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Survey on Computer Software & Information Technology Enabled Services Exports: 2014-15 – Data Release

The Reserve Bank of India today released, on its website, the data related to the 2014-15 round of the 'Survey on Computer Software and Information Technology Enabled Services Exports'.¹ The survey collects dimensions of the export of software services as per the activity, type of services (on-site/off-site) and country of destination along with the four modes of supply. For the 2014-15 survey round, nearly 7,000 IT companies were contacted of which 1,095 companies, including most of the large companies, responded. The responding companies accounted for around 77 per cent of the total software exports during the year. Exports of the remaining companies (mostly small) were estimated using the related distribution patterns after categorising them in four groups, viz., IT services, BPO services, engineering services and software product development. The survey schedule is enclosed in the [Annex](#).

Main Findings:

- **Software and ITES/BPO services exports:** India's total export of computer services and ITES/BPO services (excluding commercial presence) during 2014-15 is estimated at ₹5,014.0 billion (US\$ 82.0 billion), registering 14.8 per cent growth in US \$ terms over the previous year. Exports of 'computer services' and 'ITES/BPO services' contributed 72.0 per cent and 28.0 per cent, respectively, of the total software services exports. Public limited companies accounted for 55.6 per cent share of the total software services exports during 2014-15 (Tables 1, 2 & 3).
- **Country/Currency Distribution:** USA & Canada continued as the major destination and accounted for nearly 60 per cent in total export of software services during 2014-15. Europe had nearly 25 per cent share, of which UK accounted for almost half. US Dollar was the invoice currency for around three-fourths of the software exports followed by Pound Sterling and Euro (Tables 4 & 5).
- **On-site/Off-site/Modes of Supply:** As in the previous year, off-site mode accounted for 80 per cent of the software export in 2014-15 while on-site mode accounted for the remaining 20 per cent. While export of software services through both Mode-1 (cross-border supply) and Mode-3 (commercial presence) increased, the share of Mode-3 increased marginally in 2014-15 and the share of Mode-1 moderated (Tables 6 & 7).
- **Software exports by Foreign Affiliates of Indian Companies:** Software exports by foreign affiliates stood at ₹841.7 billion (US\$ 13.8 billion) in 2014-15 and total export of software services by India, including the services delivered by foreign affiliates established abroad, stood at ₹5,855.7 billion (US\$ 95.8 billion). USA had the major share in total software business by foreign affiliates followed by UK (Tables 7, 8 & 9).

An article analysing the results of the Survey on Computer Software & Information Technology Enabled Services Exports for 2014-15 is being published in the January 2016 issue of the RBI Bulletin.

¹ The previous data release in the series covering 2013-14 survey round was released on the RBI website on [February 16, 2015](#).

Table 1: Software Services Export from India

| Activity | 2013-14 | | | 2014-15 | | |
|--|----------------|----------------|--------------|----------------|----------------|--------------|
| | ₹ billion | US \$ billion* | Share (%) | ₹ billion | US \$ billion* | Share (%) |
| | (1) | (2) | (3) | (4) | (5) | (6) |
| A). Computer Services | 3,181.7 | 52.6 | 73.6 | 3,610.8 | 59.1 | 72.0 |
| Of which: i) IT services | 2,936.7 | 48.5 | 67.9 | 3,399.7 | 55.6 | 67.8 |
| ii) Software Product Development | 245.0 | 4.0 | 5.7 | 211.1 | 3.5 | 4.2 |
| B). BPO Services | 1,141.1 | 18.9 | 26.4 | 1,403.2 | 22.9 | 28.0 |
| Of which: i) BPO Services | 934.1 | 15.4 | 21.6 | 1,089.2 | 17.8 | 21.7 |
| ii) Engineering Services | 206.9 | 3.4 | 4.8 | 314.0 | 5.1 | 6.3 |
| Total Export of Software Services (A+B) | 4,322.8 | 71.4 | 100.0 | 5,014.0 | 82.0 | 100.0 |

Note: Sum of components may differ from total due to rounding off. This is applicable for other tables also.

* Using annual average Rupee/ Dollar exchange rate. This is applicable for all other tables also.

Table 2: Industry-wise Distribution of ITES/BPO Services Exports

| Activity | 2013-14 | | | 2014-15 | | |
|--|----------------|---------------|--------------|----------------|---------------|--------------|
| | ₹ billion | US\$ billion* | Share (%) | ₹ billion | US\$ billion* | Share (%) |
| | (1) | (2) | (3) | (4) | (5) | (6) |
| BPO Services | 934.1 | 15.44 | 81.9 | 1,089.2 | 17.8 | 77.6 |
| Customer interaction services | 96.2 | 1.59 | 8.4 | 64.3 | 1.1 | 4.6 |
| Finance and Accounting, auditing, book keeping and tax consulting services | 127.4 | 2.11 | 11.2 | 171.5 | 2.8 | 12.2 |
| HR Administration | 7.9 | 0.13 | 0.7 | 13.0 | 0.2 | 0.9 |
| Procurements and logistics | 3.5 | 0.06 | 0.3 | 7.4 | 0.1 | 0.5 |
| Medical transcription | 15.2 | 0.25 | 1.3 | 13.9 | 0.2 | 1.0 |
| Document Management | 10.6 | 0.18 | 0.9 | 9.3 | 0.2 | 0.7 |
| Content development and management and publishing | 10.3 | 0.17 | 0.9 | 12.9 | 0.2 | 0.9 |
| Other BPO service | 663.0 | 10.96 | 58.1 | 796.9 | 13.0 | 56.8 |
| Engineering Services | 206.9 | 3.42 | 18.1 | 314.0 | 5.1 | 22.4 |
| Embedded Solutions | 60.1 | 0.99 | 5.3 | 57.4 | 0.9 | 4.1 |
| Product Design Engineering (mechanical, electronics excluding software) | 63.1 | 1.04 | 5.5 | 82.3 | 1.3 | 5.9 |
| Industrial automation and enterprise asset management | 2.5 | 0.04 | 0.2 | 2.7 | 0.0 | 0.2 |
| Other Engineering service | 81.2 | 1.34 | 7.1 | 171.6 | 2.8 | 12.2 |
| Total | 1,141.1 | 18.86 | 100.0 | 1,403.2 | 22.9 | 100.0 |

Table 3: Organisation-wise Distribution of Software Services Exports

| Types of Organisation | 2013-14 | | | 2014-15 | | |
|-------------------------|----------------|---------------|--------------|----------------|---------------|--------------|
| | ₹ billion | US\$ billion* | Share (%) | ₹ billion | US\$ billion* | Share (%) |
| | (1) | (2) | (3) | (4) | (5) | (6) |
| Private Limited Company | 1,555.5 | 25.71 | 36.0 | 2,162.8 | 35.4 | 43.1 |
| Public Limited Company | 2,750.2 | 45.46 | 63.6 | 2,785.3 | 45.5 | 55.6 |
| Others | 17.1 | 0.28 | 0.4 | 65.9 | 1.1 | 1.3 |
| Total | 4,322.8 | 71.45 | 100.0 | 5,014.0 | 82.0 | 100.0 |

Table 4: Destination of Software Services Exports

| Activity | 2013-14 | | | 2014-15 | | |
|------------------------------------|----------------|---------------|--------------|----------------|---------------|--------------|
| | ₹ billion | US\$ billion* | Share (%) | ₹ billion | US\$ billion* | Share (%) |
| | (1) | (2) | (3) | (4) | (5) | (6) |
| USA & Canada | 2,712.2 | 44.8 | 62.7 | 3,004.9 | 49.1 | 59.9 |
| Europe | 1,054.0 | 17.4 | 24.4 | 1,235.9 | 20.2 | 24.6 |
| of which UK | 544.0 | 9.0 | 12.6 | 611.7 | 10.0 | 12.2 |
| Asia | 245.1 | 4.1 | 5.7 | 451.8 | 7.4 | 9.0 |
| of which East Asia | 157.0 | 2.6 | 3.6 | 356.0 | 5.8 | 7.1 |
| West Asia | 69.2 | 1.1 | 1.6 | 91.3 | 1.5 | 1.8 |
| South Asia | 18.8 | 0.3 | 0.4 | 4.5 | 0.1 | 0.1 |
| Australia & New Zealand | 168.5 | 2.8 | 3.9 | 169.0 | 2.8 | 3.4 |
| Other countries | 143.1 | 2.4 | 3.3 | 152.4 | 2.5 | 3.0 |
| Total | 4,322.8 | 71.4 | 100.0 | 5,014.0 | 82.0 | 100.0 |

Table 5: Currency Composition of Invoice- Software Services Exports

| Currency | 2013-14 | | | 2014-15 | | |
|------------------|----------------|---------------|--------------|----------------|---------------|--------------|
| | ₹ billion | US\$ billion* | Share (%) | ₹ billion | US\$ billion* | Share (%) |
| | (1) | (2) | (3) | (4) | (5) | (6) |
| USD | 3,138.3 | 51.9 | 72.6 | 3,642.6 | 59.6 | 72.6 |
| GBP | 407.6 | 6.7 | 9.4 | 464.7 | 7.6 | 9.3 |
| EUR | 318.4 | 5.3 | 7.4 | 354.1 | 5.8 | 7.1 |
| AUD | 128.7 | 2.1 | 3.0 | 152.8 | 2.5 | 3.0 |
| INR | 107.4 | 1.8 | 2.5 | 168.7 | 2.7 | 3.4 |
| Other Currencies | 222.4 | 3.7 | 5.1 | 231.1 | 3.8 | 4.6 |
| Total | 4,322.8 | 71.4 | 100.0 | 5,014.0 | 82.0 | 100.0 |

Table 6: Software Services Exports – Type of Services-wise

| Type of Services | 2013-14 | | | 2014-15 | | |
|-------------------|----------------|---------------|--------------|----------------|---------------|--------------|
| | ₹ billion | US\$ billion* | Share (%) | ₹ billion | US\$ billion* | Share (%) |
| | (1) | (2) | (3) | (4) | (5) | (6) |
| On-site Services | 857.3 | 14.2 | 19.8 | 1,001.6 | 16.4 | 20.0 |
| Off-site Services | 3,465.5 | 57.3 | 80.2 | 4,012.4 | 65.6 | 80.0 |
| Total | 4,322.8 | 71.4 | 100.0 | 5,014.0 | 82.0 | 100.0 |

Table 7: Mode-wise Exports of Software Services

| Type of Mode | Amount (₹ billion) | | Share in Total (per cent) | |
|-------------------------------------|--------------------|----------------|---------------------------|--------------|
| | 2013-14 | 2014-15 | 2013-14 | 2014-15 |
| | (1) | (2) | (3) | (4) |
| Mode 1 (cross-border supply) | 3,460.5 | 4,009.3 | 69.0 | 68.4 |
| Mode 2 (consumption abroad) | 5.0 | 3.2 | 0.1 | 0.1 |
| Mode 3 (commercial presence) | 689.0 | 841.7 | 13.7 | 14.4 |
| Mode 4 (presence of natural person) | 857.3 | 1,001.5 | 17.1 | 17.1 |
| Total | 5,011.8 | 5,855.7 | 100.0 | 100.0 |

Table 8: Software Business by Foreign Affiliates of Indian Companies – Activity Distribution (₹ billion)

| Activity | 2014-15 | | |
|------------------------------|--------------|--------------|-----------------|
| | Locally | To India | Other Countries |
| | (1) | (2) | (3) |
| IT services | 28.5 | 2.2 | 3.1 |
| Software Product Development | 7.4 | 0.6 | 16.4 |
| BPO Services | 17.4 | 2.3 | 6.2 |
| Engineering Services | 4.5 | 0.0 | 0.1 |
| Other services | 783.9 | 330.6 | 131.1 |
| Total (₹ billion) | 841.7 | 335.7 | 156.9 |
| Total (US\$ billion*) | 13.8 | 5.5 | 2.6 |

Table 9: Software Business by foreign affiliates of Indian Companies - Country Distribution

| Country | Share in Total Software business by foreign affiliates (%) | Software business by foreign affiliates | | |
|-----------------|--|---|--------------|-----------------|
| | | Locally | To India | Other Countries |
| | (1) | (2) | (3) | (4) |
| USA | 66.7 | 547.4 | 270.6 | 71.5 |
| United Kingdom | 8.0 | 80.8 | 4.8 | 20.6 |
| Canada | 3.3 | 28.3 | 12.3 | 3.1 |
| Germany | 2.4 | 17.3 | 13.1 | 2.2 |
| Singapore | 3.3 | 25.1 | 10.0 | 8.9 |
| Netherlands | 2.3 | 16.6 | 6.1 | 8.5 |
| Other Countries | 14.0 | 126.3 | 18.9 | 42.2 |
| Total | 100.0 | 841.7 | 335.7 | 156.9 |

(₹ billion)