Global Locations State of the Market 2024 – Key Trends Shaping the Landscape

June 2024: Complimentary Abstract / Table of Contents

State of the Market
Locations Insider™

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- ▶ Pricing Analytics as a Service
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- ▶ SAP Services
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- ▶ Software Product Engineering Services
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- ▶ Talent Genius™
- ▶ Technology Skills and Talent
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- ▶ Value and Quality Assurance (VQA)

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Tracking: providers, locations, risk, technologies

Locations: costs, skills, sustainability, portfolios

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For more information on this and other research published by Everest Group, please contact us:

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Our research methodology is based on four pillars of strength to produce actionable and insightful research for the industry

01 Robust definitions and frameworks

Function-specific pyramid, Total Value Equation (TVE), PEAK Matrix®, and market maturity

02 Primary sources of information

Annual contractual and operational RFIs, provider briefings and buyer interviews, web-based surveys

03 Diverse set of market touchpoints

Ongoing interactions across key stakeholders, input from a mix of perspectives and interests

04 Fact-based research

Data-driven analysis with expert perspectives, trend-analysis across market adoption, contracting, and providers

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Proprietary contractual database of operating cost, labor pool, market activity, and risks (updated annually)

Year-round tracking of 300+ locations around the world

Large repository of existing research on all offshore, nearshore, and onshore locations across (APAC, Europe, North America, LATAM, and Africa)

Over 30 years of experience advising clients on strategic IT, business services, engineering services, and sourcing

Executive-level relationships with buyers, providers, technology providers, and industry associations

Background and scope of the research

Background

The global services market exhibited remarkable growth in 2022, reaching a value of approximately US$275 billion. However, the momentum slowed down in 2023, with the market's revenue expanding only marginally by 3-5% by the end of 2023 (a considerable decrease from the ~12% growth in 2022) reaching almost US$285 billion. Moreover, the global services market saw a subdued increase in headcount throughout 2023, with an approximate net addition of ~300,000 Full-time Equivalents (FTEs) to the workforce across various regions

Global organizations are strategically diversifying their location portfolio across the globe, expanding into both established and emerging locations for service delivery. In today's volatile landscape, characterized by conflicts such as Israel-Hamas, Israel-Iran, and Russia-Ukraine, coupled with a global macroeconomic slowdown and geopolitical uncertainties surrounding elections, the need for a well-balanced and diversified location mix has never been more critical. Everest Group supports enterprises and service providers in choosing the best locations by tailoring the needs of the client to our expertise

This report provides an extensive assessment of the global locations and center landscape and adoption trends as of 2023 and elaborates on key 2024 priorities for leaders along with action steps for building a successful location mix

Methodology

This report is based on Everest Group's coverage of the global market based on ongoing market interactions, thought leadership as an industry-leading analyst in this space, and our proprietary databases.

Note: Analysis for all dimensions up through 2023 is based on actuals while that for 2024 is based on Everest Group forecasts, validated through primary and secondary research.

Scope of this report

Global services market: market size, growth, key drivers, and challenges
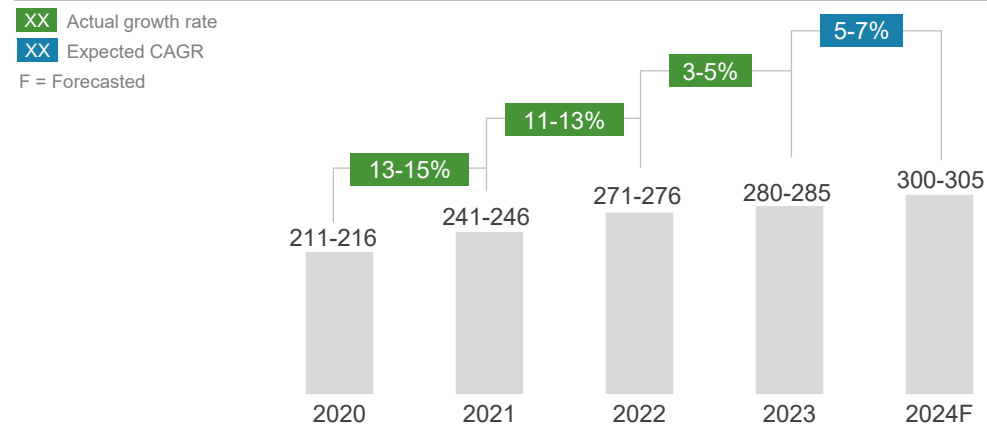
Locations: all key global service delivery locations across Asia Pacific, the Americas, Europe, the Middle East, and Africa

Functions: all key functions, i.e., IT- Application Development and Maintenance (ADM), IT-infrastructure, voice Business Process Services (BPS), non-voice BPS, and Engineering, Research and Development (ER&D)
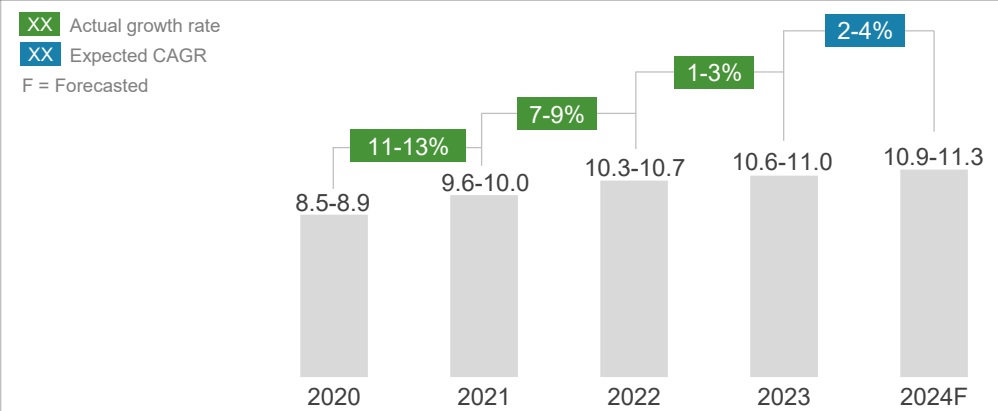
The current 2024 Global Locations State of the Market Report has been enhanced with broader country coverage, now spanning 48 countries compared to the previous year's report of 45 countries

This study provides a deep dive into key aspects of global services market; below are four charts to illustrate the depth of the report

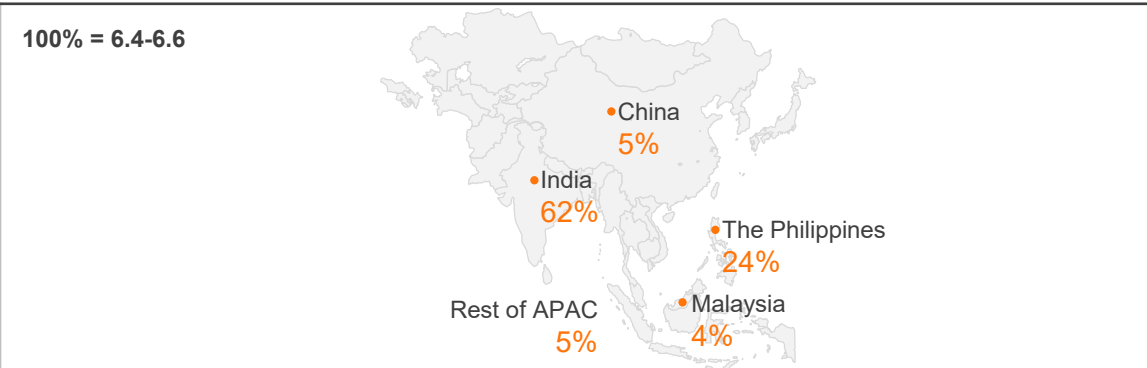## Global services market revenue, 2020-24F; US$ billion

XX Actual growth rate
XX Expected CAGR
F = Forecasted

Year	Value	Growth
2020	211-216	
2021	241-246	13-15%
2022	271-276	11-13%
2023	280-285	3-5%
2024F	300-305	5-7%

Global services market headcount, 2020-24F; number of FTEs (in millions)

XX Actual growth rate
XX Expected CAGR
F = Forecasted

Year	Value	Growth
2020	8.5-8.9	
2021	9.6-10.0	11-13%
2022	10.3-10.7	7-9%
2023	10.6-11.0	1-3%
2024F	10.9-11.3	2-4%

Top-3 offshore-nearshore locations – Europe; number of center setups

2020		2021		2022		2023	
Country	Count	Country	Count	Country	Count	Country	Count
UK	19	Ireland	26	Romania	20	Portugal	24
Ireland	16	Poland	16	Spain	17	Spain	20
Poland	11	Spain	12	Poland	14	Ireland	17
Total	78	Total	108	Total	114	Total	103

APAC global services market – split across leading locations; number of FTEs

100% = 6.4-6.6

- China 5%
- India 62%
- The Philippines 24%
- Malaysia 4%
- Rest of APAC 5%

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Research calendar

Locations Insider™

Published   Current release   Planned

Reports title	Release date
Location Spotlight – Argentina	January 2024
Service Provider Compass™ – Global Services Delivery from Mexico	January 2024
Location Spotlight – Shenzhen, China	February 2024
Talent Demand Trends | India IT Services – H2 2023	February 2024
Location Spotlight – Riga, Latvia	March 2024
Harnessing Potential – Growth in Southeast Asia's Service Delivery Sector	March 2024
Location Spotlight – Ireland	March 2024
Location Spotlight – Vadodara, India	March 2024
Risk Watch 2024: Potential Repercussions of an Unpredictable World on Global Services Delivery	April 2024
Location Spotlight – El Salvador	May 2024
Global Locations State of the Market 2024 – Key Trends Shaping the Landscape	June 2024
Location Spotlight - Coimbatore, India	Q2 2024
What Will the Future of Locations Strategy Look Like?	Q2 2024
Service Provider Compass™ – Global Services Delivery from Poland	Q2 2024
The Philippines: a Sustainable Location for Global Services Delivery	Q2 2024
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