

FIFTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

SENATE

P. S. Res. No. 163

CONFIDENTIAL

INTRODUCED BY SENATOR VILLAR

RESOLUTION

URGING THE SENATE COMMITTEE ON ECONOMIC AFFAIRS TO CONDUCT A COMPREHENSIVE ASSESSMENT, IN AID OF LEGISLATION, ANENT THE FULL POTENTIAL OF THE BUSINESS PROCESS OUTSOURCING (BPO) INDUSTRY WITH THE END-IN-VIEW OF FORMULATING AND ADOPTING SOUND ECONOMIC FRAMEWORK FOR THE SECTOR AND TO DESIGN PROMOTIONAL SCHEMES THAT WOULD ATTRACT FOREIGN INVESTMENTS IN THIS NEWLY-EMERGING INDUSTRY

WHEREAS, Article 11 Section 9 of the 1987 Constitution mandated the State to:

"...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, rising standard of living, and an improved quality of life for all."

WHEREAS, the recent global economic meltdown which brought the United States into recession has affected economies worldwide and many economic managers feared that bankruptcy, which would apparently result into a substantial cut-down in employment, is inevitable;

WHEREAS, based on the forecast of the Department of Labor and Employment (DOLE), more than 50,000 Overseas Filipino Workers (OFWs) – our country's number one export whose remittances (US\$12.30 billion for the period January-September 2008) almost single-handedly keep our economy afloat – are in danger of losing their jobs;

WHEREAS, considering the outcome of the world economic crisis and its adverse effects towards the Philippine economy, the government must shift its gear to other potential industries that are labor-intensive;

WHEREAS, one of the emerging and fastest growing industries in the world to date with an estimated global market worth of US\$122-154 billion and projected to increase to US\$180 billion in 2010, is the Business Process Outsourcing (BPO) industry which has become the country's latest trend in the services sector;

WHEREAS, from being an unexplored service industry sector in 2000 with only 2,400 people employed and a mere US\$24 million in revenues generated, it was estimated that employment in the outsourcing industry - mostly call centers- will reach around 400,000 by the end of 2008 and revenues of up to US\$6.8 billion;

WHEREAS, the upward trend that the industry is now experiencing translates to the rapid increase in the number of investors registered with the Board of Investments (BOI) under the BPO industry, and the employment and revenues it generated;

WHEREAS, the country's outsourcing industry is currently dominated by the demand for offshore call centers apparently due to the quality and quantity of Filipino workforce who are English-proficient, highly-skilled and trainable, with innate customer service orientation and strong affinity to Western culture;

WHEREAS, call centers presently form the largest portion of the industry but given a large pool of talents and professionals in different fields, the government can fully tap higher-end outsourcing in the areas of (i) legal and medical transcription and, (ii) finance, logistics and accounting;

WHEREAS, the Philippines is also fast becoming a software and web development outsourcing favorite from among various companies in the United States and Europe;

WHEREAS, with an overall literacy rate of 94 percent, producing 400,000 plus college graduates every year in the areas of Information Technology/Computer Sciences, engineering and commerce and business-related courses, the Philippines may well become the next hub of the BPO market worldwide which is led presently by India;

WHEREAS, to achieve and sustain this rapid growth, the Board of Investments has included in its Investment Priorities Plan in 2006, significant fiscal and non-fiscal incentives intended to promote and attract more for foreign locators to invest in the industry;

WHEREAS, the aforementioned investor incentives is just one way to attract foreign investments and thus, given that the industry is still at its infancy, the government needs to look at other angles and options to sustainably spur its growth by providing a favorable business environment;

NOW THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED to urge the Senate Committee on Economic Affairs to conduct a comprehensive assessment, in aid of legislation, on the full potential of the Business Process Outsourcing (BPO) Industry with the end-in-view of formulating and adopting sound economic framework for the sector and to design promotional schemes that would attract foreign investments in this newly-emerging industry.

Adopted,


MANNY VILLAR