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ROMANIA

# Davao City

## The New Outsourcing Destination



Name:

Davao City

Location:

Mindanao Isl., Philippines

Population:

1,449,296 M (city area)

Time zone:

PST (UTC+8)

Motto:

Life is Here.

For the past few years, the Philippines has been climbing up through the ranks of top global outsourcing locations.

So far, Manila has been the main destination for foreign companies, but that is changing quickly. A new business hub has appeared on the corporate radar and its name is on everyone's agenda:

### Davao City

Each location has its own geography, population and resources. But put together all those particularities and you will see that the odds no longer favour the established, Manila, but the challenger, Davao, for five simple reasons.

## 1. Lower cost of living

Davao City is less than two hours away from Manila by plane, but the difference 100 minutes make in terms of cost, both of living and of labour, is quite revealing. A person from Manila needs ₱96,782 to maintain the same standard of living that someone from Davao City can afford for ₱64,000.

This translates into lower labour costs for companies, better prepared teams and an improved ratio of quality to affordability.

Cost of Living Index

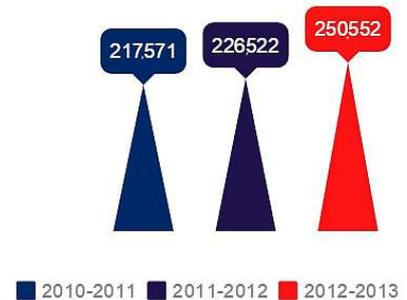


## 2. Superior talent pool

The island of Mindanao supplies the local labour market with over 250,000 English-speaking graduates each year, with degrees in IT, Business Administration, Engineering or Healthcare.

Their ranks continue to grow as skilled professionals pour in from Manila to Davao, Mindanao's main business hub, in search of better career opportunities. Many of them already have valuable BPO customer service experience.

Mindanao Labour Supply from Higher Education



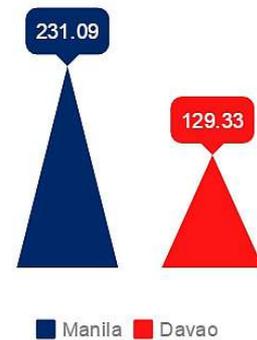
## 3. True business continuity

Davao City registers significantly fewer natural disaster occurrences than Manila. With fewer power outages, floods and typhoons, companies can develop reliable Business Continuity plans and their teams can thrive in stable work environments. Solid infrastructure, positive staff, satisfied customers - everything is connected.

## 4. Higher quality of life

With a Traffic Index of 129.33 and a Safety Scale of 79.64, Davao City is head and shoulders above Manila's 231.09 and 33.65, respectively. Davao also sees lower levels of corruption (25.57 vs. 83.33) and crime (16.97 vs. 73.79), and offers an overall higher Quality of Life - 53.11 vs. 42.10. In turn, this leads to happier employees, lower attrition rates and better service quality.

Traffic Index



## 5. Hiring follows talent

With outsourcing making up 6% of the GDP and expected to grow at an annual rate of 15%, local government is promoting Davao as a Next Wave city by offering cost reduction incentives and assistance.

Local universities, too, have begun tailoring their degree offers to reflect the job market, and encourage talent sourcing from outside Manila.

Hiring Rate (%)



For businesses looking to the Philippines for new growth opportunities, Conectys' smart destination choice - Davao City - translates into significant advantages for its clients. The natural conclusion? It's time to update your travel plans.

Data sources: Numbeo; Tholons; Data.gov.ph; Financial Times; Manila Bulletin. Cover photo: Maletsky

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