RESULTS OF THE 2009 SURVEY OF INFORMATION TECHNOLOGY-BUSINESS PROCESS OUTSOURCING (IT-BPO) SERVICES[1]

GLOBAL IT-BPO SERVICES INDUSTRY TRENDS

IT-BPO companies sustain high growth amid the global economic rebound in the last half of 2009.

The global IT-BPO industry remained resilient in 2009 as clearer signs of an economic rebound stimulated foreign investors to strengthen their outsourcing operations. As a result, global outsourcing achieved a double-digit growth of 14.4 percent, reaching US$373 billion revenues in 2009. India remained the top outsourcing destination with a 44.8 percent share of the global market, followed by China with 25.9 percent share. The Philippines ranked third, with a global market share of 21.7 percent.[2]

During the year, IT-BPO companies widened their markets to Europe and Australia. The industry also focused on the Asian market, in line with its strategies to reduce business risks and diversify client base.

PHILIPPINE IT-BPO SERVICES INDUSTRY

Revenues

The local IT-BPO industry posts double-digit growth in 2009, albeit lower compared to the previous years.

Despite the challenges and uncertainties posed by the nascent stages of the global economic recovery, total revenues of the country's IT-BPO industry rose to US$8.3 billion in 2009, up by 30.6 percent from the previous year's revenues of US$6.3 billion. The industry's growth, however, declined from previous years, mainly because the bulk of the country's outsourcing clients are from the advanced economies, where recovery remained sluggish in the latter part of 2009. This prompted the IT-BPO companies and foreign investors to review and re-calibrate their business plans, which delayed, if not dampened expansion in the industry.

Nonetheless, the country's IT-BPO industry grew at a higher pace compared with other industries in the country. The country remained as a low-cost IT-BPO destination, the second next to India, largely due to the continued success of voice-based services. Revenue growth remained strong as the industry drew continued support from the public sector in terms of promotion, infrastructure, and education/trainings. Dubbed as a "silent knight", the IT-BPO industry was seen taking the lead in the country's external sector for the medium-term horizon.[3]

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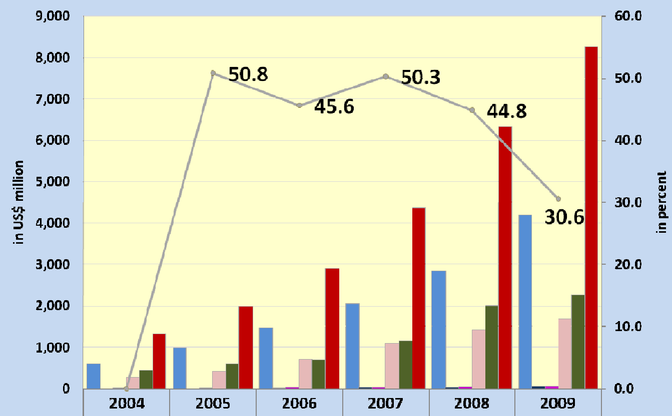
[1] New name for IT and IT-Enabled Services Survey

[2] *World's Outsourcing Revenue Worth $373 B,* Eileen Yu, 23 September 2009, http://www.zdnetasia.com

[3] The Silent Knight - The Philippines Emerging Non-Voice BPO Capability, January 2009, by Arshmeet Ahluwalia, Jimit Arora, Nikhil Rajpal

Figure 1. Revenue, by Category, 2004-2009
(in US$ million)



	2004	2005	2006	2007	2008	2009
Contact Center	587	986	1,455	2,051	2,839	4,207
Transcription	4	8	20	33	34	57
Animation	12	17	26	29	36	52
Software Development	279	399	707	1,098	1,413	1,672
Other BPOs	441	585	697	1,157	2,004	2,270
INDUSTRY	1,324	1,996	2,906	4,368	6,325	8,258
Growth Rate		50.8	45.6	50.3	44.8	30.6

Contact Center contributes half of the industry's revenues in 2009.

All of the industry's sub-sectors posted double-digit growth rates in 2009. As in previous years, Contact Center remained the largest contributor in terms of revenues, contributing half (50.9 percent or US$4.2 billion) of the industry's receipts in 2009. Other top IT-BPO sub-sectors included Other BPOs (27.5 percent share or US$2.3 billion) and Software Development (20.3 percent share or US$1.7 billion). [4] Transcription and Animation sub-sectors contributed the least, with 0.7 percent (US$57 million) and 0.6 percent (US$52 million), respectively. These two categories, however, posted dynamic growth in 2009 compared to the previous year, which can be attributed to the expansion of transcription companies and the release of more local animation films in the country. Meanwhile, growth in Other BPOs fell sharply as many of its companies reduced their charges to retain their clients while others received less job orders, especially from advanced economies.

In terms of contribution to growth, Contact Center was the main driver, sharing 21.6 percentage points to the total 30.6 percent growth of the industry. Other BPOs and Software Development shared a combined 8.3 percentage points to total growth, while Transcription and Animation accounted for the remaining 0.7 percentage point.

[4] The 'Other BPOs" category include backroom operations, data processing, data base activities and online distribution of electronic content, and the more value-added chain activities—shared financial and accounting services, outsourcing for research and public opinion polling, outsourcing for business and management consultancy activities, hardware consultancy and outsourcing for architectural and engineering services. See Annex A for definition of terms.

Table 1. Revenue, by Category, 2007-2009

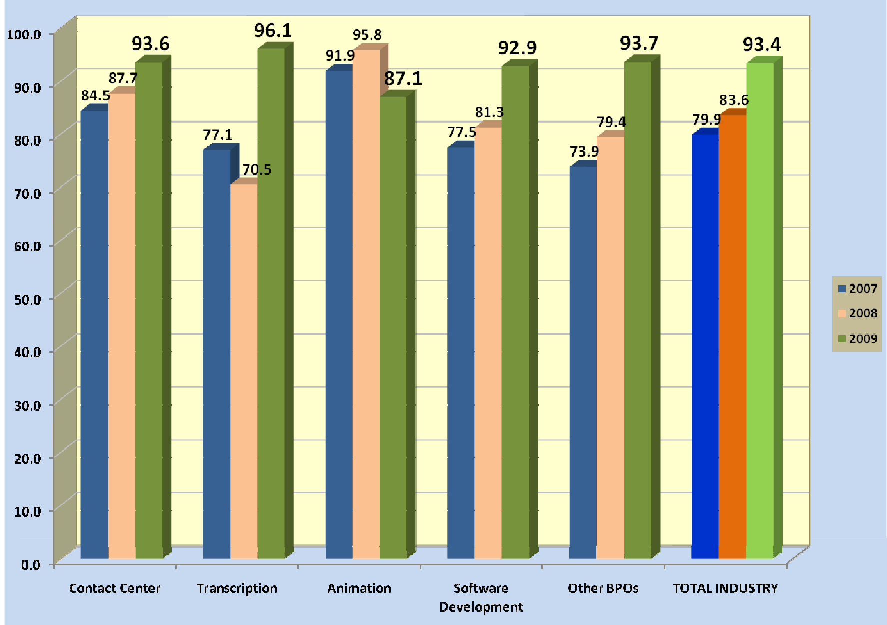
IT-BPO Category	SALES REVENUE									
	Levels (IN US$ million)			Growth Rates (in percent)		Percentage Points Contribution to Growth		Percentage Share to Total		
	2007	2008	2009	2007-2008	2008-2009	2007-2008	2008-2009	2007	2008	2009
Contact Center	2,051	2,839	4,207	38.4	48.2	18.0	21.6	46.9	44.9	50.9
Transcription	33	34	57	4.1	66.8	0.0	0.4	0.7	0.5	0.7
Animation	29	36	52	25.5	44.2	0.2	0.3	0.7	0.6	0.6
Software Development	1,098	1,413	1,672	28.6	18.4	7.2	4.1	25.1	22.3	20.3
Other BPOs	1,157	2,004	2,270	73.2	13.3	19.4	4.2	26.5	31.7	27.5
TOTAL INDUSTRY	**4,368**	**6,325**	**8,258**	**44.8**	**30.6**	**44.8**	**30.6**	**100.0**	**100.0**	**100.0**

Exports

Export-to-revenue ratios continue its upward trend in 2009.

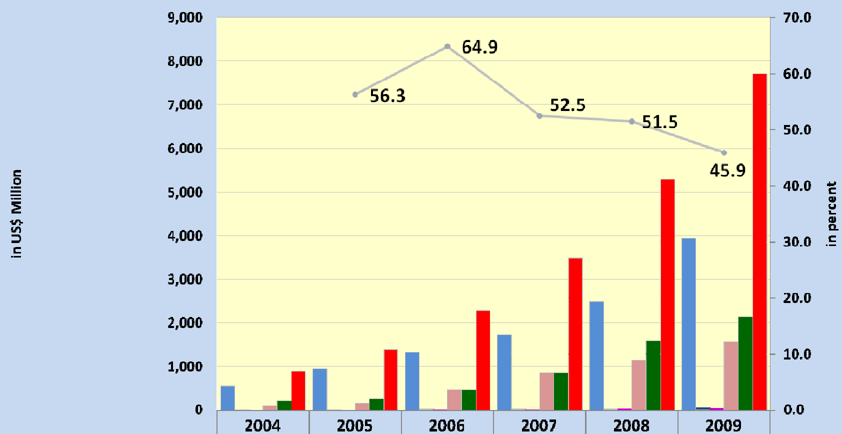
The industry's total exports yielded a double-digit growth of 45.9 percent, rising to US$7.7 billion in 2009 from US$5.3 billion in 2008. Total exports represented 93.4 percent of the industry's revenues, an increase from the previous year's 83.6 percent export-to-revenue ratio. All of the sub-sectors recorded expansions in their export-to-revenue ratios, except for the Animation sub-sector, which fell to 87.1 percent from 95.8 percent in 2008. Transcription sub-sector had the highest export-to-revenue ratio at 96.1 percent in 2009, a sharp increase in its year-ago ratio of 70.5 percent. This was followed by Contact Center, Other BPOs, and Software Development at 93.6 percent, 93.7 percent, and 92.9 percent, respectively.

Figure 2. Export-to-Revenue Ratio, 2007-2009
(in percent)



Looking at exports growth by IT-BPO category, Transcription exports more than doubled to US$54 million in 2009, a turnaround from the 4.8 percent decline posted in 2008. Contact Center, on the other hand, grew by 58.2 percent to US$3.9 billion from US$2.5 billion in 2008. Software Development, Other BPOs, and Animation, likewise yielded double-digit growth rates. However a significant decline in growth was noted in Other BPOs due to cutback in outsourcing demand, particularly from advanced economies.

Figure 3. Exports, by Category, 2004-2009
(in US$ million)



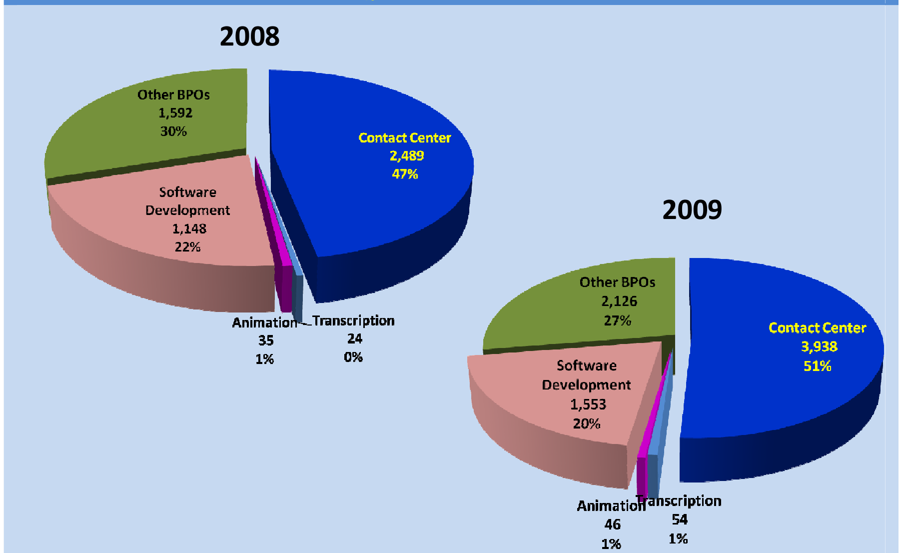
	2004	2005	2006	2007	2008	2009
Contact Center	561	949	1,330	1,732	2,489	3,938
Transcription	4	8	19	25	24	54
Animation	8	11	23	27	35	46
Software Development	98	160	455	852	1,148	1,553
Other BPOs	217	259	462	855	1,592	2,126
INDUSTRY	888	1,388	2,288	3,490	5,288	7,717
Growth Rate		56.3	64.9	52.5	51.5	45.9

Contact Center remains the main driver of growth for exports.

Contact Center generated the highest share of industry export receipts, at 51 percent of total exports in 2009. This reflected an increase from Contact Center's share of 47.1 percent a year ago. Other BPOs and Software Development also reported double-digit shares of 27.6 percent and 20.1 percent, respectively, of the industry's total exports.

In terms of contribution to growth, Contact Center accounted for the highest at 27.4 percentage points of the 45.9 percent growth to the industry. This was followed by Other BPOs, which contributed 10.1 percentage points of the industry's export growth.

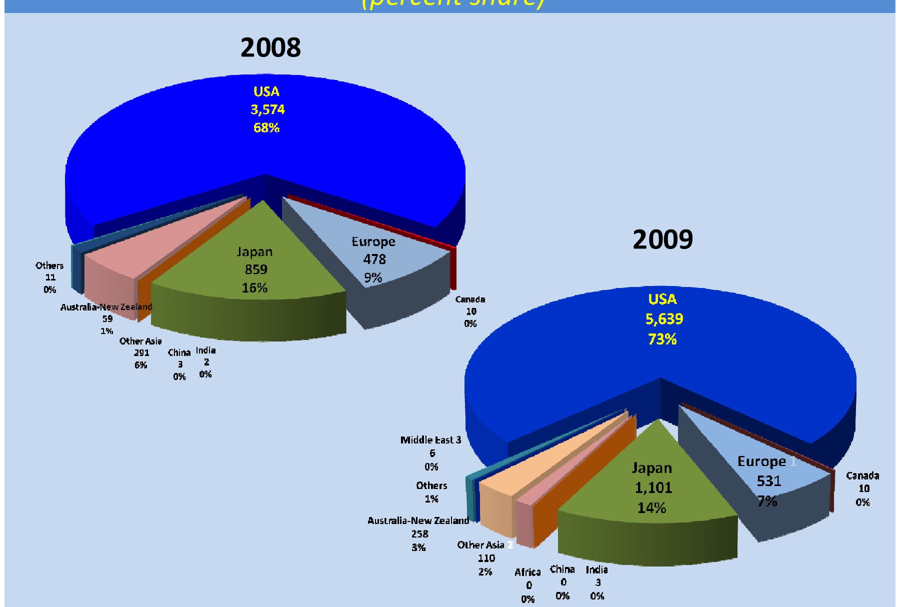
Figure 4. Exports, by Category, 2008-2009
(percent share)



US accounts for almost three-fourths of the country's IT-BPO exports.

The United States remained as the top export market of the Philippine IT-BPO industry, comprising 73.1 percent (or US$5.6 billion) of total export receipts in 2009. Next to US were Japan (14.3 percent or US$1.1 billion), Europe (6.9 percent or US$531 million), Australia-New Zealand, (3.3 percent or US$258 million); and Other Asia, 1.4 percent (US$110 million). The share of these export destination countries, except for US and Australia-New Zealand, declined in 2009 compared to their 2008 share.

Figure 5. Exports, by Country of Destination, 2008-2009
(percent share)



Total Equity and Foreign Investments

Equity investment in local IT-BPO industry increases at a slower rate.

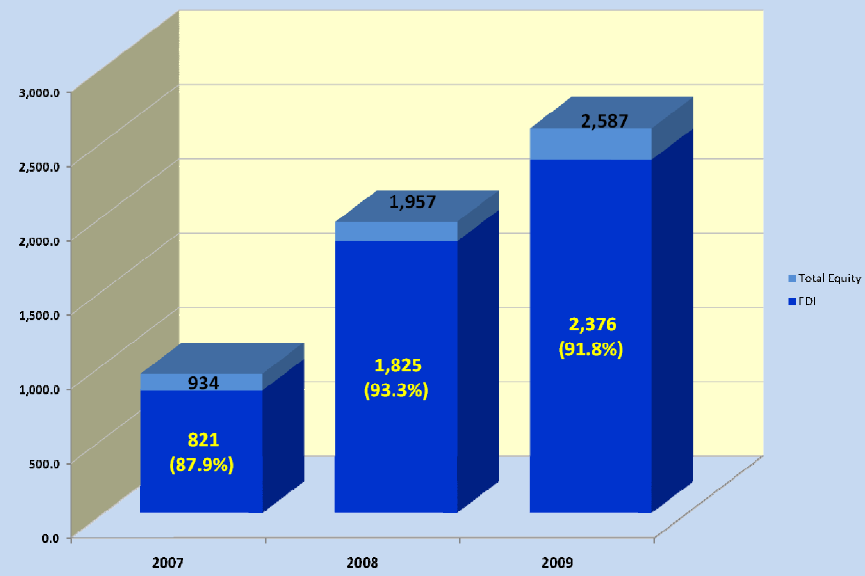
The industry's equity investment in 2009 grew by 32.2 percent to US$2.6 billion. Compared to the 2008 growth of 109.5 percent, total equity investment appreciably declined as a result of cautious investor sentiment, particularly in the first quarter of 2009. IT-BPO business picked up in the second quarter of 2009 as established IT-BPO companies opened new sites to support additional business from existing clients and requirements of new customers.

Of the total equity investment, 91.8 percent (or US$2.4 billion) came from foreign sources. This is a slight decrease from the previous year's ratio of 93.3 percent (or US$1.8 billion). More local investors infused funds in the Transcription and Animation sub-sectors during the year, leading to declines in Foreign-to-Total Equity ratios in these sub-sectors to 84.1 percent and 63.3 percent, respectively. While foreign equity were also chanelled to Other BPOs, larger domestically financed expansions including the buy-out of a previously foreign-owned company by a local firm resulted to the decline in the sub-sector's Foreign-to-Total Equity ratio to 74.2 percent in 2009.

The growth of foreign direct investment in equity also decelerated to 30.1 percent from 122.2 percent in 2008, due largely to the sharp decrease in foreign equity investment in Contact Center. Other BPOs recorded the highest growth (124.5 percent), more than double the 47.5 percent growth posted in the previous year. This development may be attributed to the huge market potential of back office processing.

In terms of foreign equity share to total industry, Contact Center continued to account for the largest share at 56.0 percent (US$1.3 billion), followed by Software Development and Other BPOs at 26.6 percent (US$632 million) and 15.2 percent (US$361 million), respectively.

Figure 6. Total Equity Investments, 2007-2009
(in US$ million and percent share)



The US is the top foreign direct investor in the country's IT-BPO industry.

More than four-fifths of the foreign equity investments in end-2009 (89.0 percent or US$2.1 billion) were infused by investors from US and Europe. On the other hand, Japan decreased its equity investment to 8.9 percent (US$211 million) in 2009, from 20.0 percent share in 2008.

Table 2. Industry Foreign Investments, by Country of Investor, 2007-2009

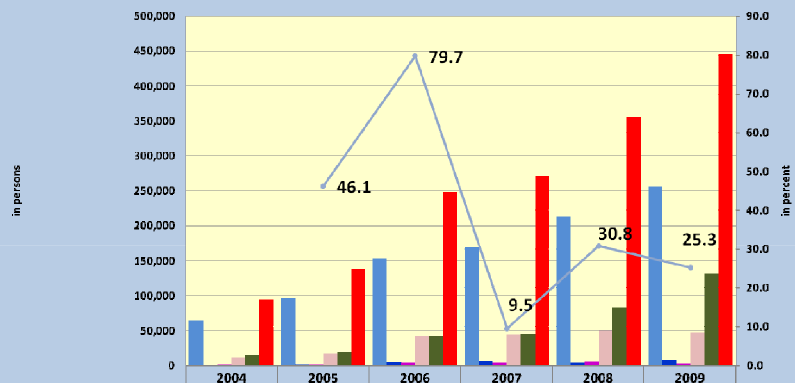
Country of Investor	Foreign Equity (in US$ million)			Percent Share to Total Foreign Equity		
	2007	2008	2009	2007	2008	2009
USA	445	986	1,358	54.2	54.0	57.2
Europe	193	339	755	23.5	18.6	31.8
Japan	420	365	211	51.2	20.0	8.9
Others	(236)	135	51	(28.7)	7.4	2.2
Total	**821**	**1,825**	**2,376**	**100.0**	**100.0**	**100.0**

Employment and Compensation

IT-BPO firms continue to generate much-needed employment.

The IT-BPO firms generated a total of 444,811 workers in 2009, posting a double-digit growth of 25.3 percent from the 2008 employment reported by the industry. This developed as more cyber corridors and Next Wave Cities were established. The 25.3 percent growth, however, was slower compared to the 30.8 percent increase reported a year ago. Among the sub-sectors, Transcription, Other BPOs, and Contact Center boosted their employment, while Animation and Software Development reported declines of 34.0 percent and 5.8 percent, respectively. This developed as animators from local companies were recruited by animation companies abroad; while software development firms continued with their personnel rationalization as a means of cost saving.

Figure 7. Employment by Category, 2004-2009 (no. of persons)



	2004	2005	2006	2007	2008	2009
Contact Center	65,006	96,246	153,683	169,748	212,372	255,765
Transcription	901	1,785	4,956	6,621	4,321	7,060
Animation	1,488	1,864	4,482	4,323	5,656	3,732
Software Development	11,975	17,829	42,657	44,870	49,893	46,987
Other BPOs	15,118	20,278	42,267	45,994	82,893	131,267
INDUSTRY	94,488	138,002	248,045	271,556	355,135	444,811
Growth Rate		46.1	79.7	9.5	30.8	25.3

Contact center absorbs more than half of the industry's employment.

Contact Center continued to account for majority of the industry's employment for 2009 at 57.5 percent. This was followed by Other BPOs (29.5 percent), Software Development (10.6 percent), Transcription (1.6 percent), and Animation (0.8 percent).

Other BPOs contributed the most to the industry's 25.3 percent employment growth at 13.6 percentage points. This was closely followed by Contact Center, contributing 12.2 percentage points. Transcription also contributed 0.8 percentage points to the growth in employment. Meanwhile, employment in Animation and Software Development declined in 2009.

Software development remains as top paying sub-sector in the industry.

Aggregate compensation paid by the industry grew to US$3.4 billion, up by 23.8 percent from the previous year's level of US$2.8 billion. Contact Center shared more than half of the industry's compensation at 57.2 percent (US$2.0 billion), followed by Other BPOs and Software Development with 24.9 percent (US$852 million) and 16.3 percent share (US$557 million), respectively.

Other BPOs registered the highest growth for compensation, contributing more than half (for 12.9 percentage points) of the 23.8 percent IT-BPO's compensation growth.

Annual average compensation per employee slightly dropped by 1.2 percent to US$7,686 (or ₽366,122) in 2009. Among the IT-BPO categories, software development still accounted for the highest compensation, with an annual average salary of US$11,849 (or ₽564,446). This average compensation represented a 10.3 percent increase compared to that of the previous year. Far second and third are Contact Center and Other BPOs with average annual compensation of US$7,640 (or ₽363,948) and US$6,493 (or ₽309,275), respectively.

Table 3. Compensation by Category, 2007-2009
In US$ million

IT-BPO Category	COMPENSATION								Annual Average Compensation per Employee				
	Levels in US$ Million			Growth Rates (in percent)		Percentage Share to Total			Levels in US$			Growth Rates (in percent)	
	2007	2008	2009	07-08	08-09	2007	2008	2009	2007	2008	2009	07-08	08-09
Contact Center	1,090	1,680	1,954	54.2	16.3	51.2	60.8	57.2	6,420	7,912	7,640	23.2	(3.4)
Transcription	24	22	35	-8.1	57.0	1.1	0.8	1.0	3,644	5,131	4,929	40.8	(3.9)
Animation	19	27	21	42.9	(21.9)	0.9	1.0	0.6	4,305	4,702	5,568	9.2	18.4
Software Development	620	536	557	-13.5	3.9	29.1	19.4	16.3	13,817	10,743	11,849	(22.2)	10.3
Other BPOs	377	497	852	31.9	71.4	17.7	18.0	24.9	8,196	5,997	6,493	(26.8)	8.3
TOTAL INDUSTRY	**2,129**	**2,762**	**3,419**	**29.7**	**23.8**	**100.0**	**100.0**	**100.0**	**7,841**	**7,778**	**7,686**	**(0.8)**	**(1.2)**

Profile of Respondents

IT-BPO survey coverage and response rates improve in 2009.

The industry survey coverage was expanded to 736 IT-BPO companies in 2009 from 648 in 2008. Target samples in all sub-sectors were also increased. A total of 445 IT-BPO companies responded to the 2009 survey, generating a slightly higher over-all response rate of 60.5 percent.

Table 4. Profile of Respondents, 2008-2009

IT-BPO Category	No. of Target Respondets		Response Received		Response Rate	
	2008	2009	2008	2009	2008	2009
Contact Center	127	141	88	98	69.3	69.5
Transcription	67	73	27	30	40.3	41.1
Animation	28	33	8	14	28.6	42.4
Software Developme	205	230	106	125	51.7	54.3
Other BPOs	221	259	159	178	71.9	68.7
TOTAL INDUSTRY	**648**	**736**	**388**	**445**	**59.9**	**60.5**

ANNEX A

DEFINITION OF VARIABLES

IT AND IT-ENABLED SERVICES CATEGORIES

(1) **Animation**: *Process of giving the illusion of movement to cinematographic drawings, models, or inanimate objects thru 2D, 3D, etc. Includes 2D animation from layouts to final composing, digital ink and paint service, 3D animation using the latest software like Maya, XSI, 3DStudio Max, etc., Pre-production service from storyboarding, character & production design, key backgrounds and layouts, 3D and 2D animation for games, flash animation for animated series (broadcast quality).*

(2) **Trancription Activities: (e.g. medical, legal, etc.)**: *Transfer of data from one form (voice / oral) to another (paper or electronic) such as medical history, diagnosis, prognosis and outcome, depositions, hearing and court tapes; data entry services; and scanning of documents.*

(3) **Contact Center**: *Answering and transmitting call from clients by using human operators, automatic distribution, computer telephone integration, interactive voice response systems or similar methods to receive orders, provide information, deal with customer requests for assistance or address customer complaints, debt collection, collective handling of letters, fax messages, e-mails, postal mail catalogues, web-site inquiries and chats, and the collection of information from customers during in-store purchasing.*

(4) **Software Development/ Publishing**: Includes:

a. Software Development: *Analysis and design, prototyping, programming and testing, customization, reengineering and conversion, installation and maintenance, education and training of systems software, middleware and application software, software development management;*

b. Software publishing: *Production, supply and documentation of ready-made (non-customized) software: operating systems; business and other applications; computer games for all platforms; and*

c. Other software consultancy and supply: *Development, production, supply and documentation of made-to-order software based on orders from specific users; web page design; software maintenance.*

(5) **Other BPOs**: Includes:

a. Backroom operations and shared financial and accounting services: *The recording of commercial transactions for businesses or others; preparation of financial accounts; examination of financial accounts and the certification of their accuracy;*

b. Outsourcing for research and public opinion polling: *Investigation on market potential, acceptance, and familiarity of products and buying habits of consumers for the purpose of sales promotion and development of new product, including statistical analyses of the results; investigation on collective opinions of the public about political, economic and social issues and statistical analysis thereof;*

c. Outsourcing for business & management consultancy activities: *The provision of advice, guidance or operational assistance to businesses (and the public service); arbitration and conciliation between management and labor; activities of management holding companies;*

d. Data processing: *Processing of data employing either the customer's or a propriety program: complete processing of data supplied by the customer; management and operation on a continuing basis of data-processing facilities belonging to others; time share computer services; and web hosting;*

e. Data base activities and online distribution of electronic content: *Online distribution of content, but not to units where online publishing is done in additional forms of publishing; assembly of compilations of data from one or more sources; provision of on-line access to proprietary databases; on-line data base publishing; on-line directory and mailing list publishing; other on-line publishing, including e-book; web search portals; internet search sites, internet gamesites, internet entertainment sites, and electronic learning;*

f. Hardware Consultancy: *Consultancy on type and configuration of hardware with or without associated software application;*

g. Outsourcing for Architectural and Engineering Services: *Consulting, civil engineering design, architectural drawings, engineering drafting, printed circuit design, wireless devices, display technology, electronic components, printers, CAD/CAM, geographic information system, digital mapping; and*

h. Others: *Other IT enabled services not elsewhere classified.*

SURVEY OF IT-BPO SERVICES

Table 1. Revenues by IT-BPO Category, 2004-2009
In US$ Million

IT-BPO Category	REVENUES																
	Levels						Growth Rates (in percent)					IT-BPO Category Share to Total Industry (in percent)					
	2004	2005	2006	2007	2008	2009	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2004	2005	2006	2007	2008	2009
Contact Center	587	986	1,455	2,051	2,839	4,207	67.9	47.7	40.9	38.4	48.2	44.4	49.4	50.1	46.9	44.9	50.9
Transcription	4	8	20	33	34	57	100.4	140.0	60.6	4.1	66.8	0.3	0.4	0.7	0.7	0.5	0.7
Animation	12	17	26	29	36	52	37.6	52.6	11.2	25.5	44.2	0.9	0.9	0.9	0.7	0.6	0.6
Software Development	279	399	707	1,098	1,413	1,672	43.2	77.1	55.4	28.6	18.4	21.1	20.0	24.3	25.1	22.3	20.3
Other BPOs	441	585	697	1,157	2,004	2,270	32.8	19.1	66.0	73.2	13.3	33.3	29.3	24.0	26.5	31.7	27.5
TOTAL INDUSTRY	**1,324**	**1,996**	**2,906**	**4,368**	**6,325**	**8,258**	**50.8**	**45.6**	**50.3**	**44.8**	**30.6**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Table 2. Exports by IT-BPO Category, 2004-2009
In US$ Million

IT-BPO Category	EXPORTS																
	Levels						Growth Rates (in percent)					IT-BPO Category Share to Total Industry (in percent)					
	2004	2005	2006	2007	2008	2009	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2004	2005	2006	2007	2008	2009
Contact Center	561	949	1,330	1,732	2,489	3,938	69.2	40.1	30.2	43.7	58.2	63.2	68.4	58.1	49.6	47.1	51.0
Transcription	4	8	19	25	24	54	99.4	124.1	33.2	(4.8)	127.3	0.5	0.6	0.8	0.7	0.5	0.7
Animation	8	11	23	27	35	46	46.3	100.8	17.1	30.8	31.0	0.9	0.8	1.0	0.8	0.7	0.6
Software Development	98	160	455	852	1,148	1,553	62.5	184.4	87.2	34.9	35.2	11.1	11.5	19.9	24.4	21.7	20.1
Other BPOs	217	259	462	855	1,592	2,126	19.5	78.4	85.1	86.3	33.5	24.4	18.7	20.2	24.5	30.1	27.6
TOTAL INDUSTRY	**888**	**1,388**	**2,288**	**3,490**	**5,288**	**7,717**	**56.3**	**64.9**	**52.5**	**51.5**	**45.9**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Table 2.1. Export-to-Revenue Ratio by IT-BPO Category, 2004-2009
In percent

IT-BPO Category	Export-to-Revenue Ratio					
	2004	2005	2006	2007	2008	2009
Contact Center	95.6	96.3	91.4	84.5	87.7	93.6
Transcription	100.0	99.5	92.9	77.1	70.5	96.1
Animation	62.4	66.4	87.3	91.9	95.8	87.1
Software Development	35.3	40.1	64.3	77.5	81.3	92.9
Other BPOs	49.1	44.2	66.2	73.9	79.4	93.7
TOTAL INDUSTRY	**67.1**	**69.5**	**78.7**	**79.9**	**83.6**	**93.4**

Table 2.2. 2009 Exports by IT-BPO Category and by Country of Destination
In US$ Million and Percent Share

IT-BPO Category	USA	Canada	Europe [1]	Japan	India	China	Other Asia [2]	Australia-New Zealand	Middle East [3]	Africa	Others	Total Exports
Contact Center	3,697	1	88	1	-	-	7	144	-	-	-	3,938
Transcription	46	-	2	7	-	-	-	-	-	-	-	54
Animation	-	-	-	21	-	-	25	-	-	-	-	46
Software Development	650	-	79	811	-	-	6	7	-	-	-	1,553
Other BPOs	1,246	9	362	261	3	0	72	108	6	0	60	2,126
TOTAL INDUSTRY	**5,639**	**10**	**531**	**1,101**	**3**	**0**	**110**	**258**	**6**	**0**	**60**	**7,717**
Percent Share	**73.1**	**0.1**	**6.9**	**14.3**	**0.0**	**0.0**	**1.4**	**3.3**	**0.1**	**0.0**	**0.8**	**100.0**

1/ In particular, United Kingdom, Germany, Switzerland, Denmark, Spain, Great Britain, Ireland, and Italy.
2/ In particular, Singapore, Thailand, Hong Kong, Malaysia, Taiwan, Indonesia, Korea, and Cambodia.
3/ In particular, Saudi Arabia.

Table 3. Total Equity by IT-BPO Category, 2005-2009
In US$ Million

IT-BPO Category	TOTAL EQUITY													
	Levels					Growth Rates (in percent)				IT-BPO Category Share to Total Industry (in percent)				
	2005	2006	2007	2008	2009	2005-2006	2006-2007	2007-2008	2008-2009	2005	2006	2007	2008	2009
Contact Center	243	281	596	1,356	1,387	15.9	112.0	127.3	2.3	49.4	45.2	63.8	69.3	53.6
Transcription	1	2	8	13	16	104.5	276.0	55.1	24.2	0.2	0.4	0.9	0.7	0.6
Animation	11	18	24	23	63	61.8	29.5	(1.8)	167.1	2.3	3.0	2.6	1.2	2.4
Software Development	12	46	189	378	636	279.2	306.3	100.3	68.2	2.5	7.5	20.2	19.3	24.6
Other BPOs	224	274	117	188	486	22.1	(57.3)	60.3	159.1	45.6	44.0	12.5	9.6	18.8
TOTAL INDUSTRY	**492**	**622**	**934**	**1,957**	**2,587**	**26.5**	**50.1**	**109.5**	**32.2**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Table 3.1. Foreign Equity by IT-BPO Category, 2005-2009
In US$ Million

IT-BPO Category	FOREIGN EQUITY													
	Levels					Growth Rates (in percent)				IT-BPO Category Share to Total Industry (in percent)				
	2005	2006	2007	2008	2009	2005-2006	2006-2007	2007-2008	2008-2009	2005	2006	2007	2008	2009
Contact Center	213	259	585	1,309	1,330	21.7	126.1	123.7	1.6	64.7	68.8	71.2	71.7	56.0
Transcription	1	2	8	13	13	176.2	430.3	55.1	4.4	0.2	0.4	1.0	0.7	0.6
Animation	4	18	23	23	40	303.8	31.4	1.1	69.1	1.3	4.7	2.8	1.3	1.7
Software Development	5	34	96	320	632	656.6	179.8	233.2	97.6	1.4	9.1	11.7	17.5	26.6
Other BPOs	107	64	109	161	361	(40.3)	71.2	47.5	124.5	32.4	16.9	13.3	8.8	15.2
TOTAL INDUSTRY	**329**	**376**	**821**	**1,825**	**2,376**	**14.3**	**118.5**	**122.2**	**30.1**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Table 3.2. Foreign-to-Total Equity Ratio by IT-BPO Category, 2005-2009
In percent

IT-BPO Category	Foreign-to-Total Equity Ratio				
	2005	2006	2007	2008	2009
Contact Center	87.6	92.0	98.1	96.5	95.9
Transcription	52.5	71.0	100.0	100.0	84.1
Animation	38.4	95.8	97.2	100.0	63.3
Software Development	37.0	73.9	50.9	84.6	99.4
Other BPOs	47.5	23.2	93.1	85.6	74.2
TOTAL INDUSTRY	**66.9**	**60.4**	**87.9**	**93.3**	**91.8**

Table 3.3. Foreign Equity by IT-BPO Category and by Country of Investor
In US$ Million

IT-BPO Category	USA	Europe [1]	Asia [2]	Australia	Japan	India	Total FDI
Contact Center	1,125	173	(2)	9	-	25	1,330
Transcription	13	-	-	-	0	-	13
Animation	-	-	12	-	28	-	40
Software Development	31	566	(1)	(1)	36	-	632
Other BPOs	190	16	4	1	147	3	361
TOTAL INDUSTRY	**1,358**	**755**	**13**	**10**	**211**	**28**	**2,376**
Percent Share	**57.2**	**31.8**	**0.6**	**0.4**	**8.9**	**1.2**	**100.0**

1/ In particular, United Kingdom, Germany, Switzerland, Netherlands, Austria.
2/ In particular, Singapore, Malaysia, Hong Kong, Taiwan.

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Table 4. Employment by IT-BPO Category, 2004-2009

IT-BPO Category	EMPLOYMENT: Levels						EMPLOYMENT: Growth Rates (in percent)					EMPLOYMENT: IT-BPO Category Share to Total Industry (in percent)					
	2004	2005	2006	2007	2008	2009	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2004	2005	2006	2007	2008	2009
Contact Center	65,006	96,246	153,683	169,748	212,372	255,765	48.1	59.7	10.5	25.1	20.4	68.8	69.7	62.0	62.5	59.8	57.5
Transcription	901	1,785	4,956	6,621	4,321	7,060	98.1	177.7	33.6	(34.7)	63.4	1.0	1.3	2.0	2.4	1.2	1.6
Animation	1,488	1,864	4,482	4,323	5,656	3,732	25.3	140.4	(3.5)	30.8	(34.0)	1.6	1.4	1.8	1.6	1.6	0.8
Software Development	11,975	17,829	42,657	44,870	49,893	46,987	48.9	139.3	5.2	11.2	(5.8)	12.7	12.9	17.2	16.5	14.0	10.6
Other BPOs	15,118	20,278	42,267	45,994	82,893	131,267	34.1	108.4	8.8	80.2	58.4	16.0	14.7	17.0	16.9	23.3	29.5
TOTAL INDUSTRY	**94,488**	**138,002**	**248,045**	**271,556**	**355,135**	**444,811**	**46.1**	**79.7**	**9.5**	**30.8**	**25.3**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Table 5. Compensation by IT-BPO Category, 2004-2009
In US$ Million

IT-BPO Category	COMPENSATION: Levels						COMPENSATION: Growth Rates (in percent)					COMPENSATION: IT-BPO Category Share to Total Industry (in percent)					
	2004	2005	2006	2007	2008	2009	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2004	2005	2006	2007	2008	2009
Contact Center	331	556	766	1,090	1,680	1,954	67.6	37.9	42.2	54.2	16.3	70.3	72.2	60.5	51.2	60.8	57.2
Transcription	2	5	12	24	22	35	140.0	142.2	100.7	(8.1)	57.0	0.4	0.6	0.9	1.1	0.8	1.0
Animation	6	8	14	19	27	21	35.8	63.3	35.2	42.9	(21.9)	1.3	1.1	1.1	0.9	1.0	0.6
Software Development	83	120	249	620	536	557	44.5	106.9	149.4	(13.5)	3.9	17.6	15.6	19.6	29.1	19.4	16.3
Other BPOs	49	80	226	377	497	852	64.5	183.0	66.8	31.9	71.4	10.3	10.4	17.8	17.7	18.0	24.9
TOTAL INDUSTRY	**471**	**769**	**1,266**	**2,129**	**2,762**	**3,419**	**63.1**	**64.7**	**68.1**	**29.7**	**23.8**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

IT-BPO Category	ANNUAL COMPENSATION PER EMPLOYEE: Levels (in US$)						ANNUAL COMPENSATION PER EMPLOYEE: Growth Rates (in percent)				
	2004	2005	2006	2007	2008	2009	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
Contact Center	5,099	5,772	4,985	6,420	7,912	7,640	13.2	(13.6)	28.8	23.2	(3.4)
Transcription	2,295	2,780	2,426	3,644	5,131	4,929	21.1	(12.8)	50.2	40.8	(3.9)
Animation	4,172	4,521	3,071	4,305	4,702	5,568	8.4	(32.1)	40.2	9.2	18.4
Software Development	6,943	6,739	5,827	13,817	10,743	11,849	(2.9)	(13.5)	137.1	(22.2)	10.3
Other BPOs	3,210	3,937	5,345	8,196	5,997	6,493	22.7	35.8	53.3	(26.8)	8.3
TOTAL INDUSTRY	**4,989**	**5,572**	**5,105**	**7,841**	**7,778**	**7,686**	**11.7**	**(8.4)**	**53.6**	**(0.8)**	**(1.2)**

Table 6. 2009 Profile of Respondents

IT-BPO Category	2009: Total	n1	n2	n3	n4	n5	Response Rate
Contact Center	141	17	69	12	14	29	69.5%
Transcription	73	3	22	5	4	39	41.1%
Animation	33	3	6	5	2	17	42.4%
Software Development	230	12	73	40	14	91	54.3%
Other BPOs	259	17	130	31	18	63	68.7%
TOTAL INDUSTRY	**736**	**52**	**300**	**93**	**52**	**239**	**60.5%**

SUPPLEMENTAL TABLES, 2007-2009

INDUSTRY REVENUES

IT-BPO Category	REVENUES									
	Levels in US$ Million			Growth Rates (in percent)		Percentage Points Contribution to Growth		Percent Share to Industry Total		
	2007	2008	2009	2007-2008	2008-2009	2007-2008	2008-2009	2007	2008	2009
Contact Center	2,051	2,839	4,207	38.4	48.2	18.0	21.6	46.9	44.9	50.9
Transcription	33	34	57	4.1	66.8	0.0	0.4	0.7	0.5	0.7
Animation	29	36	52	25.5	44.2	0.2	0.3	0.7	0.6	0.6
Software Development	1,098	1,413	1,672	28.6	18.4	7.2	4.1	25.1	22.3	20.3
Other BPOs	1,157	2,004	2,270	73.2	13.3	19.4	4.2	26.5	31.7	27.5
TOTAL INDUSTRY	**4,368**	**6,325**	**8,258**	**44.8**	**30.6**	**44.8**	**30.6**	**100.0**	**100.0**	**100.0**

INDUSTRY EXPORTS

IT-BPO Category	EXPORTS									
	Levels in US$ Million			Growth Rates (in percent)		Percentage Points Contribution to Growth		Percent Share to Industry Total		
	2007	2008	2009	2007-2008	2008-2009	2007-2008	2008-2009	2007	2008	2009
Contact Center	1,732	2,489	3,938	43.7	58.2	21.7	27.4	49.6	47.1	51.0
Transcription	25	24	54	-4.8	127.3	(0.0)	0.6	0.7	0.5	0.7
Animation	27	35	46	30.8	31.0	0.2	0.2	0.8	0.7	0.6
Software Development	852	1,148	1,553	34.9	35.2	8.5	7.6	24.4	21.7	20.1
Other BPOs	855	1,592	2,126	86.3	33.5	21.1	10.1	24.5	30.1	27.6
TOTAL INDUSTRY	**3,490**	**5,288**	**7,717**	**51.5**	**45.9**	**51.5**	**45.9**	**100.0**	**100.0**	**100.0**

INDUSTRY TOTAL EQUITY

IT-BPO Category	TOTAL EQUITY									
	Levels in US$ Million			Growth Rates (in percent)		Percentage Points Contribution to Growth		Percent Share to Industry Total		
	2007	2008	2009	2007-2008	2008-2009	2007-2008	2008-2009	2007	2008	2009
Contact Center	596	1,356	1,387	127.3	2.3	81.3	1.6	63.8	69.3	53.6
Transcription	8	13	16	55.1	24.2	0.5	0.2	0.9	0.7	0.6
Animation	24	23	63	-1.8	167.1	(0.0)	2.0	2.6	1.2	2.4
Software Development	189	378	636	100.3	68.2	20.3	13.2	20.2	19.3	24.6
Other BPOs	117	188	486	60.3	159.1	7.6	15.3	12.5	9.6	18.8
TOTAL INDUSTRY	**934**	**1,957**	**2,587**	**109.5**	**32.2**	**109.5**	**32.2**	**100.0**	**100.0**	**100.0**

INDUSTRY FOREIGN DIRECT INVESTMENT

IT-BPO Category	FOREIGN DIRECT INVESTMENT									
	Levels in US$ Million			Growth Rates (in percent)		Percentage Points Contribution to Growth		Percent Share to Industry Total		
	2007	2008	2009	2007-2008	2008-2009	2007-2008	2008-2009	2007	2008	2009
Contact Center	585	1,309	1,330	123.7	1.6	88.1	1.2	71.2	71.7	56.0
Transcription	8	13	13	55.1	4.4	0.6	0.0	1.0	0.7	0.6
Animation	23	23	40	1.1	69.1	0.0	0.9	2.8	1.3	1.7
Software Development	96	320	632	233.2	97.6	27.2	17.1	11.7	17.5	26.6
Other BPOs	109	161	361	47.5	124.5	6.3	11.0	13.3	8.8	15.2
TOTAL INDUSTRY	**821**	**1,825**	**2,376**	**122.2**	**30.1**	**122.2**	**30.1**	**100.0**	**100.0**	**100.0**

INDUSTRY EMPLOYMENT

IT-BPO Category	EMPLOYMENT									
	No. of Persons			Growth Rates (in percent)		Percentage Points Contribution to Growth		Percent Share to Industry Total		
	2007	2008	2009	2007-2008	2008-2009	2007-2008	2008-2009	2007	2008	2009
Contact Center	169,748	212,372	255,765	25.1	20.4	15.7	12.2	62.5	59.8	57.5
Transcription	6,621	4,321	7,060	-34.7	63.4	(0.8)	0.8	2.4	1.2	1.6
Animation	4,323	5,656	3,732	30.8	(34.0)	0.5	(0.5)	1.6	1.6	0.8
Software Development	44,870	49,893	46,987	11.2	(5.8)	1.8	(0.8)	16.5	14.0	10.6
Other BPOs	45,994	82,893	131,267	80.2	58.4	13.6	13.6	16.9	23.3	29.5
TOTAL INDUSTRY	**271,556**	**355,135**	**444,811**	**30.8**	**25.3**	**30.8**	**25.3**	**100.0**	**100.0**	**100.0**

INDUSTRY COMPENSATION

IT-BPO Category	COMPENSATION										Annual Average Compensation per Employee				
	Levels in US$ Million			Growth Rates (in percent)		Percentage Points Contribution to Growth		Percent Share to Industry Total			Levels in US$			Growth Rates (in percent)	
	2007	2008	2009	2007-2008	2008-2009	2007-2008	2008-2009	2007	2008	2009	2007	2008	2009	2007-2008	2008-2009
Contact Center	1,090	1,680	1,954	54.2	16.3	27.7	9.9	51.2	60.8	57.2	6,420	7,912	7,640	23.2	(3.4)
Transcription	24	22	35	-8.1	57.0	(0.1)	0.5	1.1	0.8	1.0	3,644	5,131	4,929	40.8	(3.9)
Animation	19	27	21	42.9	(21.9)	0.4	(0.2)	0.9	1.0	0.6	4,305	4,702	5,568	9.2	18.4
Software Development	620	536	557	-13.5	3.9	(3.9)	0.8	29.1	19.4	16.3	13,817	10,743	11,849	(22.2)	10.3
Other BPOs	377	497	852	31.9	71.4	5.6	12.9	17.7	18.0	24.9	8,196	5,997	6,493	(26.8)	8.3
TOTAL INDUSTRY	**2,129**	**2,762**	**3,419**	**29.7**	**23.8**	**29.7**	**23.8**	**100.0**	**100.0**	**100.0**	**7,841**	**7,778**	**7,686**	**(0.8)**	**(1.2)**