



## **Location Spotlight – Hyderabad, India**

Locations Insider™ (LI)

Market Report – May 2019: Complimentary Abstract / Table of Contents

# Our research offerings for global services

<ul style="list-style-type: none"> <li>▶ <b>Market Vista™</b> Global services tracking across functions, sourcing models, locations, and service providers – industry tracking reports also available</li> </ul>	
<ul style="list-style-type: none"> <li>▶ Application Services</li> </ul>	<ul style="list-style-type: none"> <li>▶ Human Resources</li> </ul>
<ul style="list-style-type: none"> <li>▶ BPS   Banking &amp; Financial Services</li> </ul>	<ul style="list-style-type: none"> <li>▶ ITS   Banking &amp; Financial Services</li> </ul>
<ul style="list-style-type: none"> <li>▶ BPS   Healthcare &amp; Life Sciences</li> </ul>	<ul style="list-style-type: none"> <li>▶ ITS   Healthcare</li> </ul>
<ul style="list-style-type: none"> <li>▶ BPS   Insurance</li> </ul>	<ul style="list-style-type: none"> <li>▶ ITS   Insurance</li> </ul>
<ul style="list-style-type: none"> <li>▶ Catalyst™</li> </ul>	<ul style="list-style-type: none"> <li>▶ IT Services Executive Insights™</li> </ul>
<ul style="list-style-type: none"> <li>▶ Cloud &amp; Infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>▶ ITS   Life Sciences</li> </ul>
<ul style="list-style-type: none"> <li>▶ Customer Experience Management Services</li> </ul>	<ul style="list-style-type: none"> <li>▶ <b>Locations Insider™</b></li> </ul>
<ul style="list-style-type: none"> <li>▶ Data &amp; Analytics</li> </ul>	<ul style="list-style-type: none"> <li>▶ PricePoint™</li> </ul>
<ul style="list-style-type: none"> <li>▶ Digital Services</li> </ul>	<ul style="list-style-type: none"> <li>▶ Procurement</li> </ul>
<ul style="list-style-type: none"> <li>▶ Engineering Services</li> </ul>	<ul style="list-style-type: none"> <li>▶ Recruitment &amp; Talent Acquisition</li> </ul>
<ul style="list-style-type: none"> <li>▶ Enterprise Platform Services</li> </ul>	<ul style="list-style-type: none"> <li>▶ Service Optimization Technologies</li> </ul>
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## Membership information

- This report is included in the following research program(s)
  - **Locations Insider™**
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- Locations | Cost, skills, sustainability, portfolio – plus a tracking tool
- Tracking services | Service providers, locations, risk
- Other | Market intelligence, service provider capabilities, technologies, contract assessment

# This report provides perspectives on key aspects of the global sourcing market in Hyderabad

## Hyderabad | At a glance



## Hyderabad | Risk profile (page 1 of 2)

### Geopolitical stability and strong government support for the IT-BP sector

Parameter	Everest Group rating	Comments
Geopolitical	Highly favorable	<ul style="list-style-type: none"> <li>Stable business environment with investor-friendly central and state government, although in 2014, Andhra Pradesh was split in two, with Hyderabad serving as the capital city for both the states (Andhra Pradesh and Telangana) through 2024</li> <li>India ranks 41<sup>st</sup> out of 167 countries in the Economist Intelligence Unit's (EIU) Democracy Index 2019 and was labeled a "flawed democracy"</li> <li>While India's ranking declined the 32<sup>nd</sup> position in 2017 driven by the rise of conservative religious ideologies, the IT-BP operations remain largely unaffected</li> <li>There are some concerns regarding relationships with Pakistan and China; however, there is limited impact on business operations</li> </ul>
Macroeconomic	Favorable, some concerns	<ul style="list-style-type: none"> <li>Macroeconomic fundamentals are stable, with the GDP forecasted to grow at a robust 7.3% in FY2019 driven mainly by significant government spending, an expansionary monetary policy, and greater political certainty following the national elections</li> <li>Moody's has upgraded the government's local and foreign currency issuer ratings from Baa3 to Baa2 and changed the outlook from stable to positive; these changes are likely to unleash a fresh round of foreign portfolio investments and make external commercial borrowing cheaper</li> <li>Although fiscal and public debt remain substantial, rapid workforce growth, an expanding middle class, and an ongoing productivity shift from agriculture to services will improve macroeconomic stability</li> <li>However, rising crude oil prices and the steady decline in the value of rupee versus the dollar are some major concerns pressing on the current state of Indian economy</li> </ul>
Infrastructure	Favorable, some concerns	<ul style="list-style-type: none"> <li>Hyderabad offers a favorable public transportation system and infrastructure facilities through an extensive road, rail, and air network</li> <li>Hyderabad has significant international connectivity given the presence of an international airport with direct flights to multiple countries</li> </ul>

Source: Everest Group (2019); inputs from recruitment firms, market players, and investment agencies

# Research calendar – Locations Insider

■ Published ■ Planned □ Current release

## Flagship Locations Insider reports

### Release date

"Next-wave" Location Profile – Tampa, Florida, The United States .....	March 2019
Location Spotlight – The Philippines .....	March 2019
Location Spotlight – Guadalajara, Mexico .....	May 2019
<b>Location Spotlight – Hyderabad, India .....</b>	<b>May 2019</b>
Global Locations Annual Report 2019 .....	Q2 2019
Location Spotlight – India .....	Q2 2019
Location Spotlight – San Jose, Costa Rica .....	Q2 2019
"Next-wave" Location Profile – Chennai, India .....	Q2 2019

## Thematic Locations Insider reports

Regional Handbook: Focus on Digital Services Talent in Europe .....	Q2 2019
Talent Hotspots for Risk Analytics In BFSI .....	Q2 2019
Global Handbook – Focus on Language Skills Availability Across the World .....	Q2 2019
Changing Fortunes of Delivery Locations – How Macroeconomic Factors Impact Delivery Locations? .....	Q3 2019
Global Handbook – Focus on Next-Gen Skills Across the World .....	Q3 2019
What is the Role of Global Delivery Model in an Agile Construct? .....	Q4 2019
Regional Handbook – Focus on FinTech Talent in the U.S. ....	Q4 2019

Note: For a list of all of our Locations Insider™ reports, please visit the [Locations Insider™](#)

# Additional research references

The following documents are recommended for additional insight into the topic covered in this report. The recommended documents either provide additional details or complementary content that may be of interest:

1. **“Next-wave” Location Profile – Bangalore** ([EGR-2018-37-R-2725](#)); 2019. This report analyzes Bangalore and offers perspectives on global sourcing profile of Bangalore, key opportunities, drivers, and challenges, along with an overview of talent availability, operating costs, and environment risks
2. **Global Locations Annual Report 2018: Service Delivery Portfolios in a Disrupted World** ([EGR-2018-37-R-2646](#)); 2018. The Global Locations Annual Report 2018 is a unique and comprehensive guide to understanding the nuances of the global services locations landscape and interpreting locations-related developments and trends to frame locations strategy. This report has three tenets – Key Trends Shaping the Landscape, Risk Watch, and Locations PEAK Matrix. It presents insights into the size and growth of the global services market, update of locations activity, changes in risk profiles of locations, and an analysis of the relative maturity, arbitrage, and potential of locations for multiple functions
3. **IT Services Delivery from APAC** ([EGR-2017-2-R-2137](#)); 2017. While IT services delivery in the Asia Pacific region has traditionally been centered predominantly in India, companies have shown increased interest in exploring alternative locations such as the Philippines, China, Malaysia, Singapore, and even destinations such as Sri Lanka and Vietnam. In addition to offering lower cost than onshore United States and Europe, each of these locations has a unique value proposition, making them attractive choices for setting up alternative delivery centers / regional hubs for IT operations. This report provides a detailed assessment of location options within the Asia Pacific region for global IT service delivery

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## About Everest Group

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