

## **U.S. Matches Indian Call Centre Costs**

**By JAMES LAMONT and JOE LEAHY - August 17, 2010**

**Call centre workers are becoming as cheap to hire in the US as they are in India, according to the head of the country's largest business process outsourcing company.**

**High unemployment levels have driven down wages for some low-skilled outsourcing services in some parts of the US, particularly among the Hispanic population.**

At the same time, wages in India's outsourcing sector have risen by 10 per cent this year and senior outsourcing managers based in the country command salaries above global averages.

Pramod Bhasin, the chief executive of Genpact, said his company expected to treble its workforce in the US over the next two years, from about 1,500 employees now.

"We need to be very aware [of what's available] as people [in the US] are open to working at home and working at lower salaries than they were used to," said Mr Bhasin. "We can hire some seasoned executives with experience in the US for less money."

The narrowing of the traditional cost advantage is also spurring other Indian outsourcers to hire more staff outside India. Wipro, the Bangalore-based IT outsourcing company, started to recruit workers in Europe, the Middle East and Africa during the global economic downturn. Suresh Vaswani, joint chief executive of Wipro Technologies, forecasts that half of his company's overseas workforce will be non-Indians in two years, from the current 39 per cent. India is still expected to retain the overall cost advantage, particularly in more sophisticated software outsourcing.

Observers say that while the cost of some senior positions may have equalised with the US and certain call centre services may be more cost-effective to set up in depressed areas of the US, this phenomenon may not outlast the US downturn.

Even after a tripling in numbers, Genpact's US workforce would still be only about a ninth of its total staff. The former in-house outsourcing unit of US multinational General Electric has operations in Chicago, Pennsylvania, Tennessee and New York.

The move to expand operations in the US also comes as protectionist rhetoric against outsourcers rises in Washington. Last week, Charles Schumer, a US senator, described Indian IT outsourcing companies unflatteringly as "chop shops", a term referring to places where stolen cars are dismantled for their parts.

Mr Bhasin said Indian outsourcers needed to be more sympathetic to the deep economic woes in the US, not least because US business had helped India's outsourcing industry "piggy-back" on its success.