



**Information,  
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Entertainment (ICE)**



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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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**Local tours feed growth of small- scale resorts**

Countryside tours like the Suroy-Suroy program of the Cebu provincial government helped encourage local residents to engage in small-scale resort development. Jennifer T. Franco, chairperson of the National Association of Independent Travel Agencies (Naitas Cebu) said towns like Argao and Barili, and Danao city have small resorts and pension houses to accommodate tourists. "This is the reason why the homestay program is not really in demand. The local residents themselves are knowledgeable of the visitors' trends so it's better that they themselves set up the business," Franco told reporters. In the homestay program, tourists stay in the house of a local resident as paying guests to experience a family's hospitality. A resident's house with all its amenities will be accredited by agencies such as the Department of Tourism (DOT) to ensure the comfort and safety of tourists.

[http://globalnation.inquirer.net/cebudailynews/enterprise/view\\_article.php?article\\_id=160409](http://globalnation.inquirer.net/cebudailynews/enterprise/view_article.php?article_id=160409)

**More Aussies coming to RP, says tourism chief**

Tourist arrivals from Australia increased during the first half of the year, with local tourism officials attributing the growth to the Philippine's proximity to the continent. Tourism Secretary Ace Durano said on Tuesday the number of tourists from Australia grew by 11.8 percent from January to July 2008 compared to the same period in 2007. "Our specialized tourism adventures are just seven and a half hours away from Sydney and Melbourne, and a mere four hours away from Darwin," Durano said. The tourism secretary said the country has been touted in Australia as "the place with endless possibilities." "Australian tourists have a wide variety from popular options such as diving in majestic waters of Palawan, wild eco-adventure in forests of Bohol, whale-watching in Sorsogon, trekking the jungles of Guimaras, caving in Sagada, golf in Baguio, night-life socializing in hotels of Cebu, and spa hopping and shopping in cosmopolitan districts of Manila," Durano said.

[http://globalnation.inquirer.net/news/breakingnews/view\\_article.php?article\\_id=159647](http://globalnation.inquirer.net/news/breakingnews/view_article.php?article_id=159647)

### **RP needs more software consultants in 3 years--SAP execs**

In three years, at least two multinational companies setting up operations in the country will require 6,000 to 8,000 business software, consultants industry and SAP executives said. "We have about 900 certified consultants in the Philippines but most of them – around 50 to 60 percent – are deployed overseas," Jennifer Ligones, country manager of SAP Philippines, said, as she admitted that there are only a few qualified SAP consultants left to manage about 350 customers of the German business software company in the country. More multinational companies now see the Philippines as a breeding ground for SAP business software competency next to India, Ligones said. With that, SAP Philippines and partners involved in the implementation of SAP's business software solutions have come together to find ways to solve this brain drain. As more software consultants choose to migrate to markets that pay better, Ligones admitted that "poaching" has remained a headache for many of its clients and SAP Philippines.

[http://technology.inquirer.net/infotech/infotech/view\\_article.php?article\\_id=158671](http://technology.inquirer.net/infotech/infotech/view_article.php?article_id=158671)

### **HP expects Asia to renew interest in virtualization**

IT services giant HP is expecting virtualization to have major impact in Asia Pacific as more companies move toward streamlining their IT infrastructure amid globalization. Companies in the financial, utilities, manufacturing, government, education and telecommunications sectors could have potential interest in virtualization as their IT infrastructures can become more complex as demand grows. Executives from HP said that virtualization remains an unfamiliar term for most businesses across Asia Pacific since these companies are still building up their infrastructure and have not yet experienced the necessity to adapt virtualization solutions. "That could change in the coming years as these Asian companies replace legacy systems with new ones, or until they realize that they can still operate their business with only a small percentage of their original infrastructure," according to HP Asia Pacific Enterprise Storage and Servers Vice President Tony Parkinson. Virtualization is broadly termed but its main feature is software emulating hardware components from one computer to run multiple applications. The emulated applications are "virtual" but they still have nearly the same level of performance as resident software in another machine. A virtualized environment saves on operational costs while maximizing hardware performance.

<http://newsinfo.inquirer.net/breakingnews/infotech/view/20080904-158692/HP-expects-Asia-to-renew-interest-in-virtualization>

### **Ayala HR outsourcing unit plans to expand operations**

HRMall Inc., a wholly owned subsidiary of Ayala Corp., is planning to expand its business process outsourcing (BPO) company that specializes in human resource services with the hope of bagging contracts with Asian conglomerates, including Indian conglomerate Mittal. In an interview with the media, HRMall president John Philip Orbeta said the company will capitalize on the boom of the outsourcing industry in the Asian region. He said the high demand for manpower for outsourcing is a very good opportunity for the company to also prove that a Philippine company has world-class

capability in handling human resource requirements for BPOs in Asia. With this direction, Orbeta said HRMall will have to handle the increasing complexities of the global environment, such as studying the Chinese language. "We also have to beef up the capability of our manpower to handle bigger responsibilities," he said. Orbeta also said HRMall will also try to get the nod of Ayala subsidiaries for the handling of their human resource-based requirements such as payroll, etc.

<http://www.businessmirror.com.ph/09012008/companies01.html>

#### **Indian BPO firm to increase work force as part of expansion**

The local unit of multinational information technology (IT) consultancy and outsourcing firm Headstrong is planning to hire more than 3,000 Filipinos as it expands globally. Officials of Headstrong Philippines, Inc., which has around 650 employees now, told a briefing yesterday the company would beef up its work force to about 4,000 people, most of whom work as IT professionals for companies abroad. "We believe that the Philippine center has significant expansion potential, and [the company plans] to continue investing in [the Philippines'] development," said Arjun Maholtra, chief executive officer of parent Headstrong Inc. The local expansion is part of the India-based parent company's plans to more than double its revenues to \$500 million by 2011. The company also plans to employ about 10,000 employees worldwide by that time. The Philippine unit, with its expected 4,000 employees by 2011, is expected to contribute 15% to its parent's target revenues. Mr. Maholtra said the company, which has around 2,700 workers in different countries that include India, Japan and the US, has invested around \$18 million in the Philippines, mainly in infrastructure and people.

<http://www.itmatters.com.ph/news.php?id=091208a>

#### **Software firms diversifying to Europe**

The local software and information technology services outsourcing industry is looking to diversify its market by getting more companies in Europe to bring their business to the Philippines. According to the Philippine Software Industry Association (PSIA), almost half, at 45%, of all companies that outsource their information communications technology (ICT) services to the Philippines are from the United States — nearly double the number of European companies, who comprise around 24%. PSIA President Christina G. Coronel said in an interview late last week that the European market for these Philippine services can be the same size as the US market. She said it was easier to penetrate the US first, citing cultural affinity and the English medium of instruction in local schools. This time, however, "we want diversification[Europe] remains untapped," she said. Next month, the group will embark on a "Europe Road show," to market the Philippines as a major software outsourcing destination in the world. Ms. Coronel said the group's initial plan is to visit England, Germany and Sweden, where the group sees the most potential out of other countries in the region. Other countries like France and Spain are also being eyed.

<http://www.itmatters.com.ph/news.php?id=090108a>

### Philippines eyes more electronics exports to India

The Philippine electronics industry is considering increasing exports to India, amid a looming free trade agreement between the Association of Southeast Asian Nations (ASEAN) and the South Asian country. ASEAN ministers announced last Thursday that the deal will be signed at ASEAN leaders summit in Bangkok this December, after six years of talks. Both parties aim to increase trade to \$50 billion by 2010 from \$38 billion presently, earlier reports stated. Semiconductors were the sixth-biggest Philippine export to India in 2006, according to data from the Bureau of Export Trade Promotions. It cornered a 4.72% share of total exports to India that year, bringing in \$5.673 million. More than four-fifths of Semiconductor exports went to ASEAN and other Asian countries in the same year, BETP data showed. "[India] is one of the bigger growth markets. A lot of our [members] have sales going to India," Arthur J. Young, Jr., chairman of Semiconductor and Electronics Industries in the Philippines Inc. (SEIPI), said in a phone interview last Friday. "I think we will have to look at ASEAN and India. I'm sure there will be opportunities." SEIPI president Ernesto B. Santiago agreed, saying, "We support any free trade agreement arranged by the Philippines." Aside from expanding exports, SEIPI also looks forward to tapping India's skill in electronics design.

<http://www.itmatters.com.ph/news.php?id=090108b>

### Feedback

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