

The BPO industry in the Philippines has been growing fast in the past decade. Together with this rapid growth, the Philippines is gaining more and more experience in multiple fields like IT, finance and engineering.

- Filipinos have strong intrinsic skills. They are fluent in English, have a cultural affinity to the US and are familiar with GAAP.
- The Philippines have competitive labor, real estate and infrastructure costs. They are at least 30% lower than US costs.
- Revenues of the BPO industry increased from USD1.5 billion in 2004 to USD4.9 billion in 2007, showing a 49% CAGR. Direct employment increased from 100,500 in 2004 to 299,168 in 2007, showing a 45% CAGR.
- The Philippines is only second to India as the most preferred destination of BPO's. The gap is closing and the Philippines may overtake soon.
- The Philippines is viewed as a favorable location for BPO's:

- **Frost & Sullivan**, August 2007: Philippines among top 10 shared services and outsourcing locations in the world.

The Philippines has a significant and growing position in the technology vertical; it has an emerging presence in finance and insurance and in entertainment ; it has a stable no. 6 position in transportation and logistics ; and is 9th in the world in the healthcare industry. The Philippines is one of the 3 most-preferred locations for

SSO operations for the energy vertical where it is ranked as the most cost-efficient in the world; the country has a high standard of infrastructure quality at a lower cost due to its liberalized telecommunications industry.

- **IMF**, March 2007: “The Philippines has established a strong presence in voice-based BPO sectors such as call centers, and there are also signs of growth potential in other offshore services, such as medical transcription and animation.”

“The Philippines is an attractive outsourcing destination. According to some business attractiveness surveys, the country is highly ranked as an outsourcing location, compared with other key destinations.

- **ADB**, March 2007: The Philippines is comparable to or even fares better than other emerging BPO providers in areas such as quality and cost of labor and certain infrastructure costs.

“The Philippine BPO sector is expected to experience high growth because it has been marked by a steady flow of investments, especially in the contact centers.”

- **Nomura Securities**, November 2007: “We think that the Philippines has grown into the No. 2 outsourcing base after India in call center-based BPO fields.”

- Companies like Shell Oil, Citi, HSBC and many others have transferred most of their back office work and shared services to the Philippines.
- The Philippines is also gaining a lot of awards and recognition:
 - **Frontier Strategy Group**, September 2007: The Philippines is among seven key markets that are “above the rest” and are the “most critical to achieving corporate growth and outperforming the competition in 2008 and beyond”.

Survey of 100 MNC executives in emerging markets: 85% say that the Philippines is among the top 4 emerging markets in the Asia-Pacific region that they are most interested in expanding into.
 - **National Outsourcing Association (UK)**, October 2007: Philippines awarded Offshoring Destination for 2007.
 - **FBR Research**, October 2007: “Philippines Poised for Several More Years of Hyper Growth”.
 - **Diamond Consultants**, December 2007: The Philippines ranked # 3 behind India and the US in the current location strategy of BPO providers.
 - **FBR Capital Markets** 2008: “We believe that the Philippines has been validated as the location of choice for B-to-C contact centre work”.
- It has over 400,000 college-degree graduates annually out of 90 million population and a 36 million size labor force with literacy rate of 92.6%.