

# Why the Philippines is the Best Place to Set Up Your Offshore Team

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## Low Costs

The Philippines has a huge number of available, young, highly skilled and experienced workers, all of whom possess excellent English speaking skills and high levels of energy and enthusiasm. The cost differentiation between salaries, benefits and operational overhead all are major components that make the Philippines so appealing to New Zealand businesses. It is estimated that the salary of a contact center agent in Philippines is one third that of a New Zealand hire. On top of dramatic labor-related cost savings, commercial property and infrastructure is significantly cheaper and subsidies and tax breaks further reduce costs.

## Cultural Compatibility

In the Philippines English is the primary language for business. The Philippines takes pride in its cultural affinity with western countries. Specializing in call centers and business process outsourcing the Philippines has turned out to be a preferred choice for overseas staffing and outsourcing. Being a former colony of Spain, the Philippines is a culturally open society, an advantage over its rivals in the outsourcing market.

## Skilled & Available Workforce

While India remains the top outsourcing location for IT services, the Asian region is continuing to make strong headway. Countries like Singapore, Malaysia and Indonesia have all proven to be exceptional locations for outsourcing; however one of the countries making the most headway has consistently been the Philippines.

750,000 people at the end of 2012 Employed

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The Philippines produces 15,000 graduates and has a literacy rate of over 94% with English as the primary language of instruction. This is main reason why the Philippines overtakes many countries in fields like customer support.

## **Economic Growth & Stability**

The Philippines is one of the most dynamic economies in the East Asia regions. With a stable political environment the country has seen a growth rate Growth of above 5% in the past decade and has a globally recognized competitive workforce. Increasingly global businesses, particularly those headquartered in the US, Asia, Australia and New Zealand are recognizing the benefits of offshoring to the Philippines.

There is a strong affinity between western countries and the Philippines. There is also alignment in governments, and the regulatory environment is conducive to growth. Therefore, the Philippines is an ideal location from an economic perspective. Low labor costs provide an opportunity for organizations to provide customer-facing services at very attractive rates, while still providing that high level of quality customer care that providers are looking for.