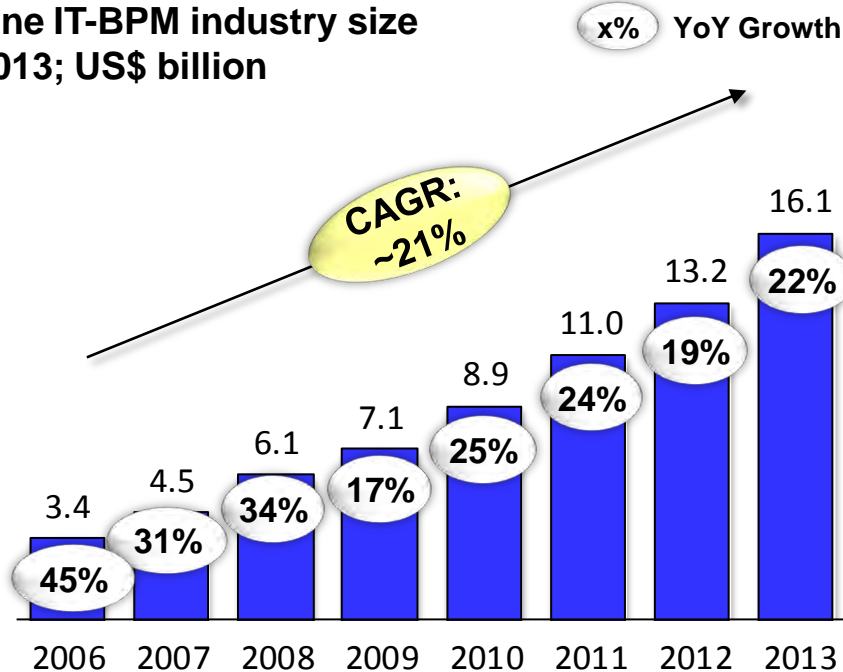


The Philippine Advantage in IT-BPM

Jomari Mercado
President & CEO, IBPAP
October 17, 2014

Philippines 2013 Performance

**Philippine IT-BPM industry size
2006–2013; US\$ billion**



# FTEs (~'000)	236	298	371	424	527	640	777	917
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Global share ¹	5%	6%	6%	7%	8%	9.5%	10.4%	11%
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	FTEs	Revenue (US\$M)	Rev % inc. fr '12
Voice BPO	586,000	10,000	15%
Non-voice BPO/KPO	169,818	2,915	18%
ITO	71,196	1,767	52%
Health Info Mgt & Care	65,895	988	114%
Engineering Services	11,920	216	5%
Animation	9,200	132	0%
Game Development	3,500	50	0%
TOTAL FTEs	917,529	16,067	22%

¹Philippines IT-BPM market as percentage of global offshore services market, in revenue terms

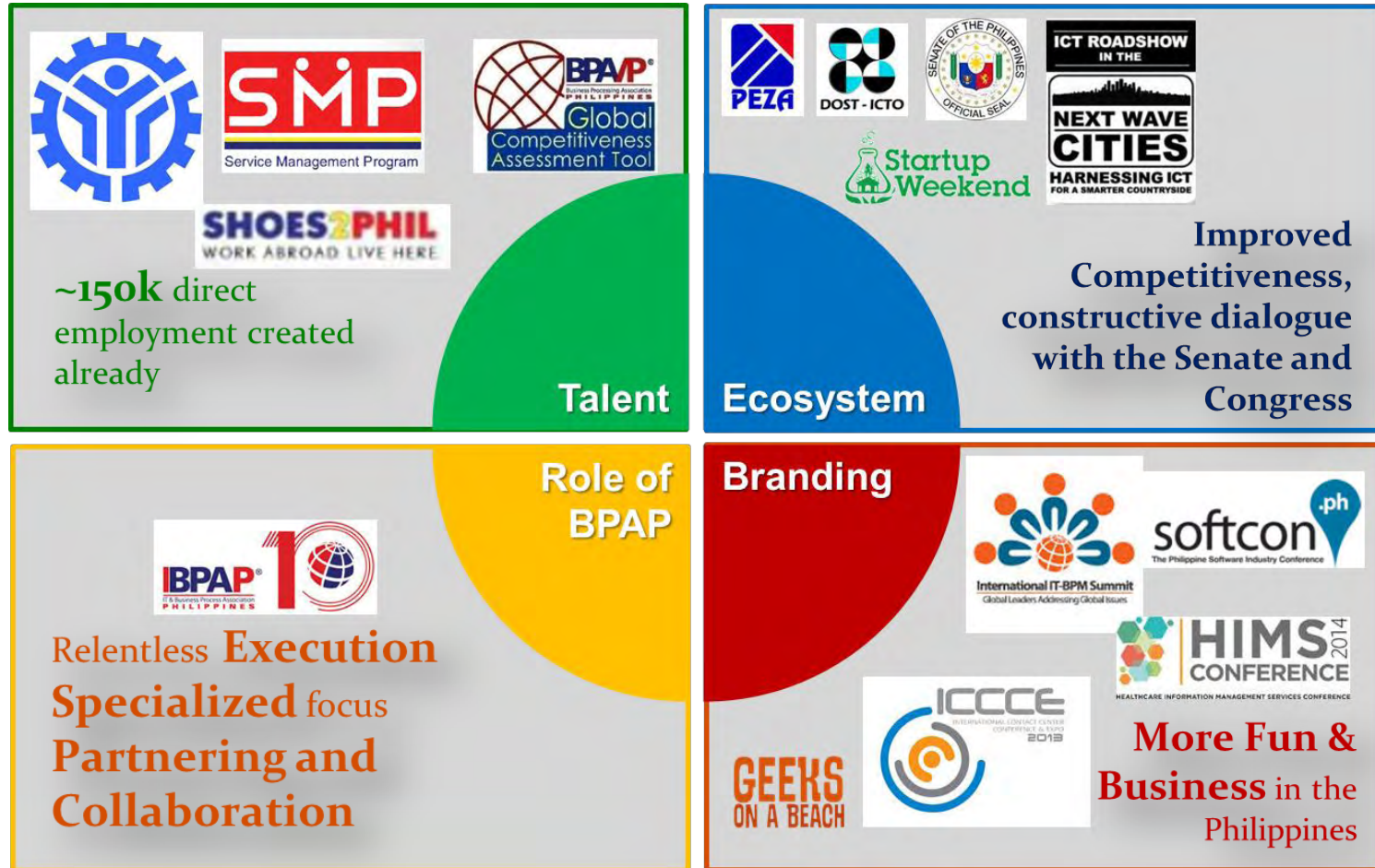
Sources: BPAP, ACPI, CCAP, GDAP, HIMOAP, PSIA

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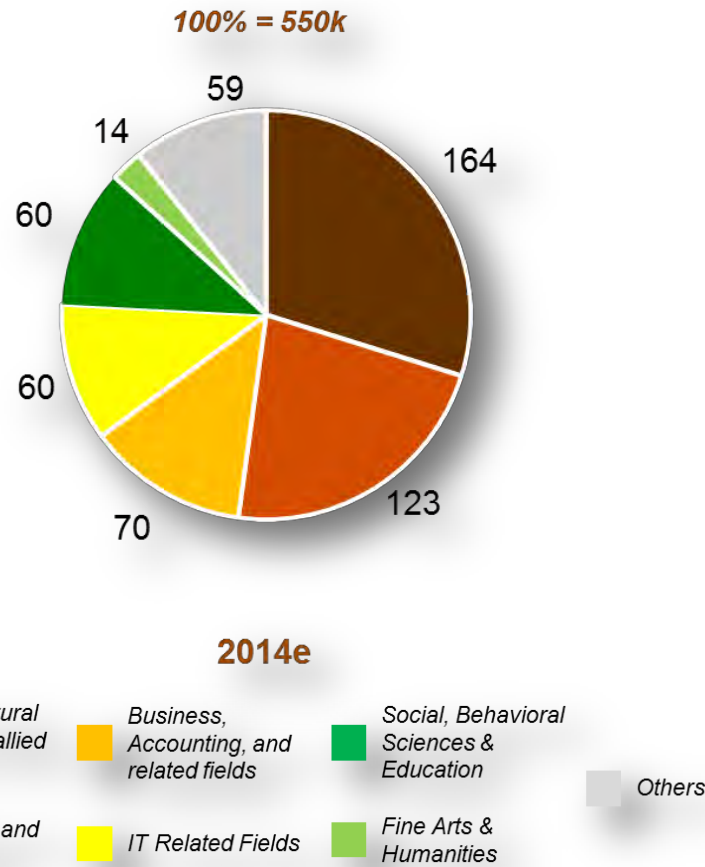
One Million

by the numbers

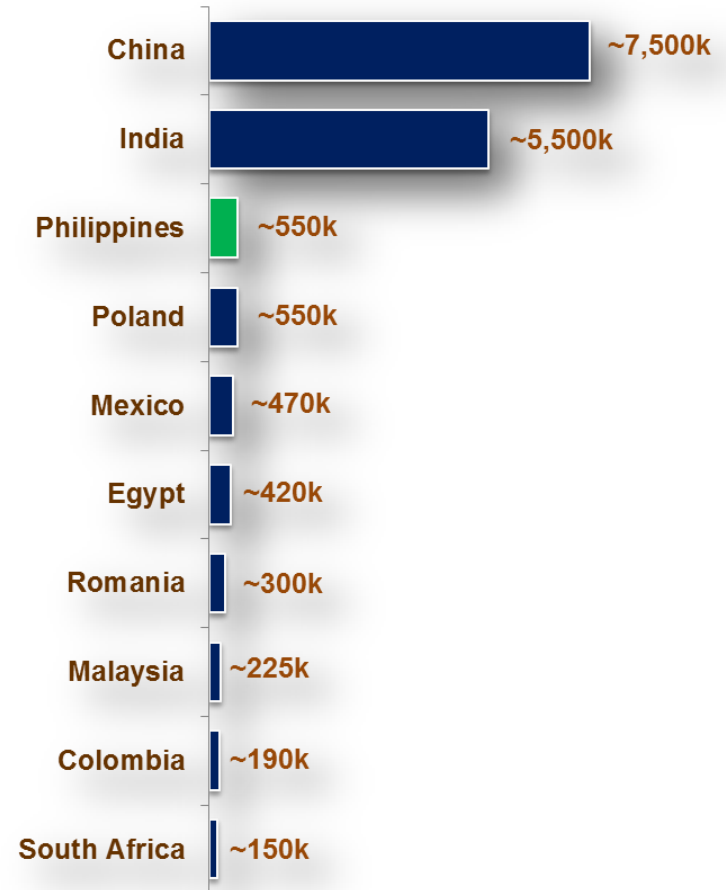
Advantage Vision



Annual Graduate Output ('000)



Graduate Output of Global IT BPM Locations



Advantage Scale



~300k employed outside
of Metro Manila

~150k employed in 3
Centers of Excellence

Domestic Growth +
Impact Sourcing
pushing up employment
in Next Wave Cities

Metro Manila

Metro Cebu

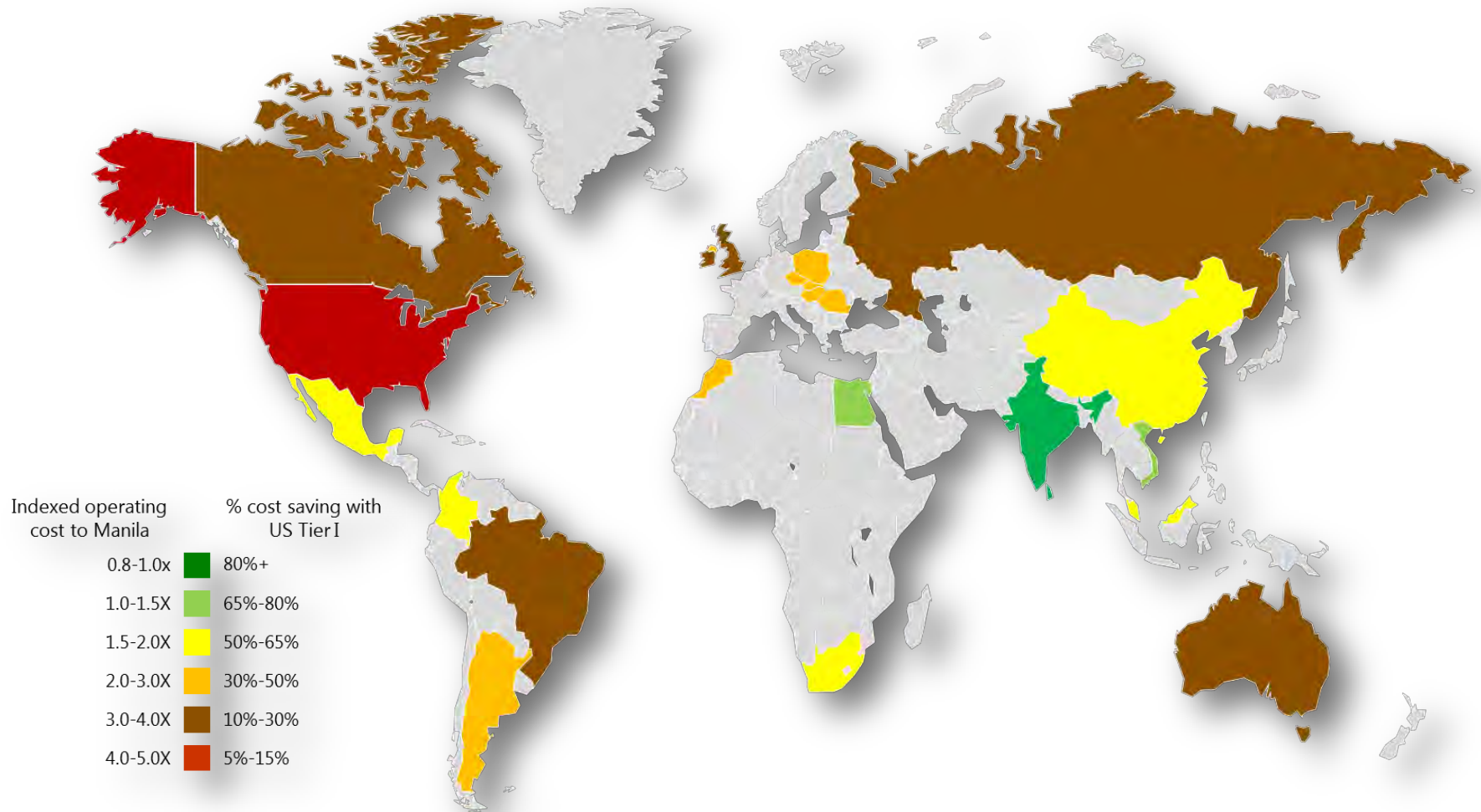
Metro Clark

Metro Bacolod

Next Wave Cities

Advantage Cost

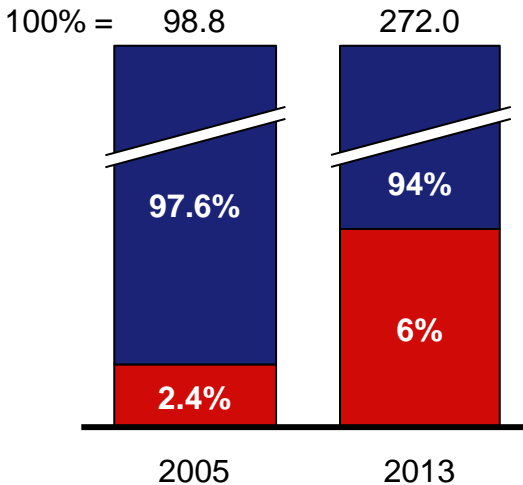
Indexed Operating Costs per FTE per Annum (BPM Market Range)



Impact on the Philippine Economy

GDP

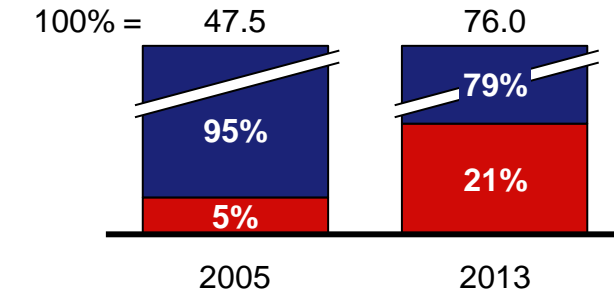
USD billions



**IT-BPM industry contributed
6% to total Philippine GDP
in 2013**

Total Exports

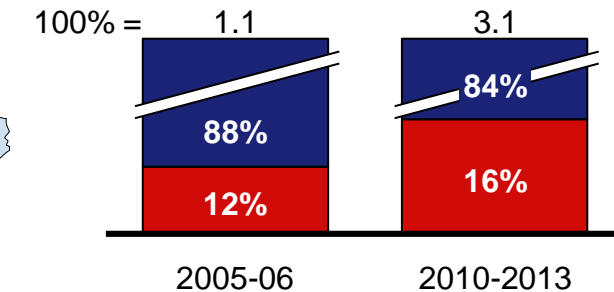
USD billions



Industry's 21% CAGR for 8 years
exceeded 6% CAGR of total
exports for the same period

Employment contribution

Million jobs

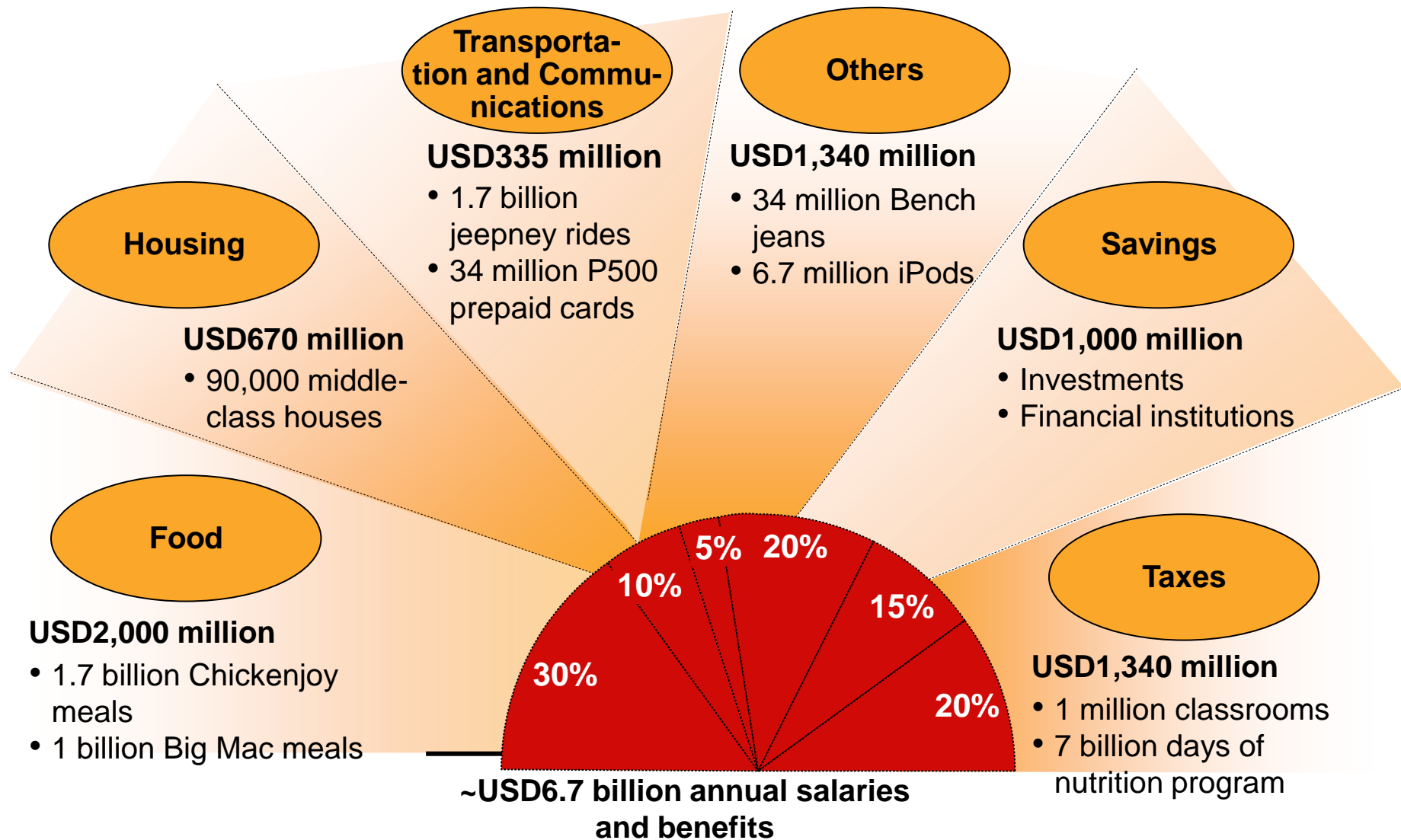


The IT-BPM industry contributed
16% to annual increases in total
no. of employed individuals for the
past four years

Note: GDP at current prices

Source: Philippine Statistical Authority (PSA); BSP; DOLE-BLES; team analysis

Second-order Effects from Direct Employment



* Based on consumption of average Filipino family; savings of 80th and 90th percentile



Benjie A. Gulmatico, 26

Internship: Multi-Trade Contracting (MTC) Staff, AFL Co.

Profile:

Benjie first went to school without the moral support of his father. He experienced being bullied by some of his classmates for not believing him to succeed. He ended quitting from his studies and landed in many different jobs to help provide his family's basic needs. For years, he worked in a bakery, garment factory, public market and in a construction site. Realizing that he couldn't actually save nor really help his family due to very low salary for his works, he thought of doing something else bigger that could change his life for the better. As a person of many dreams, he knew that he needed to go back to school and continue his studies. The Alternative Learning System (ALS) Muntinlupa accepted Benjie into the program and he later

had a grasp to his longed high school diploma. In June 2012, he was among the few who were admitted into the APC Higher School Program with scholarship. While the Program prepares and equips Benjie with the work skills and competencies in the world of Information, Technology and Communication, it also helped Benjie gain the support and trust of his father after realizing the capabilities of his son. Benjie's father who works as a fisherman and his mother as a domestic helper in Singapore are still his inspirations in performing best in his undertakings at the present. Benjie believes that having a stable job in an IT-BPO Company will soon alleviate the financial difficulty of his family.

"As a person of many dreams, I believe that the APC Higher School Program will help me become a successful person. It is my goal to have a better life ...and I will achieve it."



Jessabel Buelba, 23

Internship: Contract Administration Staff, APL

Profile:

Jessabel is a single mom to her 4-year old son. She was 17 and in third year high school when she got pregnant. Due to young age and financial instability, Bel later separated from the father of her child. She went back to school and graduated through the Alternative Learning System (ALS) in Parañaque City. As a single mom, sending a growing son to school without a stable income source is formidable. Her father who works as a jeepney driver and her mother who works as an OFW in Russia strived to provide the needs of their 4 children and Jessabel's son.

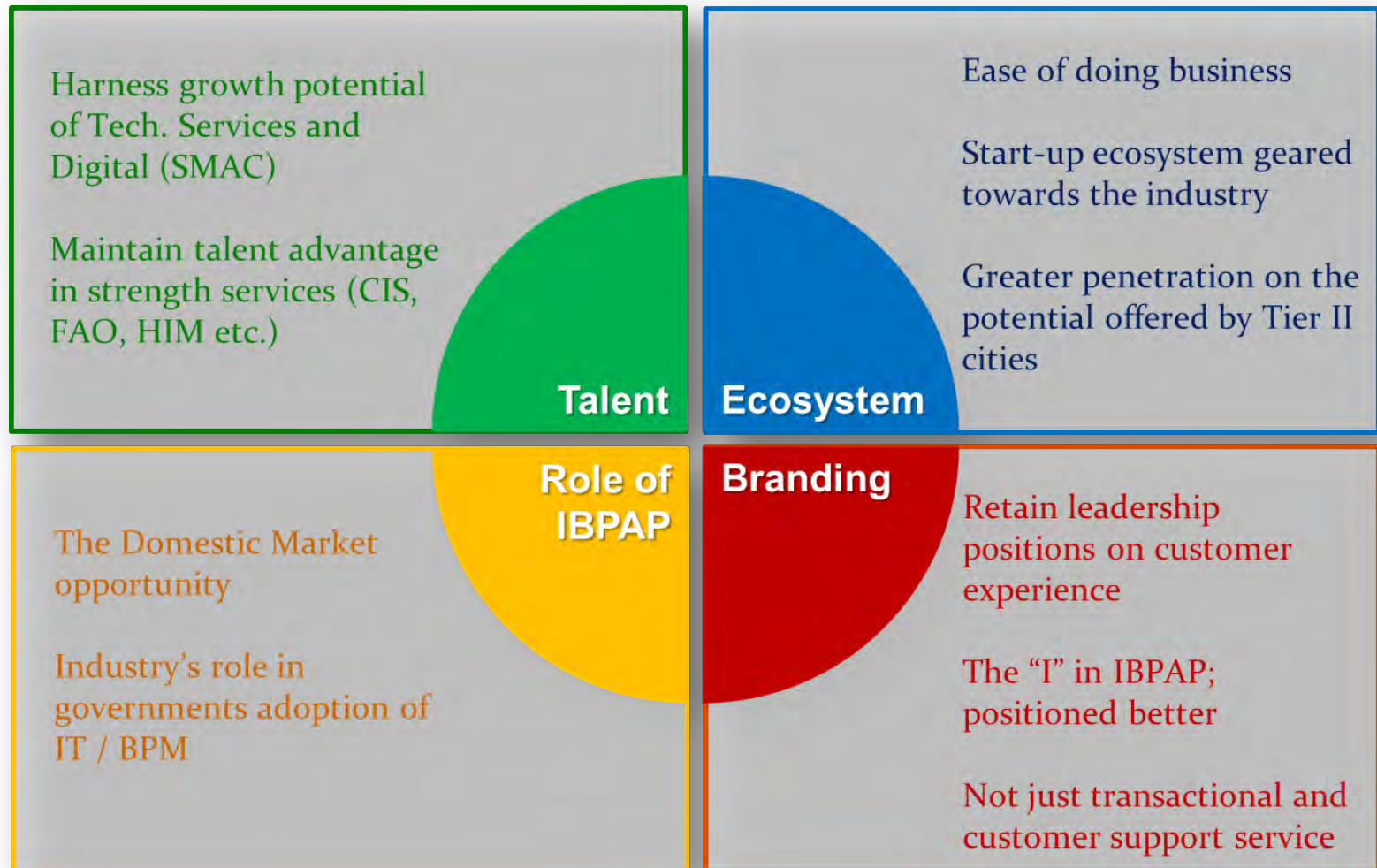
It was summer in 2012 when APC Higher Program came as a once in a lifetime opportunity for Bel to take her biggest step forward for her and her son's future. She

became one of the Pilot students of the program and granted with a scholarship. While in the Program, she once again realizes the importance of education as a way to attain success in life. She sees APC Higher School Program as a bridge to the fulfillment of her dreams. She knew that all the learnings and the experiences that she will obtain from the program would prepare and equip her with professional skills and competence at work in the future. Jessabel is now enjoying the few remaining hours in the completion of her internship while looking forward to her summer job in the company right after the internship. Moreover, she is excited to the bigger and greater work opportunities that will come next.

"Two years from now, I will be a professional career person, passionate and well-motivated to improve my life for me and my family."

- Middle management – availability and experience
- Niche skills, ie investment banking
- Growth of tourism industry
- Change of leadership in 2016
- Changing policies and regulations
- Growth outside Metro Manila
- Emergence of other countries
- Rise of new technologies
- Impact of ASEAN integration

The Road to 2020





growth
1.3 million
direct employment
by 2016

by the numbers

US\$
25 billion
2016 IT-BPM Revenue

by the numbers

Thank
you!!