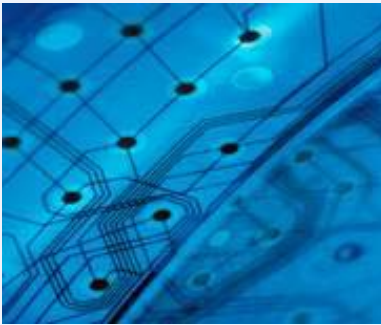


Information, Communications & Entertainment (ICE)



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In the News

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This industry update from KPMG Manabat Sanagustin & Co. is a bi-weekly collection of the latest news and developments from the country's Information, Communications and Entertainment (ICE) sector. We hope that you will find this service, which the Firm provides its clients for the different Lines Of Business, interesting and useful.

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If you want us to send this to any other member of your company, please contact Ann Millaine T. Ambayec, KPMG Markets Communications Officer, at 8857000 loc 282 or at aambayec@kpmg.com.

Demand for multi-skilled BPO workers may outstrip supply

The demand for workers in the business process outsourcing (BPO) industry with interdisciplinary technical and communications skills and know-ledge deemed highly valuable may soon outstrip available supply. To nip this potential problem in the bud, computer manufacturer IBM Philippines, the Commission on Information and Communications Technology and the Business Process Outsourcing Association of the Philippines signed a memorandum of agreement signifying their partnership in developing a new academic field called Service Science, Management and Engineering (SSME). The SSME academic field is envisioned as a combination of interdisciplinary academic curriculum combined with a "unique" way of thinking, IBM Philippines president James Velasquez said. This field of study is designed to provide the BPO industry with a steady stream of workers who can help improve the Philippines competitive edge as a BPO hub.

<http://www.businessmirror.com.ph/08252008/companies02.html>

Infotech companies seen to spur growth

As unemployment is expected to rise as a result of the weakening economy, more and more local government units (LGUs) are asked to turn to information and communications technology (ICT) as a source of steady employment and as a source of economic stimulus, preliminary data gathered by Canada-based research firm XMG shows. In its mid-year review of the Philippine ICT industry for 2008, XMG found that total ICT industry employment is at around 340,000 to 360,000 and more than 70 percent of employment opportunities in this sector are located in Metro Manila. XMG also estimated that an additional 310,000 to 340,000 will be needed up to 2010 "to meet ramped-up demand as expansion plan and global pipeline deals close." The research firm also projects that LGUs now "have the opportunity to attract large ICT operators by providing tax breaks, infrastructure and telecommunications development and customized incentives."

<http://www.businessmirror.com.ph/08262008/companies04.html>

Cagayan forms ICT council to prepare for entry of BPOs

Cagayan province has created its own information and communications technology (ICT) council that will ensure all the

policies and development needed to make Tuguegarao City and other localities in the province ready for the entry of business-process outsourcing (BPO) firms are in place. The Cagayan Development Foundation for Information Technology (CADF-IT), established through the initiative of the Department of Trade and Industry-Region 2, is composed of players from academe, nongovernment organizations and relevant national government agencies. The council will prepare the groundwork for the development of the ICT industry in Cagayan to make it another prime destination for the fast-growing BPO industry. Ma. Esperanza Bañares, DTI-Region 2 director, said among the council's interventions is to ensure that there will be a steady pool of qualified human resources within the province that will be supplied to the industry.

<http://www.businessmirror.com.ph/0829&302008/economy04.html>

BPO sector on track to meet growth target

The Business Process Outsourcing (BPO) industry is on track to meet its year end growth target as it employed 345,000 workers during the first half of the year. "The industry employed 345,000 workers for the first six months of the year and we are hoping that we will meet our yearend target of 420,000," Business Process Outsourcing Association of the Philippines (BPAP) president Oscar Sanez said in an interview. The offshoring and outsourcing (O&O) industry earned \$5.8 billion for the first half of this year. "We are on track to meet our full year revenue target of \$6.8 billion," Sanez said. According to Sanez, O&O revenue for the first six months of the year is up 1.8 percent when compared to the same period the previous year. Sanez said the slowdown in the world economy had no adverse effects on the industry.

<http://www.philstar.com/index.php?Business&p=49&type=2&sec=27&aid=200808314>

Aussie firm sets up call center in RP

Australia's National Receivables Group (NRG) has chosen the Philippines over India in setting up its first overseas call center, according to its top official. NRG provides services for financial services companies and holds offices in Melbourne, Brisbane and Sydney. Michelle Bubke, NRG's chief executive, said she was encouraged to visit the country after meeting with Business Process Association of the Philippines (B/PAP) officials in Sydney earlier this year. Bubke recently visited the country to train agents of the company's first international call center, located at the IBM Building in Eastwood City in Libis, Quezon City. Out of a number of possible locations, we chose the Philippines. Like most companies, I looked at India but discovered that the talent pool, time zone and lifestyle were superior in the Philippines," Bubke said in a statement provided by B/PAP.

http://newsinfo.inquirer.net/breakingnews/infotech/view_article.php?article_id=156687

RP must focus on software-as-a-service, open source--Ovum

The open-source and software-as-a-service markets may provide the country's best chances to keep up with outsourcing leaders India and China, according to industry analyst Ovum. David Mitchell, UK-based Ovum's senior vice president for IT research, said the Philippines needs to focus on niche areas where it can compete better in terms



of higher-value services. Smaller economies in emerging markets need to have focus, and avoid competing with larger economies on cost alone," Mitchell said in comments e-mailed to INQUIRER.net. Mitchell said: "The reason for the exhortation that the Philippines needs to focus is two-fold. Firstly, the country is not large enough to compete against India and China on the basis of scale, and so the country needs carefully to select its battles. "Secondly, focus brings the ability to charge premium rates, for skills that are rarer. This means the Philippines can avoid being dragged into a low-wage, low-investment spiral," he added.

http://technology.inquirer.net/infotech/infotech/view_article.php?article_id=156550

US firms seen outsourcing 60,000 jobs to RP by 2010

Companies in the United States will outsource no less than 60,000 jobs to the country in about two years, according to the Philippine Software Industry Association (PSIA). PSIA recently conducted a roadshow in the US, meeting with industry groups in Los Angeles, San Francisco, Chicago, New York and New Jersey. In New York, the PSIA delegation attended the World BPO Forum conference along with Commission on Information and Communications Technology (CICT) chairman Ray Roxas-Chua III, who made a presentation on the local business process outsourcing or BPO industry. "According to World BPO Forum's projections, an estimated 60,000 positions will be sent to the Philippines as part of companies' global sourcing strategy," said PSIA president Beng Coronel.

<http://technology.inquirer.net/infotech/infotech/view/20080819-155611/US-firms-seen-outsourcing-60000-jobs-to-RP-by-2010>

Feedback

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