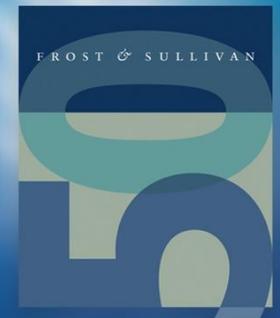


Emerging Opportunities in African BPO Markets

Innovation Boosts Growth in Key African Countries

MC27-76

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BPO Services Market—Overview

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Research Scope

Geographic Scope

- The study will focus on Egypt, Kenya, Mauritius, Morocco, and Nigeria.

Stakeholder Scope

- Providers covered in the study include the following:
 - Key local and international providers
 - Key companies utilising BPO services
 - Industry and regulatory bodies

End-user Scope

- The end-user scope will cover the following segments:
 - Telecommunications and Internet Service Providers (ISPs)
 - Technology and electronics
 - Automotive
 - Pay Television (TV)
 - Retail, Fast Moving Consumer Goods (FMCG), and fast foods
 - Media
 - Banking, Financial Services, and Insurance (BFSI)
 - Government and Public sector
 - Travel and tourism



Note: South Africa is covered in a separate study titled 'Analysis of the South African BPO Market'.

Source: Frost & Sullivan

Egypt

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Market Highlights

The BPO market is experiencing a shift in its services portfolio as providers move from multilingual contact centre services to high-value niche services, such as product development and R&D.

- The size of the Egyptian BPO market was \$1.2 billion in 2015. Apart from India and the Philippines, Egypt is amongst the few locations that can support an English-language offshore delivery centre of a meaningful scale. Furthermore, over a five year span (2008–2013), India lost around 40,000 BPO jobs to Egypt.
- The outsourcing and shared services market employs approximately 90,000 personnel, of which about 50,000 are offshore-focused and support clients present outside Egypt.
- The BPO market in Egypt is relatively well-developed and competitive, with a number of established local and international participants. While leading local providers such as Ecco Outsourcing and Xceed Contact Center primarily cater to the domestic market, international providers such as Teleperformance, EMC, Valeo, IBM, Microsoft, and Uber service offshore markets ranging from other African countries to Gulf Cooperation Council (GCC) countries.
- There has been a shift in the services portfolio from multilingual contact centre services to niche services such as analytics, mobile applications, cloud services, product development, and R&D.
- Among telecommunications providers, the best practice is to outsource day-to-day contact centre operations, while performing complex operations in-house. This is evident in the case of Vodafone, as it has outsourced its contact centre operations to local BPO providers and retained complex services such as application development, Big Data and business intelligence, product development, R&D, and enterprise solutions in-house through Vodafone International Services (VIS).
- The BPO market has had a significant positive impact on the country's economy through employment creation and an influx of foreign investment, which improves financial stability.

Source: Frost & Sullivan

Market Landscape

BPO Services Market - Present Market Scenario

Adoption levels

- Growing – The multilingual contact centre services is the most consumed BPO service.



Competition landscape



Top Restraints

- Unstable political environment is painting a negative image about Egypt, thus to a certain extent hindering the entry of foreign participants from setting up operations.

Top Drivers

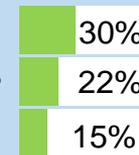
- Easy availability of multilingual and multi-skilled talent pool, low service delivery costs, preferred destination for Middle East and North African markets, and growing young population.

Growth Trends

- More number of providers are entering into the high-value niche services segment, while enabling them to grow the top line and sustain the competition.
- International providers are setting up Centres of Excellence (CoEs) in Cairo for product development and R&D purpose, thus enabling to focus on innovation.

Utilisation across Verticals

- Telecommunications and Internet service providers (ISPs)
- Retail, Fast Moving Consumer Goods (FMCG), and Fast Foods
- Banking, Financial Services, and Insurance (BFSI)



Source: Frost & Sullivan

Role of ITIDA and its Impact on the BPO Market

ITIDA, the executive arm of MCIT, resorts to Public-Private-Partnership as the main module of conducting business. The agency plays a vital role in the development of the BPO market through its logistical support, incentives, and training programs.

BPO Services Market: Role of ITIDA and its Impact on the BPO Market, Egypt, 2015



Investor Assistance and Logistical Support



Description

- Support in site selection and setting up operations; facilitate access to office spaces at a competitive low cost in ICT technology parks, especially through its partnership with Silicon Waha
- Setting up assistance and liaison with government bodies to speed-up clearances, technical approvals, and work permits for providers

Impact

- Benefitted new providers to start operations in a short time, while improving the ease of doing business

Incentives



- Investment incentives customised for each service segment, ranging from Business Process Management (BPM) to KPO, with higher value KPO attracting the highest incentive package
- Training and talent development
- International telecom cost and VOIP license

- Enabled providers to reduce operational costs, while improving the quality of workforce

Training Programs



- Training programmes such as “Train for Hire” and other programs to promote internationally accepted certification for local talent
- All forms of programmes such as boot camps, online and interactive, and crash courses

- Provide BPO companies with a continued supply of trained candidates equipped with the required skills and expertise for urgent job requirements

Key: MCIT—Ministry of Communications and Information Technology; ITIDA—Information Technology Industry Development Agency; VOIP—Voice over Internet Protocol
Source: Avasant; Frost & Sullivan

Thank You

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