

Philippines sees outsourcing boom

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The Philippines outsourcing industry will grow strongly over the next five years despite global economic concerns and threats to its call centre sector, industry officials said Tuesday.

The industry is expecting to continue its rise from nothing 10 years ago to currently the world's number-two player behind India with 600,000 workers, said Business Processing Association of the Philippines chief Alfredo Ayala.

"It may slow down, but it's still going to be double-digit growth," Ayala told reporters at an [outsourcing](#) conference in Manila.

Blessed with an English-speaking work force, the industry expects outsourcing revenues to rise at least 15 percent each year to \$20 billion by 2016, when it would employ 900,000 workers, Ayala said.

He said the Philippines now accounted for 6-7 percent of the global market for all outsourced business services, second only to India's 51 percent share.

Business outsourcing covers a wide range of services, from call centres to accounting, legal work, health care and information technology.

In the call sector centre alone, the Philippines last year overtook India to have the world's biggest industry in terms of revenues and workers, largely on the back of catering to the United States and other English-speaking countries.

Foreign experts told the conference call-centre jobs would eventually decline with computer software replacing humans in such things as attending to customer complaints over merchandise.

Gillian Joyce Virata, senior executive director for the business processing association, said call centres still accounted for about 65 percent of the overall outsourcing business in the Philippines.

But she said the industry was preparing for the changes.

"The trend will continue for non-voice (roles) to grow at a faster rate. Back office, health care, creative services, and IT (information technology) are becoming quite attractive here," she said.

Trade Secretary Gregory Domingo told the conference that the outsourcing sector was now one of the country's economic pillars.

He said the industry's 2011 revenue target of 11 billion dollars would be equivalent to about 5.0 percent of the Philippines' gross domestic product.

"The contribution of this industry cannot be overstated. It's really a very big help. It has provided a very big support to the economic environment of the Philippines in the past decade," Domingo said.

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