



NEW LOCATION FOR OUTSOURCING IT SERVICES

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NEW LOCATION: PHILIPPINES

\$25-\$49 hourly
software developer rate¹

190,000 developers²

> 92% speak English
out of a population of 90 million³

> 700 Business Process
Outsourcing Companies⁴

Potential-Evaluation of Philippines as a New Location for outsourcing IT services

Cost-effectiveness

Region	Average software dev. hourly rate ⁵	Country	Average software dev. hourly rate
North America	\$80	Bangladesh	\$28
Western Europe	\$75	China	\$28
Eastern Europe	\$55	India	\$29
Latin America	\$55	Malaysia	\$33
Asia Pacific	\$28	Nepal	\$28
Africa	\$31	Pakistan	\$25
		Philippines	\$28
		Sri Lanka	\$28

Professional skills

- Developers in Philippines ranked **36th as a country with best developers in the world** (Only 3rd among countries in Asia Pacific Region, coming after Vietnam and India).⁶
- According to PSIA (Philippine Software Industry Association), the Philippines has about 190,000 developers, and the number is **expected to grow up to 210,000** by 2022.²
- Among common programming languages **JAVA, C++, Python, SQL and Ruby** are popular in Philippines.⁷
- Philippines has started incorporating severe **educational reforms** focusing on a specialized STEM high school system which will lead to the growth of yearly new software development professionals in the future.

Digital Resonance

- According to 2019 Kearney Global Services Location Index, Philippines is ranked **29th as a country with best digital resonance** worldwide⁸
- According to the 2021 Kearney Global Services Location Index Asian countries are among the top 10 outsourcing countries in the world that have completed work. **Philippines ranks #9** in Global Services Location Index (GSLI)⁸
- The Global Innovation Index of Philippines has **moved from 91th to 51th** in the global ranking, reaching **the 4th place** among lower middle-income Economies⁹

Business Environment

Region	Ease of doing business, out of 100 ⁵	Country	Ease of doing business
North America	84	Bangladesh	45
Western Europe	80.3	China	77.9
Eastern Europe	73.7	India	71
Latin America	65.7	Malaysia	81.5
Asia Pacific	65.5	Nepal	63.2
Africa	66.1	Pakistan	61
		Philippines	62.8
		Sri Lanka	61.8



Although according to the ease of doing business index it might be challenging to do business, the other three metrics (cost-effectiveness, digital resonance and professional skills) show very **promising potential** for Philippines to become a new program location.

Sources

- ¹ [Offshore Developers — Rates in 2022: Best Countries and Best Platforms \(youteam.io\)](#)
- ² [TOP 5 Countries to Outsource Software Development | CustomerThink](#)
- ³ [Which Countries Have the Most English Speakers? \(k-international.com\)](#)
- ⁴ [Top 40 call centers in the Philippines | Outsource Accelerator](#)
- ⁵ [Offshore Developers — Rates in 2022: Best Countries and Best Platforms \(youteam.io\)](#)
- ⁶ [Best Developers In The World - IT Ranking | Pentalog](#)
- ⁷ [What Programming Language Does Your Country Like? \(fossbytes.com\)](#)
- ⁸ [The 2019 Kearney Global Services Location Index – Kearney](#)
- ⁹ [Global Innovation Index 2021 - Executive Summary \(wipo.int\)](#)