

Trade in Services Programme



BACKGROUND NOTE

In the global economy, services are at the heart of all economic activity. Innovation and efficiency have become crucial to economic growth and new service industries employing Internet technologies offer high potential for economic development and social advancement. Third party vendors can produce these services, which is known as outsourcing, for example Business Process Outsourcing (BPO) and Information Technology Outsourcing (ITO).

The global BPO/ITO Industry is estimated to be worth USD 120–150 billion. Within this category, offshore BPO/ITO, i.e. outsourcing where the client and the vendor are located in different countries, is estimated to be some USD 11.4 billion.¹

While the largest vendors are located in the US, the UK and Ireland, the more advanced developing countries, such as India are also active in this market and are now moving from providing only low-end, back-office services (data entry, etc.) to more integrated and higher-end services, which bundle fields such as customer care, human resource management, and product development.

Outsourcing can also significantly contribute to the growth of Africa's economies. Interviews with operators in the African BPO and ITO sub-sectors have shown, however, that one of the major challenges for many companies is access to information about opportunities in and requirements of foreign markets, both regionally and internationally. Insufficient market information is one of the major barriers to export success for the interviewed companies.

In this context, the Trade in Services Programme (TSP) of the International Trade Centre (ITC) is planning an intervention in the BPO/ITO sub-sectors. TSP is a trade related technical assistance programme to promote trade in services. TSP aims to strengthen service sector competitiveness at the micro, meso and macro levels in developing, least developed countries and transition economies, so as to contribute to sustainable employment and export revenue.

“Bridges Across Borders” – *Spotlight on BPO and ITO* is organized by the ITC in cooperation with the Nigerian Export Promotion Council. The event will take place in Abuja, Nigeria 28-30 October 2008 and will bring together companies from Sub-Saharan Africa and international Outsourcing experts.

The event will focus on best practices and perspectives on positioning BPO/ITO for success; including such topics as *'Becoming a BPO/ITO Player – What International Clients want from African outsourcing contractors'*, *'SME's and Business Advocacy – what is in it for you?'*. The event will also give participants a chance to explore partnerships during one-on-one meetings with a large number of carefully identified possible business partners.

¹ http://www.businessworld.in/issue/web_exclusive04_12feb07.asp