Can the Philippine film industry follow Bollywood?

The term Bollywood conjures images of Indian men and women wearing mostly traditional Indian garb and acting in song-and-dance movies about love. Bollywood may be cheeky, obviously a pun on the term Hollywood, but it has gained respect as it connotes the successful film industry of India that has become one of the largest in the world in terms of film production and admissions. Bollywood’s current worth of US$1.2 billion may be “peanuts” compared to Hollywood earnings but industry players are expecting a growth rate of 18 percent compounded annually for the next five years. The return on investment for Indian films is also high due to low production cost and high revenues. In 2004 alone, five Bollywood releases generated more than US$2 million each in the United Kingdom (UK) and the United States (US).

Can the Philippines be another Bollywood? Can it follow the relative success of India and other countries such as China, Korea, and Japan in penetrating the global audiovisual services (AVS) market? What would it take to achieve Bollywood status? These are some of the questions posed by PIDS Senior Research Fellow Dr. Gloria Pasadilla and her associate Ms. Angelina Lantin in their paper titled Audiovisual services sector: can the Philippines follow Bollywood?

The study dissects the Philippine film industry and compares it with India’s Bollywood and other Asian countries’ more successful film industries. Pointing out the strengths, weaknesses of, and threats to the local film industry, the authors wonder if it can soar to the heights of Bollywood.

Renowned film director, actress and former chair of the Film Development Council of the Philippines (FDCP) Miss Laurice Guillen responds with an incisive and enlightening discourse on the state of the

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The Philippine film industry
What it consists of
At first glance, the Philippine film industry consists of actors, actresses, directors, producers, scriptwriters, and other people who are “visible” or in the frontlines. But the movie industry is more than that. It is organized along sectoral and guild interests. There are guilds for producers, artists, directors, other creative talents, and craftsmen. All of these guilds are under the Film Academy of the Philippines (FAP). In addition to FAP, there is the Film Development Council of the Philippines (FDCP), which aims to uplift filmmaking by giving incentives and awards to well-made films. Its Cinema Evaluation Board gives either an A or B to a film that would entitle it to tax rebates of up to 100 percent.

Behind these well-known people in the creative department are the players who largely make the moves that turn the wheel of the industry. These are the producers, distributors and exhibitors. Their roles are interdependent with one another.

Producers make the film by arranging the finances, casting and technical arrangements. They create films that they feel will suit the tastes of the viewers. Some of the well-known producers are Regal Entertainment, Viva Films, Star Cinema, Seiko Films, Solar Films, and OctoArts Films.

When the movie is finished, the producers then sell it to distributors who are responsible for marketing the film. They make promotional and advertising activities through mass media. In the Philippines, the major local distributors are also the production companies. Thus, they distribute their own movies in the local market.

What about foreign films? They have their own distribution system namely, Buena Vista Pictures Distribution, Sony Pictures Entertainment, Metro-Goldwyn-Mayer Studios, Paramount Pictures Corporation, 20th Century Fox Corporation Universal City Studios LLLP, and Warner Bros. Entertainment. Certainly, the foreign distributors have the edge over the local ones in that they have access to different markets worldwide, especially in the US. They also have more funds to market and promote their films, and have built a reputation as effective distributors. Furthermore, because of the size and portfolio of their film offerings, the foreign distributors dominate the majority of screens in the country, leaving only a handful of screens to local distributors.

Last in line in the flow of business in the film industry are the exhibitors. These are the firms responsible for showing the movies in theaters that are mostly located in Metro Manila. Out of the 373 screens in the country, 215 (57.6%) are in Metro Manila.

Contribution to the economy
With entertainment such a big part of Filipinos’ lives and with moviemaking a rich part of the country’s history, the study also looks at the economic value of the local film industry in terms of its contribution to the national coffers. Figures show that the local film industry is not yet a significant contributor to the economy. The industry’s P8.7 billion gross value added (GVA) in 1998 translates to a measly 0.98 percent share in the gross domestic product (GDP) and only 0.94 percent in the gross national product (GNP). The same holds true in terms of employment: data in 1994 revealed that 15,517 individuals (excluding actors and actresses) made a living under the sector, which represented 0.06 percent only of the total labor force in the country. But these figures may change significantly in the near future: first, the industry’s GVA of 18.12 percent indicates a bullish growth compared to the GDP growth of 15.99 percent; and second, its total employment growth is impressive at 13.81 percent.

Industry performance
Using a SWOT (strength, weaknesses, opportunities, threats) analysis, the study looks at the performance of the film industry and how it could rise from its present slump and go on to succeed and become another Bollywood.
Strengths

The principal strength of the Philippine film industry is the abundant talent of Filipino artists that has been widely recognized around the world. Over the years, several films have received many awards from various film festivals in different countries. The study lists 25 local films that were internationally recognized, the earliest of which was shown in 1957. Of late, Magnifico, a film directed by Maryo J. delos Reyes in 2003 about a boy who unexpectedly tries to help his family survive their hardships through his compassion, conviction, and courage, had won as best feature film at the 2003 Hawaii International Film Festival and at the 27th Kinderfilmfest of the 2003 Berlin Film Festival. Locally, it won the FAMAS and PMPC Star Awards for Best Picture. It was also recognized at the 2003 Karlovy Vary International Film Festival, Pusan Film Festival, Fukuoka International Film Festival, and Montreal World Film Festival. It was also invited to participate in the 2004 film festivals in Bangkok, New York, Amsterdam, Italy, Indonesia, UK, and Germany.

Babae sa breakwater, a film by Mario O’Hara, also earned rave reviews at the 2003 Cannes International Film Festival for its social treatment of poverty-stricken Filipinos living around the breakwaters of Manila Bay. It also competed in the International Short Film Festival in Clermont-Ferrand, France.

Seiko Films’ Bridal shower, a sex comedy about three women and their relationships, was warmly received at the Singapore International Film Festival and the Udine Far East Film Festival in Italy. It also performed well at the Asian American International Film Festival in New York and the Cinefan 6 Asian Film Festival in New Delhi, India.

Similarly, Unitel Pictures’ Crying ladies managed to be both commercially and critically successful—an unusual feat considering that awards are usually the kiss of death at the box office. Indeed, Magnifico and Babae sa breakwater were flops at the tills. From a Palanca award-winning script, director Mark Meilly’s Crying ladies was about professional mourners who are hired by traditional Chinese families to emphasize the importance of the deceased when they were still alive. The film won the Best Director and Best Picture awards at the 2003 Metro Manila Film Festival.

Weaknesses

Probably the major weakness of the film industry is the huge production cost. A producer must have a gross income of P12 million from a P4 million budget in order to break even. Two-thirds of the gross income goes to theater owners and taxes, and the remaining one-third goes to the producer. The industry’s star system wherein major actors/actresses demand a talent fee of P3-P4 million as well as rights and other fringe ben-
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benefits also plague the industry. These superstars most often cause delays in shooting the film, thus further jacking up the production cost.

Problems in distribution also hamper the growth of the industry. Film piracy, in the form of unauthorized airing, exhibition, and distribution of movies in homes, video theaters, buses, hotels, ships, and other establishments cost a huge dent in the profits of producers.

Furthermore, the study notes that the Philippine film industry is among the most heavily taxed in Asia. Among such taxes are the 30 percent amusement tax; 10 percent value-added tax (VAT); P0.25 cultural tax per ticket; P8,000 to P10,000 classification fee for the Movie and Television Review and Classification Board (MTRCB); custom duties on film negatives; and 32 percent corporate tax. Apart from these taxes, import taxes usually at six percent and costing thousands of pesos are also slapped on machineries needed for film production on equipment.

Indeed, the study points out that the skyrocketing production cost is one important factor in the decline in the number of produced domestic films. In 2003, there were 109 local films against 266 foreign ones. The yearly average ratio of local to foreign movies is only 157:442.

Opportunities
According to the study, opportunities lie in targeting two types of moviegoers: the local and international viewers (overseas Filipino workers and Filipino migrants). Producers could export movies to countries where there are huge numbers of Filipino workers and migrants such as Saudi Arabia, US, Canada, and Australia. Neighboring East Asian countries like Singapore, Malaysia, Hong Kong, and Taiwan can also be potential markets for local films because of similar culture and lifestyle.

Film companies can also earn additional income by tapping the local market through Internet connections and mobile telephones. Movies could be easily distributed online; movie clips, wallpapers and ringtones may be downloaded by cell phones.

Threats
The constant threat to the industry—even during its glory days—is the popularity of foreign films. In terms of quality, story, and visual effects, foreign films have been giving local movies a drubbing at the box office. Local films tend to run along the same plot of love triangles, gay slapstick, poor martyr roles, and revenge themes that turn off many local viewers. Thus, the prevailing general impression is that local movies are patronized only by low class viewers, except for a few quality films that get the attention of the A and B crowd.

Conclusion
In order to uplift the current situation of the Philippine film industry, the study recommends several prescriptions.

First, promote films in the global market by having a Philippine booth in major international film festivals and ensuring the participation of high-quality Filipino films. In this way, international distributors could view Filipino films and get them interested in buying and distributing our films in different countries.

Second, co-produce films with international production companies. The additional investment and capital may be used in making good films and in marketing them.

Third, have more trainings, seminars, and festivals for directors, scriptwriters, and production staff. A welcome development has been the establishment of the Cinemalaya Philippine Independent Film Festivals that aims to discover and honor works of independent film makers who create movies with fresh insight and artistic integrity. It also seeks to invigorate the industry by developing a new breed of Filipino film makers.

Fourth, go digital. The study states that digital technology will help solve many problems plaguing the industry such as production and distribution difficulties. In terms of production, replacing films with digital video would considerably lessen the cost because films are a hundred times more expensive. Digital technology is very flexible and easy to use, and eliminates the costly process of converting film footage to digital format and back again to film. The visual quality of digital films also does not deteriorate with frequent showing unlike film. In terms of distribution, on the other hand, digital technology
The government has a vital role to play in upgrading the television and film industries in the country. According to a study by the state think tank Philippine Institute for Development Studies (PIDS), there are some lessons that can be learned by the Philippines on how other governments such as Korea, China, and India try to nurture this cultural sector.

"Instead of protecting and restricting the industry, the government would, perhaps, be better able to support the industry through an improved institutional framework that would be able to grant incentives and promote and develop true creative talents," said Dr. Gloria Pasadilla, PIDS senior research fellow, and her associate Angelina Lantin in their paper titled Audiovisual services sector: can the Philippines follow Bollywood?

The authors cited the success of the Korean dramas in the international market as an example of a successful collaboration between the government and the industry players.

In Korea, for example, the Ministry of Culture and Tourism has different divisions that oversee the various aspects involved in the development of media and culture. The Korean National Tourism Organization (KNTO), in association with the different travel agencies, also offers tour packages that focus on soap opera shooting locations. For the part of the industry players in Korea, they are making sure that the television programs they are producing do not only have local appeal but an international appeal as well.

In the Philippines, Pasadilla and Lantin noted that the main weakness of Philippine TV shows is their lack of cultural content and taste. Thus, they suggested that government, in cooperation with network companies, may provide incentives for good scripts such as sponsoring trainings and scriptwriting contests.

"This is vital in the development of creative programs and sensible storylines that depict not only Filipino characteristics, culture, and daily realities but also, preferably, allow other countries to have a more favorable impression of the Filipino people, considering the bad press which the Philippines receive abroad," the authors explained.

The study cited the case of Iran which managed to produce films that changed the perception of other people of their country and of their people, as opposed to its political side that are read in newspapers.

Another big hurdle for the industry in producing quality programming is the lack of modern technology. Since television companies are considering to export their programs, the programs should be at par with the foreign programs in terms of graphics, sounds, and other aspects of the visual effects. This will entail a modern camera and other equipment that will be used in shooting the Filipino dramas.

It was suggested that the government can support the television industry in the form of lower tariffs for the importation of the equipment and machineries needed to produce quality films at lower cost. This can be done for at least a short period of time while the industry is adjusting with the developments.

In addition to tax reduction, the PIDS study recommended the possibility of allowing foreign investors to invest in the industry. In this way, television companies will have additional capital for the modernization. Currently, no foreign investors are allowed to invest in the mass media sector, including the television industry.
Current state of the Philippine film industry

In the 1960s, the Philippines was second only to India in film output. Today, India is still the first, the United States (US) is second, and the Philippines is eighth. There was a time when we were making 300 films a year. In 2003, there were 86 films and in 2004, there were 54.

The Film Development Council of the Philippines (FDCP) identified the reasons for the decline of the Philippine film industry (not necessarily in the order of gravity): piracy, other entertainment options, heavy taxation, and low quality of films.

Apart from being a highly taxed industry, the other factors are problems not exclusive to the Philippines. Piracy, for example, also affects the US, India, Japan, China, and Hong Kong. But they seem to have anticipated these factors by as much as 15 years. Hence, the Philippine film industry has been overtaken by these countries. Still dominating the market is the US that has aggressively pushed its market worldwide. Although India exceeds US production output by as much as 50 percent, the latter’s budget is 22 percent more than that of India, a large part of which goes to special effects, postproduction, and marketing.

By raising the bar on special effects and postproduction, the US sets the benchmark for internationally accepted standards for film entertainment. Today, there is hardly any theater in the world that does not exhibit Hollywood films. Film audiences worldwide who have been steadily exposed to American films will accept only products that match American-made goods.

Asian film-producing countries such as Japan, Korea, and China have demonstrated how they try to match Hollywood-set standards in order to compete. So far, China has had the most success in penetrating the American market. For example, Asian martial arts have greatly influenced fight scenes in the American films Matrix and Kill Bill. On the other hand, Crouching Tiger, Hidden Dragon is already a benchmark and has made international celebrities of its stars. These are Asian culture-based films that match the technical standards of Hollywood films.

Content

On the statement that most Filipino films have the same plot, this is already being addressed. The FDCP’s predecessor, the Film Development Foundation of the Philippines, conducted a yearly scriptwriting workshop and scriptwriting contest. Out of these contests came scripts like Magnifico, Santa Santita, and many others. Star Cinema and ABS-CBN also conducted similar annual contests. Film producers also look into the winners of
Palanca Awards. They have started to recognize that they need stronger film content. Cine Malaya, a scriptwriting and finished film competition festival that started this year, already produced nine full-length feature and six short films. Independent filmmakers also came out with script-driven films.

Production
The budget for producing Philippine films is very, very low compared to our Asian neighbors. Local mainstream cinema still maintains the star system where the bulk of the budget goes to actors with big names. Also, there are facilities for producing films but these are rented out based on commercial rates. Equipment rentals and raw stock are subject to tax. The celluloid or raw stock includes the positive print, negatives, positives, printing, and the sound negatives. These are all imported. We have no sound studios so we cannot shoot anytime at regular working hours. Thus, our films are mostly dubbed.

Postproduction
Postproduction is a low-budget process. The irony is that comparatively little time is allotted to postproduction of local films than in production, which stretches out because it is dependent on the availability of actors and location. One month for postproduction does not give enough time to improve and correct a film.

There are three film laboratories in the country but for the processing of celluloid, producers go to Hong Kong, Thailand, or Australia. Thailand does not produce film as much as the Philippines but the former has the infrastructure and technology. It invested in sound studios and laboratories, thus attracting foreign filmmakers to have their prints processed in Thailand. The Philippines cannot do the same because it cannot meet international standards.

There are also not enough number of accredited technicians. The guilds have not initiated any program or activity to upgrade the skills of their technicians. Not one in the Kapisanan ng mga Direktor ng Pelikulang Filipino (KDPP) is acquainted with nonlinear and digital technology. As part of the internationally accepted standard for filmmaking, the minimum requirement for sound is Dolby digital. However, I can identify only one technician and one production house that are acquainted with it.

On theatrical/movie projection, few theaters in Metro Manila have facilities for Dolby Digital projection. Most have mono projections. Fewer theaters have the facilities for digital film projection which entails renting or having digital projection facilities on top of theater rentals.

Promotion and marketing
The promotion of Filipino films is directed at the domestic market only. Film producers with networks necessarily have the advantage. They can promote their films within two weeks before actual showing while others cannot. However, innovative producers tie up with telecommunications companies like Smart or Globe. On another hand, the marketing budget for the local market is not sufficient because the advertising rates for television are prohibitive.

The demography of film audiences has also changed. Previously, the audience for drama films was predominantly female. Now, the audiences are those in their 20s and early 30s. This is the new film audience that comprises 99 percent of the total population of filmgoers.

Preservation of film
What is the implication of not having a film archive? Film is a prominent instrument for transmitting culture and cultural identity among Filipinos. Because of films, the Filipino language was easily learned. Conversely, the disadvantage of not having an archive is that there is no popular tool to reinforce our identity and culture.

Maintaining a film archive is the last in the mandate of the FDCP but the small budget allocation is only enough for operations. FDCP thus tries to save money from the income on rebates to be able to address this problem.
Film industries of other Asian countries
Asian countries have anticipated by 15 years the development of technology and globalization. What have they done?

Promotion in the global market
Other Asian countries like South Korea have made sure that they are present in all the important festivals and markets in the world. In the Cannes Film Festival, all the film-producing countries in the world had a booth except Vietnam and the Philippines. With no booth in the festival, it is as if a country’s film industry is non-existent because this is where distributors shop and buy them.

Co-production of films
To make it in Cannes, one needs to have either a co-production or collaboration, including sharing of artists, production crew, and technology. Increased capital through co-production is needed to be competitive in the world market.

Research and development (R & D)
Aside from Samsung trainings, Korean filmmakers have other trainings to upgrade their skills in order to keep up with technology, acquired equipment and infrastructure. The Philippines used to be one of the favorite shooting sites for American films because of good local crew and cheaper location. Today, it is different with current problems in security, local government units, and lack of sound studios as well as infrastructure.

No heavy taxes
The industry channels about 52 percent of the profits for taxes over and above the payment of amusement tax, the highest among Asian countries. Other countries like Japan do not charge amusement taxes at all.

Generally, 23 to 30 percent of the gross income goes to taxes. When an average good drama film that costs P15 million to produce is shown, a producer has to gross P45 million in two weeks in order to break even. Considering that there is competition from Hollywood films at any time of the year, it will be a wonder if a film can last one week. And whether the producers make money or not, taxes are still paid.

Film archives
Most countries have film archives and film museums. They store and restore their films. They also acquire films of other countries. Fukuoka’s annual festival, Focus on Asia, goes all around Asia to bring films into Fukuoka so people will see what Asian films are being produced and what Asian films are saying. It gives the viewers a sense of Asian identity. The organizers also buy the prints of films they show in the festival. Once I got a request from the Cannes Film Festival to send them screeners because they were inviting us to be in the Cinema du Monde as one of the seven countries that will show our films in one day. Sadly, I had to request Fukuoka and Singapore to lend us their copies of our films.

Our shortsightedness in this case is obvious now that there is digital technology and renewed interest in Filipino films. We have nothing to show. It’s as if we never had a history.

Hosting of international film festivals
The last strategy of other nations is to host international film festivals in their countries to promote their films, their industry, and their country’s tourism.

On the paper’s SWOT analysis
The predominant strength of the film industry that the authors mentioned is its world-class artists and the films that figured in some film festivals. But it should be noted that since 2003, we have had hundreds of films produced but only over 20 films have been shown in major film festivals. For instance, Babae sa breakwater was shown at the Cannes 15 years after the last was shown. Not since Mike de Leon and Lino Brocka have we had a film invited there. Fortunately, we also got invited in 2004 and 2005. We had four full-length films and two short films shown at the Cannes Film Festival. Of course, this is no mean achievement as the Cannes is the mother of all film festivals. But we should have more shown.

A large population of overseas Filipino audience that craves for Filipino films is also a major strength. For example, American adobo is a co-production shot in America and was done like any independent film. It was shown in New York, San Francisco, and Los Angeles. Twenty percent of the viewers were Americans. Crying ladies had
the same demography. We already have a potential global market. This is a market that has never been reached.

One of the weaknesses listed is the inroads made by cable and television, which has eroded the audience for theatrical exhibition. The authors are looking at the film industry differently. These inroads by cable and television, what we call other entertainment options, may not necessarily be a bad thing when you are thinking about productivity because the content is still in demand for those who produce films. In fact, there is not enough content produced to meet the supply. That’s why the idea of Dream Satellite has not really been in operation. They beam through satellite the film that would be showing simultaneously in theaters, they will be building. They have not gone into that for lack of content.

It is interesting that the reverse is starting to be practiced. The recent Manny Pacquiao boxing bout was watched in two cinemas in Megamall. They have started to experiment with the pay-per-view which is a development worth watching. They announced that there will be other pay-per-view features on their screens but let us see because, again, they do not have enough content or enough Filipino films to show.

Biggest weakness of the industry

The biggest weakness to my mind is the antiglobalization attitude of many mainstream industry players and the lack of support by government. These are the people who have made it their mantra to say that the film industry is dead. This is the mantra of people who shirk and who are antiglobalization. They say this without really analyzing why, much less acknowledging the real challenges that face the industry. They fight to retain the star system and formula films, they compete for the diminished domestic audience, they resist technological development, and yet they wonder why the film industry is dead.

I am referring to mainstreamers in the film community, which includes the guilds and the Film Academy of the Philippines. As I said earlier, there is an entire guild of directors who do not do non-linear or digital film production. I really feel that it is about time that these people learn — if they want to continue — because that is where the future is.

Why do we not have a booth in Cannes or in Hong Kong? We have had modest savings at FDCP and it can pay for the booth for the duration of the festival. But I would have to talk to the producers one by one and only those who are forward-looking will listen. But FDCP cannot market the films for them because FDCP is government. So there is no push from the mainstream.

Long-term solutions

If we want to catch up with our neighbors, the solution is staring us right in the face — digital technology. For those who prefer to shoot in celluloid because digital is not as good as celluloid, Sony has a new HD camera using fiber optics technology that can produce resolution four times better than celluloid. Theater owners such as the SM malls want to fit their theaters with digital projection (the size of their theaters require projectors with very powerful lumens at 12,000) which costs about P1 million per projector.

Why is it important to go digital?

A film producer does not need more than P2 million to go to a laboratory. Shipping, storing, and subtitling is so much easier and accessible. In CineMalaya, we gave P500,000 seed money to each filmmaker and they were able to come up with a film using a miniDV. They showed a film called Bigtime with just a little bit more than the grant. But it had good sound and was shown: shot on miniDV only. So that will bring down the production cost. There is also a niche of audience. There is no need for a big box office, just limited theaters with longer run or a short run with more theaters. These are alternative distribution schemes.

In conclusion, I would like to seriously propose that tax breaks or tax holidays be considered for a given period so that theater owners and film producers could acquire the equipment they need. Even Sundance, which was just doing festivals before, now concentrate on the development of cinemas with digital projection because that is the way to the future. If we can do that, we have hope of catching up. DRN
The call center industry is one of the country’s bright prospects in the area of business process outsourcing (BPO). It started in year 2000 and became a significant activity in the services sector. In 2004, the country captured 20 percent of the total world market share in contact center services and is estimated to capture 50 percent of the total English-speaking world market by 2008. Some industry analysts projected that more than a million Filipinos will be employed in the call centers in year 2010 and can bring about US$12 billion revenue to the country.

A call center is a centralized office used for the purpose of receiving and transmitting a large volume of requests by telephone. The agents, often called as customer care specialists or customer service representatives, handle the inquiry of the customers on behalf of a client via voice call. The clientele includes telemarketing services, banks and financial services, computer product help desk, transportation and freight handling firms, and information technology companies. A call center does not only serve as a venue for the telemarketing of products and services but also provides solutions to problems and customers’ complaints on certain products and services.

The size of call center operations is described according to the number of “seats” available. A seat is a work station with a computer terminal and a telephone line which two or three people can use in alternate shifts to provide a 24-hour service. There are two types of services in a call center: the inbound and outbound services. The inbound services deal with customer inquiries and technical assistance. This is usually done during night time in the Philippines which is equivalent to day time in the United States. The outbound services, on the other hand, deal with telemarketing services and follow-up calls. This is conducted during off-peak hours, usually day time in the Philippines.

Market share and structure
The Philippine BPO sector grew from $350 million in 2001 to $1.65 billion in 2004 in terms of revenue. The biggest subsector is the customer care or call center that captured 53 percent of the total BPO sector (Figure 1). According to the Department of Trade and Industry (DTI), there are approximately 37 firms in the call center industry catering to the US and British markets.

The Philippines had 20,000 seats in 2003 that increased to 40,000 seats in 2004. The 100 percent growth in the number of seats puts the country directly behind the major players in the industry. Assuming there are three people in one seat, the number of employed people in the industry increased from 60,000 agents in 2003 to 120,000 agents in a span of one year. The employment opportunity from the call center is complemented by the attractive salary and benefits that firms offer, which is approximately $300 to $350 a month for an entry level position.

The Philippine advantage and challenges
The country emerged as a popular site for contact center destinations in Asia because the Filipinos possess innate advantages that are attractive to outsourcers. However, there are also some areas and...
challenges that need to be addressed in order to sustain the BPO projects in the country.

The Filipinos’ command of the English language is one of the biggest pull factors for firms to set up their operations in the country. Further, the improved telecommunication infrastructure augurs well for the provision of telecommunication-related services. A side advantage is the quick and smooth cultural assimilation of foreigners managing the call centers.

It is anticipated that demand for contact center employees will continue to increase in the near future. However, there is also a possibility that there will be a shortage of qualified employees due to the deteriorating quality of the country’s educational system and lack of communication training needed by the industry. To address this challenge, the Philippine government, through the DTI and in partnership with various educational institutions, included BPO-related courses in the curriculum of some of the colleges and universities in the country.

Other challenges that the industry faces are the unstable political environment and the widespread rumors of kidnapping and terrorist attacks, all of which drastically affect investor confidence and reduce the potential for increased investment in the outsourcing services. As such, the need to improve the peace and order situation in the country is very crucial. The high cost of power is also regarded as a major challenge that impedes the operation of BPO companies. A solution suggested is the “peak-load” pricing of electricity which essentially lowers the electricity rate for night operation of BPOs. The Philippines is referred to as the “best-kept secret” among contact center providers. Because of this, more effort must be exerted in the global community to promote the Philippines as an investment destination.

The call center industry may be regarded as a sunrise industry that will provide jobs for Filipinos and dollar revenues for the country in the coming years. While the Philippines is recognized as one of the popular sites of contact center destination in Asia, there is stiff competition from other countries like China (Table 1). Local policies and initiatives should be designed to sustain the growth of the call center industry.

References
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The Filipinos’ command of the English language is one of the biggest pull factors for firms to set up their operations in the country...A side advantage is the quick and smooth cultural assimilation of foreigners managing the call centers.
Both authors and Ms. Guillen may have differing takes on the state of the film industry but they agree on one thing: for the local industry to catch up with its neighbors—and yes, probably even manage to touch the coattails of Bollywood—the local industry has to embrace and take full advantage of the benefits of digital technology, one of which is the significantly lower production cost. In addition, it would also be beneficial to change attitudes and work ethics in this industry of glitters and make believe. It is striking that rumors and scandals of actors, and the ins and outs of showbiz culture may fill the headlines and occupy precious airtime news. But the future of this industry, indeed as in most industries, still depends on the bottomline. The faceless movers behind the silver screen, who represent the business side of the industry, will always seek profitability and going digital will ensure that. Fortunately—or not—regardless of who gets the trophies come awards night.

With the future of Philippine film industry seemingly dependent on the shift to digital technology, the Philippine government can help by exempting digital film equipment and machineries from taxes or by reducing such taxes. These equipment and facilities are expensive and require a lot of investment. The government can also provide tax incentives for investors and theater owners in upgrading their cinemas. These measures are precisely what the Indian government did to help its film industry and its actions were richly rewarded. Just look at Bollywood now. BFG