



SPECIAL RELEASE

2019 Annual Survey of Philippine Business and Industry Information Technology - Business Process Management (IT-BPM) Industries Preliminary Results

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Table A. Comparative Summary Statistics for Information Technology -
Business Process Management (IT-BPM) Establishments:
Philippines, 2019 and 2017

IT-BPM Indicators	2017 (Final)	2019 (Preliminary)	Growth Rate (%)
Number of Establishments	1,532	2,147	40.1
Employment	644,051	764,053	18.6
Average Number of Workers per Establishment	420	356	(15.3)
Compensation (in thousand pesos)	261,418,040	424,614,927	62.4
Average Annual Compensation (in pesos)	405,997	556,461	37.1
Revenue (in thousand pesos)	567,008,648	810,614,495	43.0
Expense (in thousand pesos)	485,122,802	712,938,433	47.0
Revenue per Expense Ratio	1.17	1.14	(2.7)
Subsidies (in thousand pesos)	9,313,918	320,925	(96.6)
Revenue from Transactions Outside the Country (in thousand pesos)	196,307,708	221,298,373	12.7

Note: Growth rates are computed from actual values and may yield different results when computed manually.

Source: Philippine Statistics Authority, 2019 ASPBI (Preliminary) and 2017 ASPBI (Final Results)



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PSA Complex, East Avenue, Diliman, Quezon City, Philippines 1101
Telephone: (632) 938-5267
www.psa.gov.ph

Information Technology – Business Process Management (IT-BPM) covers selected industries in the Information and Communication (Sector J) and Administrative and Support Service Activities (Sector N) sectors. IT-BPM services refer to provision of a bundled service package that combines information technology-intensive services with labour (manual or professional depending on the solution), machinery and facilities to support, host and manage a business process, such as financial transaction processing, credit card processing, payment services, such as benefits administration, payroll processing, personnel administration; supply chain management business processes, such as inventory management, procurement services, logistics services, production scheduling and order processing; customer relations management business processes, such as help desk, call center, customer service; vertical market business processes, conducted by specific industries such as electric, chemical, petroleum; and other business processes for client (*Central Product Classification version 2.1 (CPC v2.1) United Nations Statistical Division (UNSD)*).

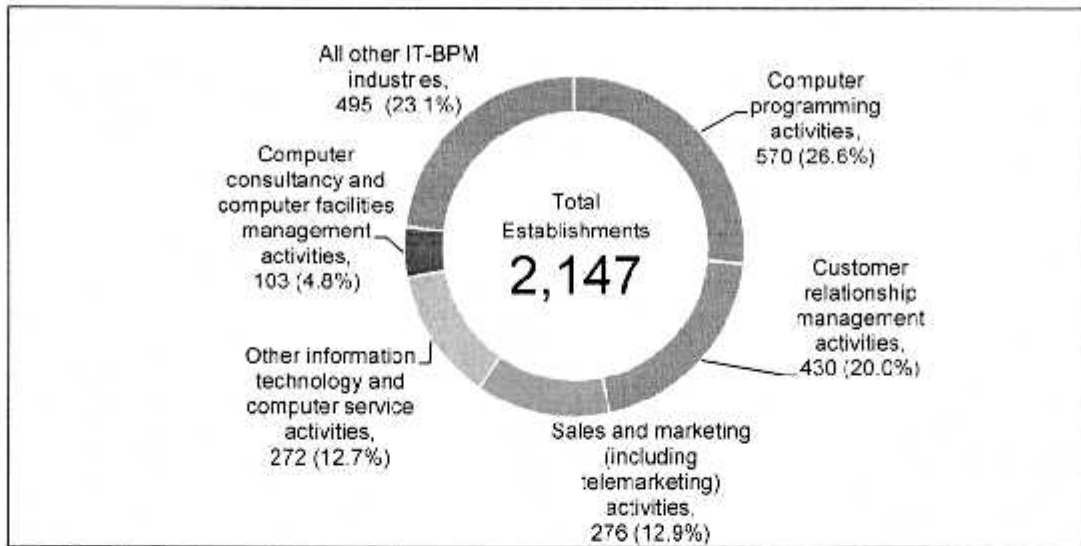
This Special Release on IT-BPM is based on the preliminary results of the 2019 Annual Survey of Philippine Business and Industry (ASPBI) and 2017 ASPBI final results.

Computer programming activities recorded the highest in terms of number of establishments

The Annual Survey of Philippine Business and Industry (ASPBI) preliminary results showed that a total of 2,147 establishments in the formal sector of the economy were engaged in IT-BPM activities in 2019. This level is higher by 40.1 percent compared with the 1,532 IT-BPM establishments recorded in 2017. (Tables A and 1, Figure 1)

Among the industry sub-classes, computer programming activities with 570 establishments or 26.6 percent of the total recorded the highest number of establishments. This was followed by customer relationship management activities with 430 establishments (20.0%) and sales and marketing (including telemarketing) activities with 276 establishments (12.9%). (Table 1 and Figure 1)

Figure 1. Percentage Distribution of IT-BPM Establishments by Industry Sub-class: Philippines, 2019



Note: Details may not add up to total due to rounding

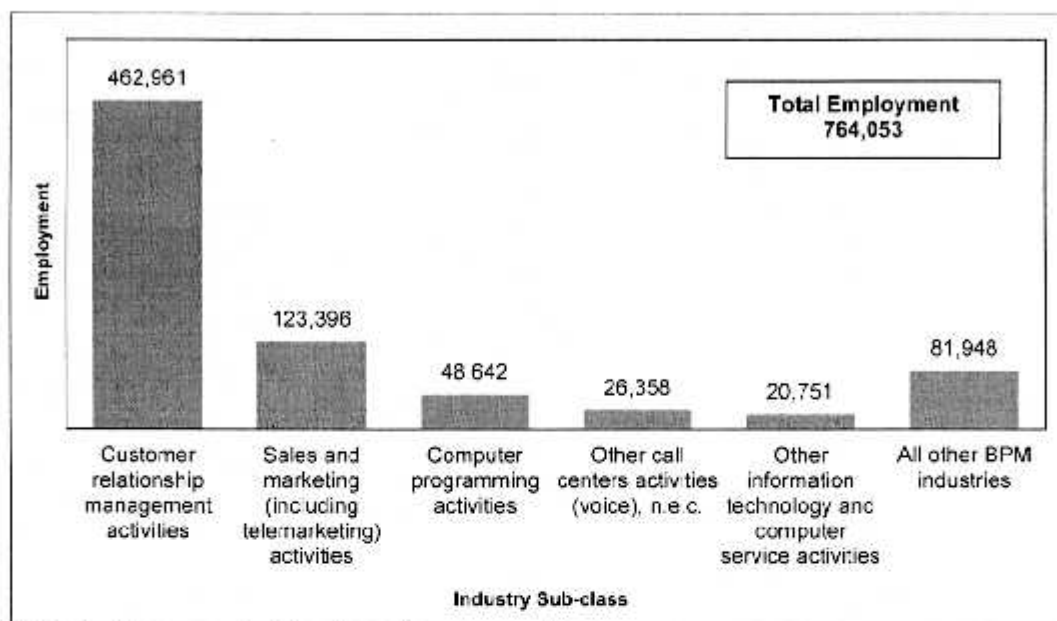
Source: Philippine Statistics Authority, 2019 ASPBI (Preliminary Results)

Majority of the workers were employed in customer relationship management activities

Total employment generated by IT-BPM industries reached 764,053 in 2019, indicating an increase of 18.6 percent compared with the 644,051 workers reported in 2017. Of the total, 763,063 workers or 99.9 percent were paid employees and the remaining were working owners and unpaid workers. (Tables A and 1)

Among IT-BPM industries, customer relationship management activities employed the highest number of workers of 462,961 or 60.6 percent of the total. Sales and marketing (including telemarketing) activities came second with 123,396 workers (16.2%), while computer programming activities ranked third with 48,642 workers (6.4%). (Table 1 and Figure 2)

Figure 2. Distribution of Employment of IT-BPM Establishments by Industry Sub-class: Philippines, 2019



Note: Details may not add up to total due to rounding
 Source: Philippine Statistics Authority, 2019 ASPBI (Preliminary Results)

The IT-BPM industries recorded an average of 356 workers per establishment in 2019. (Tables A and 2)

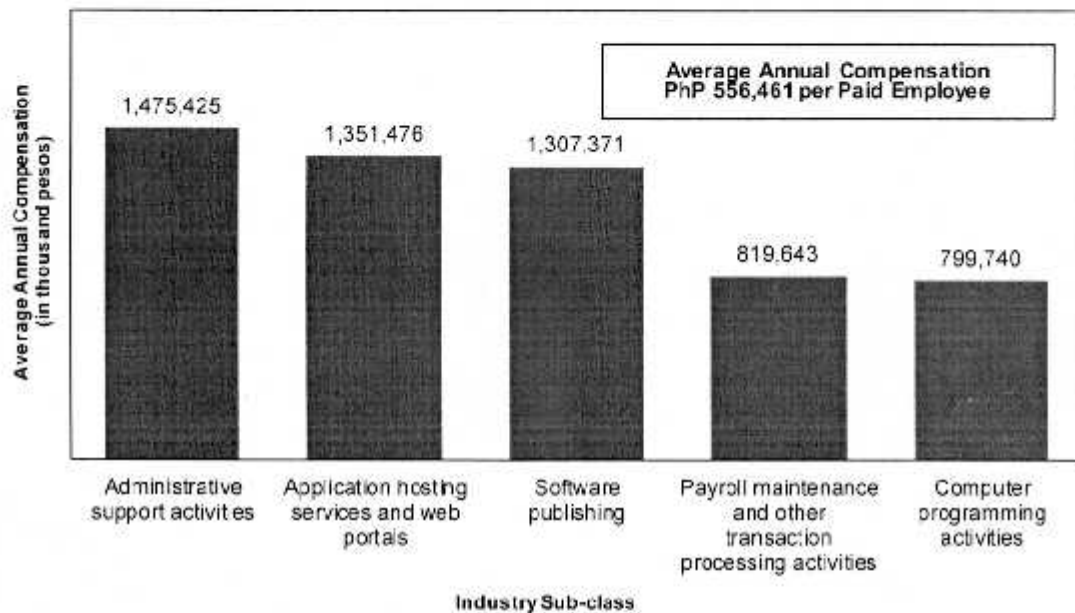
Customer relationship management activities led with an average of 1,077 workers per establishment. On the other hand, on-line employment placement agencies recorded the lowest with an average of 39 workers per establishment. (Table 2)

Administrative support activities paid the highest average annual compensation

In 2019, the total compensation paid by IT-BPM industries to its employees amounted to PhP 424.61 billion. This translates to an average annual compensation of PhP 556.46 thousand per paid employee. Compared with the average annual pay of PhP 406.00 thousand per paid employee in 2017, this value indicates an increase of 37.1 percent. (Tables A, 1, and 2)

By industry sub-class, administrative support activities paid the highest average annual compensation of PhP 1.48 million per paid employee. This was followed by application hosting services and web portals, and software publishing with PhP 1.35 million and PhP 1.31 million per paid employee, respectively. (Table 2 and Figure 3)

Figure 3. Average Annual Compensation of Paid Employees for Top Five Industries of IT-BPM Establishments by Industry Sub-class: Philippines, 2019



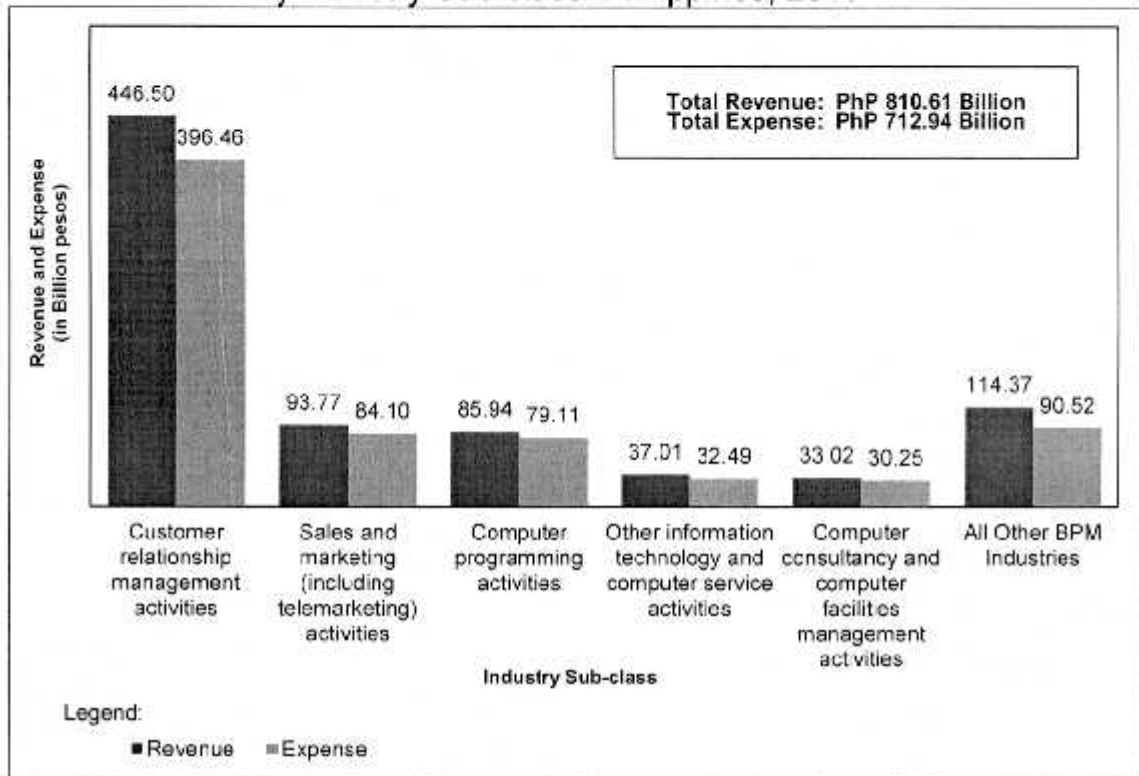
Source: Philippine Statistics Authority, 2019 ASPBI (Preliminary Results)

Customer relationship management activities tops in revenue and expense

IT-BPM industries earned a total revenue of PhP 810.61 billion and incurred a total expense of PhP 712.94 billion in 2019. These values recorded growth rates of 43.0 percent and 47.0 percent from their respective 2017 values. (Tables A and 1, Figure 1)

More than half of the shares to total revenue and total expense were accounted for by customer relationship management activities with PhP 446.50 billion revenue (55.1%) and PhP 396.46 billion expense (55.6%). (Table 1 and Figure 4)

Figure 4. Revenue and Expense for IT-BPM Establishments by Industry Sub-class: Philippines, 2019



Source: Philippine Statistics Authority, 2019 ASPBI (Preliminary Results)

In 2019, IT-BPM industries generated a revenue per peso expense of 1.14. This means that for every peso spent, a corresponding revenue of 1.14 pesos was generated. (Tables A and 2)

Among the industry sub-classes, data processing recorded the highest revenue per peso expense of 2.46. On-line employment placement agencies and supply chain management activities followed with revenue per peso expense of 1.69 and 1.25, respectively. (Table 2)

Government granted PhP 320.93 million subsidies

Subsidies are grants received from the government in the form of financial assistance or tax exemption to aid and develop an industry. The government granted PhP 320.93 million subsidies in 2019, much lower by -96.6 percent than the PhP 9.31 billion subsidies provided for the industry in 2017. (Tables A and 1)

Among industry sub-classes, sales and marketing (including telemarketing) activities received the highest subsidies of PhP 239.89 million. The following industries also received subsidies in 2019:

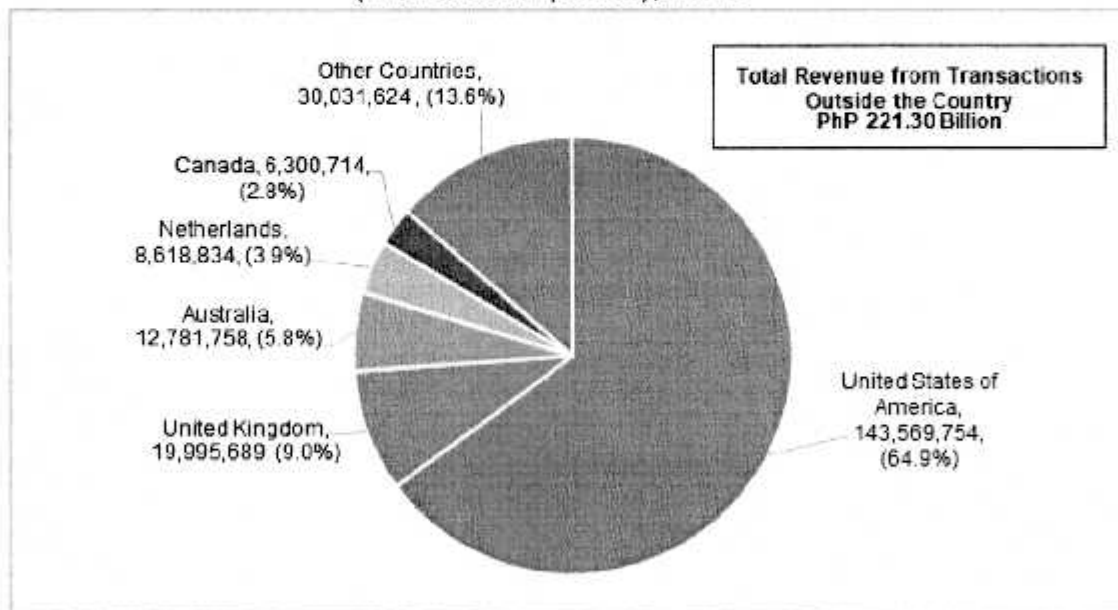
- a. Customer relationship management activities, PhP 64.58 million;
- b. Computer programming activities, PhP 8.73 million; and
- c. Data processing, PhP 7.73 million. (Table 1)

United States of America (USA) contributed most of the revenue from transactions outside the country

IT-BPM industries earned a revenue of PhP 221.30 billion from transactions outside the country, which is equivalent to 27.3 percent of the industry's total revenue in 2019. This amount is higher by 12.7 percent from the PhP 196.31 billion revenue generated from transactions outside the country in 2017. (Tables A and 1)

Among the countries, the United States of America (USA) had the highest share of 64.9 percent to the total income from transactions outside the country amounting to PhP 143.57 billion. (Tables A and 3, Figure 5)

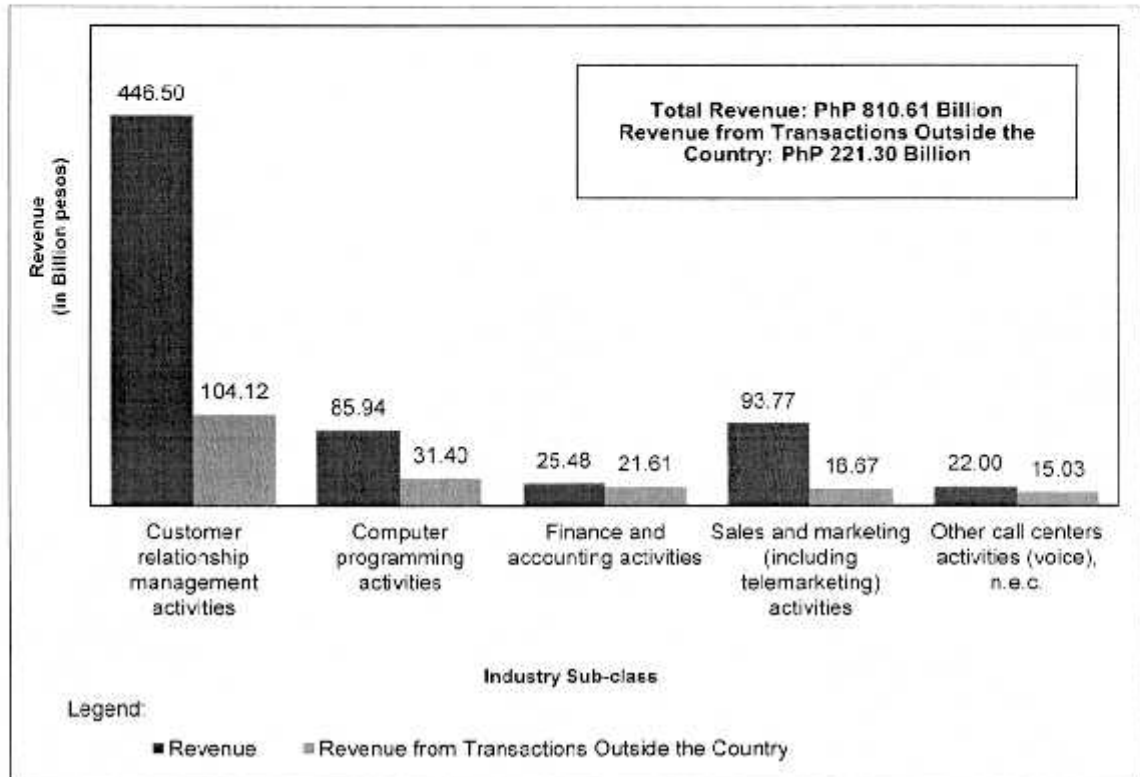
Figure 5. Percentage Distribution of Revenue from Transactions Outside the Country for IT-BPM Establishments by Industry Sub-class Philippines (in thousand pesos), 2019



Source: Philippine Statistics Authority, 2019 ASPBI (Preliminary Results)

Industry-wise, customer relationship management activities had the highest income from transactions outside the country amounting to PhP 104.12 billion (47.1%). This was followed by computer programming activities, and finance and accounting activities with PhP 31.40 billion (14.2%) and PhP 21.61 billion (9.8%), respectively. (Table 3 and Figure 6)

Figure 6. Total Revenue and Revenue from Transactions Outside the Country of the Top Five Industries of IT-BPM Establishments by Industry Sub-class: Philippines, 2019



Source: Philippine Statistics Authority, 2019 ASPBI (Preliminary Results)

[Signature]
 DIVINA GRACIA L. DEL PRADO
 Assistant National Statistician

[Signature]
DENNIS S. MAPA, Ph.D.
 Undersecretary
 National Statistician and Civil Registrar General