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Survey on Computer Software and Information Technology-Enabled Services Exports: 2018-19¹

Today, the Reserve Bank released the **results** of the 2018-19 round of its annual survey on exports of computer software and information technology enabled services (ITES). The survey provides information on various characteristics (e.g., type of activity; on-site/off-site nature of services; country of destination; and modes of supply) of India's exports of software and ITES.

The latest round of the survey uses an activity classification that is in concordance with the classification adopted for the goods and services tax (GST) in the survey schedule ([Annex](#)).

For the 2018-19 round of the survey, 8,084 IT companies were approached of which, 1,818 companies, including the twenty largest companies, responded. The responding companies together accounted for 82 per cent of the total software services exports² of the companies covered (**Table 1**).

Highlights:

- India's export of computer and ITES services (excluding overseas commercial presence) increased by 8.8 per cent during 2018-19 (**Table 1**).
- Computer services remained the dominant component of India's software services exports, accounting for over two third of total software services; the share of ITES exports increased marginally in 2018-19 (**Table 2 and 3**).
- Private limited companies accounted for over half of total software services exports (**Table 4**).
- USA and Canada remained the top destinations for software exports, followed by Europe in which UK was the top destination (**Table 5**).
- The US Dollar remained the major invoicing currency for software exports, followed by the Euro and the Pound Sterling (**Table 6**).
- The share of on-site mode of delivery has come down from 25.5 per cent in 2007-08 to a little lower than a sixth of total software and ITES exports in 2018-19 (**Table 7**).

¹ The previous data release in the series, covering 2017-18 survey round, was published on [December 10, 2018](#) on the RBI website.

² Exports of the relatively small companies were estimated by imposing the distribution pattern of the reporting companies. The details of the estimation methodology are published in the article presenting the survey results for 2016-17 round in March 2018 issue of the Reserve Bank of India Bulletin.

- The share of cross-border supply in exports of software services by India increased substantially at the cost of the overseas commercial presence mode of delivery (**Table 8**).
- Foreign affiliates of Indian companies continued to augment cross-border services provided by their parent companies in India, although software services provided through commercial presence of foreign affiliates declined by 21.5 per cent in 2018-19 (**Table 9**).
- Almost half of the software business by foreign affiliates of Indian companies was provided in the USA, followed by the UK (**Table 10**).

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Ajit Prasad
Director

Table 1: Survey Response and Final Estimates for 2018-19 – A Snapshot

Item	(₹ crore)	
	Reported [^]	Final Estimates ^{**}
	(1)	(2)
1. No. of companies	1,818[#]	8,084
2.Total Exports of Software Services	6,76,190	8,24,245
2.1 IT services	4,45,170	5,32,863
2.2 Software Product Development	18,250	25,186
2.3 BPO Services	1,61,760	2,04,814
2.4 Engineering Services	51,010	61,382
3. Total Exports of Software Services (including commercial presence)	7,92,698	9,40,762
3.1 Mode 1 (cross-border supply)	5,71,077	6,96,127
3.2 Mode 2 (consumption abroad)	265	323
3.3 Mode 3 (commercial presence)	1,16,517	1,16,517
3.4 Mode 4 (presence of natural person)	1,04,839	1,27,795
[^] Response by the largest 20 companies ensured industry representation in the survey coverage. ^{**} Details of estimation methodology are published in the article entitled ‘Survey on Computer Software and Information Technology Enabled Services Exports: 2016-17’ published in March 2018 issue of the RBI Bulletin. [#] includes 196 companies, which have reported ‘nil’ exports during 2018-19.		

Table 2: Software Services Export from India

Activity	2017-18			2018-19		
	₹ crore	US \$ billion*	Share (%)	₹ crore	US \$ billion*	Share (%)
	(1)	(2)	(3)	(4)	(5)	(6)
A). Computer Services	4,80,990	74.0	68.2	5,58,049	79.8	67.7
Of which: i) IT services	4,57,280	70.3	64.9	5,32,863	76.2	64.6
ii) Software Product Development	23,710	3.7	3.3	25,186	3.6	3.1
B). IT Enabled Services	2,24,130	34.4	31.8	2,66,196	38.1	32.3
Of which: i) BPO Services	1,73,910	26.7	24.7	2,04,814	29.3	24.8
ii) Engineering Services	50,220	7.7	7.1	61,382	8.8	7.5
Total Export of Software Services (A+B)	7,05,120	108.4	100.0	8,24,245	117.9	100.0

Note: The sum of components may differ from total, due to rounding off.

* Using annual average Rupee/ Dollar exchange rate.

These footnotes are applicable for all other tables also.

Table 3: Industry-wise Distribution of ITES/BPO Services Exports

Activity	2017-18			2018-19		
	₹ Crore	US \$ billion	Share (%)	₹ crore	US \$ billion	Share (%)
	(1)	(2)	(3)	(4)	(5)	(6)
BPO Services	1,73,910	26.7	77.6	2,04,814	29.3	77.0
Business consulting services including public relations services	17,848	2.7	8.0	17,555	2.5	6.6
Finance and Accounting, auditing, book keeping and tax consulting service	27,563	4.2	12.3	36,142	5.2	13.6
HR Administration	1,395	0.2	0.6	1,291	0.2	0.5
Supply chain and other management services/ logistics	865	0.1	0.4	709	0.1	0.3
Medical transcription and document management	1,801	0.1	0.8	667	0.1	0.3
Content development and management and publishing	1,705	0.3	0.8	3,732	0.5	1.4
Other BPO services	1,22,733	18.9	54.7	1,44,718	20.7	54.3
Engineering Services	50,220	7.7	22.4	61,382	8.8	23.0
Embedded Solutions	7,950	1.2	3.5	7,267	1.0	2.7
Product Design Engineering (mechanical, electronics excluding software)	15,880	2.4	7.1	20,983	3.0	7.9
Industrial automation and enterprise asset management	1,050	0.2	0.5	1,365	0.2	0.5
Other Engineering services	25,340	3.9	11.3	31,767	4.5	11.9
Total	2,24,130	34.5	100.0	2,66,196	38.1	100.0

Table 4: Organisation-wise Distribution of Software Services Exports

Types of Organisation	2017-18			2018-19		
	₹ crore	US \$ billion*	Share (%)	₹ crore	US \$ billion*	Share (%)
	(1)	(2)	(3)	(4)	(5)	(6)
Private Limited Company	3,64,710	56.1	51.7	4,24,834	60.8	51.5
Public Limited Company	3,35,220	51.5	47.5	3,92,618	56.2	47.6
Others *	5,190	0.8	0.8	6,793	1.0	0.9
Total	7,05,120	108.4	100.0	8,24,245	117.9	100.0

* Others includes mostly LLPs.

Table 5: Software Services Exports – Major Destination

Activity	2017-18			2018-19		
	₹ crore	US \$ billion*	Share (%)	₹ crore	US \$ billion*	Share (%)
	(1)	(2)	(3)	(4)	(5)	(6)
USA & Canada	4,33,084	66.6	61.4	5,04,273	72.1	61.2
Europe	1,69,512	26.1	24.0	2,11,007	30.2	25.6
of which, UK	81,020	12.5	11.5	96,766	13.8	11.7
Asia	59,584	9.2	8.5	56,131	8.0	6.8
of which, East Asia	48,510	7.5	6.9	47,064	6.7	5.7
West Asia	5,922	0.9	0.8	6,347	0.9	0.8
South Asia	5,152	0.8	0.8	2,720	0.4	0.3
Australia & New Zealand	23,900	3.7	3.4	27,612	3.9	3.4
Other countries	19,040	2.9	2.7	25,222	3.6	3.0
Total	7,05,120	108.4	100.0	8,24,245	117.9	100.0

Table 6: Software Services Exports - Currency Composition of Invoice

Currency	2017-18			2018-19		
	₹ crore	US \$ billion*	Share (%)	₹ crore	US \$ billion*	Share (%)
	(1)	(2)	(3)	(4)	(5)	(6)
USD	5,12,559	78.8	72.7	5,94,534	85.0	72.1
EUR	55,009	8.5	7.8	79,114	11.3	9.6
GBP	48,857	7.5	6.9	55,399	7.9	6.7
INR	32,300	5.0	4.6	37,322	5.3	4.5
AUD	20,988	3.2	3.0	24,168	3.5	2.9
Other Currencies	35,407	5.4	5.0	33,708	4.8	4.2
Total	7,05,120	108.4	100.0	8,24,245	117.9	100.0

Table 7: Software Services Exports – Type of Services-wise

Type of Services	2017-18			2018-19		
	₹ crore	US \$ billion*	Share (%)	₹ crore	US \$ billion*	Share (%)
	(1)	(2)	(3)	(4)	(5)	(6)
On-site services	1,10,730	17.0	15.7	1,27,795	18.3	15.5
Off-site services	5,94,390	91.4	84.3	6,96,450	99.6	84.5
Total	7,05,120	108.4	100.0	8,24,245	117.9	100.0

Table 8: Mode-wise Exports of Software Services

Type of Mode	Amount (₹ crore)		Share in Total (per cent)	
	2017-18	2018-19	2017-18	2018-19
	(1)	(2)	(3)	(4)
Mode 1 (cross-border supply)	5,93,460	6,96,127	69.5	74.0
Mode 2 (consumption abroad)	930	323	0.1	0.03
Mode 3 (commercial presence)	1,48,510	1,16,517	17.4	12.4
Mode 4 (presence of natural person)	1,10,730	1,27,795	13.0	13.6
Total	8,53,630	9,40,762	100.0	100.0

Table 9: Software Business by Foreign Affiliates of Indian Companies during 2018-19 – Activity Distribution

(amount in ₹ crore)

Activity	Locally	To India	Other Countries
	(1)	(2)	(3)
IT services	7,852	657	1,074
Software product development	173	1	167
BPO services	8,349	1,020	1,550
Engineering services	520	33	71
Other services	99,623	15,865	17,043
Total (₹ billion)	1,16,517	17,576	19,905
Total (US \$ billion*)	16.7	2.5	2.8

Table 10: Software Business by Foreign Affiliates of Indian Companies during 2018-19 Country Distribution

(amount in ₹ crore)

Country	Share in Total Software business by foreign affiliates (%)	Software business by foreign affiliates		
		Locally	To India	Other Countries
	(1)	(2)	(3)	(4)
USA	48.3	55,525	14,374	4,431
United Kingdom	11.4	11,614	354	5,568
Canada	4.8	6,754	93	577
Germany	5.3	6,863	68	1,196
Singapore	3.5	4,023	231	1,065
Netherlands	5.0	6,546	39	1,059
Other Countries	21.7	25,192	2,417	6,009
Total	100.0	1,16,517	17,576	19,905