

REMARKS OF H.E. ALBERT DEL ROSARIO
AMBASSADOR OF THE REPUBLIC OF THE PHILIPPINES
BUSINESS FORUM: PHILIPPINE ICT ADVANTAGE
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I am honored and privileged to share this important occasion with the leaders of the Philippine ICT industry and with so many honored guests and, we hope, potential partners. Indeed, ICT is at the very forefront of the Philippine economy. It has been a major engine of growth and innovation. This has attracted many investors from overseas, and we look forward to seeing some of you in the Philippines as well.

Only six months ago, Chairman Virgilio Pena of the Philippine ICT Commission and I, joined industry representatives in this same hall to present the strengths and advantages of the Philippine ICT sector. In doing so, we were responding to the attention the Philippines had been generating as a dynamic ICT partner to an increasing number of American, European and Japanese companies.

We outlined the ability of the Philippines, as an e-services provider, to attract and hold even the most discriminating client, whether that client wanted to outsource a service or an operation to an overseas facility. As a reflection of this, the number of inquiries about Philippine ICT to Philippine commercial offices around the States has grown exponentially.

Today, Senior Undersecretary Tomas Aquino of the Philippine Department of Trade and Industry, who is with us here, will describe the public-private sector partnership in the Philippine ICT sector. He will provide you with a strategic appreciation of how this partnership and our policies will ensure the long-term viability of the Philippines as an e-services provider to the world.

We are also joined by top executives of seventeen leading Philippine IT service providers. They speak for seven key sectors of the Philippine IT industry, namely, contact centers, contact center solutions, diversified BPO services, financial and accounting services, global procurement, content management and development, legal

services, software development, telecom infrastructure and services, and IT parks and real estate. These IT firms present their respective services and capabilities.

Last but not least, we are joined by two US companies who will recount their years of experience with service level agreements and customer management in the Philippines.

We trust that in this session, you will not only see opportunities for your firms in the Philippines, but you will also see that the Philippine Government is fully committed to maintaining a stable, transparent and business-friendly business environment for you.

There are certain key advantages that will make it not only easier, but also more profitable, for you to do business with the Philippines

First, the excellence of Philippine labor. Filipino workers are acknowledged worldwide to be competitive both in terms of cost and quality. More than 300,000 students graduate from college each year and they are fully English proficient.

Second, the affinity of Filipinos to western culture. Our workers, supervisors and managers are at ease with standard Western business practice and other aspects of Western culture. Mutual understanding and rapport pose no problems. Those employed for financial and accounting services are familiar with internationally accepted principles of accounting. There is no need for retraining.

Third, the Philippines has world-class telecommunications infrastructure. There is also a high level of infrastructural redundancy, which makes operating in the Philippines truly ideal and less prone to system crashes.

Apart from these advantages, there all projections are clear that global demand for offshore e-services will continue to grow over the next 5 to 10 years. The US is currently the largest source of outsourcing contracts (44%), followed by the UK (20%), Germany (12.5%), and the rest of Europe (16.5%).

The US is expected to account for 60% of global outsourcing contracts by 2008. Currently, forty-two percent of US companies have outsourced or have plans to outsource their business operations to an overseas facility. American demand and Philippine supply are opening the door to vast new vistas for business development.

By supporting the ICT industry, the Philippine Government simultaneously meets three objectives. First, it helps the local ICT industry to grow and to improve its competitiveness in the world market. Second, by helping to satisfy world demand for outsourced e-services, it contributes to the continued health of this dynamic part of the global economy which, in turn, should generate even more business. Third and last, it creates well paid local jobs. Furthermore, if investors in the ICT sector start climbing the technology and value-added ladder, this will help modernize the economy as well.

In closing, I would like to thank the organizers of this business forum -- the Philippine Consulate General and the Philippine Trade and Investment Center in New York -- for a job well done. I commend them to you as your friendly guides to new opportunities in the Philippines

Thank you.