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Survey on Computer Software & Information Technology Enabled Services Exports: 2015-16

The Reserve Bank of India today released, on its website, the data¹ related to the 2015-16 round of the 'Survey on Computer Software and Information Technology Enabled Services Exports'. The survey collects the dimensions of the export of software services as per the nature of activity, type of services (on-site/off-site) and country of destination along with the modes of supply. For the 2015-16 survey round, nearly 7,200 IT companies were contacted of which 1,162 companies, including most of the large companies, responded. The responding companies accounted for around 77.6 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 2015-16 is estimated at ₹ 5,763.1 billion (US\$ 88.0 billion), registering 7.3 per cent growth in US \$ terms over the previous year. Exports of 'computer services' and 'ITES/BPO services' contributed for 71.2 per cent and 28.8 per cent, respectively, of the total software services exports. Public limited companies accounted for 54.4 per cent share of the total software services exports (**Tables 1, 2 & 3**).
- **Country/Currency Distribution:** 'USA & Canada' continued as the top destination and accounted for nearly 62 per cent in the total export of software services during 2015-16. Europe had nearly 24 per cent share, where the UK had nearly half the share. US Dollar was the invoice currency for nearly three-fourths of the software exports followed by Pound Sterling and Euro (**Tables 4 & 5**).
- **On-site/Off-site/Modes of Supply:** Off-site mode continued to account for nearly 80 per cent of the software export in 2015-16 and on-site mode accounted for the remaining 20 per cent. During the year, the share of export of software services through Mode-3 (commercial presence) increased whereas the shares of both Mode-1 (cross-border supply) and Mode-4 (presence of natural person) declined (**Tables 6 & 7**).

¹ The previous data release in the series, covering 2014-15 survey round, was put in public domain on [December 08, 2015](#).

- **Software exports by Foreign Affiliates of Indian Companies:** Software exports by foreign affiliates through commercial presence stood at ₹ 1,339.7 billion (US\$ 20.5 billion) in 2015-16 and total export of software services by India, including the services delivered by foreign affiliates established abroad, stood at ₹ 7,102.8 billion (US\$ 108.5 billion). USA had the major share in total software business by foreign affiliates followed by UK (**Tables 7, 8 & 9**).

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Table 1: Software Services Export from India

| Activity | 2014-15 | | | 2015-16 | | |
|--|----------------|---------------|--------------|----------------|---------------|--------------|
| | ₹ billion | US \$billion* | Share (%) | ₹ billion | US \$billion* | Share (%) |
| | (1) | (2) | (3) | (4) | (5) | (6) |
| A). Computer Services | 3,610.8 | 59.1 | 72.0 | 4,104.4 | 62.7 | 71.2 |
| Of which: i) IT services | 3,399.7 | 55.6 | 67.8 | 3,862.8 | 59.0 | 67.0 |
| ii) Software Product Development | 211.1 | 3.5 | 4.2 | 241.6 | 3.7 | 4.2 |
| B). ITES/BPO Services | 1,403.2 | 22.9 | 28.0 | 1,658.7 | 25.3 | 28.8 |
| Of which: i) BPO Services | 1,089.2 | 17.8 | 21.7 | 1,336.8 | 20.4 | 23.2 |
| ii) Engineering Services | 314.0 | 5.1 | 6.3 | 321.9 | 4.9 | 5.6 |
| Total Export of Software Services (A+B) | 5,014.0 | 82.0 | 100.0 | 5,763.1 | 88.0 | 100.0 |

Note: Sum of components may differ from total due to rounding off.

* Using annual average Rupee/ Dollar exchange rate. Applicable for other tables also.

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

| Activity | 2014-15 | | | 2015-16 | | |
|--|----------------|---------------|--------------|----------------|---------------|--------------|
| | ₹ billion | US\$ billion* | Share (%) | ₹ billion | US\$ billion* | Share (%) |
| | (1) | (2) | (3) | (4) | (5) | (6) |
| BPO Services | 1,089.2 | 17.8 | 77.6 | 1,336.8 | 20.4 | 80.6 |
| Customer interaction services | 64.3 | 1.1 | 4.6 | 57.9 | 0.9 | 3.5 |
| Finance and Accounting, auditing, book keeping and tax consulting services | 171.5 | 2.8 | 12.2 | 185.0 | 2.8 | 11.2 |
| HR Administration | 13.0 | 0.2 | 0.9 | 19.9 | 0.3 | 1.2 |
| Procurements and logistics | 7.4 | 0.1 | 0.5 | 7.7 | 0.1 | 0.5 |
| Medical transcription | 13.9 | 0.2 | 1.0 | 13.6 | 0.2 | 0.8 |
| Document Management | 9.3 | 0.2 | 0.7 | 6.8 | 0.1 | 0.4 |
| Content development and management and publishing | 12.9 | 0.2 | 0.9 | 12.8 | 0.2 | 0.8 |
| Other BPO services | 796.9 | 13.0 | 56.8 | 1,033.1 | 15.8 | 62.2 |
| Engineering Services | 314.0 | 5.1 | 22.4 | 321.9 | 4.9 | 19.4 |
| Embedded Solutions | 57.4 | 0.9 | 4.1 | 72.7 | 1.1 | 4.3 |
| Product Design Engineering (mechanical, electronics excluding software) | 82.3 | 1.3 | 5.9 | 84.4 | 1.3 | 5.1 |
| Industrial automation and enterprise asset management | 2.7 | 0.0 | 0.2 | 0.9 | 0.0 | 0.1 |
| Other Engineering services | 171.6 | 2.9 | 12.2 | 163.9 | 2.5 | 9.9 |
| Total | 1,403.2 | 22.9 | 100.0 | 1,658.7 | 25.3 | 100.0 |

Table 3: Organisation-wise Distribution of Software Services Exports

| Types of Organisation | 2014-15 | | | 2015-16 | | |
|-------------------------|----------------|---------------|--------------|----------------|---------------|--------------|
| | ₹ billion | US\$ billion* | Share (%) | ₹ billion | US\$ billion* | Share (%) |
| | (1) | (2) | (3) | (4) | (5) | (6) |
| Private Limited Company | 2,162.8 | 35.4 | 43.1 | 2,553.3 | 39.0 | 44.3 |
| Public Limited Company | 2,785.3 | 45.5 | 55.6 | 3,134.1 | 47.8 | 54.4 |
| Others | 65.9 | 1.1 | 1.3 | 75.7 | 1.2 | 1.3 |
| Total | 5,014.0 | 82.0 | 100.0 | 5,763.1 | 88.0 | 100.0 |

Table 4: Destination of Software Services Exports

| Activity | 2014-15 | | | 2015-16 | | |
|------------------------------------|----------------|---------------|--------------|----------------|---------------|--------------|
| | ₹ billion | US\$ billion* | Share (%) | ₹ billion | US\$ billion* | Share (%) |
| | (1) | (2) | (3) | (4) | (5) | (6) |
| USA & Canada | 3,004.9 | 49.1 | 59.9 | 3,554.7 | 54.3 | 61.7 |
| Europe | 1,235.9 | 20.2 | 24.6 | 1,352.0 | 20.7 | 23.5 |
| of which UK | 611.7 | 10.0 | 12.2 | 684.1 | 10.4 | 11.9 |
| Asia | 451.8 | 7.4 | 9.0 | 487.0 | 7.4 | 8.4 |
| of which East Asia | 356.0 | 5.8 | 7.1 | 412.6 | 6.3 | 7.2 |
| West Asia | 91.3 | 1.5 | 1.8 | 65.7 | 1.0 | 1.1 |
| South Asia | 4.5 | 0.1 | 0.1 | 8.6 | 0.1 | 0.2 |
| Australia & New Zealand | 169.0 | 2.8 | 3.4 | 198.2 | 3.0 | 3.4 |
| Other countries | 152.4 | 2.5 | 3.1 | 171.2 | 2.6 | 3.0 |
| Total | 5,014.0 | 82.0 | 100.0 | 5,763.1 | 88.0 | 100.0 |

Table 5: Currency Composition of Invoice-Software Services Exports

| Currency | 2014-15 | | | 2015-16 | | |
|------------------|----------------|---------------|--------------|----------------|---------------|--------------|
| | ₹ billion | US\$ billion* | Share (%) | ₹ billion | US\$ billion* | Share (%) |
| | (1) | (2) | (3) | (4) | (5) | (6) |
| USD | 3,642.6 | 59.6 | 72.6 | 4,261.0 | 65.1 | 73.9 |
| GBP | 464.7 | 7.6 | 9.3 | 539.3 | 8.2 | 9.4 |
| EUR | 354.1 | 5.8 | 7.1 | 438.0 | 6.7 | 7.6 |
| AUD | 152.8 | 2.5 | 3.0 | 177.5 | 2.7 | 3.1 |
| INR | 168.7 | 2.7 | 3.4 | 75.0 | 1.1 | 1.3 |
| Other Currencies | 231.1 | 3.8 | 4.6 | 272.3 | 4.2 | 4.7 |
| Total | 5,014.0 | 82.0 | 100.0 | 5,763.1 | 88.0 | 100.0 |

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

| Type of Services | 2014-15 | | | 2015-16 | | |
|-------------------|----------------|---------------|--------------|----------------|---------------|--------------|
| | ₹ billion | US\$ billion* | Share (%) | ₹ billion | US\$ billion* | Share (%) |
| | (1) | (2) | (3) | (4) | (5) | (6) |
| On-site Services | 1,001.6 | 16.4 | 20.0 | 1,145.7 | 17.5 | 19.9 |
| Off-site Services | 4,012.4 | 65.6 | 80.0 | 4,617.4 | 70.5 | 80.1 |
| Total | 5,014.0 | 82.0 | 100.0 | 5,763.1 | 88.0 | 100.0 |

Table 7: Mode-wise Exports of Software Services

| Type of Mode | Amount (₹ billion) | | Share in Total (per cent) | |
|-------------------------------------|--------------------|----------------|---------------------------|--------------|
| | 2014-15 | 2015-16 | 2014-15 | 2015-16 |
| | (1) | (2) | (3) | (4) |
| Mode 1 (cross-border supply) | 4,009.3 | 4,604.8 | 68.4 | 64.8 |
| Mode 2 (consumption abroad) | 3.2 | 12.6 | 0.1 | 0.2 |
| Mode 3 (commercial presence) | 841.7 | 1,339.7 | 14.4 | 18.9 |
| Mode 4 (presence of natural person) | 1,001.5 | 1,145.7 | 17.1 | 16.1 |
| Total | 5,855.7 | 7,102.8 | 100.0 | 100.0 |

Table 8: Software Business by Foreign Affiliates of Indian Companies – Activity Distribution

| Activity | (₹ billion) | | |
|------------------------------|----------------|--------------|-----------------|
| | 2015-16 | | |
| | Locally | To India | Other Countries |
| | (1) | (2) | (3) |
| IT services | 36.5 | 3.2 | 8.1 |
| Software Product Development | 3.7 | 0.5 | 15.8 |
| BPO Services | 58.0 | 0.9 | 7.6 |
| Engineering Services | 0.9 | 0.2 | 0.1 |
| Other services | 1,240.6 | 318.2 | 142.5 |
| Total (₹ billion) | 1,339.7 | 323.0 | 174.1 |
| Total (US\$ billion*) | 20.5 | 4.9 | 2.7 |

Table 9: Software Business by foreign affiliates of Indian Companies - Country Distribution -2015-16

| Country | Share in Total Software business by foreign affiliates (%) | Software business by foreign affiliates | | |
|-----------------|--|---|----------|-----------------|
| | | Locally | To India | Other Countries |
| | | (1) | (2) | (3) |
| USA | 64.6 | 882.7 | 251.3 | 52.0 |
| United Kingdom | 9.2 | 122.4 | 3.7 | 42.8 |
| Singapore | 3.3 | 35.2 | 9.9 | 15.8 |
| Germany | 2.9 | 37.0 | 11.5 | 4.4 |
| Netherlands | 2.5 | 26.0 | 7.2 | 12.4 |
| Canada | 2.4 | 27.9 | 13.2 | 2.9 |
| Other Countries | 15.1 | 208.5 | 26.2 | 43.8 |