

Optimistic Outlook: Robust Philippine GDP growth to outpace regional peers

IMF expects the Philippines to be the fastest growing among the ASEAN-5 in 2022

- ▶ The International Monetary Fund (IMF) raised its 2022 growth projection for the Philippines to 6.5% from 6.3% previously, owing to a weaker-than-expected impact of the domestic Omicron wave.
- ▶ The IMF's GDP growth forecast for the Philippines is the fastest among members of the Association of Southeast Asian Nations-5 (ASEAN-5), which are seen to post an average growth rate of 5.3%.
- ▶ The IMF expects Philippine economic growth to stabilize at a rate of 6.3% in 2023 and return to the pre-pandemic rate of 6.5% by 2024.

ADB sees robust domestic demand fueling Philippine growth in 2022 and 2023

- ▶ The Asian Development Bank (ADB) expects Philippine economic growth to accelerate due to rising domestic investment and consumption amid the easing of pandemic restrictions, which has allowed for more manufacturing and construction activities.
- ▶ ADB forecasts the Philippine economy to grow by 6.0% in 2022 and to accelerate further by 6.3% in 2023.

Deal Spotlight: PLDT raises USD 1.5 billion from landmark tower sale; PLDT's Voyager reaches unicorn status

PLDT offloads 5,907 towers for USD 1.5 billion in largest Philippine asset sale to foreigners

- ▶ PLDT, Inc. has agreed to sell 5,907 of its telecom towers, or around 50% of its entire tower network, to subsidiaries of Malaysia-based edotco Group and Singapore-based EdgePoint Infrastructure for PHP 77 billion (USD 1.5 billion), marking the largest-ever sale of Philippine assets to international investors.
- ▶ The transaction will be completed on a staggered basis, with the first closing expected in May and the last closing by the fourth quarter of 2022.
- ▶ Upon completion of the sale, PLDT's wireless unit Smart Communications Inc. will lease the towers from the new owners who will become the largest common tower operators in the country.

Voyager raises USD 210 million, becomes the Philippines' second unicorn

- ▶ Voyager Innovations, PLDT, Inc.'s technology unit and owner of e-wallet PayMaya, reached unicorn status after securing USD 210 million in its latest funding round led by new investor SIG Venture Capital. Existing shareholders KKR, Tencent, International Finance Corp. (IFC), and PLDT also participated in the round.
- ▶ The proceeds will be used for the launch of new digital bank Maya Bank and expansion of PayMaya's products and services to include cryptocurrency, micro-investments, and insurance.

Industry Insight: Return-to-office to accelerate office market absorption

Net absorption in the Philippine office market turns positive in Q1

- ▶ Colliers Philippines expects an acceleration in office market absorption in 2022 on the back of return-to-office mandates and expansion plans of companies amid the easing of pandemic restrictions and economic stimulus measures.
- ▶ The Philippine office market saw a net absorption of 26,400 sq.m. in the first quarter of 2022, marking the first positive net take-up after seven consecutive quarters of negative absorption. For the full year, net absorption is seen to hit 350,000 sq.m.

Gaining Ground: Healthcare outsourcing firms seek to expand Philippine footprint

US-based healthcare outsourcers Anthem and Optum eye expansion of their Philippine operations

- ▶ Anthem, Inc., a US-headquartered healthcare information technology outsourcer, remains optimistic with the opportunities in the Philippines and eyes the expansion of its operations in Iloilo given the strong nursing talent base. Anthem's local arm Legato Health Technologies started its Philippine operations in 2018 with an initial investment of PHP 950 million (USD 18 million) and 1,000 employees. In the past four years, the company has established offices in Metro Manila and Iloilo and grew its workforce to over 8,000.
- ▶ Optum Global Solutions, another US-based healthcare outsourcing firm and unit of the UnitedHealth Group, is also exploring expansion opportunities in the country. Optum has been operating in the Philippines since 2011 and has 19,000 employees across its offices in Metro Manila and Cebu.