RESULTS OF THE 2013 SURVEY OF INFORMATION TECHNOLOGY-BUSINESS PROCESS OUTSOURCING (IT-BPO) SERVICES

GLOBAL IT-BPO SERVICES INDUSTRY TRENDS

The global IT-BPM industry sustains strong performance in 2013.

The global sourcing market revenues grew by US$ 11-12 billion in 2013.[1,2] Over ninety percent of the growth was accounted for by India, retaining its leadership in the global sourcing arena. During the year, India increased its market share to 55 percent from 52 percent in the previous year.[3]

While India is at the forefront of the IT-BPM[4,5] industry, the Philippines continued to be the leader in voice-driven IT-BPM services, particularly in customer relations management and in niche services such as IT help desk services and game support. The country is also the second most-preferred destination for complex non-voice IT-BPM services such as in financial services, business intelligence, health care information management, IT and engineering services, human resource management, and creative processes.[6]

PHILIPPINE IT-BPO SERVICES INDUSTRY

Revenues

The country's IT-BPO industry remains on growth trajectory in 2013.

Total revenues of the local IT-BPO industry expanded at a robust rate of 13.8 percent in 2013 to reach US$15.3 billion, from the previous year's level of US$13.5 billion.

---

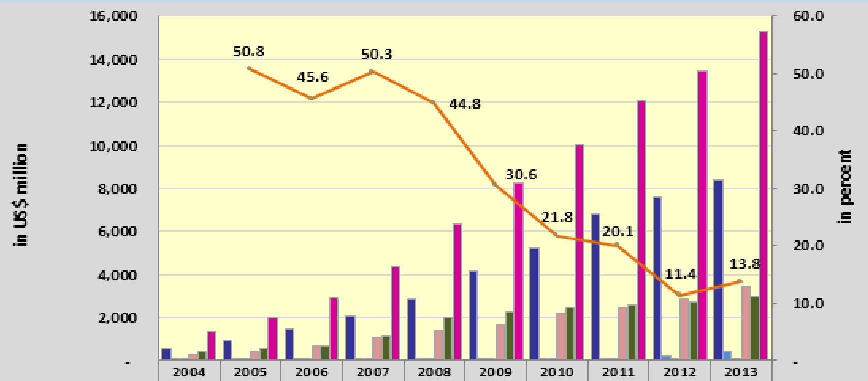
[1] Global sourcing market was estimated to grow from US$124-130 billion in 2012 to US$134-140 billion in 2013.
[2] Nasscom, *Indian IT-BPM Industry: Leading Player in Global Value Chains*, 4 June 2014, <http://www.aienetwork.org/training/2014/role-of-trade-and-investment-policy/presentations/it-software-industry.pdf> [accessed 7 January 2015].
[3] Nasscom, *The IT-BPM Sector in India – Strategic Review 2014*, <http://survey.nasscom.in/sites/default/files/researchreports/softcopy/Strategic_Review_2014_Final.pdf> [accessed 6 January 2015].
[4] 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 involves 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.
[5] Indian IT-BPM covers both IT and BPM services industries.
[6] TeamAsia, *IT-BPM industry poised for further growth as a result of PHL's increased competitiveness ranking*, 23 September 2013, <http://www.teamasia.com/newsroom/read-client-news.aspx?id=497:it-bpm-industry-poised-for-further-growth-as-a-result-of-phls-increased-competitiveness-ranking> [accessed 5 January 2015].

Although the country continued to take the lead in voice-based process services, players in the industry are shifting to more high-value business process operations.[7] The healthcare information management (HIM) industry, which initially offered medical transcription services, had expanded to provide a wider range of services, such as clinical data management, telemedicine, revenue cycle management, pharmacy benefits management, electronic medical records, medical claims recovery, utilization review, patient education, insurance processing, and quality assurance.[8]

Everest Group, an international research firm, reported that the country is already a mature destination for software development and information technology outsourcing (ITO), joining the ranks of India, China, and Poland. Among the identified key strengths of the industry are the presence of an English-speaking population that supports voice-associated IT delivery such as technical help-desk, a strong social media penetration that enables content creation, and cultural affinity with the US and Asian markets.[9]

Figure 1. Revenue, by Category, 2004-2013

(in US$ million)



	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Contact Center	587	986	1,455	2,051	2,839	4,207	5,260	6,817	7,587	8,394
Transcription	4	8	20	33	34	57	84	122	198	423
Animation	12	17	26	29	36	52	63	72	80	88
Software Development	279	399	707	1,098	1,413	1,672	2,198	2,469	2,848	3,429
Other BPOs	441	585	697	1,157	2,004	2,270	2,452	2,594	2,736	2,971
TOTAL INDUSTRY	1,324	1,996	2,906	4,368	6,325	8,258	10,058	12,074	13,450	15,305
Growth Rate		50.8	45.6	50.3	44.8	30.6	21.8	20.1	11.4	13.8

[7] Sun.Star, *Philippines aims at higher-value process*, 5 June 2013, <http://archive.sunstar.com.ph/cebu/business/2013/06/05/philippines-aims-higher-value-process-285984> [accessed 6 January 2015].

[8] Information Technology and Business Process Association of the Philippines (IBPAP) Media Room, *Enhancing the Filipino potential in healthcare information management*, 12 July 2013, <http://www.ibpap.org/media-room/786-enhancing-the-filipino-potential-in-healthcare-information-management> [accessed 6 January 2015].

[9] TeamAsia, *Philippine Software Industry Association celebrates 25 years of success*, 4 June 2013, <http://www.teamasia.com/newsroom/read-client-news.aspx?id=461:philippine-software-industry-association-celebrates-25-years-of-success> [accessed 5 January 2015].

Contact Centers still account for the largest share of the industry's revenues in 2013.

All the industry's sub-sectors posted positive growth rates in revenues in 2013. Transcription grew at an exponential rate of 113 percent. Software Development and Contact Centers maintained double-digit increases in revenues at 20.4 percent and 10.6 percent, respectively.

With US$8.4 billion revenues generated in 2013, Contact Centers continued to be the top revenue earner across sub-sectors, accounting for more than half (54.8 percent share) of the industry's total receipts. This was followed by Software Development (22.4 percent share or US$3.4 billion) and Other BPOs (19.4 percent share or US$3.0 billion).[10]

Contact Centers were also the main driver of growth in industry revenues, contributing 6 percentage points to the total 13.8 percent expansion recorded in 2013. This was followed by Software Development which accounted for 4.3 percentage points. Transcription and Other BPOs shared 1.7 percentage points each to total growth, while Animation accounted for the remaining 0.1 percentage point.

Table 1. Revenue, by Category, 2011-2013

IT-BPO Category	REVENUES									
	Levels in US$ Million			Growth Rates (in percent)		Percentage Points Contribution to Growth		Percent Share to Industry Total		
	2011	2012	2013	2012	2013	2012	2013	2011	2012	2013
Contact Center	6,817	7,587	8,394	11.3	10.6	6.4	6.0	56.5	56.4	54.8
Transcription	122	198	423	63.3	113.0	0.6	1.7	1.0	1.5	2.8
Animation	72	80	88	11.7	9.4	0.1	0.1	0.6	0.6	0.6
Software Development	2,469	2,848	3,429	15.4	20.4	3.1	4.3	20.4	21.2	22.4
Other BPOs	2,594	2,736	2,971	5.5	8.6	1.2	1.7	21.5	20.3	19.4
TOTAL INDUSTRY	**12,074**	**13,450**	**15,305**	**11.4**	**13.8**	**11.4**	**13.8**	**100.0**	**100.0**	**100.0**

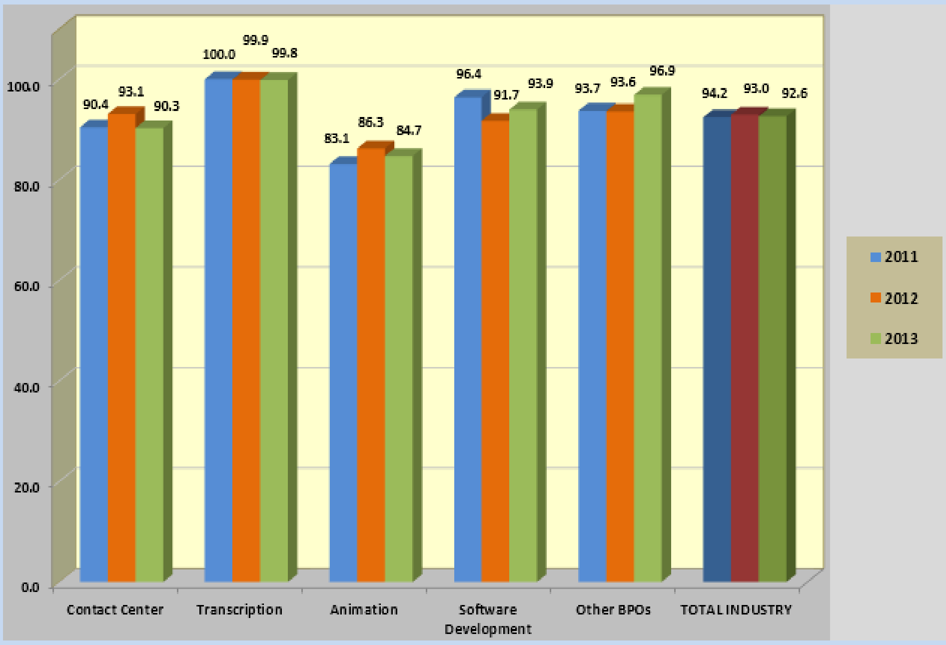
[10] The "Other BPOs" category include backroom operations, data processing, data base activities and online distribution of electronic content, and the more value-added chain activities—shared financial and accounting services, outsourcing for research and public opinion polling, outsourcing for business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

Exports of IT-BPO Services

Export-to-revenue ratios slightly increase in 2013.

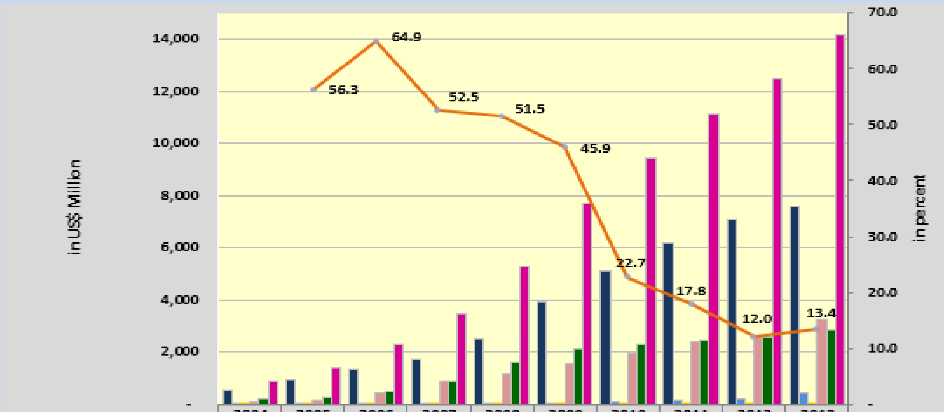
Total earnings from export of services of the IT-BPO industry rose by 13.4 percent in 2013 to US$14.2 billion fr om US$12.5 billion a year ago. Export receipts constituted 92.6 percent of the total revenues of the industry, slightly lower than the 93 percent share posted in 2012. Higher export-to-revenue ratios were noted in Software Development (from 91.7 percent to 93.9 percent) and Other BPOs (from 93.6 percent to 96.9 percent) compared to those a year ago. Meanwhile, the other sub-sectors recorded decreases in export-to-revenue ratios, indicating increases in the share of services provided to domestic clients.

Figure 2. Export-to-Revenue Ratio, 2011-2013
(in percent)



By IT-BPO Service category, Transcription registered the highest growth in export receipts at 112.8 percent, from US$198 million in 2012 to US$422 million in 2013. This was followed by Software Development (23.3 percent), Other BPOs (12.4 percent), Animation (7.5 percent) and Contact Centers (7.3 percent).

Figure 3. Exports of IT-BPO Services, by Category, 2004-2013
(in US$ million)



	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Contact Center	561	949	1,330	1,732	2,489	3,938	5,126	6,166	7,062	7,578
Transcription	4	8	19	25	24	54	75	122	198	422
Animation	8	11	23	27	35	46	54	60	69	75
Software Development	98	160	455	852	1,148	1,553	1,928	2,381	2,613	3,222
Other BPOs	217	259	462	855	1,592	2,126	2,288	2,432	2,561	2,879
TOTAL INDUSTRY	888	1,388	2,288	3,490	5,288	7,717	9,470	11,160	12,503	14,175
Growth Rate		56.3	64.9	52.5	51.5	45.9	22.7	17.8	12.0	13.4

Contact Centers continue to account for the bulk of export receipts.

Contact Centers continued to generate the highest export receipts, accounting for a hefty 53.5 percent share (or US$7.6 billion) of the industry's total exports in 2013. Although the sub-sector still comprised the largest segment of the industry's export earnings, its share contracted moderately from the previous year's 56.5 percent (or US$7.1 billion). Other top export earners were Software Development (22.7 percent share or US$3.2 billion) and Other BPOs (20.3 percent share or US$2.9 billion).

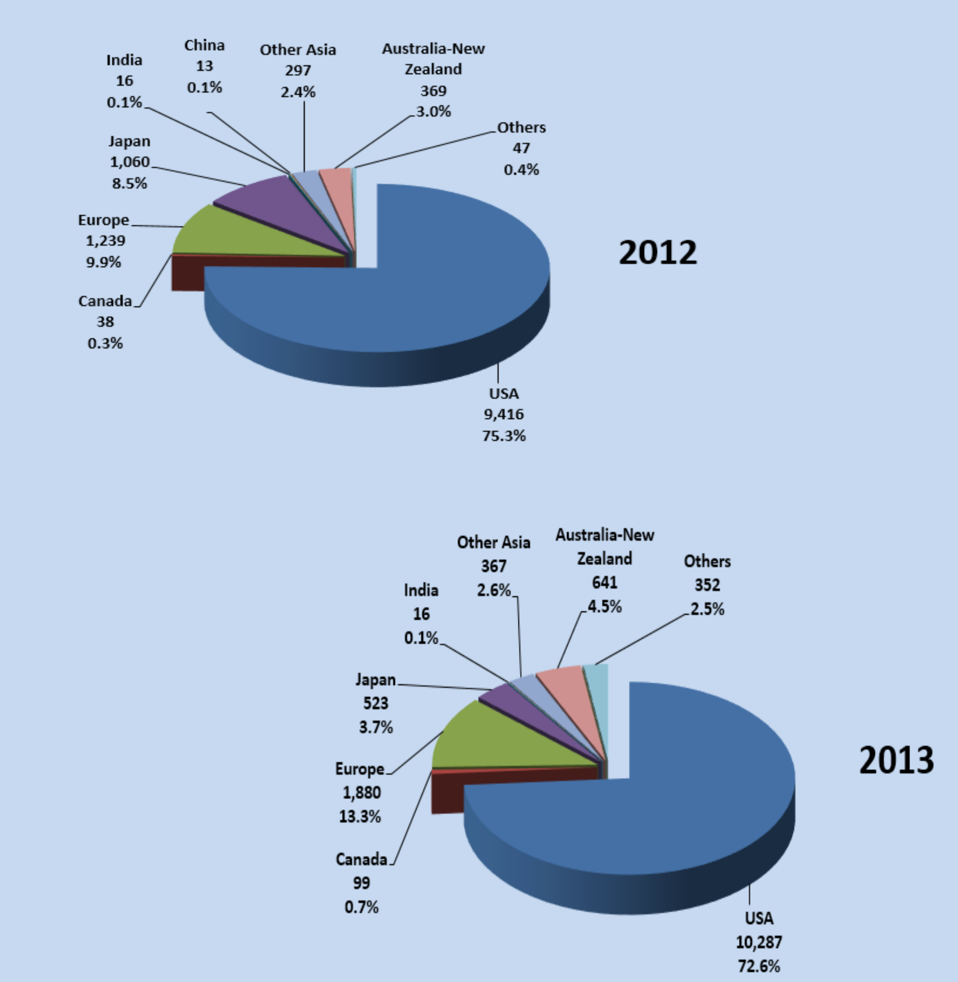
Software Development was the key driver of exports growth, contributing 4.9 percentage points to the 13.4 percent expansion in total exports of the industry. This was followed by Contact Centers and Other BPOs, which contributed 4.1 and 2.5 percentage points, respectively, to the industry's exports growth.

Figure 4. Exports of IT-BPO Services, by Category, 2012-2013
(percent share to industry total, levels in US$million)

The US remains the biggest market for IT-BPO services exports.

The United States remained the top export market for the local IT-BPO services industry. However, its share to total industry exports shrank to 72.6 percent in 2013 from 75.3 percent in the previous year. Meanwhile, the share of Europe as an export destination increased to 13.3 percent in 2013 from 9.9 percent a year ago. Other leading export markets were Australia-New Zealand (4.5 percent) and Japan (3.7 percent).

Figure 5. Exports of IT-BPO Services, by Country of Destination 2012-2013
(percent share to industry total, levels in US$million)



Total Equity and Foreign Investments

Equity capital investments in the industry sustain expansion.

Equity capital investments in the industry grew at a double-digit rate (14.2 percent) in end-2013 to reach US$8.4 billion (from US$7.3 billion the previous year), albeit slower than the 27.5 percent growth recorded in 2012. To strengthen the country's attractiveness as an investment destination, the Information Technology and Business Process Association of the Philippines (IBPAP) and the Department of Science and Technology's Information and Communications Technology Office (DOST-ICTO) continued with its joint project dubbed as the Next Wave Cities™ Program.[11,12,13,14]

[11] Next Wave Cities™ help investors decide where to put up their investments. These cities were selected by the DOST-ICTO and the IBPAP based on availability of talent and relevant infrastructure, connectivity through fiber-optic of other telecommunications networks, accessibility, cost of related factor inputs, and the business environment including vulnerability to natural disturbances and issues related to security and safety.

[12] The country's Next Wave Cities are Baguio City, Davao City, Dumaguete City, Iloilo City, Lipa City, Metro Bulacan (Baliuag, Calumpit, Malolos City, Marilao, and Meycauayan City), Metro Cavite (Bacoor City, Dasmariñas City, Cavite City

Seven cities of the country made it to Tholons' Top 100 Outsourcing Destinations. Manila surpassed India's Mumbai in the rankings, taking the second spot after Bangalore City of India. According to Tholons, the country's strong economic performance helped in providing IT-BPO companies and investors a more positive perception of the Philippines' business environment.[15,16]

The portion of equity capital investments coming from foreign sources slightly decreases.

Foreign direct investments in the industry expanded at a decelerating rate of 12.3 percent in end-2013 from 30 percent posted in the previous year. At end-2013, foreign equity capital infusion amounting to US$7.8 billion represented 93.4 percent of total equity capital investments in the industry, slightly lower than the 95 percent share in the previous year. All sub-sectors posted moderate declines in foreign-to-total equity ratios compared to those registered a year ago.

New investments made in the country's IT-BPO industry for 2013 included the establishment of Philippine back offices of New York-based American International Group Inc. (AIG) and McLean, Virginia-based Capital One Financial Corp. in Muntinlupa City.[17] Teleperformance opened its 10th and 11th sites in the country in the cities of Antipolo and Davao, respectively.[18,19]

Contact Centers accounted for the biggest share of the industry's total foreign equity investments at 48.1 percent (US$3.8 billion) in 2013. Other major beneficiaries of equity capital infused by foreign investors were Software Development (27.4 percent share or US$2.1 billion) and

---

and Imus City), Metro Laguna (Cabuyao City, Calamba City, Los Baños, Sta. Rosa City and San Pablo CIty), Metro Naga (Naga City and Pili), and Metro Rizal (Antipolo City, Binangonan, Cainta, and Taytay).

[13] Inter.Aksyon.com, *DOST pushes for more 'Next Wave Cities' in support of BPO industry*, 24 January 2014, <http://www.interaksyon.com/business/79374/dost-pushes-for-more-next-wave-cities-in-support-of-bpo-industry> [accessed 5 January 2015].

[14] GMA News Online, *List of 'next wave' cities for outsourcing firms released*, 20 May 2013, <http://www.gmanetwork.com/news/story/309255/economy/business/list-of-next-wave-cities-for-outsourcing-firms-released> [accessed 5 January 2015].

[15] The Philippine cities included in Tholon's 2014 Top 100 Outsourcing Destinations with their corresponding rankings were: (1) Manila – 2nd, (2) Cebu City – 8th, (3) Davao City – 69th, (4) Sta. Rosa, Laguna – 82nd, (5) Bacolod City – 93rd, (6) Iloilo City – 95th, and (7) Baguio City – 99th.

[16] Tholons, *2014 Tholons Top 100 Outsourcing Destinations: Regional Overview*, January 2014, <http://www.tholons.com/TholonsTop100/pdf/Tholons_Top_100_2014_Rankings_&_Report_Overview.pdf> [accessed 6 January 2015].

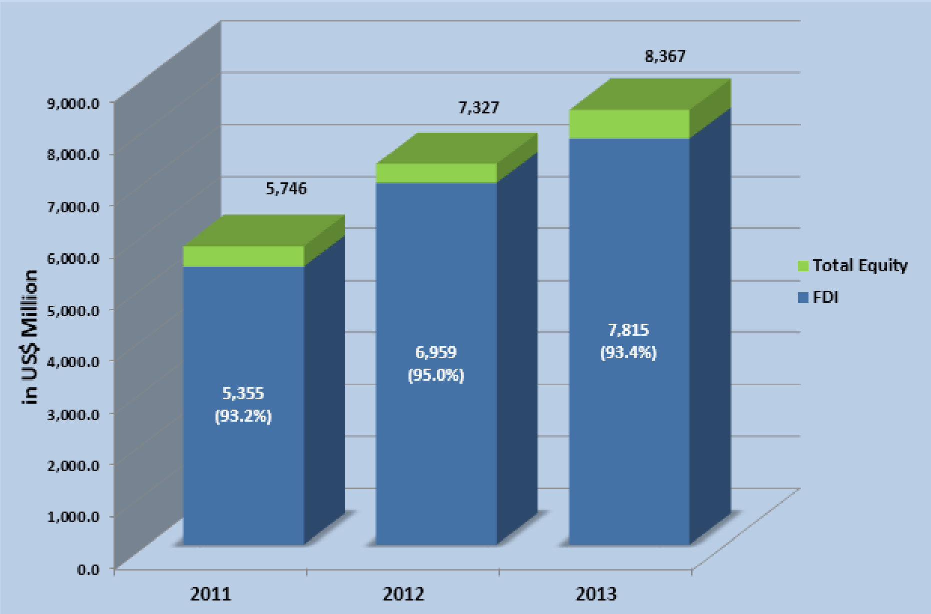
[17] Sun.Star, *PH back offices of US companies offer more jobs for Pinoy graduates*, 20 October 2013, <http://archive.sunstar.com.ph/cebu/business/2013/10/20/ph-back-offices-us-companies-offer-more-jobs-pinoy-graduates-309643> [accessed 6 January 2015].

[18] IBPAP, *Teleperformance Expands Business, Opens 10th branch in Antipolo City*, 29 May 2013, <http://www.ibpap.org/media-room/ibpap-news/739-teleperformance-expands-business-opens-10th-branch-in-antipolo-city> [accessed 6 January 2015].

[19] IBPAP, *Teleperformance opens recruitment center in Davao City*, 8 May 2013, <http://www.ibpap.org/media-room/712-teleperformance-opens-recruitment-center-in-davao-city> [accessed 6 January 2015].

Other BPOs (21.7 percent share or US$1.7 billion).

Figure 6. Share of FDI to Total Equity Investments, 2011-2013
(in US$ million and percent share)



Europe accounts for nearly half of total foreign equity investments in the industry.

Investments from Europe represented the biggest chunk of the industry's total foreign equity investments at 48.7 percent (or US$3.4 billion) in end-2013, higher than the 41.2 percent share recorded in the previous year. Meanwhile, the share of the US declined to 31.4 percent (or US$2.2 billion) in 2013 from 37.3 percent posted in 2012. Japan remained the third largest source of foreign equity capital in the industry, with 10.2 percent share (or US$707 million).

Table 2. Foreign Investments in IT-BPO Industry, by Country of Investor, 2011-2013

Country of Investor	Foreign Equity (in US$ million)			Percent Share to Total Foreign Equity		
	2011	2012	2013	2011	2012	2013
USA	2,063	2,593	2,174	38.5	37.3	31.4
Europe	2,476	2,869	3,375	46.2	41.2	48.7
Japan	482	705	707	9.0	10.1	10.2
Others	334	792	668	6.2	11.4	9.6
of which, India	79	262	202	1.5	3.8	2.9
Total	5,355	6,959	6,924	100.0	100.0	100.0

The country's IT-BPO industry continues to hire more employees.

The local IT-BPO industry's total employment reached 851,782 in 2013, maintaining a double-digit growth rate of 10.6 percent. Various initiatives were undertaken by both the government and the private sectors to develop the skills and competencies of existing as well as prospective workers in the industry, such as the following:

- The IBPAP and Technical Education and Skills Development Authority (TESDA), in partnership with the government of Korea, conducted a training program to educate Filipino animators and game developers in design and construction, and software programs. Participants also completed workshops on industry-specific skills, such as graphics modeling, texturing and lighting, game art as well as programs such as 3D Max, Unity 3D, Java, and other e-learning packages.[20,21]
- The DOST-ICTO partnered with the Game Developers Association of the Philippines (GDAP), through a Memorandum of Understanding (MOU), to organize activities that will strengthen the competitiveness of the game development industry, through programs in talent development, marketing, research, and industry capability.[22]
- The Philippine Software Industry Association (PSIA) and IT Promotion Agency of Japan (IPA) signed a cooperation agreement for the Skill Standards for IT Professionals (ITSS) framework, a career model that aims to support IT and software organizations in talent development and ensure sustainable growth. The implementation of the ITSS model can help make IT professionals' skills level to be globally recognized, making it easier for them to connect with employers and secure jobs.[23,24,25]
- The Healthcare Information Management Outsourcing Association of the Philippines (HIMOAP) worked closely with the DOST-ICTO for the

[20] The program was sponsored by the Korea International Cooperation Agency (KOICA) and the Korean Chamber of Commerce and Industry (KCCI) under the International Cooperation Program of the Government of Korea.

[21] IBPAP, IBPAP, *TESDA establish training partnership with Korea for animators, game developers*, 11 March 2013, <http://www.ibpap.org/media-room/ibpap-news/678-ibpap-tesda-establish-training-partnership-with-korea-for-animators-game-developers> [accessed 7 January 2015].

[22] DOST-ICTO, *ICT Office Offers Scholarship Program to Generate Specialized ICT Skills for the Game Development Industry*, May 2013, <http://icto.dost.gov.ph/ict-office-offers-scholarship-program-to-generate-specialized-ict-skills-for-the-game-development-industry/> [accessed 9 January 2015].

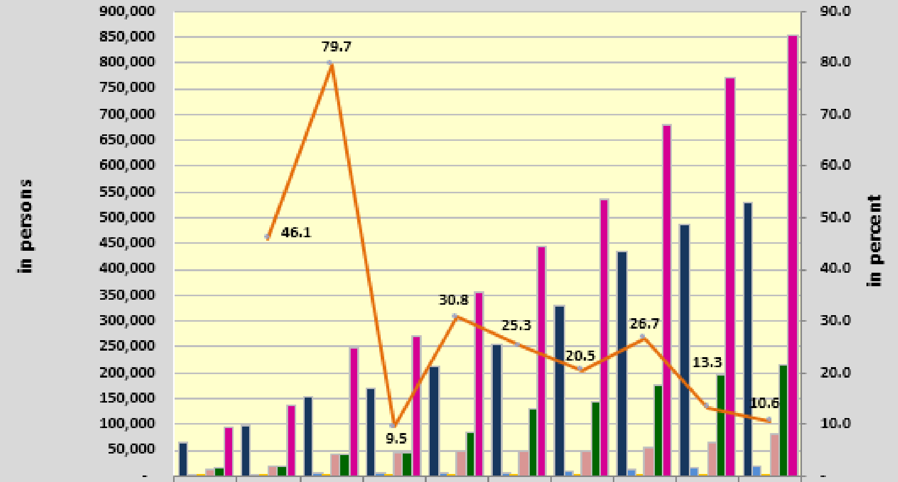
[23] ITSS can help build a qualified pool of manpower for jobs as database administrator, software quality assurance analyst, application support analyst, programmers, web and software developer, analytics trainee, compliance officer, network engineer, systems coordinator, quality specialist, analyst programmer, software tester, automation and QA tester, technical support specialist, and IT manager, among many others.

[24] Other ITSS-implementing countries are Myanmar, Thailand, Vietnam, and Malaysia.

[25] TeamAsia, *PSIA, IPA of Japan to boost careers of IT professionals through IT Skills Standards*, 15 February 2013, <http://www.teamasia.com/newsroom/read-client-news.aspx?id=428:psia-ipa-of-japan-to-boost-careers-of-it-professionals-through-it-skills-standards> [accessed 9 January 2015].

implementation of the Medical Coding and Billing Training and Certification Project which aims to train scholars from the local HIM sector and further develop their skills in established HIM-related certification procedures, medical coding concepts, principles, and skills. Training participants were also given the Certified Professional Coders Certification Exam by the American Academy of Professional Coders (AAPC), the largest medical coding training and certification association for medical coders and medical coding jobs in the United States.[26]

Figure 7. Employment by Category, 2004-2013
(number of persons)



	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Contact Center	65,006	96,246	153,683	169,748	212,372	255,765	329,597	433,183	487,757	530,882
Transcription	901	1,785	4,956	6,621	4,321	7,060	9,131	11,084	16,997	20,172
Animation	1,488	1,864	4,482	4,323	5,656	3,732	3,908	3,973	4,164	4,206
Software Development	11,975	17,829	42,657	44,870	49,893	46,987	49,516	55,464	64,922	82,583
Other BPOs	15,118	20,278	42,267	45,994	82,893	131,267	143,975	175,761	196,092	213,939
TOTAL INDUSTRY	94,488	138,002	248,045	271,556	355,135	444,811	536,128	679,464	769,932	851,782
Growth Rate		46.1	79.7	9.5	30.8	25.3	20.5	26.7	13.3	10.6

Contact Centers contribute three-fifths of the industry's employment in 2013.

Contact Centers remained the top industry employer in 2013, with 62.3 percent share. Other BPOs and Software Development were also major contributors to the industry's total employment, accounting for 25.1 percent and 9.7 percent, respectively.

Contact Centers were also the key driver of employment growth, contributing 5.6 percentage points to the 10.6 percent rise in total industry employment. This was followed by Software Development and Other BPOs, which both contributed 2.3 percentage points.

[26] IBPAP, *Enhancing the Filipino potential in healthcare information management*, 12 July 2013, <http://www.ibpap.org/media-room/786-enhancing-the-filipino-potential-in-healthcare-information-management> [accessed 8 January 2015].

Software Development remains the highest paying sub-sector in the industry.

A total of US$7.9 billion compensation was paid by the local IT-BPO industry in 2013, 16.2 percent higher than the US$6.8 billion registered during the previous year. Contact Centers continued to account for the bulk of the industry's total compensation at 57.4 percent. This was followed by Other BPOs (21.3 percent share) and Software Development (19.2 percent share).

Contact Centers were also the main driver of the industry's compensation growth, accounting for 7.3 percentage points of the 16.2 percent growth in the industry's total compensation. This was followed by Software Development (5.8 percentage points) and Other BPOs (2.7 percentage points).

Table 3. Compensation by Category, 2011-2013
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		
	2011	2012	2013	2012	2013	2012	2013	2011	2012	2013
Contact Center	3,570	4,049	4,549	13.4	12.4	8.3	7.3	62.1	59.4	57.4
Transcription	63	98	125	56.2	27.8	0.6	0.4	1.1	1.4	1.6
Animation	27	30	32	11.3	5.4	0.1	0.0	0.5	0.4	0.4
Software Development	849	1,129	1,524	32.9	35.0	4.9	5.8	14.8	16.6	19.2
Other BPOs	1,243	1,507	1,689	21.3	12.1	4.6	2.7	21.6	22.1	21.3
TOTAL INDUSTRY	5,751	6,813	7,919	18.5	16.2	18.5	16.2	100.0	100.0	100.0

The industry's annual average compensation per employee in 2013 rose by 5.1 percent to US$9,297 (or ₱394,623) from the previous year's US$8,849 (or ₱373,662).[27] Software Development remained the top paying sub-sector in the industry, with an annual average compensation paid of US$18,453 (or ₱783,261), 6.2 percent higher than the US$17,383 (or ₱734,045) annual average compensation posted a year ago. Contact Centers followed at US$8,569 (or ₱363,708), Other BPOs at US$7,896 (or ₱335,163), Animation at US$7,568 (or ₱321,234) and Transcription at US$6,198 (or ₱263,090).

[27] Philippine pesos per US dollar average rate: ₱42.2288 in 2012 and ₱42.4462 in 2013 .

Table 4. Annual Average Compensation per Employee by Category, 2011-2013

IT-BPO Category	Annual Average Compensation per Employee				
	Levels in US$			Growth Rates	
	2011	2012	2013	2012	2013
Contact Center	8,240	8,301	8,569	0.7	3.2
Transcription	5,649	5,755	6,198	1.9	7.7
Animation	6,832	7,257	7,568	6.2	4.3
Software Development	15,313	17,383	18,453	13.5	6.2
Other BPOs	7,070	7,687	7,896	8.7	2.7
TOTAL INDUSTRY	**8,464**	**8,849**	**9,297**	**4.5**	**5.1**

Profile of Respondents

The number of IT-BPO companies covered in the survey increases in 2013.

The target respondents for the survey increased to 1,098 IT-BPO companies in 2013 from 958 in 2012. Data for the 2013 IT-BPO report were gathered from a total of 699 companies.[28]

Table 5. Profile of Respondents, 2011-2013

IT-BPO Category	No. of Target Respondents			No. of Source Companies		
	2011	2012	2013	2011	2012	2013
Contact Center	189	209	232	118	141	160
Transcription	76	77	80	19	24	30
Animation	36	36	37	11	7	14
Software Development	254	294	332	124	166	196
Other BPOs	299	342	417	180	225	299
TOTAL INDUSTRY	**854**	**958**	**1,098**	**452**	**563**	**699**

[28] Data came from the following sources: 59 from BSP survey respondents, 520 from BOI- and PEZA-registered companies and 120 from companies whose data were available from the SEC website.

2013 SURVEY OF IT-BPO SERVICES
(in US$Million)

Table 1. Revenue, by IT-BPO Category
2004-2013

IT-BPO Category	SALES REVENUE – Levels (in US$ million)									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Contact Center	587	986	1,455	2,051	2,839	4,207	5,260	6,817	7,587	8,394
Transcription	4	8	20	33	34	57	84	122	198	423
Animation	12	17	26	29	36	52	63	72	80	88
Software Development	279	399	707	1,098	1,413	1,672	2,198	2,469	2,848	3,429
Other BPOs	441	585	697	1,157	2,004	2,270	2,452	2,594	2,736	2,971
TOTAL INDUSTRY	**1,324**	**1,996**	**2,906**	**4,368**	**6,325**	**8,258**	**10,058**	**12,074**	**13,450**	**15,305**

IT-BPO Category	SALES REVENUE – Growth Rates (in percent)								
	2005	2006	2007	2008	2009	2010	2011	2012	2013
Contact Center	67.9	47.7	40.9	38.4	48.2	25.0	29.6	11.3	10.6
Transcription	100.4	140.0	60.6	4.1	66.8	48.8	44.3	63.3	113.0
Animation	37.6	52.6	11.2	25.5	44.2	20.6	14.0	11.7	9.4
Software Development	43.2	77.1	55.4	28.6	18.4	31.4	12.3	15.4	20.4
Other BPOs	32.8	19.1	66.0	73.2	13.3	8.0	5.8	5.5	8.6
TOTAL INDUSTRY	**50.8**	**45.6**	**50.3**	**44.8**	**30.6**	**21.8**	**20.1**	**11.4**	**13.8**

IT-BPO Category	SALES REVENUE – Percent Share to Total									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Contact Center	44.4	49.4	50.1	46.9	44.9	50.9	52.3	56.5	56.4	54.8
Transcription	0.3	0.4	0.7	0.7	0.5	0.7	0.8	1.0	1.5	2.8
Animation	0.9	0.9	0.9	0.7	0.6	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	22.4
Other BPOs	33.3	29.3	24.0	26.5	31.7	27.5	24.4	21.5	20.3	19.4
TOTAL INDUSTRY	**100.0**	**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
2004-2013

IT-BPO Category	EXPORT REVENUE – Levels (in US$ million)									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Contact Center	561	949	1,330	1,732	2,489	3,938	5,126	6,166	7,062	7,578
Transcription	4	8	19	25	24	54	75	122	198	422
Animation	8	11	23	27	35	46	54	60	69	75
Software Development	98	160	455	852	1,148	1,553	1,928	2,381	2,613	3,222
Other BPOs	217	259	462	855	1,592	2,126	2,288	2,432	2,561	2,879
TOTAL INDUSTRY	**888**	**1,388**	**2,288**	**3,490**	**5,288**	**7,717**	**9,470**	**11,160**	**12,503**	**14,175**

IT-BPO Category	EXPORT REVENUE – Growth Rates (in percent)								
	2005	2006	2007	2008	2009	2010	2011	2012	2013
Contact Center	69.2	40.1	30.2	43.7	58.2	30.2	20.3	14.5	7.3
Transcription	99.4	124.1	33.2	(4.8)	127.3	37.7	62.1	63.1	112.8
Animation	46.3	100.8	17.1	30.8	31.0	17.8	11.5	15.9	7.5
Software Development	62.5	184.4	87.2	34.9	35.2	24.2	23.5	9.8	23.3
Other BPOs	19.5	78.4	85.1	86.3	33.5	7.6	6.3	5.3	12.4
TOTAL INDUSTRY	**56.3**	**64.9**	**52.5**	**51.5**	**45.9**	**22.7**	**17.8**	**12.0**	**13.4**

IT-BPO Category	EXPORT REVENUE – Percent Share to Total									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Contact Center	63.2	68.4	58.1	49.6	47.1	51.0	54.1	55.3	56.5	53.5
Transcription	0.5	0.6	0.8	0.7	0.5	0.7	0.8	1.1	1.6	3.0
Animation	0.9	0.8	1.0	0.8	0.7	0.6	0.6	0.5	0.6	0.5
Software Development	11.1	11.5	19.9	24.4	21.7	20.1	20.4	21.3	20.9	22.7
Other BPOs	24.4	18.7	20.2	24.5	30.1	27.6	24.2	21.8	20.5	20.3
TOTAL INDUSTRY	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

IT-BPO Category	EXPORT REVENUE – Export-to-Revenue Ratio (in percent)									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Contact Center	95.6	96.3	91.4	84.5	87.7	93.6	97.4	90.4	93.1	90.3
Transcription	100.0	99.5	92.9	77.1	70.5	96.1	89.0	100.0	99.9	99.8
Animation	62.4	66.4	87.3	91.9	95.8	87.1	85.0	83.1	86.3	84.7
Software Development	35.3	40.1	64.3	77.5	81.3	92.9	87.7	96.4	91.7	93.9
Other BPOs	49.1	44.2	66.2	73.9	79.4	93.7	93.3	93.7	93.6	96.9
TOTAL INDUSTRY	**67.1**	**69.5**	**78.7**	**79.9**	**83.6**	**93.4**	**94.2**	**92.4**	**93.0**	**92.6**

Table 2.1.a. Export Revenue, by Country of Destination
2013

IT-BPO Category	USA	Canada	Europe [1]	Japan	India	China	Other Asia [2]	Australia-New Zealand	Middle East	Africa	Others	Total Exports
Contact Center	6,675	54	315	12	-	-	50	410	-	-	62	7,578
Transcription	90	-	282	17	1	-	-	32	-	-	-	422
Animation	11	-	0	24	-	-	40	-	-	-	0	75
Software Development	2,008	-	651	163	-	1	52	88	-	-	257	3,222
Other BPOs	1,503	44	631	307	15	5	226	111	3	1	33	2,879
TOTAL INDUSTRY	**10,287**	**99**	**1,880**	**523**	**16**	**6**	**367**	**641**	**3**	**1**	**352**	**14,175**
Percent Share	**72.6**	**0.7**	**13.3**	**3.7**	**0.1**	**0.0**	**2.6**	**4.5**	**0.0**	**0.0**	**2.5**	**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
2012

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	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 3. Total Equity, by IT-BPO Category
2005-2013

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	2013	2006	2007	2008	2009	2010	2011	2012	2013	2005	2006	2007	2008	2009	2010	2011	2012	2013
Contact Center	243	281	596	1,356	1,387	2,428	3,063	3,372	3,864	15.9	112.0	127.3	2.3	75.0	26.2	10.1	14.6	49.4	45.2	63.8	69.3	53.6	55.2	53.3	46.0	46.2
Transcription	1	2	8	13	16	33	48	90	159	104.5	276.0	55.1	24.2	106.1	45.7	88.0	77.7	0.2	0.4	0.9	0.7	0.6	0.7	0.8	1.2	1.9
Animation	11	18	24	23	63	103	104	77	67	61.8	29.5	(1.8)	167.1	64.0	1.0	(25.9)	(13.0)	2.3	3.0	2.6	1.2	2.4	2.3	1.8	1.0	0.8
Software Development	12	46	189	378	636	895	1,270	2,038	2,268	279.2	306.3	100.3	68.2	40.8	41.9	60.5	11.3	2.5	7.5	20.2	19.3	24.6	20.4	22.1	27.8	27.1
Other BPOs	224	274	117	188	486	938	1,262	1,751	2,009	22.1	(57.3)	60.3	159.1	92.9	34.6	38.7	14.7	45.6	44.0	12.5	9.6	18.8	21.3	22.0	23.9	24.0
TOTAL INDUSTRY	**492**	**622**	**934**	**1,957**	**2,587**	**4,395**	**5,746**	**7,327**	**8,367**	**26.5**	**50.1**	**109.5**	**32.2**	**69.9**	**30.7**	**27.5**	**14.2**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Table 3.1 Foreign Direct Investment
2005-2013

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	2013	2006	2007	2008	2009	2010	2011	2012	2013	2005	2006	2007	2008	2009	2010	2011	2012	2013
Contact Center	213	259	585	1,309	1,330	2,421	3,007	3,338	3,759	21.7	126.1	123.7	1.6	82.0	24.2	11.0	12.6	64.7	68.8	71.2	71.7	56.0	56.4	56.1	48.0	48.1
Transcription	1	2	8	13	13	30	46	90	155	176.2	430.3	55.1	4.4	125.6	53.9	93.3	72.6	0.2	0.4	1.0	0.7	0.6	0.7	0.9	1.3	2.0
Animation	4	18	23	23	40	73	75	76	62	303.8	31.4	1.1	69.1	83.8	3.3	1.4	(18.5)	1.3	4.7	2.8	1.3	1.7	1.7	1.4	1.1	0.8
Software Development	5	34	96	320	632	849	1,211	1,948	2,143	656.6	179.8	233.2	97.6	34.3	42.7	60.8	10.0	1.4	9.1	11.7	17.5	26.6	19.8	22.6	28.0	27.4
Other BPOs	107	64	109	161	361	916	1,016	1,507	1,697	(40.3)	71.2	47.5	124.5	153.9	10.8	48.4	12.6	32.4	16.9	13.3	8.8	15.2	21.4	19.0	21.7	21.7
TOTAL INDUSTRY	**329**	**376**	**821**	**1,825**	**2,376**	**4,288**	**5,355**	**6,959**	**7,815**	**14.3**	**118.5**	**122.2**	**30.1**	**80.5**	**24.9**	**30.0**	**12.3**	**100.0**	**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	2013
Contact Center	87.6	92.0	98.1	96.5	95.9	99.7	98.2	99.0	97.3
Transcription	52.5	71.0	100.0	100.0	84.1	92.0	97.2	99.9	97.1
Animation	38.4	95.8	97.2	100.0	63.3	70.9	72.5	99.2	92.9
Software Development	37.0	73.9	50.9	84.6	99.4	94.8	95.4	95.6	94.5
Other BPOs	47.5	23.2	93.1	85.6	74.2	97.7	80.4	86.1	84.4
TOTAL INDUSTRY	**66.9**	**60.4**	**87.9**	**93.3**	**91.8**	**97.6**	**93.2**	**95.0**	**93.4**

Table 3.2.a. Foreign Equity by Country of Investor
2013

IT-BPO Category	USA	Europe [1]	Asia [2]	Australia	Japan	India	China	Total FDI
Contact Center	1,570	1,520	71	72	4	83	(0)	3,321
Transcription	68	3	-	24	(6)	-	-	89
Animation	(2)	-	(13)	-	91	-	-	76
Software Development	248	1,458	21	(1)	205	1	6	1,938
Other BPOs	290	393	212	74	413	118	0	1,499
TOTAL INDUSTRY	**2,174**	**3,375**	**291**	**169**	**707**	**202**	**6**	**6,924**
Percent Share	**31.4**	**48.7**	**4.2**	**2.4**	**10.2**	**2.9**	**0.1**	**100.0**

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

Table 3.2.b. 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 4. Employment, by IT-BPO Category
2004-2013

EMPLOYMENT — Levels (count in persons)

IT-BPO Category	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Contact Center	65,006	96,246	153,683	169,748	212,372	255,765	329,597	433,183	487,757	530,882
Transcription	901	1,785	4,956	6,621	4,321	7,060	9,131	11,084	16,997	20,172
Animation	1,488	1,864	4,482	4,323	5,656	3,732	3,908	3,973	4,164	4,206
Software Development	11,975	17,829	42,657	44,870	49,893	46,987	49,516	55,464	64,922	82,583
Other BPOs	15,118	20,278	42,267	45,994	82,893	131,267	143,975	175,761	196,092	213,939
TOTAL INDUSTRY	**94,488**	**138,002**	**248,045**	**271,556**	**355,135**	**444,811**	**536,128**	**679,464**	**769,932**	**851,782**

EMPLOYMENT — Growth Rates (in percent)

IT-BPO Category	2005	2006	2007	2008	2009	2010	2011	2012	2013
Contact Center	48.1	59.7	10.5	25.1	20.4	28.9	31.4	12.6	8.8
Transcription	98.1	177.7	33.6	(34.7)	63.4	29.3	21.4	53.3	18.7
Animation	25.3	140.4	(3.5)	30.8	(34.0)	4.7	1.6	4.8	1.0
Software Development	48.9	139.3	5.2	11.2	(5.8)	5.4	12.0	17.1	27.2
Other BPOs	34.1	108.4	8.8	80.2	58.4	9.7	22.1	11.6	9.1
TOTAL INDUSTRY	**46.1**	**79.7**	**9.5**	**30.8**	**25.3**	**20.5**	**26.7**	**13.3**	**10.6**

EMPLOYMENT — Percent Share to Total

IT-BPO Category	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Contact Center	68.8	69.7	62.0	62.5	59.8	57.5	61.5	63.8	63.4	62.3
Transcription	1.0	1.3	2.0	2.4	1.2	1.6	1.7	1.6	2.2	2.4
Animation	1.6	1.4	1.8	1.6	1.6	0.8	0.7	0.6	0.5	0.5
Software Development	12.7	12.9	17.2	16.5	14.0	10.6	9.2	8.2	8.4	9.7
Other BPOs	16.0	14.7	17.0	16.9	23.3	29.5	26.9	25.9	25.5	25.1
TOTAL INDUSTRY	**100.0**	**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
2004-2013

COMPENSATION — Levels (in US$ million)

IT-BPO Category	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Contact Center	331	556	766	1,090	1,680	1,954	2,805	3,570	4,049	4,549
Transcription	2	5	12	24	22	35	48	63	98	125
Animation	6	8	14	19	27	21	24	27	30	32
Software Development	83	120	249	620	536	557	629	849	1,129	1,524
Other BPOs	49	80	226	377	497	852	997	1,243	1,507	1,689
TOTAL INDUSTRY	**471**	**769**	**1,266**	**2,129**	**2,762**	**3,419**	**4,502**	**5,751**	**6,813**	**7,919**

COMPENSATION — Growth Rates (in percent)

IT-BPO Category	2005	2006	2007	2008	2009	2010	2011	2012	2013
Contact Center	67.6	37.9	42.2	54.2	16.3	43.5	27.3	13.4	12.4
Transcription	140.0	142.2	100.7	(8.1)	57.0	36.6	31.7	56.2	27.8
Animation	35.8	63.3	35.2	42.9	(21.9)	15.8	12.8	11.3	5.4
Software Development	44.5	106.9	149.4	(13.5)	3.9	12.9	35.1	32.9	35.0
Other BPOs	64.5	183.0	66.8	31.9	71.4	17.0	24.6	21.3	12.1
TOTAL INDUSTRY	**63.1**	**64.7**	**68.1**	**29.7**	**23.8**	**31.7**	**27.7**	**18.5**	**16.2**

COMPENSATION — Percent Share to Total

IT-BPO Category	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Contact Center	70.3	72.2	60.5	51.2	60.8	57.2	62.3	62.1	59.4	57.4
Transcription	0.4	0.6	0.9	1.1	0.8	1.0	1.1	1.1	1.4	1.6
Animation	1.3	1.1	1.1	0.9	1.0	0.6	0.5	0.5	0.4	0.4
Software Development	17.6	15.6	19.6	29.1	19.4	16.3	14.0	14.8	16.6	19.2
Other BPOs	10.3	10.4	17.8	17.7	18.0	24.9	22.1	21.6	22.1	21.3
TOTAL INDUSTRY	**100.0**	**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	2013
Contact Center	5,099	5,772	4,985	6,420	7,912	7,640	8,510	8,240	8,301	8,569
Transcription	2,295	2,780	2,426	3,644	5,131	4,929	5,206	5,649	5,755	6,198
Animation	4,172	4,521	3,071	4,305	4,702	5,568	6,157	6,832	7,257	7,568
Software Development	6,943	6,739	5,827	13,817	10,743	11,849	12,699	15,313	17,383	18,453
Other BPOs	3,210	3,937	5,345	8,196	5,997	6,493	6,926	7,070	7,687	7,896
TOTAL INDUSTRY	**4,989**	**5,572**	**5,105**	**7,841**	**7,778**	**7,686**	**8,398**	**8,464**	**8,849**	**9,297**

ANNUAL COMPENSATION PER EMPLOYEE — Growth Rates (in percent)

IT-BPO Category	2005	2006	2007	2008	2009	2010	2011	2012	2013
Contact Center	13.2	(13.6)	28.8	23.2	(3.4)	11.4	(3.2)	0.7	3.2
Transcription	21.1	(12.8)	50.2	40.8	(3.9)	5.6	8.5	1.9	7.7
Animation	8.4	(32.1)	40.2	9.2	18.4	10.6	11.0	6.2	4.3
Software Development	(2.9)	(13.5)	137.1	(22.2)	10.3	7.2	20.6	13.5	6.2
Other BPOs	22.7	35.8	53.3	(26.8)	8.3	6.7	2.1	8.7	2.7
TOTAL INDUSTRY	**11.7**	**(8.4)**	**53.6**	**(0.8)**	**(1.2)**	**9.3**	**0.8**	**4.5**	**5.1**

Table 6. Profile of Respondents
2013

IT-BPO Category	2013 Total	n1	n2	n3	n4	n5
Contact Center	232	14	135	11	11	61
Transcription	80	2	15	13	3	47
Animation	37	5	2	7	1	22
Software Development	332	19	126	51	16	120
Other BPOs	417	19	242	38	20	98
TOTAL INDUSTRY	**1,098**	**59**	**520**	**120**	**51**	**348**

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				
	2009	2010	2011	2012	2013	2010	2011	2012	2013	2010	2011	2012	2013	2009	2010	2011	2012	2013
Contact Center	4,207	5,260	6,817	7,587	8,394	25.0	29.6	11.3	10.6	12.8	15.5	6.4	6.0	50.9	52.3	56.5	56.4	54.8
Transcription	57	84	122	198	423	48.8	44.3	63.3	113.0	0.3	0.4	0.6	1.7	0.7	0.8	1.0	1.5	2.8
Animation	52	63	72	80	88	20.6	14.0	11.7	9.4	0.1	0.1	0.1	0.1	0.6	0.6	0.6	0.6	0.6
Software Development	1,672	2,198	2,469	2,848	3,429	31.4	12.3	15.4	20.4	6.4	2.7	3.1	4.3	20.3	21.9	20.4	21.2	22.4
Other BPOs	2,270	2,452	2,594	2,736	2,971	8.0	5.8	5.5	8.6	2.2	1.4	1.2	1.7	27.5	24.4	21.5	20.3	19.4
TOTAL INDUSTRY	**8,258**	**10,058**	**12,074**	**13,450**	**15,305**	**21.8**	**20.1**	**11.4**	**13.8**	**21.8**	**20.1**	**11.4**	**13.8**	**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				
	2009	2010	2011	2012	2013	2010	2011	2012	2013	2010	2011	2012	2013	2009	2010	2011	2012	2013
Contact Center	3,938	5,126	6,166	7,062	7,578	30.2	20.3	14.5	7.3	15.4	11.0	8.0	4.1	51.0	54.1	55.3	56.5	53.5
Transcription	54	75	122	198	422	37.7	62.1	63.1	112.8	0.3	0.5	0.7	1.8	0.7	0.8	1.1	1.6	3.0
Animation	46	54	60	69	75	17.8	11.5	15.9	7.5	0.1	0.1	0.1	0.0	0.6	0.6	0.5	0.6	0.5
Software Development	1,553	1,928	2,381	2,613	3,222	24.2	23.5	9.8	23.3	4.9	4.8	2.1	4.9	20.1	20.4	21.3	20.9	22.7
Other BPOs	2,126	2,288	2,432	2,561	2,879	7.6	6.3	5.3	12.4	2.1	1.5	1.2	2.5	27.6	24.2	21.8	20.5	20.3
TOTAL INDUSTRY	**7,717**	**9,470**	**11,160**	**12,503**	**14,175**	**22.7**	**17.8**	**12.0**	**13.4**	**22.7**	**17.8**	**12.0**	**13.4**	**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				
	2009	2010	2011	2012	2013	2010	2011	2012	2013	2010	2011	2012	2013	2009	2010	2011	2012	2013
Contact Center	1,387	2,428	3,063	3,372	3,864	75.0	26.2	10.1	14.6	40.2	14.5	5.4	6.7	53.6	55.2	53.3	46.0	46.2
Transcription	16	33	48	90	159	106.1	45.7	88.0	77.7	0.7	0.3	0.7	1.0	0.6	0.7	0.8	1.2	1.9
Animation	63	103	104	77	67	64.0	1.0	-25.9	-13.0	1.5	0.0	(0.5)	(0.1)	2.4	2.3	1.8	1.0	0.8
Software Development	636	895	1,270	2,038	2,268	40.8	41.9	60.5	11.3	10.0	8.5	13.4	3.1	24.6	20.4	22.1	27.8	27.1
Other BPOs	486	938	1,262	1,751	2,009	92.9	34.6	38.7	14.7	17.5	7.4	8.5	3.5	18.8	21.3	22.0	23.9	24.0
TOTAL INDUSTRY	**2,587**	**4,395**	**5,746**	**7,327**	**8,367**	**69.9**	**30.7**	**27.5**	**14.2**	**69.9**	**30.7**	**27.5**	**14.2**	**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				
	2009	2010	2011	2012	2013	2010	2011	2012	2013	2010	2011	2012	2013	2009	2010	2011	2012	2013
Contact Center	1,330	2,421	3,007	3,338	3,759	82.0	24.2	11.0	12.6	45.9	13.7	6.2	6.0	56.0	56.4	56.1	48.0	48.1
Transcription	13	30	46	90	155	125.6	53.9	93.3	72.6	0.7	0.4	0.8	0.9	0.6	0.7	0.9	1.3	2.0
Animation	40	73	75	76	62	83.8	3.3	1.4	-18.5	1.4	0.1	0.0	(0.2)	1.7	1.7	1.4	1.1	0.8
Software Development	632	849	1,211	1,948	2,143	34.3	42.7	60.8	10.0	9.1	8.5	13.8	2.8	26.6	19.8	22.6	28.0	27.4
Other BPOs	361	916	1,016	1,507	1,697	153.9	10.8	48.4	12.6	23.4	2.3	9.2	2.7	15.2	21.4	19.0	21.7	21.7
TOTAL INDUSTRY	**2,376**	**4,288**	**5,355**	**6,959**	**7,815**	**80.5**	**24.9**	**30.0**	**12.3**	**80.5**	**24.9**	**30.0**	**12.3**	**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				
	2009	2010	2011	2012	2013	2010	2011	2012	2013	2010	2011	2012	2013	2009	2010	2011	2012	2013
Contact Center	255,765	329,597	433,183	487,757	530,882	28.9	31.4	12.6	8.8	16.6	19.3	8.0	5.6	57.5	61.5	63.8	63.4	62.3
Transcription	7,060	9,131	11,084	16,997	20,172	29.3	21.4	53.3	18.7	0.5	0.4	0.9	0.4	1.6	1.7	1.6	2.2	2.4
Animation	3,732	3,908	3,973	4,164	4,206	4.7	1.6	4.8	1.0	0.0	0.0	0.0	0.0	0.8	0.7	0.6	0.5	0.5
Software Development	46,987	49,516	55,464	64,922	82,583	5.4	12.0	17.1	27.2	0.6	1.1	1.4	2.3	10.6	9.2	8.2	8.4	9.7
Other BPOs	131,267	143,975	175,761	196,092	213,939	9.7	22.1	11.6	9.1	2.9	5.9	3.0	2.3	29.5	26.9	25.9	25.5	25.1
TOTAL INDUSTRY	**444,811**	**536,128**	**679,464**	**769,932**	**851,782**	**20.5**	**26.7**	**13.3**	**10.6**	**20.5**	**26.7**	**13.3**	**10.6**	**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			
	2009	2010	2011	2012	2013	2010	2011	2012	2013	2010	2011	2012	2013	2009	2010	2011	2012	2013	2009	2010	2011	2012	2013	2010	2011	2012	2013
Contact Center	1,954	2,805	3,570	4,049	4,549	43.5	27.3	13.4	12.4	24.9	17.0	8.3	7.3	57.2	62.3	62.1	59.4	57.4	7,640	8,510	8,240	8,301	8,569	11.4	(3.2)	0.7	3.2
Transcription	35	48	63	98	125	36.6	31.7	56.2	27.8	0.4	0.3	0.6	0.4	1.0	1.1	1.1	1.4	1.6	4,929	5,206	5,649	5,755	6,198	5.6	8.5	1.9	7.7
Animation	21	24	27	30	32	15.8	12.8	11.3	5.4	0.1	0.1	0.1	0.0	0.6	0.5	0.5	0.4	0.4	5,568	6,157	6,832	7,257	7,568	10.6	11.0	6.2	4.3
Software Development	557	629	849	1,129	1,524	12.9	35.1	32.9	35.0	2.1	4.9	4.9	5.8	16.3	14.0	14.8	16.6	19.2	11,849	12,699	15,313	17,383	18,453	7.2	20.6	13.5	6.2
Other BPOs	852	997	1,243	1,507	1,689	17.0	24.6	21.3	12.1	4.2	5.4	4.6	2.7	24.9	22.1	21.6	22.1	21.3	6,493	6,926	7,070	7,687	7,896	6.7	2.1	8.7	2.7
TOTAL INDUSTRY	**3,419**	**4,502**	**5,751**	**6,813**	**7,919**	**31.7**	**27.7**	**18.5**	**16.2**	**31.7**	**27.7**	**18.5**	**16.2**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**7,686**	**8,398**	**8,464**	**8,849**	**9,297**	**9.3**	**0.8**	**4.5**	**5.1**

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, 2013

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