

Turbocharging growth: The Philippines' AI opportunity



The Philippines has been one of Southeast Asia's (SEA) fastest-growing economies, with GDP growth holding steady at 5.6% in 2024¹, despite geopolitical tensions and extreme weather events. As the country seeks to sustain this momentum, artificial intelligence (AI) is emerging as a key driver of its economic future.

With a young, digitally-engaged population and strong government support, AI adoption in the Philippines is among the highest in SEA. 50% of Filipinos use AI tools at least once a week in their personal lives, and many see AI as a force for progress. 46% of Filipinos are optimistic about AI's potential for their country, and 50% are optimistic about its impact on them personally.

The Philippines is positioning itself as a center for AI policy in SEA, with the National AI Strategy Roadmap outlining a vision for AI-driven growth, investment, and workforce development. The government is actively collaborating with industry leaders like Google to integrate AI into public services and digital infrastructure. At the same time, the country is working to expand AI adoption across key sectors like finance, manufacturing, and agriculture, enhancing infrastructure and ensuring workforce readiness for an AI-driven economy.²

However, AI similarly raises concerns about the impact of automation on jobs; particularly for roles with a high volume of routine tasks. Decision makers will need to focus on reskilling workers, ensuring AI augments rather than displaces jobs, and expanding opportunities in emerging fields such as AI model training and localization.

AI could accelerate the Philippines' economic growth.

AI is set to redefine the Philippines' economic landscape, offering new opportunities in business, industry, and digital connectivity. With continued investment and government support, AI could be a key driver in the country's transition to a high-growth, tech-driven economy.

AI could help power the next stage of the Philippines' growth

₱1.8 trillion

We estimate that AI can boost the Philippines' economy by **₱1.8 trillion** (US\$31 billion), a **GVA increase of 7%**.

Economic value boosts to key sectors:

Wholesale & retail

₱410 billion

AI can help grow the wholesale and retail sector by **₱410 billion** (US\$7.2 billion), a **GVA increase of 9%**.

Finance & insurance

₱300 billion

AI can help grow the financial and insurance sector by **₱300 billion** (US\$5.2 billion), a **GVA increase of 12%**.

Public administration & defence

₱109 billion

AI can help grow the public administration and defence sector by **₱109.3 billion** (US\$1.9 billion), a **GVA increase of 9%**.

Smartphones, connectivity & infrastructure as AI catalysts

₱37 billion

Helping accelerate access to smartphones, basic connectivity, and digital infrastructure (including data centers) could further increase the potential overall economic impact of AI in the Philippines by **₱37 billion** (US\$640 million) (+ 9%).

AI adoption is growing, unlocking **greater productivity for workers.**

A significant proportion of the workforce are already experimenting with AI. As adoption increases, AI is set to play a transformative role in the Philippines' workforce, enhancing productivity and helping to significantly boost average incomes.

3 hours

We estimate that AI could save the average worker **3 hours** in administrative tasks a week. As labour productivity increases and raises the value of hours worked, it therefore creates potential wage increases of over **6%**.

37%

According to our analysis, today's AI technologies are likely to significantly **augment around 37% of workers**, boosting their productivity.

8%

By contrast, we found that **less than 8%** of today's workers are at risk of displacement from AI.

₱110k

In our modelling, we found that **the potential skills gains from AI** could boost average worker productivity by over **₱110,000 (US\$2,000)** a year.

90%

90% of workers said they would be interested in training to better understand how AI models worked, and **88%** how they can best prompt AI models to get the most of them.

From Risk to Opportunity: How AI Is Creating the Next Wave of BPO Jobs

The BPO industry in the Philippines already employs over 1.8 million people and accounts for 10–15% of the global market.³ As AI becomes more common, it's expected to change about half the tasks in these jobs. But that doesn't mean people will be left without jobs. In fact, AI is likely to create new roles, both within and without the BPO sector—from managing AI tools to doing more complex, higher-value work like data analysis and AI-assisted support.

As demand grows for people with the right mix of tech and soft skills, those who upskill now will be in a great position to lead this next wave of growth.

For both workers and companies, the key is to invest in AI-related skills early. Those who adapt will not only keep up—they'll be first in line for the new opportunities that AI is opening up across the BPO sector and beyond.

AI is set to address the most pressing **societal challenges.**

AI has the potential to address some of the Philippines' most pressing societal challenges, particularly across cybersecurity, public services and agriculture. With the right investments, AI could help to build a safer, more resilient, and more prosperous country.

½ costs

AI tools are able to monitor and flag digital security threats. Once widely deployed, more effective prevention and faster response times from AI-driven solutions could reduce **around half of the costs (₱180 billion; US\$3.2 billion)** from cybersecurity threats and fraud.

₱120 billion

AI could help enable precision farming, earlier detection of pests and smarter use of water. By 2035, AI could help boost the productivity of the agricultural sector in the Philippines by **₱120 billion (US\$2 billion)**.

+5%

AI could create a more transparent, flexible and responsive public sector. Through automating repetitive tasks and reducing waste, it could help increase productivity in the public sector in the Philippines by over **5%** over the next five years.

Google's continued AI development will play a vital role in the Philippines' AI journey.

Google already plays a vital role in the Philippines' digital economy, driving innovation, business growth, and job creation through its AI-powered products and services. This is only set to magnify as Google's AI innovations support the Philippines' ongoing digital transformation.

+ ₱140 billion

In 2024, Google Search, Google Ads, Google AdSense, Google Play, Google Cloud, and YouTube helped provide ₱140 billion (US\$2.5 billion) of economic activity for businesses.

+ ₱3.2 billion

For small and medium businesses, Google Search, Google Ads, Google AdSense, Google Play, Google Cloud, and YouTube helped provide at least ₱3.2 billion (US\$56 million) of economic activity in the Philippines in 2024.

+ ₱25 billion

In 2024, Google Search, Google Ads, Google AdSense, Google Play, and YouTube helped provide ₱25 billion (US\$440 million) in export benefits from overseas markets for local businesses.

1 ['The World Bank in the Philippines'](#), The World Bank, undated

2 [Blog post](#), Philippines Department of Trade and Industry, July 2024.

3 KDCI, Philippines Outsourcing Statistics, 2024

Source: Survey of 1,084 online adults based in the Philippines in February 2025, conducted in English and Tagalog. All results are weighted using Iterative Proportional Fitting, or 'Raking'. The results are weighted by age, gender, education level, and region to nationally representative proportions. This is Public First analysis, using both non-Google proprietary and publicly available information. Where information has been obtained from third party sources and proprietary research, this is clearly referenced alongside the economic modelling techniques employed in our methodology document. A full modelling methodology can be accessed [here](#).

The Philippines leads the region on public attitudes to AI.

When assessing the AI opportunity of different markets across the Asia-Pacific region, we found that the Philippines is one of the best-positioned countries to benefit from an AI-powered future. The Philippines has strong potential for Small and Medium-sized Enterprise (SME) adoption and public attitudes towards AI, but will need to focus on improving connectivity and energy resilience if it's going to fully realise its potential.

[Read more about the impact of AI on Asia Pacific.](#)



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