

**GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA**

UNSTARRED QUESTION NO:44
ANSWERED ON:24.11.2014
STRENGTHENING OF BPO SERVICES
Galla Shri Jayadev

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) whether the Government has taken note that voice-based BPO service in the country is losing out to foreign competitors ; and
- (b) if so, the details thereof;
- (c) the total number of subscribers and revenue earned through said services during the last three years;
- (d) whether the Government has any proposal to strengthen voice-based BPO services in the country;
- (e) if so, the details thereof; and
- (f) the steps taken by the Government in this regard ?

Answer

MINISTER OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI RAVI SHANKAR PRASAD)

(a) and (b): According to National Association of Software and Services Companies (NASSCOM), voice-based BPO services accounts for 41% of the total export revenue of the Indian BPO Industry. The voice-based BPO services' export share out of total BPO exports has marginally declined by 4% in the last two years due to emergence of countries like Philippines, Mexico, South Africa, Costa Rica etc as alternate destinations for Customer Interaction Services. However, India is still considered as the world's most preferred destination for BPO operations.

(c): According to NASSCOM, the subscribers' data is not tracked. However, there are around 400 voice-based BPO service providers in the country who serve about 50 countries in more than 30 languages. The total exports revenue earned through voice-based BPO services during the last three years is as under:

FY2011-12 FY 2012-13 FY 2013-14
US\$ 6 billion US\$ 6.7 billion US\$ 7.4 billion

(d) and (e): The BPO Industry in India employs over 10 lakhs people and contributes to around 25% of the total Information Technology/ Information Technology Enabled Services (IT/ITES) exports revenue from India. BPO industry is a flag bearer for the Indian Industry in terms of employment of educated youths and women workforce, development of smaller towns and cities.

Further, the National Institute of Electronics & Information Technology (NIELIT), an Autonomous Scientific Society under the administrative control of Department of Electronics & Information Technology (DeitY), provides training on IT-ITES/BPO courses relating to various aspects including Computer Skills/domain knowledge, English language skills, Soft Skills, Call Handling Skills, Customer Relationship Management (CRM) Concepts, Behavioural Skills, Basics of Banking and Finance.

(f): The Government extends several incentives to strengthen the IT-ITES/BPO Industry.

The Software Technology Parks (STP) scheme, which is administered by the Software Technology Parks of India (STPI), an autonomous society under Department of Electronics & Information Technology (DeitY), Ministry of Communications & IT, provides various benefits to IT-ITES/ BPO units such as Customs Duty exemption on imported goods, reimbursement of Central Sales Tax (CST) and Excise Duty exemptions on procurement of indigenously manufactured goods. Further, the Department of Commerce (DOC), Ministry of Commerce & Industry through Marketing Development Assistance (MDA) and Market Access Initiatives (MAI) Scheme assists exporters especially Small & Medium Enterprises (SMEs) for export promotion activities abroad. DOC has notified 235 IT-ITES specific Special Economic Zones (SEZs). Currently, the SEZs units are eligible for tax benefits as per Section 10AA of the Income Tax Act for a period of 15 years in a phased manner. The IT-ITES SEZ units are contributing significantly to the growth of export revenues of the sector. . Recently, the Government has removed the minimum land requirement for setting up SEZ for IT-ITES, and the minimum processing area requirement is applicable as per category of the cities.