

White Paper

Building a Future with BRICs

The Next Decade For IT Offshoring

An outlook on China's growing impact on the IT outsourcing industry.

In 2003, Goldman Sachs published a startling report on the BRICs (Brazil, Russia, India, and China) region: These four countries would be larger than the G6 economies within 40 years, muscling their way to economic dominance over the coming decades, and powering past developed countries such as the United Kingdom, Germany, and Japan. This book focuses on the technology and technology-enabled services that underpin this social and economic revolution. The editor analyses the reasons why these four countries are in a unique position to lead a 21st century growth in international services. He then features 12 chapters written by the most important chief executives from the BRICs service economy. Indian technology leaders, such as Nandan Nilekani (Infosys), Shiv Nadar (HCL), and Rajendra Pawar (NIIT), feature alongside their peers from Brazil, Russia, and China outlining their views on the next decade for offshoring.

This white paper contains the section of the book as originally written by Remi Vespa on behalf of Venus Software Corporation (www.outsourcing-vsc.com), a Chinese outsourcing leader.

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Introduction

For the past 15 years, outsourcing applications to developing countries has been a major industry trend in the USA and Western Europe. Today, it is obvious to most companies and observers that outsourcing is here to stay.

In the 1990s, TCS, Infosys, Wipro and the likes expanded rapidly to make India the world leader of IT offshoring.

Until now, India has set the pace for offshoring, and is still dominating this market segment. However, new countries are entering this profitable and fast growing arena, China being the most notable example.

While there have been very little discussion in the past over the fact that India's domination was set for the long term, more and more voices now believe that China will dislodge India and take leadership by 2015.

"The Global Outsourcing Report 2005", a special issue of "CIO Insight" magazine, which ranks countries based on their opportunities, costs, and risks in relation to IT offshoring, predicts that in 2015, the top five outsourcing destinations will be China, India, the US, Brazil and Russia, in this order.

Is China going to become an IT offshoring leader? The answer is obviously yes, since China already is. Is China going to eventually take overall leadership over India? While we, at Venus Software Corporation (VSC), believe the answer is yes, we recognize this is a complex question; answering it requires a careful review of the macroeconomics and microeconomics trends.

Things do not happen by accident. Becoming the world leader requires a combination of many factors: a solid country infrastructure, an almost unlimited pool of talent, the willingness to succeed at the government and entrepreneurial levels, the access to finance, the ability to communicate properly at the international level, and of course the proper timing!

In the quest to make China the leading outsourcing destination, Chinese suppliers have to demonstrate a unique ability to expand rapidly in both the USA and the European Union, while keeping a strong identity and pursuing excellence, a great challenge, especially since the local Chinese IT outsourcing industry is still fragmented when compared to India.

Let's review the current situation from a VSC perspective and understand why we believe so strongly China in general - and VSC in particular - are en route toward world leadership.

History of China

When talking about China, it is always important to first have a look at its history, since the country has important and long-lasting traditions deeply rooted in history.

China is one of the world's oldest civilizations. Its history can be reliably traced back to the 18th century BC, although evidence of former human settlements exists.

For centuries, the "Central Kingdom" stood as a leading civilization, often outpacing the rest of the world in the arts and sciences.

However, in the 19th century, the fortunes of China changed dramatically. Western powers forcibly occupied "concessions" gaining special commercial privileges, all symptomatic of the inability of the Chinese government to respond adequately to the challenging conditions facing China in the 19th century. Things only worsened in the early 20th century, when in 1931, Japan invaded Manchuria. In addition, during this period the country was beset by major famines and civil unrest.

In the early 20th century, two major political forces were fighting to reinstate sovereignty: the KMT (Kuo Min Tang) and the CPC (Chinese Communist Party) respectively led by Chiang Kai-shek and Mao Zedong.

After World War II the tensions between these two groups resumed, ending in the victory of the Communist Party and the proclaiming of the People's Republic of China on October 1, 1949.

Mao Zedong believed that "*socialism was the only way out for China*", as according to him the United States and other Western countries would not allow China to regain its dominant position. The country effectively regained full sovereignty and moved out of poverty but at the expense of millions of lives.

Shortly after the death of Mao Zedong in 1976, Chinese leader Deng Xiaoping put China on the road to market-oriented economy, declaring, "Science and technology is the primary instrument to create growth" and later "to get rich is glorious". In 1978, during the 11th National Party Congress, he announced the formal implementation of four modernizations:

- Agriculture
- Industry
- Science and Technology
- Military.

Ever since this time, American and European companies have started to consider China as the fascinating potential business partner it was at the dawn of the nineteenth century.

What does the history of China tell us regarding our purpose?

Compared to the other BRIC countries, China's history as a superpower, economically, culturally and politically is very long - something each of the 3 other countries lack to a certain degree. Chinese people in general have no doubt that their country will reclaim its leading position in the foreseeable future.

China has had a long tradition of centralized government and a strong civil service system. The directions given by the central government have a very strong impact, and receive little opposition, somewhat different to what happens in Western-style democracies.

From a Western standpoint, it is important to touch on democracy, since the current Chinese political system is often presented in the West as a major challenge to overcome. On the same note, a comment often heard when comparing China to India is that India is a democracy (often claimed to be the largest democracy in the world), a status yet to be achieved by China.

Assuming that to move forward China has to become a democracy is to ignore Chinese history. Confucianism has been at the core of Chinese culture for over 2,000 years. The Han Dynasty (206 BC-220 AD) was the first dynasty to embrace the philosophy of Confucianism, a philosophy that was already widely spread in China. Confucianism is a major pillar of Chinese life, even overcoming half a century of communism.

A culture based on Confucianism does not naturally lean toward a traditional Western style democracy, but rather toward a "benevolent despotism", a concept explored by many authors.

In China, a sudden move towards democracy - like in Russia - is highly unlikely. Moreover, should China face political and economical instability similar to what happened with Russia after the fall of the Soviet empire, it would come as a major blow to the world economy.

China is likely to take another route toward a more Singaporean-like society; a route much more adapted to its 4,000 years of civilisation.

Every political system has pros and cons, including the Chinese one, but also Western-style liberal democracy. A major advantage to a non bi-partisan government is that the country does not live under the pressure of the next elections. Long-term plans can be executed at a rapid pace since there is little room for people and companies not to endorse a direction chosen by the central government. This is enabling the country to open up into a more economy-driven system at its own pace.

Moving at such a fast pace, it is also clear that China faces formidable challenges. The most often cited ones are air pollution, access to natural resources, and transformation of the rural population. While the country is sometimes put in an uncomfortable position over these issues on the international scene, there is certainly the highest level of willingness to tackle them. For instance China is among the countries that have signed and ratified the Kyoto protocol.

Lastly, a more interventionist government might be better adapted to tackling the challenges the country faces as consequences of its amazing development pace.

With so much being said on the challenges, let's conclude this section with a positive example: developed by the Shanghai Industrial investment Corp., Dongtan Eco City, roughly the size of Manhattan, will be the world's first fully sustainable urban center when completed in 2040. Located on the Yangtze River, Dongtan is within close proximity to Shanghai. By the time the Shanghai Expo trade fair opens in 2010, the city's first phase should be completed, and 50,000 residents will call Dongtan home-*sweet-sustainable-home*.

Economy

With a GDP growth close to 10 per cent in 2005 and an even higher potential moving forward, China is reclaiming its status of superpower and has become again a magnet to American and European businesspeople; no other country today, including India, compares to China in terms of attractiveness for foreign businesses. It is very visible in the Western media where China gets daily exposure at all levels.

But where does China *really* rank today?

China's GDP measured in PPP (Purchasing Power Parity) is the second largest in the world after the USA. Measured in Official Exchange Rate, China's is the fifth largest economy after the USA, Japan, Germany and the United Kingdom.

Most analysts believe that China should overtake Japan by 2016 and ultimately the USA in 2020 to become the world's largest economy. In any case, China is in fact just reclaiming its dominant position, a position it held for centuries.

Comparing China to Brazil, India and Russia shows the obvious advantage and momentum the country currently has over them put together. China's GDP is larger than the sum total of India's, Russia's and Brazil's!

Furthermore China is moving at a faster pace than the other BRIC countries, in almost every area.

	Brazil	Russia	India	China
GDP (PPP) in trillion dollars	1.536	1.584	3.666	8.883
GDP (OER) in trillion dollars	0.619	0.740	0.719	2.225
Per capita in US dollars	8,300	11,000	3,400	6,800
Public debt (per cent of GDP)	51.6	12.9	53.8	24.4
Reserves of foreign exchanges and gold (in billion)	53.8	182.2	136	825.6

Source: CIA world fact book, Oct. 2006

While Brazil and Russia stand really far behind China, let's have a closer look at India.

According to an article written by Jehangir Pocha and published in Nov. 2006 in the San Francisco Chronicle, "both China and India were the dominant powers in Asia before the era of European colonization, and close commercial ties between these rivals in the near term could create an economic power that could eclipse Japan and challenge the US influence in the world's fastest growing region."

At the time of writing, India runs a \$2 billion trade deficit with China, although India has extremely stiff custom tariffs. In the same article, Pocha states that a reduction in these tariffs would cause the trade deficit to leap to almost \$10 billion.

The future of relations between India and China, including a possible free trade agreement between the two countries, is receiving considerable media exposure, even if both countries are moving these matters at a relatively slow pace. We use the word "relatively", because considering what is at stake here it might be very risky to move any faster.

It is also important to note that the Chinese reserves in gold and currencies are twice as big as India, Russia and Brazil combined! Even more impressive, both the USA and the European Community together have significantly less reserves! This is a huge point, since it demonstrates that China has the financial capability to tackle environmental issues, implement ambitious state plans, and better capitalize state-owned companies (like banks or car manufacturers for instance), preparing them to be more aggressive on the International scene.

Let's conclude this section with a recent interview (Nov. 2006) of Bill Gates, Microsoft's Chairman, which took place at Stanford University, during a technology event. Charlie Rose, the famous US interviewer, asked Gates whether he was worried about the mounting power of Asian nations, especially China.

Gates answered that "The USA have to get used to the fact that our relative share of everything, ability to make decisions, military power, economic power, or innovation, etc., will only be a portion of what it used to be, and certainly won't be as so out-of-line with our 5 per cent of the world population as it is today, and that is OK."

"China is the pace setter for a lot of things in this world". It is critical for Americans and Europeans to acknowledge that the power taken by China or India does not impoverish them. Gates added, "That may be an adjustment especially to those who think in terms of war type analogies with a winner and a loser in the relative position as opposed to the improvement of all". But this is not a "zero sum" - today the entire world benefits from inventions coming from other countries.

Gates concluded on this topic by saying: "Many reports say that if China would be made really poor, that would be good for the USA. The truth is the opposite", continued Gates. "If you believe in humanity, then of course China buying at our level is a good thing [...] Even the USA, the world is much better off because of that, and we have to get used of that, because that is an unstoppable thing."

Country infrastructure

The general infrastructure of a country is a major key in enabling a country to become an IT outsourcing leader. The quality of the telecommunication infrastructure, the availability of high-speed Internet and the bandwidth available are paramount. However, there is more to attract foreign customers / investments: the banking system, the transportation capabilities, the number of Western-style hotel rooms available, the crime rate, etc. are also extremely important factors.

China suffered economically in the 19th and most of the 20th century, yielding until recently to a lagging modern infrastructure (rail, road, airports). The country is now catching up extremely rapidly at all levels, and has already outpaced its rivals in most areas.

	# of tel landlines (2005)	# of cell phones (2004)	Airports with paved runways (2006)	Railways (2004)	Roadways (2003)
USA	268 (2003)	195	5,119	226.6	4,164,964
Brazil	42.3	86.2	714	29.2	1,724,929
Russia	40	120	616	87.1	871,000
India	49.75	69	243	63.2	2,411,001
China	350.4	335	403	78.4	1,809,829

Source: CIA world fact book, Oct. 2006

The telecommunication industry provides perhaps the most successful example of how China's interventionist economic strategy has enabled the country to outpace its rivals. China has more cell phones than Russia, India and Brazil combined; the same remark applies to landlines.

The number of DSL (broadband Internet) connections in the BRIC countries clearly shows the advantage China has over the other BRIC countries. The latest statistics released by the DSL Forum show that by the end of June 2006 China was ranked # 1 in the world by the number of DSL connections with 33,305,000. Brazil was ranked 11th with 3,796,600, India a mere 15th with 1,537,000 while Russia did not rank in the Top 20. China has 5 times more high-speed connections than the other BRIC countries together. Moreover the bandwidth generally available to Chinese consumers is usually between 264 Kbps and 1 Mps, which is more than India where the average bandwidth is of 64Kbps. In addition to the consumer market, Chinese businesses have access to very high-bandwidth leased lines. In addition, the Golden Projects or the more recent Government Online Project are evidence of the government's support for the Internet development in China.

But China is putting a major effort in creating a premier infrastructure at all levels, not only in ICT (Information & Communication Technologies). The many examples of recent achievements include the opening of the world's highest railway between Golmud and Lhasa, a route reputed as impossible to open because of the permafrost; visitors arriving at the Shanghai airport can take the train that connects to the city, whose speed culminates at almost 300 miles an hour. Moreover, and just to mention a few, China is building new architectural wonders that include the Central Chinese Television building in Beijing, the new Shanghai and Beijing airports, the Olympic stadium in Beijing, the 20-mile long, 6-lane wide Donghai Bridge, the National Grand Theater in Beijing, etc.

Visitors to any large Chinese city will use their debit card in most ATM machines (with a menu in English), pay their cab fare in cash, credit card, or using a local prepaid card, be able to use their cell phone, or buy a cheap GSM phone (around USD 50) with prepaid minutes and again a manual and software in English, pay their meal using any major credit card, etc.

Populations and Workforces

China has the largest population in the world followed by India. However, the Indian population grows at a faster pace, since China has enforced for years the one-child policy. The effects of this policy will start to be seen more than 40 years from now, and has therefore no impact on our subject.

It is also important to note that China's current labor force in services (not only IT but all services in general) is twice as big as India's.

	Brazil	Russia	India	China
Area (sq km)	8,511,965	17,075,200	3,287,590	9,596,960
Population	188,078,227	142,893,540	1,095,351,995	1,313,973,713
Median age	28.2	38.4	24.9	32.7
Population growth rate (per cent)	1.04	-0.37	1.38	0.59
Labor force in services (in million)	60	51	114	230

Source: CIA world fact book, Oct. 2006

A qualified workforce is fundamental in the race to become a world leader in the IT outsourcing industry. Moving forward, Chinese companies need to be sure they can tap into a vast reservoir of qualified resources.

Today, China is the largest producer of engineering graduates in the world, with some 600,000 coming out of its colleges and universities in 2005. India follows with over 450,000 engineering graduates in 2005, of which almost 30 per cent were computer engineers. Both India and China have over 2,000 colleges and Universities.

Compared to India and China, the United States produces only 70,000 engineering graduates every year. All of Western Europe produces just over 100,000.

Duke University in the USA recently released a report that looked specifically at all computer science and information technology degrees from four-year schools, Duke's initial study came up with 137,437 engineering graduates for the U.S., 112,000 for India and 351,537 for China.

China is therefore the country that produces today the highest number of IT engineers, by far, more than India and the USA together!

While China produces the highest number of graduate students every year, there are also a fast growing number of Chinese students graduating from foreign universities.

The Open-Door-policy in China had as one of its effects that hundreds of thousands of young Chinese got the opportunity to study abroad, mainly at American universities. For instance at Yale alone, the fall 2003 class had 297 Chinese students (and 23 Russians). Moreover, Chinese Americans represent a significant percentage of undergraduate and graduate students in the USA.

Starting as a brain drain, the number of students leaving China that eventually came back to China is now turning into a brain gain and China is regaining much of the ground lost during the 1960s and 1970s, helping to train a new generation of scientists, engineers, and researchers to play a key role in China's scientific community.

Last, India is to become by 2010 the largest English speaking country in the world, and this is possibly the only area where China is seriously challenged by any of the BRIC countries. That said, young engineers graduating from Chinese universities all write and speak enough English to communicate efficiently. Moreover in China, the number of English-speaking graduates in the workforce--particularly crucial in software outsourcing--has doubled between 2000 and 2004 to more than 24 million.

The Diasporas and their impact

An important element in bringing business to a country is the Diaspora, i.e. the people living abroad.

According to statistics provided by the Overseas Chinese Affairs Commission of Taiwan, the Chinese Diaspora (Chinese people leaving outside Mainland China and Taiwan) represents today 35 million of individuals - the largest in the world.

The Russian Diaspora is probably the second largest one: about 20 million Russian people live in the CIS-countries (the former republics of the USSR), including 8 million in Ukraine, and another 10 million living in foreign countries.

The third largest Diaspora is from India with a little over 20 million individuals living abroad, according to the Indian Ministry of External Affairs.

The U.N. Population Fund estimated that between 3 million and 4 million Brazilians live outside Brazil; 70 percent of them are in the United States, Paraguay and Japan.

If we exclude the Russian Diaspora living in the CIS-countries, the Chinese Diaspora alone is larger than the combination of the Russian, Indian and Brazilian Diasporas!

The *Huaren* (Chinese living outside China) are playing a key role in helping Chinese companies capture world leadership within the next 7-10 years. For instance in California, a state that has close economic ties to China and where the IT industry is dominant, hundreds of business associations exist that help American businesses smoothly outsource their IT to China.

The IT market in China

According to a report published in 2005 by Vinnova, the Swedish Agency for Innovation Systems, "the Information and Communication Technologies (ICT) industry is of special importance in China; it is considered a "pillar" industry in the national economy, a driving force for innovation and growth in other industry sectors, fundamental to national security, and a core industry for "informatization" of the Chinese society."

During the 2000-2010 period, ICT is expected to grow at three times the GDP, which itself is growing at an impressive 9-10 per cent a year, a prediction that has already been outpaced for the first half of the 10-year period. In 2005, the value added of ICT accounted for more than 7 per cent of GDP. In the same year, ICT products accounted for 30 per cent of the Chinese export volume. By the end of 2006, ICT will have emerged as the largest industry in China.

According to the National Bureau of Statistics of China, the Chinese software industry (comprising software products, system integration and services) reached RMB 220 billion in 2004, 35 per cent higher than in 2003.

In 2004, China's industry exports reached RMB 21.8 billion, up from RMB 15.6 billion in 2003, a 34 per cent growth that followed a similar growth the previous year. Between 1999 and 2004 the export volume have been multiplied by 11!

Both domestic demand and a growing international reputation fuel the growth of the Chinese software industry. It has become abundantly clear that American and European corporations view China as the most attractive country today, and therefore they are likely to favor, when possible, business relationships with Chinese companies. For these companies, outsourcing their IT to China is part of a more global plan to establish strong business ties with China.

This spectacular growth has been possible thanks to a series of measures taken by the Central Government to effectively and aggressively stimulate the IT business.

The major ones are:

- Tax incentives. They include rebates on VAT (Value Added Tax), waiving of tax for the first 2 years of operation, reduced tax rate for the next 3 years, income tax rebates, etc.
- Expedited visa procedures for foreign software experts entering the country, and special allowances in software import and export rules
- Preferential procurement to domestic companies for government projects, a critical decision to ensure that Chinese companies gain expertise on large, technologically advanced projects. To reinforce this decision, China's leaders have launched a series of online programs to accelerate the government's pace in implementing and using advanced solutions. These programs help promote the country's economic development, increase the government agencies efficiency and boost the local IT outsourcing companies overall capabilities.

But possibly the smartest measure taken by the Central Government was the establishment of over 50 national Science Parks throughout China. The purpose of these Science Parks is to create a stimulating and innovative infrastructure for companies in the high-tech sector, to attract talent, investment and companies from all over the world.

As mentioned before, the conditions are excellent and include seed-funding, affordable office lease, special support programs for students returning from overseas, tax deductions and a close proximity to R&D centers and universities. Most of the well-known universities have their own Science Park.

Intellectual Property (IP) protection is often mentioned as an issue in outsourcing to China. In fact, although the various countries do not publish any official statistics, the risks might not be higher in China than in the other BRIC countries. The same common-sense rule should apply everywhere, which is to work with a reputable local partner. At VSC for instance, we have implemented a whole set of robust rules to make sure the best protection surrounds the IP of our clients. More generally, a number of government agencies have jointly established an incentive mechanism aiming at promoting ICT innovations and thereby stimulating an increase in the number of patent applications.

This is no surprise that as a result of these measures aimed at beefing up innovation capabilities and technology infrastructure, giants like Intel, Google and Microsoft are favoring China more and more as a privileged place for their own offshore development centers. It gives them access to an immediate pool of best of breed talents. In exchange, the presence of these companies elevates tremendously the overall IT knowledge, and is an incentive for Chinese providers to adopt the highest industry standards.

Panorama of the Chinese Suppliers

By the end of 2003, there were approximately 8,700 registered software companies in China, of which 2,000 were new entrants. Private and foreign software companies dominate the market. For example, in Shenzhen, more than 95 per cent of the top 100 software companies are either private or foreign-invested companies. In order to gain more visibility on the international scene, a growing number of IT outsourcing companies are attempting to qualify for international standards, such as ISO9001:2000 or the CMM (Capability Maturity Model) certificate system, issued by the Software Engineering Institute, an internationally accepted evaluation of software firms. By March 2004, more than 100 software companies in China passed CMM2, 45 had passed CMM3, and 9 companies had passed CMM4 or CMM5.

Unlike India, where large Indian firms dominate the IT outsourcing market, foreign companies moving their own engineering operations to China are key drivers in China's outsourcing market.

The growth of foreign development centers is important for at three major reasons:

- The influx of foreign expertise combined with the knowledge developed in the Science Parks is a formidable accelerator to the IT outsourcing industry. Expertise developed at these centers will ultimately diffuse into the Chinese market boosting the capabilities of Chinese software outsourcing firms, rendering them even more attractive on the International scene.
- Attracting foreign businesses to the country is a much smarter way to develop an industry than having individual local companies fight on their own to attract one foreign company at a time. By creating locally the conditions to attract foreign businesses, China is on a much faster track than any other BRIC country
- By creating strong and durable business ties with the USA and Western Europe, China becomes a strategic ally for these two other superpowers.

About VSC

Established in 1988 in Shanghai, and recently cited by Business Week as an emerging outsourcing leader, Venus Software Corporation (VSC) is the 5th largest Chinese Information Technology firm.

VSC offers a comprehensive range of outsourcing services that include Business Process Outsourcing (BPO), Build-Operate-Transfer (BOT), as well as more traditional offshore offerings, from co-sourcing to full outsourcing. VSC strives to become a one-stop shop for its clients' entire spectrum of software and information technology requirements.

A company profitable since inception, with NTT Data and NEC as minority shareholders, VSC has originally focused on both domestic and international markets with special emphasis on Japan, and has gained in-depth experience and knowledge from delivering hundreds of outsourcing projects. The VSC client base includes telecom equipment providers, car manufacturers, financial services companies, logistics companies, commercial banks, appliance manufacturers, information technology companies, industrial equipment providers, etc. In 2006, VSC established a direct presence in the USA.

References include Hewlett Packard (HP), IBM, Palm Source, NTT, OKI, Honeywell, Empirix, Alpha Telecom, NEC, GM Shanghai, Bank of communications, Bank of China, Huawei, Sharp, Cosco, Zentek, Fuji Xerox, etc.

VSC's goal is to become, by 2011, a global outsourcing company, with a strong foothold in the USA, Western Europe, and Japan.

In order to reach these goals, the company is implementing aggressive policies to keep the attrition rate below industry averages, provide employees with a career path, expand rapidly in the USA and Western Europe, set up development centers in Chinese cities where costs are still relatively low in addition to the existing ones in Shanghai, and continue to cultivate excellence as a company value.

VSC is an ISO9001:2000 and CMM3 company.

Conclusion

With a better country infrastructure, more reserves, the biggest pool of graduate students, the highest attractiveness, an unbelievable momentum, better media coverage, etc., China seems to have it all.

The major strength of China in this race to leadership is that the focus of China is not on becoming the world leader, but in creating the conditions that make the country the privileged destination for IT outsourcing.

By providing a premier infrastructure, enabling local providers to equip the government with the most advanced technologies, making Intel, Microsoft, Google,

and the likes call China their home when it comes to engineering, China is becoming the excellence center of the world for IT outsourcing. Customers are flocking to China. Leadership will inevitably follow. In other words China has in fact created its own path to leadership.

This is the route VSC has embarked on. Our focus is not our position relative to our competitors, but on providing our customers with excellence as a normal delivery. This is how our clients see us already, and we are working hard to make the entire market see us this way.

In seven years from the publication of this book, some individual leaders of IT outsourcing might still be Indian, but China will have become overall the world's number one destination for IT outsourcing, as it has become today the center for goods manufacturing.

As a closing note, I would like to share this quote from Thomas Friedman's book "The World is Flat", a global best-seller: "If Americans and Europeans want to benefit from (...) the interconnecting of all the markets and knowledge centers, they will all have to run at least as fast as the fastest lion – and I suspect this lion will be China, and I suspect it will be darn fast."

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