RESULTS OF THE 2012 SURVEY OF INFORMATION TECHNOLOGY-BUSINESS PROCESS OUTSOURCING (IT-BPO) SERVICES

GLOBAL IT-BPO SERVICES INDUSTRY TRENDS

The global business process outsourcing industry continues to exhibit vibrant growth in 2012.

Despite the volatile economic environment in 2012, global spending on technology and related services sector amounted to US$1.9 trillion,[1] or a 4.8 percent increment over that of the previous year. In particular, global spending on information technology (IT) and business process management (BPM) services grew by 3.3 percent and 4.9 percent, respectively. In line with the expansion in global technology and related services expenditures, the global sourcing market also rose to US$124-130 billion, registering a 9 percent growth during the year.[2]

IT-BPM, now the "highest impact" sector for India, accounted for 52 percent of the global sourcing market in 2012.[3,4] The Philippines and India remained the global leaders in the voice and non-voice sectors, respectively.[5] According to Tholons, the Philippines remained as the global leader in voice services, at the same time expanding into other sectors like software development, IT, animation and game development, and health care information management.[6] Although the Philippines and India have the dominant share of the global market, China has emerged as a new competitor. China has been exerting efforts to improve the quality of education in the country, encourage

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[1] Comprised of IT services (US$625 billion), BPM services (US$160 billion), software products (US$319 billion) and hardware (US$797 billion). (Source: Angel Broking[TM], *IT Sector – Indian IT Long term growth outlook intact,* 20 March 2013, <http://web.angelbackoffice.com/research/archives/fundamental/company_reports/IT-SectorUpdate-March2003-200313.pdf> [accessed 16 February 2014].

[2] Nasscom, *The IT-BPM Sector in India – Strategic Review 2013*, <http://www.nasscom.in/sites/default/files/researchreports/STR13_Exec_Summary.pdf> [accessed 16 February 2014].

[3] According to Nasscom, India renamed its business process outsourcing (BPO) industry as business process management (BPM) as the acronym BPO does not reflect the industry as it stands today. BPO involved shifting the delivery of business processes from high-cost destinations to low-cost ones, which was enabled by advancements in information and communication technologies. The model worked on labour cost arbitrage, and brought significant savings for clients. Rebranding it to BPM is more appropriate given the industry's current level of maturity. The industry has gone up the value chain, managing entire businesses processes of clients and not merely outsourcing them. As the industry has matured and understood its clients' businesses better, it has increasingly done complex work and taken responsibility for the business outcomes of its services. The services are no longer delivered from low-cost destinations but from different geographies, depending on the clients' requirements and the skills of people in those geographies. It no longer matters whether services provided are outsourced, shared, managed, collocated or captive.

[4] Indian IT-BPM covers both IT and BPM services industries.

[5] The Philippine Star, *IT-BPM: Gearing up to sustain global leadership*, 5 August 2013, <http://www.philstar.com/business-usual/2013/08/05/1051681/it-bpm-gearing-sustain-global-leadership> [accessed 16 February 2014].

[6] Rappler.com, *Manila is world's 3rd top BPO destination: survey,* 01 January 2013, <http://www.rappler.com/business/20810-manila-world-s-3rd-top-bpo-destination-survey> [accessed 12 February 2014].

investments in infrastructure and increase the number of English speakers in the talent pool.[5]

PHILIPPINE IT-BPO SERVICES INDUSTRY

Revenues

Local IT-BPO industry sustains double-digit growth in 2012.

Revenues from the country's IT-BPO industry continued to register double-digit growth in 2012, albeit at a decelerated rate of 11.4 percent compared to the 20.1 percent increase posted in 2011. Total revenues of the industry rose to US$13.5 billion from US$12.1 billion in the previous year.

The industry's sustained growth was a result of the increasing demand for non-voice, complex services and the local IT-BPO companies' strengthening service delivery in the financial services, insurance, human resources, logistics, engineering, software, media, healthcare, IT and legal industries.[7]

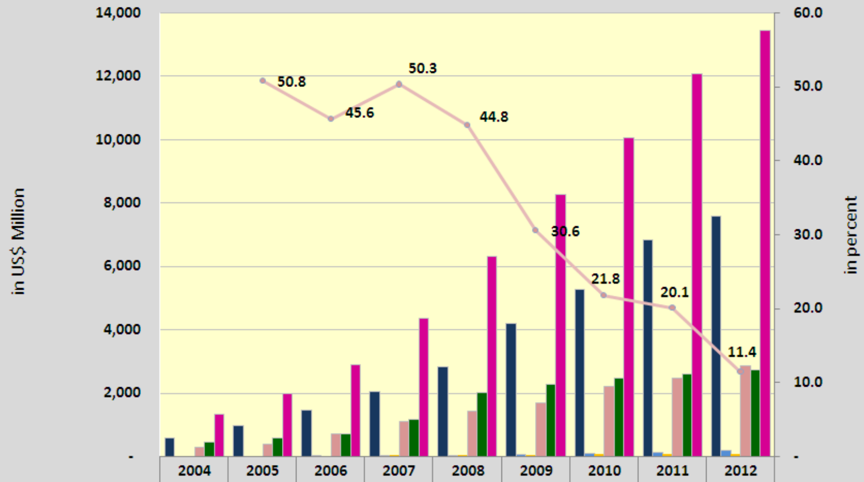
Everest Group, an international business advisor and research firm, dubbed the country's healthcare information management (HIM) industry as a "hidden jewel" of the Philippines.[8] It cited in its report entitled "Healthcare BPO Is a 'Hidden Jewel' For the Philippines' Global Services Industry" that the country's healthcare BPO is one of the fastest-growing sectors in the IT-BPO industry as its revenues grew fourfold from US$102 million in 2010 to US$430 million in 2012. The increase in demand for HIM services was driven by healthcare-related legislation in the United States and Europe that prompted the need to maintain exhaustive electronic medical records with complete information on billing and payment transfers. Among the country's competitive advantage in the HIM sector are the availability of large talent pool and familiarity with U.S. medical practices as nursing education in the Philippines is largely patterned after U.S. standards.[9]

[7] The Philippine Star, *BPAP bullish on non-voice IT-BPO business,* 13 August 2012, <http://www.philstar.com/business/2012/08/13/837624/bpap-bullish-non-voice-it-bpo-business> [accessed 10 February 2014].

[8] The Philippine HIM industry had evolved to provide services in all aspects of healthcare information management, including clinical data management, disease management, revenue cycle management, pharmacy benefits management, electronic medical records, medical claims recovery, patient education, insurance processing, and quality assurance.

[9] Information Technology and Business Process Association of the Philippines (IBPAP) Media Room, *Everest study: Healthcare BPO "a hidden jewel" for PHL*, 27 February 2013, <http://www.bpap.org/media-room/674-everest-study-healthcare-bpo-a-hidden-jewel-for-phl> [accessed 12 February 2014].

Figure 1. Revenue, by Category, 2004-2012
(in US$ million)



	2004	2005	2006	2007	2008	2009	2010	2011	2012
Contact Center	587	986	1,455	2,051	2,839	4,207	5,260	6,817	7,587
Transcription	4	8	20	33	34	57	84	122	198
Animation	12	17	26	29	36	52	63	72	80
Software Development	279	399	707	1,098	1,413	1,672	2,198	2,469	2,848
Other BPOs	441	585	697	1,157	2,004	2,270	2,452	2,594	2,736
TOTAL INDUSTRY	1,324	1,996	2,906	4,368	6,325	8,258	10,058	12,074	13,450
Growth Rate		50.8	45.6	50.3	44.8	30.6	21.8	20.1	11.4

Contact Centers continue to account for more than half of total industry revenues in 2012.

The positive growth trend in revenues generated was sustained across the industry's sub-sectors. Transcription grew fastest at the rate of 63.3 percent, followed by Software Development with a growth rate of 15.4 percent. Animation and Contact Centers also realized double-digit growth rates in revenues at 11.7 and 11.3 percent, respectively.

Contact Centers continued to contribute more than half of the industry's total receipts (56.4 percent share or US$7.6 billion). Software Development and Other BPOs were also primary contributors to the industry's total revenues, accounting for 21.2 percent share (or US$2.8 billion) and 20.3 percent share (or US$2.7 billion), respectively.[10]

Contact Centers were also the key driver of the IT-BPO industry, contributing 6.4 percentage points to the total 11.4 percent growth in revenues of the industry. This was followed by Software Development (3.1 percentage points) and Other BPOs (1.2 percentage points). Transcription and Animation sub-sectors combined accounted for the remaining 0.7 percentage point contribution to growth.

[10] 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, 2010-2012

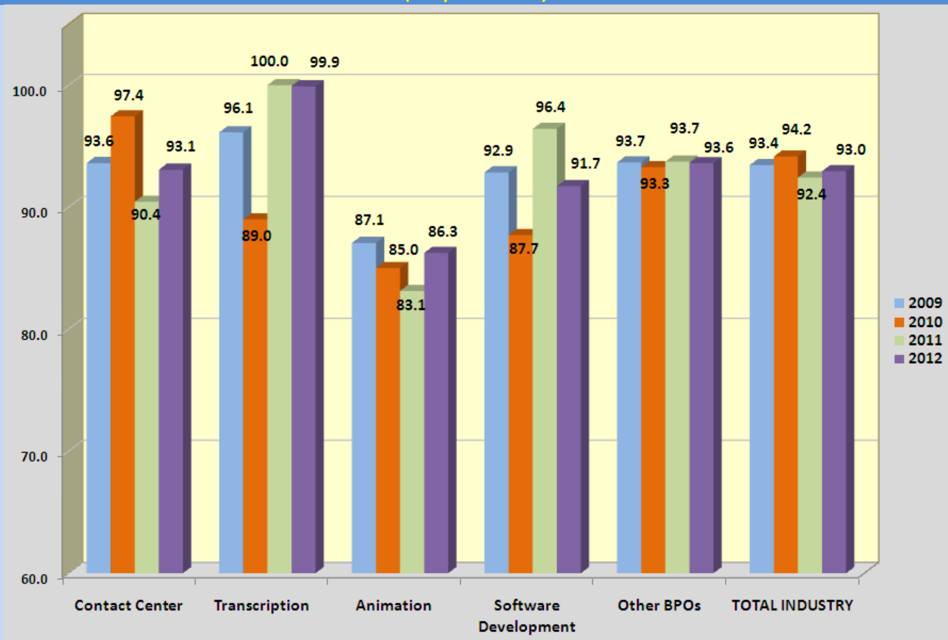
IT-BPO Category	REVENUES									
	Levels in US$ Million			Growth Rates (in percent)		Percentage Points Contribution to Growth		Percent Share to Industry Total		
	2010	2011	2012	2011	2012	2011	2012	2010	2011	2012
Contact Center	5,260	6,817	7,587	29.6	11.3	15.5	6.4	52.3	56.5	56.4
Transcription	84	122	198	44.3	63.3	0.4	0.6	0.8	1.0	1.5
Animation	63	72	80	14.0	11.7	0.1	0.1	0.6	0.6	0.6
Software Development	2,198	2,469	2,848	12.3	15.4	2.7	3.1	21.9	20.4	21.2
Other BPOs	2,452	2,594	2,736	5.8	5.5	1.4	1.2	24.4	21.5	20.3
TOTAL INDUSTRY	10,058	12,074	13,450	20.1	11.4	20.1	11.4	100.0	100.0	100.0

Exports

Share of exports to total industry revenues moderately improves in 2012.

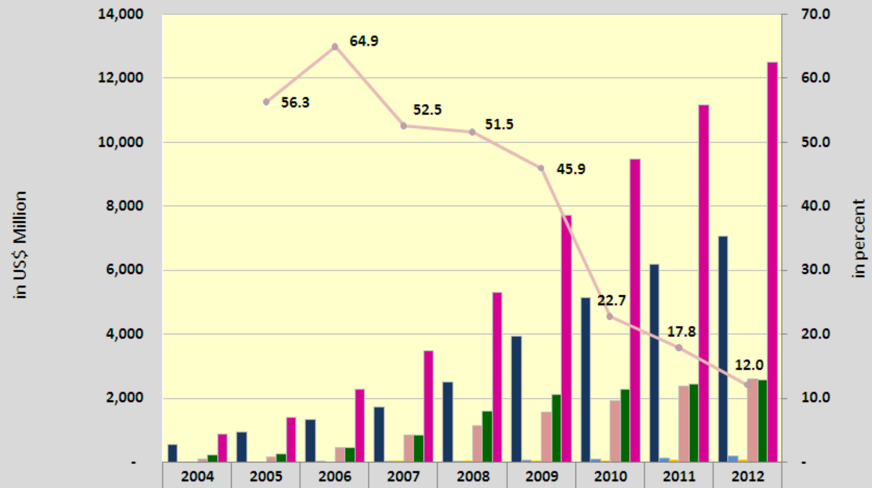
Export receipts of the IT-BPO industry reached US$12.5 billion, expanding by 12 percent from the previous year's level of US$11.2 billion. The export-to-revenue ratio of the industry slightly increased to 93 percent from 92.4 percent in 2011. Increases in export-to-revenue ratios were observed in Contact Centers (from 90.4 percent to 93.1 percent) and Animation (from 83.1 percent to 86.3 percent) from 2011 to 2012. Meanwhile, Software Development posted a lower export-to-revenue ratio of 91.7 percent in 2012 compared to 96.4 percent in 2011. Transcription and Other BPOs recorded marginal declines in their export-to-revenue ratios.

Figure 2. Export-to-Revenue Ratio, 2009-2012
(in percent)



All the industry sub-sectors recorded increases in exports. Transcription posted the highest growth at 63.1 percent, from US$122 million in 2011 to US$198 million in 2012. This was followed by Animation (15.9 percent), Contact Centers (14.5 percent), Software Development (9.8 percent) and Other BPOs (5.3 percent).

Figure 3. Exports, by Category, 2004-2012
(in US$ million)



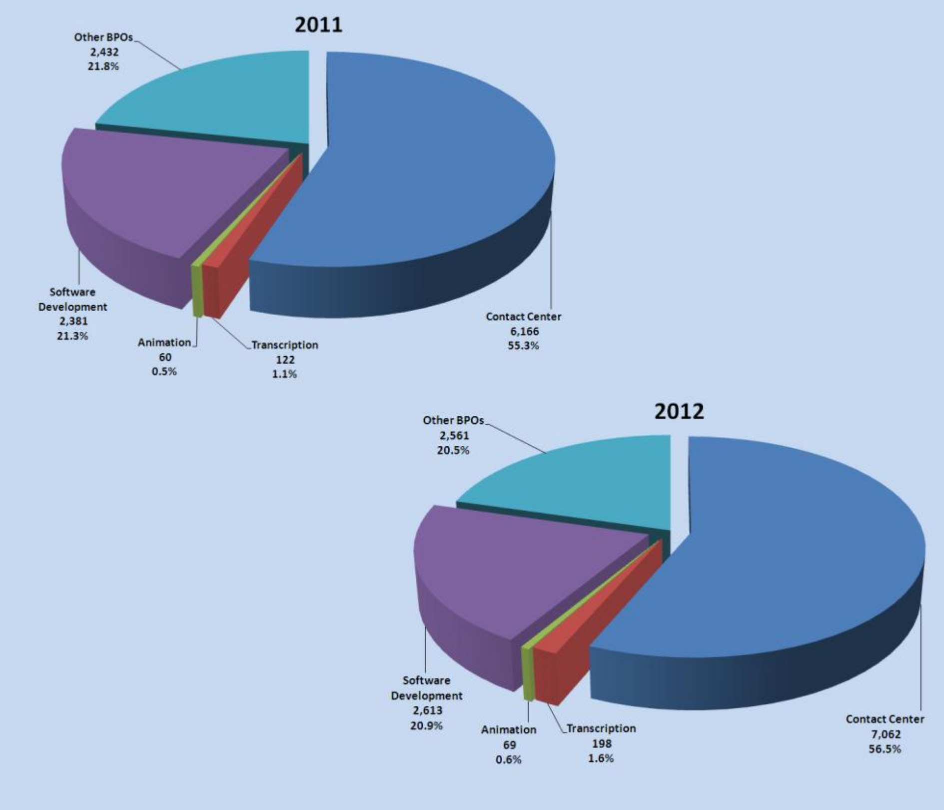
	2004	2005	2006	2007	2008	2009	2010	2011	2012
Contact Center	561	949	1,330	1,732	2,489	3,938	5,126	6,166	7,062
Transcription	4	8	19	25	24	54	75	122	198
Animation	8	11	23	27	35	46	54	60	69
Software Development	98	160	455	852	1,148	1,553	1,928	2,381	2,613
Other BPOs	217	259	462	855	1,592	2,126	2,288	2,432	2,561
TOTAL INDUSTRY	888	1,388	2,288	3,490	5,288	7,717	9,470	11,160	12,503
Growth Rate		56.3	64.9	52.5	51.5	45.9	22.7	17.8	12.0

Contact Centers remain the leading export earner.

More than half of the industry's total export receipts continued to be captured by Contact Centers, at 56.5 percent (or US$7.1 billion). This was an increase from the 55.3 percent share registered by the sub-sector a year earlier. Other industry sub-sectors which accounted for a big fraction of the industry's total exports were Software Development (20.9 percent) and Other BPOs (20.5 percent).

In terms of contribution to the 12 percent growth in exports, Contact Centers accounted for the biggest share at 8 percentage points. Software Development contributed 2.1 percentage points and Other BPOs shared 1.2 percentage points to total growth.

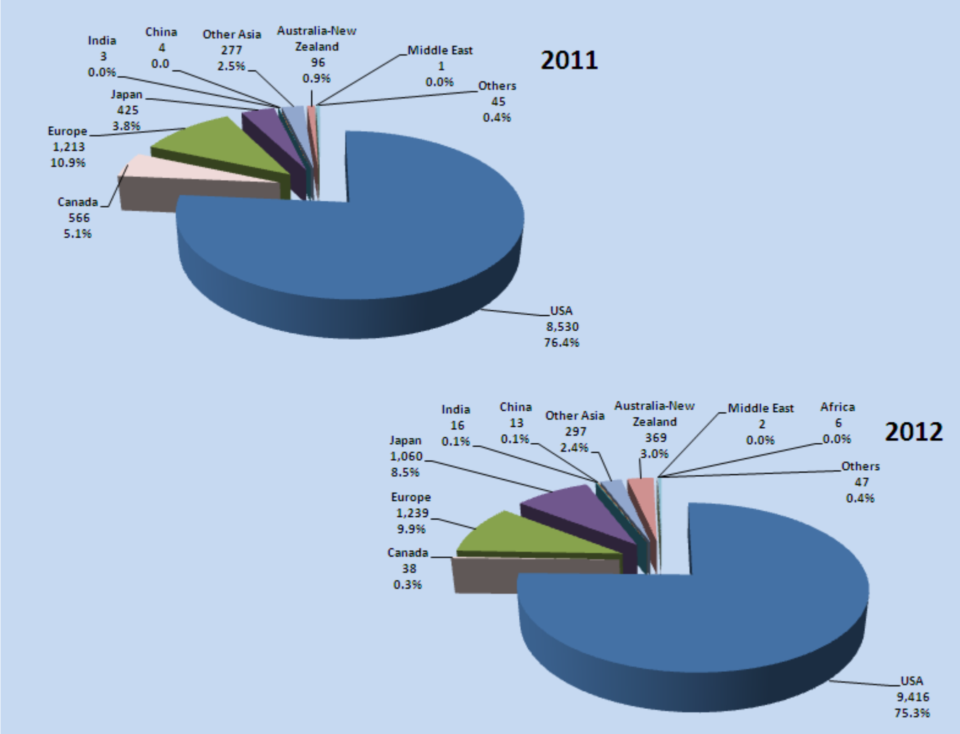
Figure 4. Exports, by Category, 2011-2012
(percent share to industry total, levels in US$million)



The US continues to be the local IT-BPO industry's largest export destination.

The United States remained the biggest export market, accounting for a substantial 75.3 percent share (or US$9.4 billion) of the industry's total exports. Its share, however, to total exports for the year was slightly lower than that of the previous year's 76.4 percent share. Other major export markets were Europe (9.9 percent or US$1.2 billion), Japan (8.5 percent or US$1 billion) and Australia-New Zealand (3 percent or US$369 million).

Figure 5. Exports, by Country of Destination, 2011-2012
(percent share to industry total, levels in US$million)



Total Equity and Foreign Investments

Equity capital investments in the industry increases.

Equity capital investments in the local IT-BPO industry in end-2012 reached US$7.3 billion, higher by 27.5 percent than the year-ago level of US$5.7 billion. According to Tholons, in 2012, the IT-BPO industry in the Philippines was stimulated by increased new investments from large and mid-sized foreign providers as well as expansions of locators and captives across many of the country's established delivery locations. The country continued to attract large, western providers, not only as an offshore delivery location, but also as a potential rich market for IT services. During the same year, Manila claimed the third spot, overtaking Delhi, India, in Tholon's annual ranking of the 100 leading global outsourcing destinations. The top two spots in the list were occupied by Bangalore and Mumbai of India.[11,12]

Equity capital infusion from foreign sources accounted for 95 percent of the industry's total equity capital investments in end-2012, slightly higher than the 93.2 percent share in the previous year. All the industry

[11] The Philippine cities included in Tholon's 2013 Top 100 Outsourcing Destinations with their corresponding rankings were: (1) Manila - 3rd, (2) Cebu City – 8th, (3) Davao City – 70th, (4) Sta. Rosa, Laguna – 84th, (5) Iloilo City – 93rd, (6) Bacolod City – 94th, and (10) Baguio City – 99th.

[12] Tholons, *2013 Top 100 Outsourcing Destination,* January 2013, <http://www.tholons.com/TholonsTop100/pdf/Tholons%20Top%20100%202013_Rankings%20and%20Report%20Overview.pdf> [accessed 10 January 2014].

sub-sectors registered higher foreign-to-total equity ratios compared to those in the previous year. Foreign direct investments in the industry in end-2012 reached US$7.0 billion, representing a 30 percent increment from the previous year's level of US$5.4 billion.

Among the key investments and expansions in the country's IT-BPO industry in 2012 include Teleperformance's establishment of another delivery center in Mandaluyong City, Convergy's opening of its 18th call center also in Mandaluyong City and UnitedHealth's establishment of back-office operations for healthcare in Taguig City in response to the demand created by the U.S. Patient Protection and Affordable Care Act.[13] As part of the company's global growth strategy, Accenture Philippines opened its 15th and 16th sites in Cebu and Manila.[14] Stream Global Services launched its recruitment hub called Stream J Centre Recruiting in Mandaue City.[15] Cognizant opened a 1,000-seat delivery center in Pasig City to serve its American and European clients in the financial services, healthcare, manufacturing and logistics, retail, hospitality, telecommunications, and consumer goods industries.[16] A significant investment was made by IBM Software, a division of IBM, through the establishment of a new facility in Quezon City to handle support for its "social business" software offers to its North American clients.[17]

Contact Centers accounted for almost half of total foreign equity investments at 48 percent (or US$3.3 billion). This was followed by Software Development and Other BPOs at 28 percent (US$1.9 billion) and 21.7 percent (US$1.5 billion), respectively. In terms of contribution to growth, Software Development was the main driver, accounting for 13.4 percentage points of the total 27.5 percent growth of the industry's equity capital investments.

[13] Tholons, *2013 Top 100 Outsourcing Destination,* January 2013, <http://www.tholons.com/TholonsTop100/pdf/Tholons%20Top%20100%202013_Rankings%20and%20Report%20Overview.pdf> [accessed 10 January 2014].

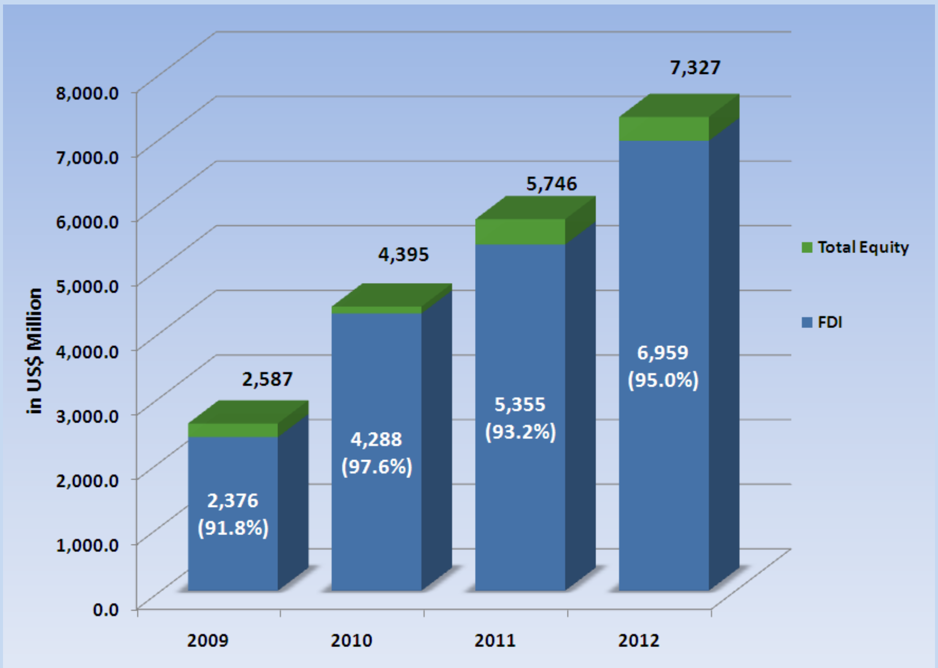
[14] INQUIRER.net, *BPO firm opens new site in Cebu*, 8 November 2012, <http://newsinfo.inquirer.net/303930/bpo-firm-opens-new-site-in-cebu> [accessed 15 January 2014].

[15] Sun Star Cebu, *BPO opens Mandaue mall outlet*, 23 October 2012, <http://www.sunstar.com.ph/cebu/business/2012/10/23/bpo-opens-mandaue-mall-outlet-249352> [accessed 16 January 2014].

[16] Manila Bulletin, *Cognizant Expands BPO Operations Here*, 31 July 2012, <http://ph.news.yahoo.com/cognizant-expands-bpo-operations-091346909--finance.html> [accessed 16 January 2014].

[17] INQUIRER.net, *IBM expands in PH, puts up BPO facility for North American clients*, 18 October 2012, <http://business.inquirer.net/88092/ibm-expands-in-ph-puts-up-bpo-facility-for-north-american-clients> [accessed 15 January 2014].

Figure 6. Share of FDI to Total Equity Investments, 2009-2012
(in US$ million and percent share)



Europe is the top foreign direct investor in the industry.

Europe continued to account for the bulk of foreign equity capital investments in the local IT-BPO services industry as of end-2012. The share of Europe, however, dropped moderately to 41.2 percent (US$2.9 billion) in 2012 from 46.2 percent (US$2.5 billion) a year ago. The U.S. accounted for 37.3 percent (US$2.6 billion) of the industry's total foreign equity capital infusion in 2012, also a decline from its 38.5 percent share (US$2.1 billion) in 2011. Meanwhile, Japan increased its share to total foreign equity capital investments at 10.1 percent (US$705 million) in 2012 from 9 percent share in the previous year. Equity capital infused by investors from India more than tripled in 2012 to reach US$262 million from US$79 million posted a year ago.

Table 2. Foreign Investments in IT-BPO Industry, by Country of Investor, 2010-2012

Country of Investor	Foreign Equity (in US$ million)			Percent Share to Total Foreign Equity		
	2010	2011	2012	2010	2011	2012
USA	3,079	2,063	2,593	71.8	38.5	37.3
Europe	314	2,476	2,869	7.3	46.2	41.2
Japan	719	482	705	16.8	9	10.1
Others	176	334	792	4.1	6.3	11.4
of w/c, India	-	79	262	0.0	1.5	3.8
Total	**4,288**	**5,355**	**6,959**	**100.0**	**100.0**	**100.0**

Employment and Compensation

Employment in the local IT-BPO industry continues to rise.

Employment in the country's IT-BPO industry totalled 769,932, a 13.3 percent increment over the 679,494 level posted a year ago. The increase in employment was fueled by the initiatives taken by the government and the private sector to develop employees with skills necessary to meet the increasing labor demand in the industry. Close to ₱1 billion of the 2012 national budget, which came from the Commission on Higher Education (CHED), the Department of Science and Technology (DOST) and the Technical Skills Development Authority (TESDA), was allocated for talent development in IT-BPO.[18] The Commission on Higher Education (CHED) Memorandum Order (CMO) No. 6 Series of 2012 on Service Management was signed allowing higher education institutes (HEIs) with existing business administration and business management courses to include the Service Management Specialization Track (SMST) along with the courses' electives.[19,20] The Technical Education and Skills Development Authority (TESDA) and the Information Technology and Business Process Association of the Philippines (IBPAP) jointly developed TM Plus, a trainers' training program intended to support talent development in the IT-BPO industry. The program will help ensure the availability of highly competent IT-BPO trainers. TESDA allocated 900 vouchers worth ₱18 million for the project. An additional budget of ₱7.2 million for 804 vouchers was used for TM 1, a first-generation version of the TESDA course which is also aimed at enhancing training skills.[21] To facilitate employment in the country's IT-BPO industry, IBPAP launched a career portal called "Work Abroad. Live Here." It is supported by a Facebook page and Twitter account named also as "Work Abroad. Live Here." The portal is intended for students, fresh graduates, young professionals, and experienced workers aspiring to work for world-renowned IT-BPO companies.[22]

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[18] Senate of the Philippines, *Angara Seeks More Funding for Skills Training to Sustain IT-BPO Sector Growth*, 18 September 2012, <http://www.senate.gov.ph/press_release/2012/0918_angara1.asp> [accessed 15 January 2014].

[19] The track is a 21-unit minor program linking knowledge-sharing and experiential learning for students considering to pursue a career in global services industries such as business processes and services, finance, healthcare, human resources, tourism, consumer retail, and hotel and restaurant management. Components of the track include a semester-long internship to ensure that the students will acquire actual work experience in a globally competitive environment and the faculty development component structured to enable the industry and the academe to benefit from each other's best practices.

[20] IBPAP Media Room, *CHED Allows HEIs to Offer Specialization Course in Service Management Starting SY2012–2013*, 2 April 2012, <http://www.ibpap.org/media-room/bpap-news/353-ched-allows-heis-offer-specialization-course-service-management> [accessed 12 February 2014].

[21] TESDA, *P25.2-M "Train the Trainers" program for IT-BPO launched*, 3 October 2012, <http://www.tesda.gov.ph/page.aspx?page_id=436> [accessed 12 February 2014].

[22] IBPAP Media Room, *BPAP launches "Work Abroad. Live Here." career portal*, 3 April 2012, <http://www.bpap.org/media-room/357-bpap-launches-work-abroad-live-here-career-portal>

Figure 7. Employment by Category, 2004-2012 (number of persons)

	2004	2005	2006	2007	2008	2009	2010	2011	2012
Contact Center	65,006	96,246	153,683	169,748	212,372	255,765	329,597	433,183	487,757
Transcription	901	1,785	4,956	6,621	4,321	7,060	9,131	11,084	16,997
Animation	1,488	1,864	4,482	4,323	5,656	3,732	3,908	3,973	4,164
Software Development	11,975	17,829	42,657	44,870	49,893	46,987	49,516	55,464	64,922
Other BPOs	15,118	20,278	42,267	45,994	82,893	131,267	143,975	175,761	196,092
TOTAL INDUSTRY	94,488	138,002	248,045	271,556	355,135	444,811	536,128	679,464	769,932
Growth Rate		46.1	79.7	9.5	30.8	25.3	20.5	26.7	13.3

Contact Centers represent three-fifths of total industry employment in 2012.

Contact Centers absorbed the bulk of the industry's employment for 2012 at 63.4 percent. This was followed by Other BPOs (25.5 percent), Software Development (8.4 percent), Transcription (2.2 percent), and Animation (0.5 percent).

Contact Centers had the biggest contribution to the industry's 13.3 percent growth in employment at 8 percentage points. This was followed by Other BPOs at 3 percentage points.

Software Development offers the highest compensation in the industry.

Aggregate compensation received by workers in the industry rose to US$6.8 billion in 2012, up by 18.5 percent from the US$5.8 billion recorded in the previous year. Contact Centers represented the biggest share of the industry's total compensation at 59.4 percent (US$ 4 billion), followed by Other BPOs and Software Development with 22.1 percent (US$1.5 billion) and 16.6 percent share (US$1.1 billion), respectively.

Contact Centers were also the biggest contributors to the industry's compensation growth, accounting for 8.3 percentage points of the 18.5 percent growth in industry compensation. This was followed by Software Development and Other BPOs at 4.9 percentage points and 4.6 percentage points, respectively.

[accessed 12 February 2014].

Table 3. Compensation by Category, 2010-2012
In US$ million

IT-BPO Category	COMPENSATION									
	Levels in US$ Million			Growth Rates (in percent)		Percentage Points Contribution to Growth		Percent Share To Industry Total		
	2010	2011	2012	2011	2012	2011	2012	2010	2011	2012
Contact Center	2,805	3,570	4,049	27.3	13.4	17.0	8.3	62.3	62.1	59.4
Transcription	48	63	98	31.7	56.2	0.3	0.6	1.1	1.1	1.4
Animation	24	27	30	12.8	11.3	0.1	0.1	0.5	0.5	0.4
Software Development	629	849	1,129	35.1	32.9	4.9	4.9	14.0	14.8	16.6
Other BPOs	997	1,243	1,507	24.6	21.3	5.4	4.6	22.1	21.6	22.1
TOTAL INDUSTRY	4,502	5,751	6,813	27.7	18.5	27.7	18.5	100.0	100.0	100.0

Annual average compensation per employee in 2012 grew by 4.5 percent to US$8,849 (or ₱373,662) from US$8,464 (or ₱366,618) in 2011.[23] Software Development remained the highest paying sub-sector in the industry with an annual average salary of US$17,383 (or ₱734,045), a 13.5 percent increment over the previous year's level of US$15,313 (or ₱663,237). This was followed by Contact Centers at US$8,301 (or ₱350,544), Other BPOs at US$7,687 (or ₱324,603), Animation at US$7,257 (or ₱306,459) and Transcription at US$5,755 (or ₱243,017).

Table 4. Annual Average Compensation per Employee
by Category, 2010-2012

IT-BPO Category	Annual Average Compensation per Employee				
	Levels in US$			Growth Rates	
	2010	2011	2012	2011	2012
Contact Center	8,510	8,240	8,301	(3.2)	0.7
Transcription	5,206	5,649	5,755	8.5	1.9
Animation	6,157	6,832	7,257	11.0	6.2
Software Development	12,699	15,313	17,383	20.6	13.5
Other BPOs	6,926	7,070	7,687	2.1	8.7
TOTAL INDUSTRY	8,398	8,464	8,849	0.8	4.5

[23] Philippine pesos per US dollar average rate: ₱43.3131 in 2011 and ₱42.2288 in 2012.

Profile of Respondents

Survey coverage and response rate increase in 2012.

The survey covered a total of 958 IT-BPO companies in 2012 from 854 in 2011. A total of 563 companies participated in the survey. Overall response rate improved to 58.8 percent from 52.9 percent the previous year.

Table 5. Profile of Respondents, 2010-2012

	No. of Target Respondents			Response Received			Response Rate		
	2010	2011	2012	2010	2011	2012	2010	2011	2012
Contact Center	160	189	209	116	118	141	72.5	62.4	67.5
Transcription	76	76	77	26	19	24	34.2	25.0	31.2
Animation	33	36	36	10	11	7	30.3	30.6	19.4
Software Development	250	254	294	135	124	166	54.0	48.8	56.5
Other BPOs	292	299	342	205	180	225	70.2	60.2	65.8
TOTAL INDUSTRY	811	854	958	492	452	563	60.7	52.9	58.8

2012 SURVEY OF IT-BPO SERVICES
(in US$Million)

Table 1. Revenue, by IT-BPO Category
2004-2012

SALES REVENUE – Levels (in US$ million)

IT-BPO Category	2004	2005	2006	2007	2008	2009	2010	2011	2012
Contact Center	587	986	1,455	2,051	2,839	4,207	5,260	6,817	7,587
Transcription	4	8	20	33	34	57	84	122	198
Animation	12	17	26	29	36	52	63	72	80
Software Development	279	399	707	1,098	1,413	1,672	2,198	2,469	2,848
Other BPOs	441	585	697	1,157	2,004	2,270	2,452	2,594	2,736
TOTAL INDUSTRY	**1,324**	**1,996**	**2,906**	**4,368**	**6,325**	**8,258**	**10,058**	**12,074**	**13,450**

SALES REVENUE – Growth Rates (in percent)

IT-BPO Category	2005	2006	2007	2008	2009	2010	2011	2012
Contact Center	67.9	47.7	40.9	38.4	48.2	25.0	29.6	11.3
Transcription	100.4	140.0	60.6	4.1	66.8	48.8	44.3	63.3
Animation	37.6	52.6	11.2	25.5	44.2	20.6	14.0	11.7
Software Development	43.2	77.1	55.4	28.6	18.4	31.4	12.3	15.4
Other BPOs	32.8	19.1	66.0	73.2	13.3	8.0	5.8	5.5
TOTAL INDUSTRY	**50.8**	**45.6**	**50.3**	**44.8**	**30.6**	**21.8**	**20.1**	**11.4**

SALES REVENUE – Percent Share to Total

IT-BPO Category	2004	2005	2006	2007	2008	2009	2010	2011	2012
Contact Center	44.4	49.4	50.1	46.9	44.9	50.9	52.3	56.5	56.4
Transcription	0.3	0.4	0.7	0.7	0.5	0.7	0.8	1.0	1.5
Animation	0.9	0.9	0.9	0.7	0.6	0.6	0.6	0.6	0.6
Software Development	21.1	20.0	24.3	25.1	22.3	20.3	21.9	20.4	21.2
Other BPOs	33.3	29.3	24.0	26.5	31.7	27.5	24.4	21.5	20.3
TOTAL INDUSTRY	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Table 2. Export Revenue, by IT-BPO Category
2004-2012

EXPORT REVENUE – Levels (in US$ million)

IT-BPO Category	2004	2005	2006	2007	2008	2009	2010	2011	2012
Contact Center	561	949	1,330	1,732	2,489	3,938	5,126	6,166	7,062
Transcription	4	8	19	25	24	54	75	122	198
Animation	8	11	23	27	35	46	54	60	69
Software Development	98	160	455	852	1,148	1,553	1,928	2,381	2,613
Other BPOs	217	259	462	855	1,592	2,126	2,288	2,432	2,561
TOTAL INDUSTRY	**888**	**1,388**	**2,288**	**3,490**	**5,288**	**7,717**	**9,470**	**11,160**	**12,503**

EXPORT REVENUE – Growth Rates (in percent)

IT-BPO Category	2005	2006	2007	2008	2009	2010	2011	2012
Contact Center	69.2	40.1	30.2	43.7	58.2	30.2	20.3	14.5
Transcription	99.4	124.1	33.2	(4.8)	127.3	37.7	62.1	63.1
Animation	46.3	100.8	17.1	30.8	31.0	17.8	11.5	15.9
Software Development	62.5	184.4	87.2	34.9	35.2	24.2	23.5	9.8
Other BPOs	19.5	78.4	85.1	86.3	33.5	7.6	6.3	5.3
TOTAL INDUSTRY	**56.3**	**64.9**	**52.5**	**51.5**	**45.9**	**22.7**	**17.8**	**12.0**

EXPORT REVENUE – Percent Share to Total

IT-BPO Category	2004	2005	2006	2007	2008	2009	2010	2011	2012
Contact Center	63.2	68.4	58.1	49.6	47.1	51.0	54.1	55.3	56.5
Transcription	0.5	0.6	0.8	0.7	0.5	0.7	0.8	1.1	1.6
Animation	0.9	0.8	1.0	0.8	0.7	0.6	0.6	0.5	0.6
Software Development	11.1	11.5	19.9	24.4	21.7	20.1	20.4	21.3	20.9
Other BPOs	24.4	18.7	20.2	24.5	30.1	27.6	24.2	21.8	20.5
TOTAL INDUSTRY	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

EXPORT REVENUE – Export-to-Revenue Ratio (in percent)

IT-BPO Category	2004	2005	2006	2007	2008	2009	2010	2011	2012
Contact Center	95.6	96.3	91.4	84.5	87.7	93.6	97.4	90.4	93.1
Transcription	100.0	99.5	92.9	77.1	70.5	96.1	89.0	100.0	99.9
Animation	62.4	66.4	87.3	91.9	95.8	87.1	85.0	83.1	86.3
Software Development	35.3	40.1	64.3	77.5	81.3	92.9	87.7	96.4	91.7
Other BPOs	49.1	44.2	66.2	73.9	79.4	93.7	93.3	93.7	93.6
TOTAL INDUSTRY	**67.1**	**69.5**	**78.7**	**79.9**	**83.6**	**93.4**	**94.2**	**92.4**	**93.0**

Table 2.1.a. Export Revenue, by Country of Destination
2012

IT-BPO Category	USA	Canada	Europe [1]	Japan	India	China	Other Asia [2]	Australia-New Zealand	Middle East	Africa	Others	Total Exports
Contact Center	6,722	9	102	7	-	-	30	191	-	-	1	7,062
Transcription	59	-	134	5	-	-	-	-	-	-	-	198
Animation	-	-	-	38	-	-	32	-	-	-	-	69
Software Development	1,402	-	335	753	-	7	5	110	-	-	1	2,613
Other BPOs	1,234	29	668	257	16	6	230	68	2	6	45	2,561
TOTAL INDUSTRY	**9,416**	**38**	**1,239**	**1,060**	**16**	**13**	**297**	**369**	**2**	**6**	**47**	**12,503**
Percent Share	**75.3**	**0.3**	**9.9**	**8.5**	**0.1**	**0.1**	**2.4**	**3.0**	**0.0**	**0.0**	**0.4**	**100.0**

1/ In particular, United Kingdom, Germany, Switzerland, Ireland, Netherlands, Denmark, Spain and Italy.
2/ In particular, Singapore, Thailand, Hong Kong, Malaysia, Indonesia, Korea and Cambodia

Table 2.1.b. Export Revenue, by Country of Destination
2011

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	4,999	541	539	24	-	-	33	31	-	-	-	6,166
Transcription	52	-	66	4	-	-	-	-	-	-	-	122
Animation	3	-	8	-	-	-	49	-	-	-	-	60
Software Development	2,129	-	39	186	-	2	6	15	-	-	3	2,381
Other BPOs	1,347	25	561	212	3	2	189	50	1	-	41	2,432
TOTAL INDUSTRY	**8,530**	**566**	**1,213**	**425**	**3**	**4**	**277**	**96**	**1**	**-**	**45**	**11,160**
Percent Share	**76.4**	**5.1**	**10.9**	**3.8**	**0.0**	**0.0**	**2.5**	**0.9**	**0.0**	**-**	**0.4**	**100.0**

1/ In particular, United Kingdom, Germany, Switzerland, Ireland, Netherlands, Denmark, Spain and Italy.
2/ In particular, Singapore, Thailand, Hong Kong, Malaysia, Indonesia and Korea

Table 3. Total Equity, by IT-BPO Category
2005-2012

IT-BPO Category	TOTAL EQUITY																						
	Levels (in US$ million)								Growth Rates (in percent)							Percent Share to Total							
	2005	2006	2007	2008	2009	2010	2011	2012	2006	2007	2008	2009	2010	2011	2012	2005	2006	2007	2008	2009	2010	2011	2012
Contact Center	243	281	596	1,356	1,387	2,428	3,063	3,372	15.9	112.0	127.3	2.3	75.0	26.2	10.1	49.4	45.2	63.8	69.3	53.6	55.2	53.3	46.0
Transcription	1	2	8	13	16	33	48	90	104.5	276.0	55.1	24.2	106.1	45.7	88.0	0.2	0.4	0.9	0.7	0.6	0.7	0.8	1.2
Animation	11	18	24	23	63	103	104	77	61.8	29.5	(1.8)	167.1	64.0	1.0	(25.9)	2.3	3.0	2.6	1.2	2.4	2.3	1.8	1.0
Software Development	12	46	189	378	636	895	1,270	2,038	279.2	306.3	100.3	68.2	40.8	41.9	60.5	2.5	7.5	20.2	19.3	24.6	20.4	22.1	27.8
Other BPOs	224	274	117	188	486	938	1,262	1,751	22.1	(57.3)	60.3	159.1	92.9	34.6	38.7	45.6	44.0	12.5	9.6	18.8	21.3	22.0	23.9
TOTAL INDUSTRY	**492**	**622**	**934**	**1,957**	**2,587**	**4,395**	**5,746**	**7,327**	**26.5**	**50.1**	**109.5**	**32.2**	**69.9**	**30.7**	**27.5**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Table 3.1 Foreign Direct Investment
2005-2012

IT-BPO Category	FOREIGN DIRECT INVESTMENT																						
	Levels (in US$ million)								Growth Rates (in percent)							Percent Share to Total							
	2005	2006	2007	2008	2009	2010	2011	2012	2006	2007	2008	2009	2010	2011	2012	2005	2006	2007	2008	2009	2010	2011	2012
Contact Center	213	259	585	1,309	1,330	2,421	3,007	3,338	21.7	126.1	123.7	1.6	82.0	24.2	11.0	64.7	68.8	71.2	71.7	56.0	56.4	56.1	48.0
Transcription	1	2	8	13	13	30	46	90	176.2	430.3	55.1	4.4	125.6	53.9	93.3	0.2	0.4	1.0	0.7	0.6	0.7	0.9	1.3
Animation	4	18	23	23	40	73	75	76	303.8	31.4	1.1	69.1	83.8	3.3	1.4	1.3	4.7	2.8	1.3	1.7	1.7	1.4	1.1
Software Development	5	34	96	320	632	849	1,211	1,948	656.6	179.8	233.2	97.6	34.3	42.7	60.8	1.4	9.1	11.7	17.5	26.6	19.8	22.6	28.0
Other BPOs	107	64	109	161	361	916	1,016	1,507	(40.3)	71.2	47.5	124.5	153.9	10.8	48.4	32.4	16.9	13.3	8.8	15.2	21.4	19.0	21.7
TOTAL INDUSTRY	**329**	**376**	**821**	**1,825**	**2,376**	**4,288**	**5,355**	**6,959**	**14.3**	**118.5**	**122.2**	**30.1**	**80.5**	**24.9**	**30.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

IT-BPO Category	FOREIGN DIRECT INVESTMENT Foreign-to-Total Equity Ratio (in percent)							
	2005	2006	2007	2008	2009	2010	2011	2012
Contact Center	87.6	92.0	98.1	96.5	95.9	99.7	98.2	99.0
Transcription	52.5	71.0	100.0	100.0	84.1	92.0	97.2	99.9
Animation	38.4	95.8	97.2	100.0	63.3	70.9	72.5	99.2
Software Development	37.0	73.9	50.9	84.6	99.4	94.8	95.4	95.6
Other BPOs	47.5	23.2	93.1	85.6	74.2	97.7	80.4	86.1
TOTAL INDUSTRY	**66.9**	**60.4**	**87.9**	**93.3**	**91.8**	**97.6**	**93.2**	**95.0**

Table 3.2.a. Foreign Equity by Country of Investor
2012

IT-BPO Category	USA	Europe [1]	Asia [2]	Australia	Japan	India	China	Total FDI
Contact Center	1,595	1,304	77	67	5	291	-	3,338
Transcription	67	-	-	28	(5)	-	-	90
Animation	-	-	(7)	-	83	-	-	76
Software Development	177	1,509	94	3	163	2	-	1,948
Other BPOs	755	56	257	12	459	(31)	-	1,507
TOTAL INDUSTRY	**2,593**	**2,869**	**421**	**109**	**705**	**262**	**-**	**6,959**
Percent Share	**37.3**	**41.2**	**6.1**	**1.6**	**10.1**	**3.8**	**-**	**100.0**

1/ In particular, United Kingdom, Netherlands, Germany, Austria and France
2/ In particular, Singapore, Malaysia, Hong Kong and Korea.

Table 3.2.b. Foreign Equity by Country of Investor
2011

IT-BPO Category	USA	Europe [1]	Asia [2]	Australia	Japan	India	China	Total FDI
Contact Center	1,385	1,510	18	28	0	61	3	3,007
Transcription	3	38	-	4	1	-	-	46
Animation	-	(43)	(29)	-	147	-	-	75
Software Development	230	875	(0)	1	106	0	-	1,211
Other BPOs	445	96	229	2	227	17	-	1,016
TOTAL INDUSTRY	**2,063**	**2,476**	**217**	**35**	**482**	**79**	**3**	**5,355**
Percent Share	**38.5**	**46.2**	**4.1**	**0.7**	**9.0**	**1.5**	**0.1**	**100.0**

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

Table 4. Employment, by IT-BPO Category
2004-2012

EMPLOYMENT — Levels (count in persons)

IT-BPO Category	2004	2005	2006	2007	2008	2009	2010	2011	2012
Contact Center	65,006	96,246	153,683	169,748	212,372	255,765	329,597	433,183	487,757
Transcription	901	1,785	4,956	6,621	4,321	7,060	9,131	11,084	16,997
Animation	1,488	1,864	4,482	4,323	5,656	3,732	3,908	3,973	4,164
Software Development	11,975	17,829	42,657	44,870	49,893	46,987	49,516	55,464	64,922
Other BPOs	15,118	20,278	42,267	45,994	82,893	131,267	143,975	175,761	196,092
TOTAL INDUSTRY	**94,488**	**138,002**	**248,045**	**271,556**	**355,135**	**444,811**	**536,128**	**679,464**	**769,932**

EMPLOYMENT — Growth Rates (in percent)

IT-BPO Category	2005	2006	2007	2008	2009	2010	2011	2012
Contact Center	48.1	59.7	10.5	25.1	20.4	28.9	31.4	12.6
Transcription	98.1	177.7	33.6	(34.7)	63.4	29.3	21.4	53.3
Animation	25.3	140.4	(3.5)	30.8	(34.0)	4.7	1.6	4.8
Software Development	48.9	139.3	5.2	11.2	(5.8)	5.4	12.0	17.1
Other BPOs	34.1	108.4	8.8	80.2	58.4	9.7	22.1	11.6
TOTAL INDUSTRY	**46.1**	**79.7**	**9.5**	**30.8**	**25.3**	**20.5**	**26.7**	**13.3**

EMPLOYMENT — Percent Share to Total

IT-BPO Category	2004	2005	2006	2007	2008	2009	2010	2011	2012
Contact Center	68.8	69.7	62.0	62.5	59.8	57.5	61.5	63.8	63.4
Transcription	1.0	1.3	2.0	2.4	1.2	1.6	1.7	1.6	2.2
Animation	1.6	1.4	1.8	1.6	1.6	0.8	0.7	0.6	0.5
Software Development	12.7	12.9	17.2	16.5	14.0	10.6	9.2	8.2	8.4
Other BPOs	16.0	14.7	17.0	16.9	23.3	29.5	26.9	25.9	25.5
TOTAL INDUSTRY	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Table 5. Compensation, by IT-BPO Category
2004-2012

COMPENSATION — Levels (in US$ million)

IT-BPO Category	2004	2005	2006	2007	2008	2009	2010	2011	2012
Contact Center	331	556	766	1,090	1,680	1,954	2,805	3,570	4,049
Transcription	2	5	12	24	22	35	48	63	98
Animation	6	8	14	19	27	21	24	27	30
Software Development	83	120	249	620	536	557	629	849	1,129
Other BPOs	49	80	226	377	497	852	997	1,243	1,507
TOTAL INDUSTRY	**471**	**769**	**1,266**	**2,129**	**2,762**	**3,419**	**4,502**	**5,751**	**6,813**

COMPENSATION — Growth Rates (in percent)

IT-BPO Category	2005	2006	2007	2008	2009	2010	2011	2012
Contact Center	67.6	37.9	42.2	54.2	16.3	43.5	27.3	13.4
Transcription	140.0	142.2	100.7	(8.1)	57.0	36.6	31.7	56.2
Animation	35.8	63.3	35.2	42.9	(21.9)	15.8	12.8	11.3
Software Development	44.5	106.9	149.4	(13.5)	3.9	12.9	35.1	32.9
Other BPOs	64.5	183.0	66.8	31.9	71.4	17.0	24.6	21.3
TOTAL INDUSTRY	**63.1**	**64.7**	**68.1**	**29.7**	**23.8**	**31.7**	**27.7**	**18.5**

COMPENSATION — Percent Share to Total

IT-BPO Category	2004	2005	2006	2007	2008	2009	2010	2011	2012
Contact Center	70.3	72.2	60.5	51.2	60.8	57.2	62.3	62.1	59.4
Transcription	0.4	0.6	0.9	1.1	0.8	1.0	1.1	1.1	1.4
Animation	1.3	1.1	1.1	0.9	1.0	0.6	0.5	0.5	0.4
Software Development	17.6	15.6	19.6	29.1	19.4	16.3	14.0	14.8	16.6
Other BPOs	10.3	10.4	17.8	17.7	18.0	24.9	22.1	21.6	22.1
TOTAL INDUSTRY	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

ANNUAL COMPENSATION PER EMPLOYEE — Levels (in US$)

IT-BPO Category	2004	2005	2006	2007	2008	2009	2010	2011	2012
Contact Center	5,099	5,772	4,985	6,420	7,912	7,640	8,510	8,240	8,301
Transcription	2,295	2,780	2,426	3,644	5,131	4,929	5,206	5,649	5,755
Animation	4,172	4,521	3,071	4,305	4,702	5,568	6,157	6,832	7,257
Software Development	6,943	6,739	5,827	13,817	10,743	11,849	12,699	15,313	17,383
Other BPOs	3,210	3,937	5,345	8,196	5,997	6,493	6,926	7,070	7,687
TOTAL INDUSTRY	**4,989**	**5,572**	**5,105**	**7,841**	**7,778**	**7,686**	**8,398**	**8,464**	**8,849**

ANNUAL COMPENSATION PER EMPLOYEE — Growth Rates (in percent)

IT-BPO Category	2005	2006	2007	2008	2009	2010	2011	2012
Contact Center	13.2	(13.6)	28.8	23.2	(3.4)	11.4	(3.2)	0.7
Transcription	21.1	(12.8)	50.2	40.8	(3.9)	5.6	8.5	1.9
Animation	8.4	(32.1)	40.2	9.2	18.4	10.6	11.0	6.2
Software Development	(2.9)	(13.5)	137.1	(22.2)	10.3	7.2	20.6	13.5
Other BPOs	22.7	35.8	53.3	(26.8)	8.3	6.7	2.1	8.7
TOTAL INDUSTRY	**11.7**	**(8.4)**	**53.6**	**(0.8)**	**(1.2)**	**9.3**	**0.8**	**4.5**

Table 6. Profile of Respondents
2012

IT-BPO Category	2012 Total	n1	n2	n3	n4	n5	Response Rate
Contact Center	209	13	118	10	13	55	67.5%
Transcription	77	3	15	6	1	52	31.2%
Animation	36	3	2	2	2	27	19.4%
Software Development	294	23	100	43	16	112	56.5%
Other BPOs	342	18	172	35	21	96	65.8%
TOTAL INDUSTRY	**958**	**60**	**407**	**96**	**53**	**342**	**58.8%**

SUPPLEMENTAL TABLES

Table 1. Sales Revenue, by IT-BPO Category

IT-BPO Category	REVENUES																	
	Levels in US$ Million					Growth Rates (in percent)				Percentage Points Contribution to Growth				Percent Share to Industry Total				
	2008	2009	2010	2011	2012	2009	2010	2011	2012	2009	2010	2011	2012	2008	2009	2010	2011	2012
Contact Center	2,839	4,207	5,260	6,817	7,587	48.2	25.0	29.6	11.3	21.6	12.8	15.5	6.4	44.9	50.9	52.3	56.5	56.4
Transcription	34	57	84	122	198	66.8	48.8	44.3	63.3	0.4	0.3	0.4	0.6	0.5	0.7	0.8	1.0	1.5
Animation	36	52	63	72	80	44.2	20.6	14.0	11.7	0.3	0.1	0.1	0.1	0.6	0.6	0.6	0.6	0.6
Software Development	1,413	1,672	2,198	2,469	2,848	18.4	31.4	12.3	15.4	4.1	6.4	2.7	3.1	22.3	20.3	21.9	20.4	21.2
Other BPOs	2,004	2,270	2,452	2,594	2,736	13.3	8.0	5.8	5.5	4.2	2.2	1.4	1.2	31.7	27.5	24.4	21.5	20.3
TOTAL INDUSTRY	**6,325**	**8,258**	**10,058**	**12,074**	**13,450**	**30.6**	**21.8**	**20.1**	**11.4**	**30.6**	**21.8**	**20.1**	**11.4**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Table 2. Industry Exports, by IT-BPO Category

IT-BPO Category	EXPORTS																	
	Levels in US$ Million					Growth Rates (in percent)				Percentage Points Contribution to Growth				Percent Share to Industry Total				
	2008	2009	2010	2011	2012	2009	2010	2011	2012	2009	2010	2011	2012	2008	2009	2010	2011	2012
Contact Center	2,489	3,938	5,126	6,166	7,062	58.2	30.2	20.3	14.5	27.4	15.4	11.0	8.0	47.1	51.0	54.1	55.3	56.5
Transcription	24	54	75	122	198	127.3	37.7	62.1	63.1	0.6	0.3	0.5	0.7	0.5	0.7	0.8	1.1	1.6
Animation	35	46	54	60	69	31.0	17.8	11.5	15.9	0.2	0.1	0.1	0.1	0.7	0.6	0.6	0.5	0.6
Software Development	1,148	1,553	1,928	2,381	2,613	35.2	24.2	23.5	9.8	7.6	4.9	4.8	2.1	21.7	20.1	20.4	21.3	20.9
Other BPOs	1,592	2,126	2,288	2,432	2,561	33.5	7.6	6.3	5.3	10.1	2.1	1.5	1.2	30.1	27.6	24.2	21.8	20.5
TOTAL INDUSTRY	**5,288**	**7,717**	**9,470**	**11,160**	**12,503**	**45.9**	**22.7**	**17.8**	**12.0**	**45.9**	**22.7**	**17.8**	**12.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Table 3. Industry Total Equity, by IT-BPO Category

IT-BPO Category	TOTAL EQUITY																	
	Levels in US$ Million					Growth Rates (in percent)				Percentage Points Contribution to Growth				Percent Share to Industry Total				
	2008	2009	2010	2011	2012	2009	2010	2011	2012	2009	2010	2011	2012	2008	2009	2010	2011	2012
Contact Center	1,356	1,387	2,428	3,063	3,372	2.3	75.0	26.2	10.1	1.6	40.2	14.5	5.4	69.3	53.6	55.2	53.3	46.0
Transcription	13	16	33	48	90	24.2	106.1	45.7	88.0	0.2	0.7	0.3	0.7	0.7	0.6	0.7	0.8	1.2
Animation	23	63	103	104	77	167.1	64.0	1.0	-25.9	2.0	1.5	0.0	(0.5)	1.2	2.4	2.3	1.8	1.0
Software Development	378	636	895	1,270	2,038	68.2	40.8	41.9	60.5	13.2	10.0	8.5	13.4	19.3	24.6	20.4	22.1	27.8
Other BPOs	188	486	938	1,262	1,751	159.1	92.9	34.6	38.7	15.3	17.5	7.4	8.5	9.6	18.8	21.3	22.0	23.9
TOTAL INDUSTRY	**1,957**	**2,587**	**4,395**	**5,746**	**7,327**	**32.2**	**69.9**	**30.7**	**27.5**	**32.2**	**69.9**	**30.7**	**27.5**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Table 4. Industry Foreign Direct Investment, by IT-BPO Category

IT-BPO Category	FOREIGN DIRECT INVESTMENT																	
	Levels in US$ Million					Growth Rates (in percent)				Percentage Points Contribution to Growth				Percent Share to Industry Total				
	2008	2009	2010	2011	2012	2009	2010	2011	2012	2009	2010	2011	2012	2008	2009	2010	2011	2012
Contact Center	1,309	1,330	2,421	3,007	3,338	1.6	82.0	24.2	11.0	1.2	45.9	13.7	6.2	71.7	56.0	56.4	56.1	48.0
Transcription	13	13	30	46	90	4.4	125.6	53.9	93.3	0.0	0.7	0.4	0.8	0.7	0.6	0.7	0.9	1.3
Animation	23	40	73	75	76	69.1	83.8	3.3	1.4	0.9	1.4	0.1	0.0	1.3	1.7	1.7	1.4	1.1
Software Development	320	632	849	1,211	1,948	97.6	34.3	42.7	60.8	17.1	9.1	8.5	13.8	17.5	26.6	19.8	22.6	28.0
Other BPOs	161	361	916	1,016	1,507	124.5	153.9	10.8	48.4	11.0	23.4	2.3	9.2	8.8	15.2	21.4	19.0	21.7
TOTAL INDUSTRY	**1,825**	**2,376**	**4,288**	**5,355**	**6,959**	**30.1**	**80.5**	**24.9**	**30.0**	**30.1**	**80.5**	**24.9**	**30.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Table 5. Industry Employment, by IT-BPO Category

IT-BPO Category	EMPLOYMENT																	
	No. of Persons					Growth Rates (in percent)				Percentage Points Contribution to Growth				Percent Share To Industry Total				
	2008	2009	2010	2011	2012	2009	2010	2011	2012	2009	2010	2011	2012	2008	2009	2010	2011	2012
Contact Center	212,372	255,765	329,597	433,183	487,757	20.4	28.9	31.4	12.6	12.2	16.6	19.3	8.0	59.8	57.5	61.5	63.8	63.4
Transcription	4,321	7,060	9,131	11,084	16,997	63.4	29.3	21.4	53.3	0.8	0.5	0.4	0.9	1.2	1.6	1.7	1.6	2.2
Animation	5,656	3,732	3,908	3,973	4,164	(34.0)	4.7	1.6	4.8	(0.5)	0.0	0.0	0.0	1.6	0.8	0.7	0.6	0.5
Software Development	49,893	46,987	49,516	55,464	64,922	(5.8)	5.4	12.0	17.1	(0.8)	0.6	1.1	1.4	14.0	10.6	9.2	8.2	8.4
Other BPOs	82,893	131,267	143,975	175,761	196,092	58.4	9.7	22.1	11.6	13.6	2.9	5.9	3.0	23.3	29.5	26.9	25.9	25.5
TOTAL INDUSTRY	**355,135**	**444,811**	**536,128**	**679,464**	**769,932**	**25.3**	**20.5**	**26.7**	**13.3**	**25.3**	**20.5**	**26.7**	**13.3**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Table 6. Industry Compensation, by IT-BPO Category

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			
	2008	2009	2010	2011	2012	2009	2010	2011	2012	2009	2010	2011	2012	2008	2009	2010	2011	2012	2008	2009	2010	2011	2012	2009	2010	2011	2012
Contact Center	1,680	1,954	2,805	3,570	4,049	16.3	43.5	27.3	13.4	9.9	24.9	17.0	8.3	60.8	57.2	62.3	62.1	59.4	7,912	7,640	8,510	8,240	8,301	(3.4)	11.4	(3.2)	0.7
Transcription	22	35	48	63	98	57.0	36.6	31.7	56.2	0.5	0.4	0.3	0.6	0.8	1.0	1.1	1.1	1.4	5,131	4,929	5,206	5,649	5,755	(3.9)	5.6	8.5	1.9
Animation	27	21	24	27	30	(21.9)	15.8	12.8	11.3	(0.2)	0.1	0.1	0.1	1.0	0.6	0.5	0.5	0.4	4,702	5,568	6,157	6,832	7,257	18.4	10.6	11.0	6.2
Software Development	536	557	629	849	1,129	3.9	12.9	35.1	32.9	0.8	2.1	4.9	4.9	19.4	16.3	14.0	14.8	16.6	10,743	11,849	12,699	15,313	17,383	10.3	7.2	20.6	13.5
Other BPOs	497	852	997	1,243	1,507	71.4	17.0	24.6	21.3	12.9	4.2	5.4	4.6	18.0	24.9	22.1	21.6	22.1	5,997	6,493	6,926	7,070	7,687	8.3	6.7	2.1	8.7
TOTAL INDUSTRY	**2,762**	**3,419**	**4,502**	**5,751**	**6,813**	**23.8**	**31.7**	**27.7**	**18.5**	**23.8**	**31.7**	**27.7**	**18.5**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**7,778**	**7,686**	**8,398**	**8,464**	**8,849**	**(1.2)**	**9.3**	**0.8**	**4.5**

ANNEX A

DEFINITION OF VARIABLES
IT-BPO 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.*

ANNEX B

Methodology to estimate the blown-up results of the Survey on IT-BPO Services, 2012

For each IT subsector:

n_1 = no. of companies which responded to the BSP survey
n_2 = no. of companies whose data were submitted to/available from BOI/PEZA
n_3 = no. of non-responding companies whose revenue data were taken from the SEC
n_4 = no. of non-responding companies for the reference year, whose data for the previous year are available
n_5 = remaining no. of non-responding companies (including new entrants)

Total number of companies = $n_1 + n_2 + n_3 + n_4 + n_5$

For revenue:

Total Revenue = $R = R_1 + R_2 + R_3 + R_4 + R_5$

R_1 = revenue of companies which responded to the survey
R_2 = revenue of companies which did not submit survey data but which submitted revenue data to BOI/PEZA
R_3 = revenue of companies which did not submit survey/BOI/PEZA data but whose revenue data are available from SEC
R_4 = previous year's revenue of companies falling under n4, multiplied by the average growth of responding companies with comparable data for the previous year, by IT category
R_5 = n_5 x average revenue (adjusted for outliers)[1] of companies included in R_1, R_2, and R_3

For exports:

Total Exports = $X = X_1 + X_2 + XR$

X_1 = exports of companies which responded to the survey
X_2 = exports of companies which did not submit survey data but which submitted export data to BOI/PEZA

$$XR = X_3 + X_4 + X_5$$
$$= [R_3 + R_4 + R_5]\ x\ [\frac{X_1+X_2}{R_1+R_2}]$$

[1] Revenue data are considered outliers if they fall outside the range, i.e., value >/< mean+/- 2 standard deviations

For other variables:

TOTAL EQUITY: TE = $\left[\Sigma \frac{TE_{n_1,n_2}}{\Sigma R_{n_1,n_2}}\right] \; x \; R_n$

FOREIGN INVESTMENTS: FDI = $\left[\Sigma \frac{FDI_{n_1,n_2}}{\Sigma TE_{n_1,n_2}}\right] \; x \; TE$

EMPLOYMENT: E = $\left[\Sigma \frac{e_{n_1,n_2}}{\Sigma R_{n_1,n_2}}\right] \; x \; R_n$

COMPENSATION: C= $\left[\Sigma \frac{c_{n_1,n_2}}{\Sigma R_{n_1,n_2}}\right] \; x \; R_n$