SCOTTS INTERNATIONAL

Philippines ICT - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2026 - 2031)

Market Report | 2026-01-16 | 100 pages | Mordor Intelligence

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Report description:

Philippines ICT Market Analysis

The Philippines ICT market was valued at USD 27.2 billion in 2025 and estimated to grow from USD 30.16 billion in 2026 to reach USD 50.53 billion by 2031, at a CAGR of 10.88% during the forecast period (2026-2031). This strong trajectory reflects the archipelago's liberalized foreign?investment regime, large?scale 5G roll-outs, more than USD 10 billion in hyperscale data-center commitments, and a government digitalization plan that is migrating over 70% of public services online. Intensifying demand for cloud, edge, and cybersecurity solutions is reinforcing spending momentum, while tower-sharing policies and new common-tower companies are widening network reach to underserved provinces.Simultaneously, the Philippines ICT market is benefiting from ASEAN supply-chain diversification, which is drawing semiconductor assembly, data-analytics, and AI workloads toward the country's growing pool of skilled talent. Heightened competition among fixed and mobile operators is compressing tariffs but stimulating investment in fiber backhaul, private 5G, and satellite links that collectively lift service quality and geographic coverage.

Philippines ICT Market Trends and Insights

Rapid 5G Rollout Drives Infrastructure Modernization

The commercial Philippines ICT market is accelerating network modernization as Globe and PLDT jointly surpassed 100 additional Geo-Isolated and Disadvantaged Area (GIDA) 5G sites in 2025. Expanded mid-band spectrum and the new Apricot subsea cable now lift international capacity 33%, positioning the country as a redundancy hub for hyperscale traffic. 5G private networks are extending to logistics, mining, and precision agriculture where fiber remains impractical, while edge nodes colocated within new data centers deliver sub-10 ms latency critical for smart-factory analytics. Carriers are also experimenting with open-RAN to drive down radio costs and diversify vendors, reinforcing long-run capital efficiency. Collectively, these activities are adding depth and resilience to national connectivity, enabling low-latency applications and boosting the Philippines ICT market's attractiveness to global cloud providers.

Government e-Gov Masterplan Accelerates Public-Sector Digitalization

The Department of Information and Communications Technology has already taken 70% of public services online, issued more than 1 million digital signatures, and deployed 438 VSAT terminals in remote barangays to fulfill e-Gov targets. As ministries migrate databases into sovereign clouds, demand for secure IaaS, SaaS, and integration services grows steadily. Procurement platforms leveraging blockchain for land titling and grant disbursement are being piloted, signaling future opportunities for specialist system integrators. Meanwhile, the Digital Bayanihan program backed by France, Singapore, and multilateral partners supplies skills training for local officials, thus reinforcing long-term adoption. These initiatives deepen the Philippines ICT market penetration into rural regions and produce a reliable public-sector revenue stream for vendors.

Persistent IT-Talent Shortage Constrains Market Growth

Only 1 in 10 technical applicants meets AI, data-analytics, or cybersecurity hiring thresholds, leaving an estimated 200,000 vacancies unfille. Although TESDA has tripled online enrollments since 2023, hands-on exposure to Industry 4.0 equipment remains scarce outside flagship universities. Enterprise-based apprenticeships account for less than 4% of total training, dampening the Philippines ICT market's ability to absorb high-value projects. The Semiconductor and Electronics Industries in the Philippines Foundation is lobbying for incentive packages and a USD 500 million skills fund to stave off regional talent leakage, but any impact is unlikely before 2027.

Other drivers and restraints analyzed in the detailed report include:

Hyperscale Data-Center Investment Transforms Digital InfrastructureDigital-Payments Boom Reshapes Financial-Services ICTRising Electricity Costs Threaten Data-Center Economics

For complete list of drivers and restraints, kindly check the Table Of Contents.

Segment Analysis

IT services controlled 27.42% of Philippines ICT market share in 2025 as enterprises shifted capital budgets toward outcome-based managed solutions for cloud migration, AI pilots, and process automation. The segment is forecast to outpace hardware spending through 2031 as international hyperscalers deepen partnerships with local integrators and telcos bundle 5G-enabled edge solutions. At the same time, IT security contributes the fastest incremental revenue, rising at an 11.65% CAGR thanks to ransomware frequency and new data-privacy directives.

The hardware slice remains subdued because the semiconductor assembly base posted just 1-2% top-line growth in 2025 after back-to-back contractions in 2023-2024. Nonetheless, near-shoring from China and incentives for electric-vehicle components are renewing investment in printed-circuit and substrate facilities that could lift hardware contributions after 2027. Communication-services spend is resilient as fiber and satellite deployments race to meet bandwidth demand, strengthening the Philippines ICT market's foundation for higher-layer software and platform revenues.

The Philippines ICT Market Report is Segmented by Product Type (IT Hardware, IT Software, IT Services, IT Infrastructure, IT Security, Communication Services), Enterprise Size (Small and Medium Enterprises, Large Enterprises), and End-User Industry Vertical (Government and Public Administration, BFSI, Energy and Utilities, and More). The Market Forecasts are Provided in Terms of Value (USD).

List of Companies Covered in this Report:

Accenture plc Amazon.com Inc. Alphabet Inc. (Google) Cisco Systems Inc. Huawei Technologies Co. Ltd. International Business Machines Corporation Microsoft Corporation Oracle Corporation Cognizant Technology Solutions Corporation PLDT Inc. Globe Telecom Inc. Total Information Management Corporation Doa Alejandra Inc. CTO Phils Inc. P-Tech People and Technology Inc. Trend Micro Inc. Hewlett Packard Enterprise Company Dell Technologies Inc. Lenovo Group Limited SAP SE

Additional Benefits:

The market estimate (ME) sheet in Excel format
3 months of analyst support

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