Index

2nd Pan Commonwealth Conference on Services Trade 16-19 Accenture 218-21 Empowerment Programme 219-20 global delivery network 219 market shifts 220 Mauritius 219, 220-1 workforce 220 accountancy 203 accreditation 96, 160 advocacy 153, 154 Aegis 192 Africa domestic service sectors 67 economic partnership agreements 76-8.79 EU economic partnerships 76 EU market access 77 foreign direct investment 71 GATS commitments 73-5 India 187 regulation of service sectors 69-71 restrictiveness index 72-3 services reform 63-4, 67-79 economic partnership agreements 76-8.79 EU co-operation 79 financial/technical assistance 77-8 recommendations 78-9 services sector 18, 69-71 telecommunications services 68 trade liberalisation 68, 69-78 financial/technical assistance 77-8 implementation 71-6 see also Common Market for Eastern and Southern Africa; Democratic Republic of Congo; East African Community; Kenya; Mauritius; North Africa; South Africa; Uganda Afro-pessimism 193 air transport services 26, 60 animation industry 146

APEC-OECD Integrated Checklist on Regulatory Reform 70 arbitrage 125 Asia ITES exports 8 services reform 65-6 see also China; India; Malaysia; Mauritius: South Asia: Southeast Asia: Sri Lanka audiovisual services 23 awareness creation 183 back office services 2 balance of payments 53-4 bandwidth capacity 204 banking services 24-5 Barbados Coalition of Services Industries (BCSI) 149-57 advocacy 153, 154 challenges 155-6 development 153, 154 education 153, 154 export promotion 153 flying fish logo 157 formation 151 funding 154, 156-7 lobbying 153, 154 mission 152-3 model 151-4 objectives 152 role 154-5 barriers to trade see trade barriers Bell, Alexander Graham 1 Bhutan 127 BPO see business process outsourcing brain drain 118, 142 broadband capacity 214 rates 196, 204-5 see also internet business delivery system 213 business growth 97 business and IT revolution 108-12

business process outsourcing (BPO) certification 144 employment/revenue forecast 140 India 45, 140 information technology 117 IT services 119 Kenva 145-8, 195-9 Mauritius 212-22 platform-based services 122-3 private sector 218-22 requirements 137-8 South Africa 189-93 South Asia 100-1 business service sectors 22-3 call centres awareness creation 183 Mauritius 139, 221 Philippines 185 recruitment 145 service categorisation 27 'can-do' culture 160 Caribbean challenges/opportunities 91-2 coalitions of services 149-57 economic partnership agreements 65 education 92 EU market access 87 **ITES** exports 8 services reform 65 services trade 87-93 supply and demand 92-3 see also Barbados Coalition of Services Industries Caribbean Community and Common Market (CARICOM) 65, 151 Caribbean Forum of ACP States (CARIFORUM) 65, 87-93 commitments 88-91 development co-operation 90 EC commitments 90-1 economic partnership agreement 76, 77 'GATS plus' commitments 88-9 lessons learned 93 objectives 87-8 professional services 89 trade liberalisation 88-90 CARICOM see Caribbean Community and Common Market

CARIFORUM see Caribbean Forum of ACP States cartoons 146 case studies Barbados Coalition of Services Industries 149-57 Bhutan 127 Caribbean 149-57 ICT Software Cluster-Kampala 162-4 Kenva 145-8 Malavsia 157-62 Mauritius 137-45 Professional Services Development Corporation 157-62 Uganda 162-4 central product classification (CPC) 22-7, 52 Centre of Excellence, Kenya 196 certification 143, 144, 148, 183 China 106, 109, 219 Citigroup 187 classification issues, WTO 169-70 close-shoring 19-20 clothing industry 109 cloud computing 104-5, 211 coalitions of services 149-57 Barbados Coalition of Services Industries challenges 155-6 formation 151 model 151-4 role 154-5 financing 156-7 overview 149-51 setting-up 156 collaboration Asia 65-6, 95-9 benefits 97 initiatives 97-8 IT sector 119 outsourcing 99 regulation 133 South Asia 95-9 stakeholders 97 sub-contracting 98-9 threats 101-2 COMESA see Common Market for Eastern and Southern Africa commercial presence 2 commercial services 38, 39, 40

Committee on Trade in Services, COMESA 83 commitment offers Africa 73-5 cross-border commitments 168 EU commitments 90-1 Mode 4 services trade 174-6 see also General Agreement on Trade in Services Common Market for Eastern and Southern Africa (COMESA) 63-4, 81-5 Committee on Trade in Services 83 cross-border investment flows 82 priority sectors 83 Regional Services Coalition 85 regulation of services 82-4 services 81-4 submissions 84-5 trade liberalisation 82-4 tripartite arrangement 83-4 Commonwealth countries economic challenges 15-16 **ITES 8-12** exports/imports 10-11 trade barriers 16 Commonwealth Secretariat 14-20 communication service sectors 23 Comoros 84 comparative advantage 34 computer services 22, 168 computer software transactions 26-7 Confederation of Indian Industries 177 Conference on Services Trade, 2nd Pan Commonwealth 16-19 Congo, Democratic Republic of 68, 84 construction services 23 consumption abroad (Mode 2) 2, 170 contractual service suppliers 89 cost arbitrage 125 country programmes 125-6 country silos 96 CPC see central product classification cross-border supply 2, 170 cultural attitudes 143, 147, 221 cultural services 25

data centres 127, 214 delivery modes 2 Democratic Republic of Congo 68, 84 demographic shifts, India 181-2 developed countries, close-shoring 19 developing countries close-shoring risks 19-20 commercial services exports 39 cross-border commitments 168 IT services 110, 113, 114 ITES export markets 4 Mode 4 services trade 175, 176 offshoring of services 13 regulatory systems 133 statistical data 54 development Barbados Coalition of Services Industries 153, 154 co-operation 90 IT services 107-15 diffusion programmes 111 digital media 112-13, 179 distribution services 24 Diibouti 84 Doha Agenda 167-71 see also World Trade Organization downstream work 99 duplication of costs reduction 96

e-business 111 e-newsletters 154 e-procurement 112 East African Community (EAC) 83, 84 Eastern Europe 106 economic crisis, services sector impact 13-14 economic needs tests (ENTs) 89, 175 economic partnership agreements (EPAs) Africa 76-8, 79 Caribbean 65, 76, 77 education Barbados Coalition of Services Industries 153, 154 Caribbean 92, 153, 154 Mauritius 140-1, 144 service sectors 24 Sri Lanka 203-4 emerging economies see developing countries employment business process outsourcing 140 Mauritius 138-9, 140 women 118 see also unemployment empowerment 110 engineering colleges 179

engineering services 23 entrepreneurs 119, 185-6, 187 ENTs see economic needs tests environment for ITES 129-34 environmental service sectors 24 EPAs see economic partnership agreements European Union (EU) 76, 90-1 export development 165-76 export of ITES India 179-88 Kenva 195-9 South Africa 189-94 Sri Lanka 201-6 export promotion 135, 153, 191-2 FATS see foreign affiliates FDI see foreign direct investment financial crisis, services sector impact 13-14 financial service sectors 24-5 flying fish logo 157 foreign affiliates (FATS) 2, 38, 40-1 foreign direct investment (FDI) 35, 36, 38, 71 foreign labour recruitment 142 front office services 2 garment industry 109 GATS see General Agreement on Trade in Services GDP (gross domestic product) 51 General Agreement on Trade in Services (GATS) commitment offers 64, 73-5, 88-9, 165-71 commitments index/rankings 46 delivery modes 2 disciplines 165 Doha Round commitment offers 73-5 'GATS plus' commitments 88-9 IT/ITES commitments 167-71 templates 64 WTO commitments 165-6 Genpact 127, 192 global business delivery 213, 219 Global Services Coalition 150-1 Global Services Location Index (GSLI) 5, 6, 7,8 global sourcing 123 global trade see world trade government procurement 112 grassroots innovation 114

green data centres 214 gross domestic product (GDP) 51 GSLI see Global Services Location Index Halpin International 215 health services 25, 37 Hewitt's 5 Driver Model 125-6 home workers 142 Hong Kong Ministerial meeting 176 horizontal services 121 human capital development 98, 141-4 ITES requirements 137-48 Kenva 145-8 Mauritius 137-45 ICT Agency of Sri Lanka (ICTA) 201 ICT Regulation Toolkit, UNCTAD 132 ICT Software Cluster-Kampala 162-4 ICTA (ICT Agency of Sri Lanka) 201 incentives 193, 205 independent professionals 89 India and Africa 187 Bhutan partnership 127 business process outsourcing 45, 140 demographic shifts 181-2 digital technology 179 downstream work 99 economic growth 182-3 engineering colleges 179 entrepreneurs 185-6, 187 export of ITES 179-88 foreign direct investment 36 growth 182-3 industry sectors 180-1 infrastructure 188 IT sector 180-3 IT services 112, 118, 120, 121 lessons learned 183-5 liberalisation 179 location attractiveness 106 market share 180 offshoring of services 6 power supplies 185 public-private partnerships 186, 187 reform in services 35-7 restrictive practices 37 taxi services 185 TFP growth after services reform 36

tier cities 121-2, 187-8 unemployment 181 venture capital 119, 186-7 Information Economy Report, UNCTAD 13 Information Technology Agreement (ITA) 170 - 1information technology (IT) business opportunities 108-10 business process outsourcing 117 business transformation 110-12 growth promotion 103-34 IT services and ITES 131-3 new tools 110-11 productivity impact 107-8 risks 109 small and medium enterprises 108. 111 see also IT sector infrastructure service regulation 131-2 innovation and IT services 107-15 institutional capital 135-64 institutional role 149-64 insurance services 24 intellectual property 145, 171 international benchmarks 213 international marketing 160 international trade agreements 75 international trade negotiations 165-76 internet 68, 104-5, 168, 192 see also broadband investors attracting 215-18 continuity and responsiveness 216-17 facilities 218 value for money 217-18 inward turnover (sales)/output of foreign affiliates 42 IT Empowerment Training Programme, Mauritius 144 IT enabled services (ITES) categories 2-4 definition 131 IT sector Bhutan 127 challenges 184 constraints 113 country programmes 125-6 cross-border collaboration 119 developing countries 113, 114 Doha Agenda 169

ecosystem analogy 113-14 entrepreneurs 119 global outlook 117-18 global sourcing 122-3 growth 112-13 horizontal services 121 India 112, 118-21, 180-3 industry facts/trends 118-19, 124-5 location attractiveness 124 market segmentation 120-3 Mauritius 139-40, 214 niche markets 184-5 perceptions of 221-2 policy reforms 118-19 positive social consequences 118 public sector services 118 rural BPOs 119 small and medium enterprises 113, 114-15 socio-economic contribution 118, 120 Sri Lanka 201 tier cities 121-2, 187-8 vertical services 121 see also information technology ITA see Information Technology Agreement Kant, Immanuel 177 Kenva bandwidth rates 196 BPO 195-9 BPO study 196-9 key findings 197-8 methodology 196-7 policy recommendations 198-9 Centre of Excellence 196 cultural attitudes 147 export of ITES 195-9 Export Promotion Council 196 focus areas 146 government initiatives 147, 148 human capital 145-8 IT-BPO industry 145-8 key issues 146-7 public-private partnerships 147, 148 services reform 70-1 tax incentives 148 telecommunications regulation 70-1 training 147 universities 146 work culture 147

knowledge partnerships 100 knowledge process outsourcing (KPO) 4 labour force 9 labour market foreign labour recruitment 142 labour market tests 175 Mauritius 138, 139 labour mobility 37 language skills 142 Latin America 5 law and order 101 leasing/rental services 22 liberalisation of trade 35-7 lobbying 153, 154 location attractiveness 124, 125-6, 215-18 logos 157 Madagascar 73 Malavsia GDP data 51 Logistics Council 54 'Malaysia Boleh' 160 MotoGP race 33-4 Professional Services Development Corporation 157-62 Services Development Council 54 services sector measurement 31-2, 49-62 Services Statistics Action Programme 56 - 8statistical data 31-2, 49-62 Task Force on Services Statistics 54-60 Manual of Statistics for International Trade in Services (MSITS) 32, 52 maritime transport services 25 market segmentation 120-3 market share 12, 180 marketing 135, 153, 191-2 Mauritius 207-22 Accenture 219, 220-1 benchmarks 213 BPO location attractiveness 215-18 broadband capacity 214 business process outsourcing 212-22 certification 143 challenges 211 competitiveness 212-13 cultural attitudes 143, 221 decentralisation 142-3 economic shifts 212

education system 140-1, 144 employment 138-9, 140 foreign labour recruitment 142 future 214 global business delivery 213 human capital 137-45 international benchmarks 213 investor attraction 215-18 IT Empowerment Training Programme 144 IT market 210 IT sector 139-40, 214 labour market 138, 139 location attractiveness 215-18 mobile telephony 210-11 multilingual platform for BPO and IT services 143 niche markets 184, 214 priority sectors 84 private sector 218-22 specialisation 184, 214 talent pool 214 taxation 198 telecommunications services 208-11 Telecoms Advisory Council 208-9 trade policies 73 training 144 transition management 207-9 universities 138, 139, 141 work culture 143, 221 measurement of services sector issues of concern 50-4 Malavsia 49-62 trade barriers 46 see also statistical data MFN see most-favoured-nation Middle East 5 Millennium Development Goals 130 mobile telephony 68, 210-11 Mode 1 services trade 168, 170, 190 Mode 2 services trade 2, 170 Mode 3 services trade 54, 170 Mode 4 services trade 54, 134, 173-6 categories 173-4 commitments 174-6 definition 173 developing countries 175, 176 exclusions 174 Hong Kong Ministerial meeting 176 improvements 175 plurilateral process 176

Promoting IT Enabled Services

monopolies 69 most-favoured-nation (MFN) 75–6, 165 MotoGP race, Malaysia 33–4 MSITS *see* Manual of Statistics for International Trade in Services multi-location delivery 99 Murthy, Narayana 127

NAC Assessment 96 nationalism 101 Network Readiness Index (NRI) 27–9, 202 niche markets 184–5, 214 non-discriminatory measures 45 North Africa 5, 106, 187 North America 106 NRI see Network Readiness Index

OECD see Organisation for Economic Co-operation and Development offshoring of services economic crisis impact 13-14 efficiency gains 129-30 IT services 131 network approach 19–20 prospects 4-5, 8, 13-14, 134 value chain 3, 4 see also outsourcing Olympics analogy 217 'open innovation' 110 opportunities in ITES 117-27 Organisation for Economic Co-operation and Development (OECD) commercial services exports 41 regulation principles 70 'other business services' 39-40 outsourcing business process outsourcing 45 Global Services Location Index 5, 6, 7 health services 37 knowledge process outsourcing 4 processes 45, 99 South Asia 96 see also offshoring of services outward sales/output of US foreign affiliates 40-1 overview of book 20 personalisation of services 109

Philippines 185 pipeline transport 26 platform-based services 122-3 political stability 101 poor/under-populated areas 71 power supplies 185, 205 PPPs see public-private partnerships private sector 135-6, 156, 215, 218-22 procurement 112, 113, 192-3 producer services 45 productivity, IT impact 107-8 professional services independent professionals 89 Malavsia 157-62 sub-sectors 22 World Trade Organization 169 Professional Services Development Corporation (PSDC) 157-62 challenges 160-1 cluster leader 161 company status 160 establishment 158-9 future 161 services exporting 158-9 stakeholders 159, 161 vision 159-60 professionals, definition 159 progress monitoring 194 promotion of services 135, 153, 191-2 protectionism 133 PSDC see Professional Services Development Corporation public-private partnerships (PPPs) 147, 148, 186 public sector 118, 215

quotas 45

rail transport services 26 real estate services 22 recreational services 25 recruitment lead-time 137 reform in services see services reform regional agreements 75 regional collaboration see collaboration regional initiatives 99–101 regional markets 95 regulation Africa 69–71 collaboration 133 Common Market for Eastern and Southern Africa 82–4

infrastructure services 131-2 IT services 132–3 reform appropriateness 70 regulatory barriers 45 regulatory capture 70 telecommunications services 70-1, 132 trade liberalisation 66, 68 rental/leasing services 22 research and development services 22 resilience 42-5 restrictiveness index 47, 72-3 road transport services 26 Rwanda 71 SAARC see South Asian Association for **Regional Cooperation** SADC see Southern Africa Development Community SAR ITES Venture Fund 99-100 services coalitions see coalitions of services services exports see export of ITES services reform Africa 63-4, 67-79 Asia 65-6 Caribbean 65 economic growth 35-7 financial/technical assistance 77-8 index 35 Kenya 70-1 services sector classification 22-7 coalitions of services 149-57 Commonwealth Secretariat 14-20 delivery modes 2 development 14-20 economic value 1 financial crisis impact 13-14 fragmentation 1 growth rate 1, 5 issues and trends 31-62 labour force 9 measurement 31-2 statistical data 31, 49-62 Services Statistics Action Programme (SSAP) 56-8 services trade barriers 45-7 Caribbean 87-93 Common Market for Eastern and Southern Africa 81-5 comparative advantage 34

flow patterns 37-42 foreign affiliates 40-1, 42 gains 33-7 global imports 43 inward turnover/output of foreign affiliates 42 location choice 106 Mode 3 services trade 54 Mode 4 services trade 54 outward domestic sales/output of US foreign affiliates 40-1 performance 33-48 personalisation of services 109 reform in services 35-7 regional outlook 63-102 resilience 42-5 restrictiveness index 47, 72-3 Services Trade Restrictiveness Index 47 South Asia 95-102 trade liberalisation 35-7 trends 33-48, 134 US foreign affiliates output 40-1 Services Trade Conference, 2nd Pan Commonwealth 16-19 Services Trade Restrictiveness Index (STRI) 47 short-sightedness 101-2 Signalling Conference 176 silos, country 96 Singapore 133 skills development 135 see also human capital small and medium enterprises (SMEs) growth constraints 111-12 IT use 108, 111, 113, 114-15 statistical data 51 small states, preferential treatment 82 SMEs see small and medium enterprises social awareness creation 183 social service sectors 25 soft skills 144 South Africa business process outsourcing 189-93 challenges 192-3 export of ITES 189-94 lessons learned 193-4 marketing 191-2 perceptions of 193 prioritisation of ITES 190-1 procurement 192-3 promotion initiatives 191-2

Promoting IT Enabled Services

South America 106 South Asia business process outsourcing 100-1 countries 95 ITES-BPO development 100-1 knowledge partnerships 100 outsourcing 96 regional collaboration 95-9, 101-2 regional initiatives 99–101 services trade 95-102 South Asian Association for Regional Cooperation (SAARC) 202 Southeast Asia 106 Southern Africa Development Community (SADC) 83, 84 specialisation 184-5, 214 sporting services 25 Sri Lanka accountants 185 bandwidth capacity 204 broadband rates 204-5 education 203-4 export of ITES 201-6 facilities 205 ICT Agency of Sri Lanka 201 incentives 205 IT development readiness 202 IT sector 201 power supplies 205 social infrastructure 204-5 talent pool 203-4 telecommunications services 204-5 unemployment 201 SSAP see Services Statistics Action Programme stakeholders 97, 98 statistical data administration issues 60-2 availability of data 50-2 balance of payments 53-4 co-operation between agencies/ departments 58-9 consistency 52-3 data form/type 50-2 data/knowledge gaps 55-8 development requirements 54-60 frequency 52-3 global development requirements 54-60 improvement of standards 59-60

incomplete statistics 53-4 issues of concern 50-4 learning from others 58-9 Malavsia 31-2, 49-62 process issues 60-2 reliability 31 respondent encouragement 62 services production models 61-2 services sector 49-62 sharing knowledge 58-9 small and medium enterprises 51 sub-sectors and location 51-2 timeliness 52-3 trade requirements 54-60 variables 51, 53 workshops 56 stigmas 183 strategies in ITES 117-27 STRI see Services Trade Restrictiveness Index subsidised services 71 'substantial sectoral coverage' 88 supply chains 109 supply-side growth, collaboration 97 talent see human capital Tanzania 133 tariffs 45, 171 Task Force on Services Statistics, Malaysia 54 - 60taxation 148, 193, 198 see also incentives taxi services 185 telecommunications services Africa 68 ITES promotion 132 Mauritius 208-11 network convergence 132 regulation 70-1, 132 Singapore 133 Sri Lanka 204-5 sub-sectors 23 Tanzania 133 Telecoms Advisory Council, Mauritius 208-9 Teleperformance 192 TeleTech 192 temporary movement of natural persons 2 temporary movement of unskilled workers 77 tier cities 121-2, 187-8 Tourism Satellite Account 60 tourism services 25, 60

trade agreements see General Agreement on Trade in Services; World Trade Organization trade barriers Commonwealth countries 16 measurement 46 non-discriminatory measures 45 services trade 45-7 trade facilitation 156 trade liberalisation Africa 68, 69-71 Caribbean Forum of ACP States 88-90 Common Market for Eastern and Southern Africa 82-4 costs/risks 69 financial/technical assistance 77-8 in goods 69 implementation 71-6 most-favoured-nation 75-6 regional level 75-6 regulation 66, 68, 70 risks 69 trade negotiations, international 165-76 trade protection 133 trade in services see services trade Trade-Related Aspects of Intellectual Property (TRIPS) 171 TradeNet system 209 training 97, 144, 147, 160 transition management 207-9 transport costs 81, 155 transport services 25, 39 'triple E connection' 119 TRIPS (Trade-Related Aspects of Intellectual Property) 171 Uganda 162-4 UK see United Kingdom UN Conference on Trade and Development (UNCTAD) definitions of IT services 2 ICT Regulation Toolkit 132

definitions of IT services 2 ICT Regulation Toolkit 132 Information Economy Report 13 Manual of Statistics for International Trade in Services 32 under/poor-populated areas 71 unemployment 181, 201 see also employment United Kingdom (UK) ITES exports/imports 8 services sector measurement 32 United States (US) 150 exports/imports of goods and services 43 foreign affiliates output 40-1 on shoring of services 6 services imports by sector 44 universities curriculum issues 138, 139 IT enrolment 141 Kenva 146 unskilled workers, temporary movement 77 US see United States US Coalition of Services Industries (USCSI) 150 value chains, offshoring of services 3, 4

value for money, investor attraction 217-18 variables, statistical data 51, 53 venture capital 99-100, 119, 186-7 vertical services 121 vision deficit 101-2 Voice over Internet Protocol (VoIP) 192 waterways transport services 25 women's employment 118 work culture 143, 147 workshops 56 World Bank 72-3, 74 world trade commercial services 38, 39, 40 IT enabled services 1 **ITES** imports 9 service imports 43 statistical data requirements 54-60 World Trade Organization (WTO) classification issues 169-70 commitments 165-8 cross-border supply 170 key sectors 168-9 Mode 4 commitments 174-6 professional services 169

zero tariffs 171