
INTRODUCED BY SENATOR VILLAR

RESOLUTION
URGING THE SENATE COMMITTEE ON ECONOMIC AFFAIRS AND OTHER
APPROPRIATE SENATE COMMITTEES TO CONDUCT A STUDY ON THE STATE
OF THE BUSINESS PROCESS OUTSOURCING INDUSTRY IN THE COUNTRY
AIMED AT STRENGTHENING AND EXPANDING THE SECTOR AMIDST THE
GLOBAL FINANCIAL CRISIS

Whereas, the 1987 Philippine Constitution adheres that the involvement of an efficient and competent private sector is essential to the growth of the national economy, also in view that it broadens opportunities for local employment, as stressed in Article II, Section 20, “[t]he State recognizes the indispensable role of the private sector, encourages private enterprise, and provides incentives to needed investments” and in Article II, Section 9, “...promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty through policies that provide adequate social services, promote full employment, a rising standard of living, and an improved quality of life for all,”

Whereas, the Business Process Outsourcing (BPO) industry, dubbed as “the fastest-growing industry in the Philippines” has contributed significantly to the economy with its impact attributing to as much as 0.3% points share in the 7.5% percent overall GDP growth in 2007, according to the National Statistics Coordination Board (NSCB)

Whereas, economic growth is signified by the constant increment in the revenues with which the industry confers since 2004 when a revenue of \$1.3 billion was generated, increasing up to 62% the subsequent year with \$2.1 billion profits, significantly also that BPO industries in Metro Manila alone, conferred \$24 million revenues a year later¹

Whereas, in the continuous increase of the revenues attributed by the industry, it was noted to have increased to 26 percent last year, with the profit amounting to \$6 billion

Whereas, Business Processing Association of the Philippines (BPAP), an agency organized under the Center for Communications and Information Technology (CICT) which was created to project and facilitate the growth of the BPO companies in the country has projected the growth for the year 2009 to rise by 23% relative to the previous year, or up to \$ 7.5 billion

¹ “The Philippines’ Awesome Outsourcing Opportunity” by Assif Shameen, Business Week

Whereas, however, in recent news in the Philippine Star dated June 18, 2009, the BPAP announced its decision to postpone the revenue target by one year shorter, as an attribute drawback of the global economic slowdown

Whereas, it was reported that BPAP had earlier projected a \$13 billion revenue for the industry attainable in the year 2010, but in the course of the economic slump that has affected all industries across the globe including the wide-ranging BPO industries in the Philippines, they decided to lower the projected revenue such that it was pushed back one year lower losing about \$ 1 billion in the projection

Whereas, in the face of delaying the projected revenue one year behind due to the global economic crisis, the latest survey of the BPAP showed that the economic slowdown has not dramatically slowed down the expansion of BPO firms in the country

Whereas, in fact, the industry continues to show positive growth as it copes up with the economic crunch which is evident in the business strategies revealed by 571 BPO executives across 25 BPO sectors in the country who responded to the survey conducted by the BPAP in the period of March 31 to April 29, 2009

Whereas, the planned expansion of the BPO firms, which was coursed through the responses in the survey relay that:

- Almost 40% of the BPO executives who responded to the survey indicated that their firms will still grow between 16 and 200 percent this year
- One third of the respondents revealed that they were accelerating expansion plans in the current year, while 23% are increasing recruitment efforts
- New corporations are set to be established also this year as a number of firms have expressed their interest to put up facilities in the country
- An established outsourcing firm announced that it will open three new call center facilities in the country by this year, coinciding with another call center which considers adding 2,000 more employees within the next five months to strengthen its operations

Whereas, the expansion of the BPO industries in the country should primarily benefit the people in the light of expanded opportunities for job creation, among others and should as well reflect an increasing improvement in the national economy; NOW THEREFORE BE IT

RESOLVED, as it is hereby resolved, to urge the Senate Committee on Economic Affairs and other appropriate Senate committees to conduct a study on the state of the business process outsourcing industry in the country aimed at strengthening and expanding the sector amidst the global financial crisis.

Adopted,


MANNY VILLAR
Senator