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Survey on Computer Software and Information Technology- Enabled Services Exports: 2019-20¹

Today, the Reserve Bank of India released the [data](#) related to the 2019-20 round of its annual survey on exports of computer software and information technology enabled services.

The survey collects details on India's exports of software services (computer services and information technology enabled services (ITES)/business process outsourcing (BPO) services) as per type of activity, on-site/off-site nature of services, country of destination and four modes of supply. The survey schedule is given in the [Annex](#).

For the 2019-20 round of the survey, 6078 software export companies were contacted, of which 1475 companies responded, which included most of the large companies. The responding companies accounted for around 82.7 per cent of the total software services exports² during the year ([Table 1](#)).

Highlights:

- India's export of software services stood at US\$ 128.6 billion during 2019-20, registering 9.1 per cent growth over the previous year ([Table 2](#)).
- Exports of computer services and ITES/BPO services contributed 66.6 per cent and 33.4 per cent, respectively, of the total software services exports ([Table 2](#)).
- Among the BPO services exports, the share of business consulting services including public relations services increased during the year ([Table 3](#)).
- Private limited companies accounted for more than half of the total export of software services ([Table 4](#)).
- The USA was the major destination for software exports with 56.6 per cent share. Europe had 27.6 per cent share, nearly half of which was in the UK ([Table 5](#)).
- The US dollar was the principal invoicing currency for software exports with 71.6 per cent share. Euro and pound sterling together accounted for another 16.7 per cent ([Table 6](#)).
- The off-site mode remained the preferred mode of delivery of the total export of software services ([Table 7](#)).

¹ The previous data release in the series, covering 2018-19 survey round, was published on [November 18, 2019](#) on the RBI website.

² Exports of the relatively small non-responding companies were estimated by imposing the distribution pattern of the reporting companies.

- The share of exports of software services through the cross-border supply mode increased during the year; other three modes of delivery (viz., consumption abroad; commercial presence; and presence of natural persons) together accounted for 24.9 per cent ([Table 8](#)).
- Software exports by foreign affiliates through commercial presence, where the USA and the UK were major destination, stood at US\$ 16.6 billion in 2019-20 and total exports of software services by India, including the services delivered by foreign affiliates are estimated at US\$ 145.2 billion ([Tables 9 and 10](#)).

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Ajit Prasad
Director

Table 1: Survey Response and Final Estimates for 2019-20 – A Snapshot

(₹ crore)

Item	Reported [^]	Final Estimates **
	(1)	(2)
1. No. of companies	1,475	6,078
2. Total Exports of Software Services	753,935	911,702
2.1 IT services	483,122	571,712
2.2 Software Product Development	27,618	35,491
2.3 BPO Services	185,814	236,172
2.4 Engineering Services	57,381	68,327
3. Total Exports of Software Services (including commercial presence)	871,524	1,029,365
3.1 Mode 1 (cross-border supply)	639,146	772,967
3.2 Mode 2 (consumption abroad)	509	616
3.3 Mode 3 (commercial presence)	117,662	117,662
3.4 Mode 4 (presence of natural person)	114,207	138,120

[^] Response by the largest 20 companies ensured industry representation in the survey coverage.
** 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.

Table 2: Software Services Export from India

Activity	2018-19			2019-20		
	₹ crore	US \$ billion*	Share (%)	₹ crore	US \$ billion*	Share (%)
	(1)	(2)	(3)	(4)	(5)	(6)
A). Computer Services	558,049	79.8	67.7	607,203	85.7	66.6
Of which: i) IT services	532,863	76.2	64.6	571,712	80.7	62.7
ii) Software Product Development	25,186	3.6	3.1	35,491	5.0	3.9
B). IT Enabled Services	266,196	38.1	32.3	304,499	42.9	33.4
Of which: i) BPO Services	204,814	29.3	24.8	236,172	33.3	25.9
ii) Engineering Services	61,382	8.8	7.5	68,327	9.6	7.5
Total Export of Software Services (A+B)	824,245	117.9	100.0	911,702	128.6	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	2018-19			2019-20		
	₹ crore	US \$ billion*	Share (%)	₹ crore	US \$ billion*	Share (%)
	(1)	(2)	(3)	(4)	(5)	(6)
BPO Services	204,814	29.3	77.0	236,172	33.3	77.6
Business consulting services including public relations services	17,555	2.5	6.6	30,646	4.3	10.1
Finance and Accounting auditing book keeping and tax consulting service	36,142	5.2	13.6	41,867	5.9	13.7
HR Administration	1,291	0.2	0.5	1,527	0.2	0.5
Supply chain and other management services/ logistics	709	0.1	0.3	1,211	0.2	0.4
Medical transcription and document management	667	0.1	0.3	4,172	0.6	1.4
Content development and management and publishing	3,732	0.5	1.4	2,179	0.3	0.7
Other BPO services	144,718	20.7	54.3	154,570	21.8	50.8
Engineering Services	61,382	8.8	23.0	68,327	9.6	22.4
Embedded Solutions	7,267	1.0	2.7	7,198	1.0	2.4
Product Design Engineering (mechanical electronics excluding software)	20,983	3.0	7.9	25,350	3.6	8.3
Industrial automation and enterprise asset management	1,365	0.2	0.5	1,811	0.3	0.6
Other Engineering services	31,767	4.6	11.9	33,968	4.7	11.1
Total	266,196	38.1	100.0	304,499	42.9	100.0

Table 4: Organisation-wise Distribution of Software Services Exports

Types of Organisation	2018-19			2019-20		
	₹ crore	US \$ billion*	Share (%)	₹ crore	US \$ billion*	Share (%)
	(1)	(2)	(3)	(4)	(5)	(6)
Private Limited Company	424,834	60.8	51.5	477,264	67.3	52.3
Public Limited Company	392,618	56.1	47.6	425,027	60.0	46.6
Others #	6,793	1.0	0.9	9,411	1.3	1.1
Total	824,245	117.9	100.0	911,702	128.6	100.0

Others include mostly Limited Liability Partnership (LLPs)/proprietor firms.

Table 5: Software Services Exports – Major Destination

Activity	2018-19			2019-20		
	₹ crore	US \$ billion*	Share (%)	₹ crore	US \$ billion*	Share (%)
	(1)	(2)	(3)	(4)	(5)	(6)
USA and Canada	504,273	72.1	61.2	529,334	74.7	58.1
Europe	211,007	30.2	25.6	251,812	35.5	27.6
of which, UK	96,766	13.8	11.7	122,259	17.2	13.4
Asia	56,131	8.0	6.8	64,183	9.1	7.0
of which, East Asia	47,064	6.7	5.7	54,246	7.7	5.9
West Asia	6,347	0.9	0.8	7,202	1.0	0.8
South Asia	2,720	0.4	0.3	2,735	0.4	0.3
Australia and New Zealand	27,612	3.9	3.4	27,625	3.9	3.0
Other countries	25,222	3.7	3.0	38,748	5.4	4.3
Total	824,245	117.9	100.0	911,702	128.6	100.0

Table 6: Software Services Exports - Currency Composition of Invoice

Currency	2018-19			2019-20		
	₹ crore	US \$ billion*	Share (%)	₹ crore	US \$ billion*	Share (%)
	(1)	(2)	(3)	(4)	(5)	(6)
United States Dollar (USD)	594,534	85.0	72.1	652,730	92.1	71.6
Euro (EUR)	79,114	11.3	9.6	85,543	12.1	9.4
British pound sterling (GBP)	55,399	7.9	6.7	66,253	9.3	7.3
Indian Rupee (INR)	37,322	5.3	4.5	44,037	6.2	4.8
Australian Dollar (AUD)	24,168	3.5	2.9	23,685	3.3	2.6
Other Currencies	33,708	4.9	4.2	39,454	5.6	4.3
Total	824,245	117.9	100.0	911,702	128.6	100.0

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

Type of Services	2018-19			2019-20		
	₹ crore	US \$ billion*	Share (%)	₹ crore	US \$ billion*	Share (%)
	(1)	(2)	(3)	(4)	(5)	(6)
On-site services	127,795	18.3	15.5	138,120	19.5	15.1
Off-site services	696,450	99.6	84.5	773,582	109.1	84.9
Total	824,245	117.9	100.0	911,702	128.6	100.0

Table 8: Mode-wise Exports of Software Services

Type of Mode	2018-19			2019-20		
	₹ crore	US \$ billion*	Share (%)	₹ crore	US \$ billion*	Share (%)
	(1)	(2)	(3)	(4)	(5)	(6)
Mode 1 (cross-border supply)	696,127	99.6	74.0	772,967	109.0	75.1
Mode 2 (consumption abroad)	323	0.0	0.0	616	0.1	0.1
Mode 3 (commercial presence)	116,517	16.7	12.4	117,662	16.6	11.4
Mode 4 (presence of natural person)	127,795	18.3	13.6	138,120	19.5	13.4
Total	940,762	134.5	100.0	1,029,365	145.2	100.0

Table 9: Software Business by Foreign Affiliates of Indian Companies during 2019-20 – Activity Distribution

(amount in ₹ crore)

Activity	Locally	To India	Other Countries
	(1)	(2)	(3)
IT services	9,083	722	1,203
Software product development	511	59	92
BPO services	8,526	263	1,910
Engineering services	549	31	2
Other services	98,993	18,450	26,455
Total (₹ billion)	117,662	19,525	29,662
Total (US \$ billion*)	16.6	2.8	4.2

Table 10: Software Business by Foreign Affiliates of Indian Companies during 2019-20 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)
United State of America	47.1	55,980	16,261	6,296
United Kingdom	14.3	12,222	351	11,352
Canada	5.1	7,528	109	943
Germany	5.0	6,670	117	1,608
Netherlands	4.8	6,621	48	1,350
Singapore	3.9	4,515	352	1,634
Other Countries	19.8	24,126	2,287	6,479
Total	100.0	117,662	19,525	29,662