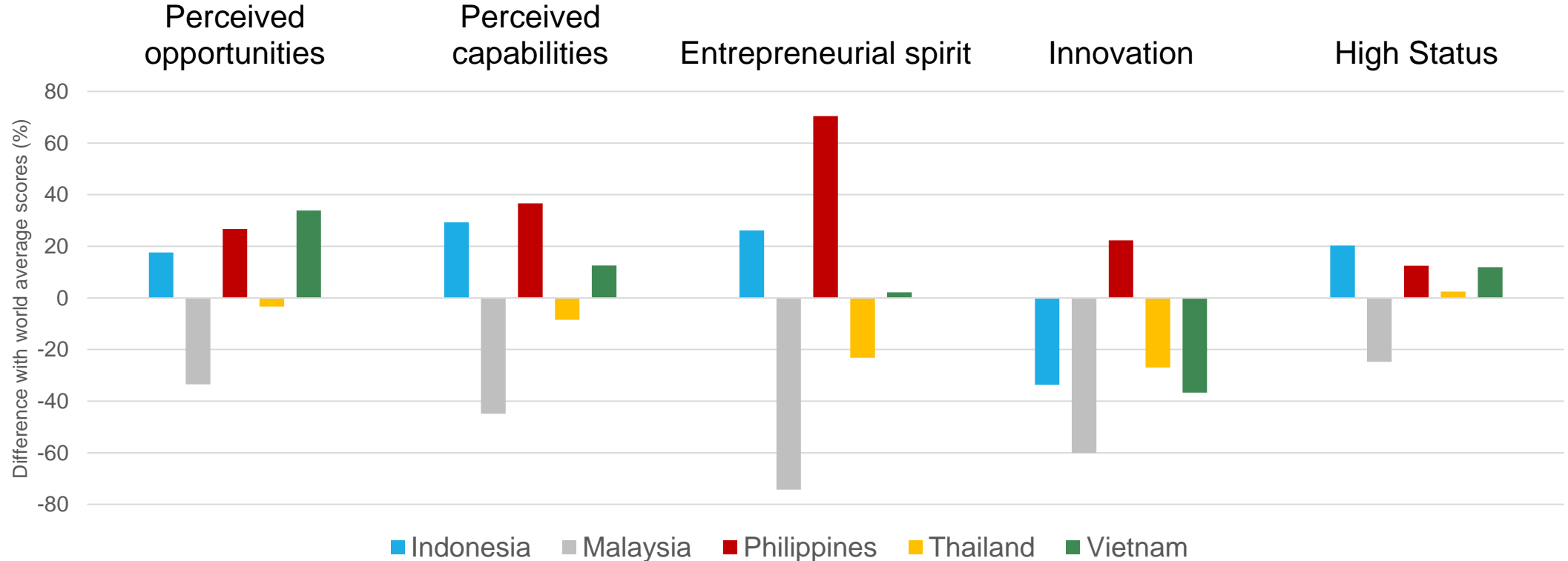


Source: WEF, 2016. World Competitiveness Report



# CULTURE

The perceived Filipino entrepreneurial traits are above world averages



Source: Global Entrepreneurship Monitor, 2015



## CULTURE

Connected Filipinos are world leaders on internet usage and social media...



On average, every day Filipinos spend:

- over **9h** on the internet, the 2<sup>nd</sup> most worldwide
- over **4h** on mobile internet
- nearly **4h** on social media, the world's leader, including **67m** Facebook users

...but they make less online purchases than their neighbors

### SHARE OF PEOPLE BUYING ONLINE



	%
Thailand	62
Malaysia	59
Vietnam	47
Indonesia	40
Philippines	39



# MARKETS

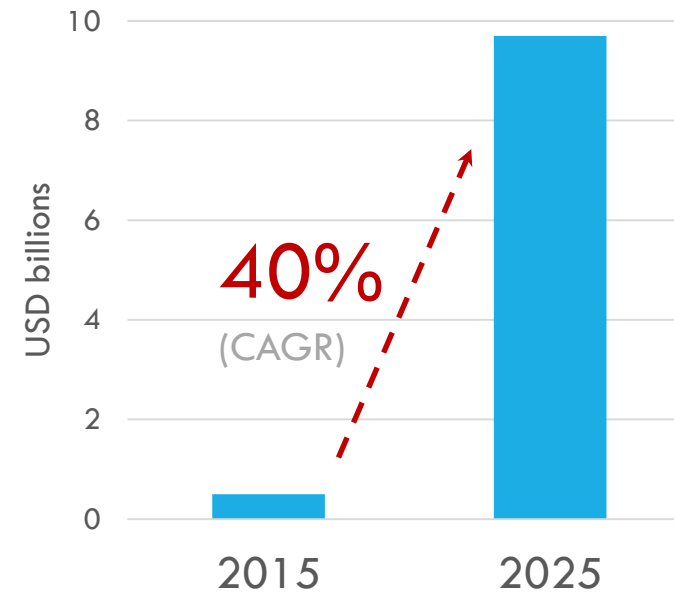
Despite the low level of online purchases made by Filipinos nowadays...

...the Philippine e-commerce retail market will grow to nearly \$10b in 2025

## DIGITAL PURCHASES PER BUYER



	USD
Singapore	1,861
China	634
Thailand	199
Vietnam	160
Malaysia	74
Philippines	38
Indonesia	32



Source: Accenture. 2017. Insights to Digital Commerce  
Per capita digital purchase

Source: Google Temasek, 2017



# MARKETS

Few businesses are ready for the digital economy

BUSINESS CONNECTING TO CONSUMERS THROUGH THE INTERNET



	Rank
Malaysia	26
Singapore	24
Indonesia	28
China	32
Thailand	39
Vietnam	47
Philippines	51

Source: WEF. 2016. Global Information Technology Report  
Internet use for business-to consumer transactions ranking (Out of 139)

Online participation is currently constrained by high prices



**53%** of people using cellphones do not access the internet.

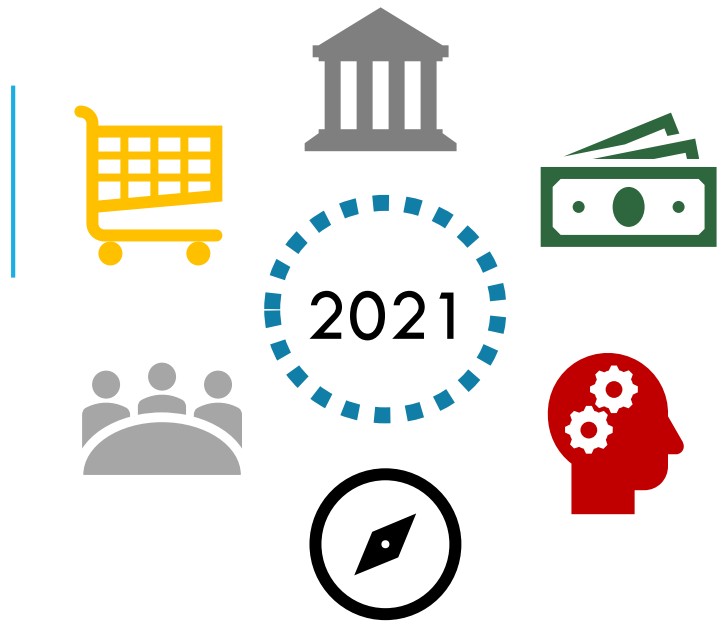
Mobile internet is nearly **3x** more expensive than in Malaysia.



**24%** of households have broadband.

Broadband internet is over **6x** more expensive than in Malaysia.

Source: ITU, 2017. Measuring the Information Society Report.



**LET'S MAKE  
CIELO'S DREAM  
A REALITY**



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Thank



you



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