OFFSHORE BPO CONFIDENCE INDEX

2022

Collaborative research by

RYAN STRATEGIC ADVISORY

Cognitive Copy

INTRODUCTION

Just when normalcy was returning to the offshore business process outsourcing (BPO) industry after a long, demanding pandemic, the world was shaken again by the most significant geopolitical disruption in the past 20 years: Russia's invasion of Ukraine.

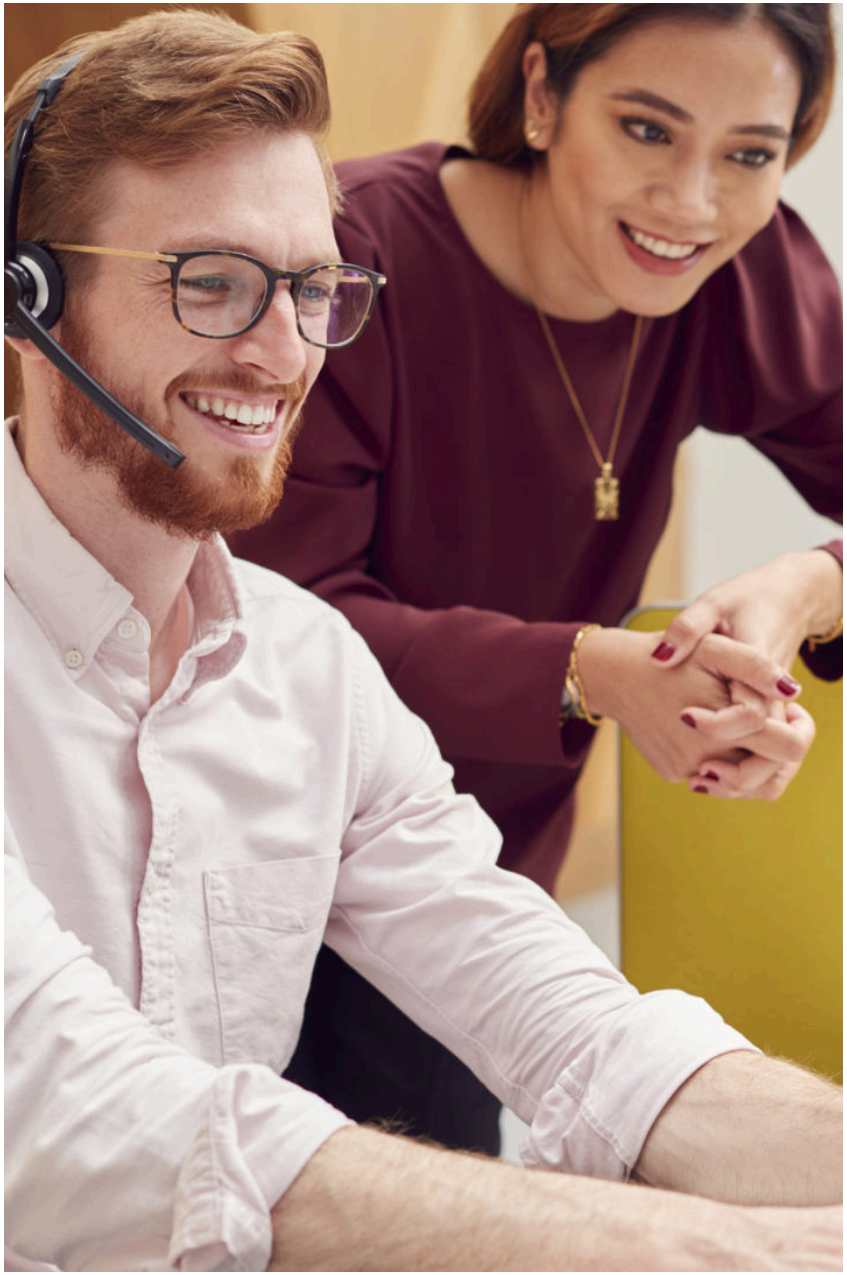
The implications of this war have dramatically shuffled the cards, causing significant impacts on the delivery of business services into key demand markets from overseas locations.

The findings in this year's Offshore BPO Confidence Index — conducted jointly by Cognitive Copy and Ryan Strategic Advisory — paint a unique picture of this environment, with country managers from 17 popular offshore destinations providing their front-line perspectives of doing business in 2022.

Among the study's principal findings is the emergence of stability as a critical differentiator. It has become more important than ever for BPOs to operate in a location unencumbered by political, economic, or public security disruptions. Equally, the availability of talent at a time when BPO-oriented labor is tighter than ever is a crucial determinant in the success of different offshore and nearshore locations.

As expected, this year's results show that BPO managers have high confidence in countries where the industry has been flourishing for the past two decades, but several emerging locations are agitating for leading positions in the 2022 rankings, signifying that length of service is not necessarily a determinant of success.

Moving into 2023, the extent to which outsourcers can drive delivery excellence in newer, dynamic offshore destinations has the potential to shuffle the proverbial cards even further.



RESPONDENT STATISTICS

158
Country Managers

100
BPO Providers

17
Locations

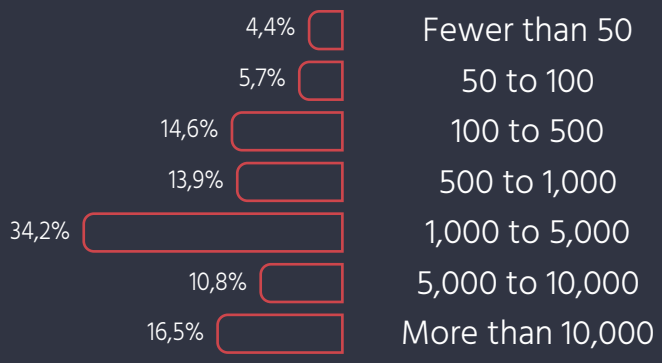
Data collected between

AUGUST & OCTOBER 2022

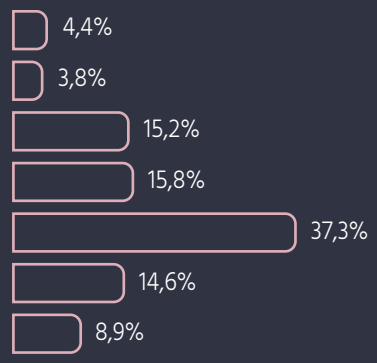
COUNTRIES

- Bulgaria
- Colombia
- Czech Republic
- Dominican Republic
- Egypt
- El Salvador
- Guatemala
- Honduras
- India
- Jamaica
- Mexico
- Nicaragua
- Philippines
- Poland
- Romania
- Serbia
- South Africa

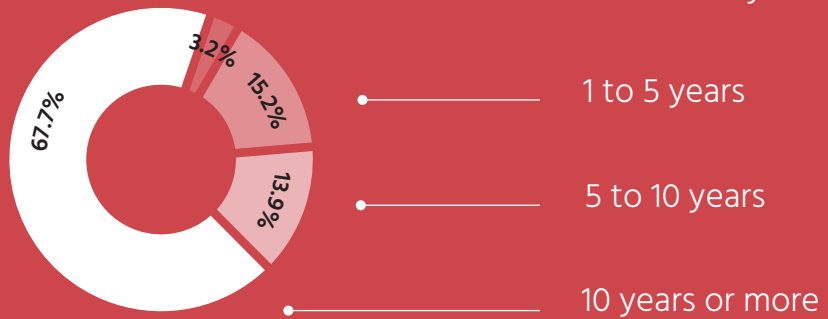
Employee Headcount

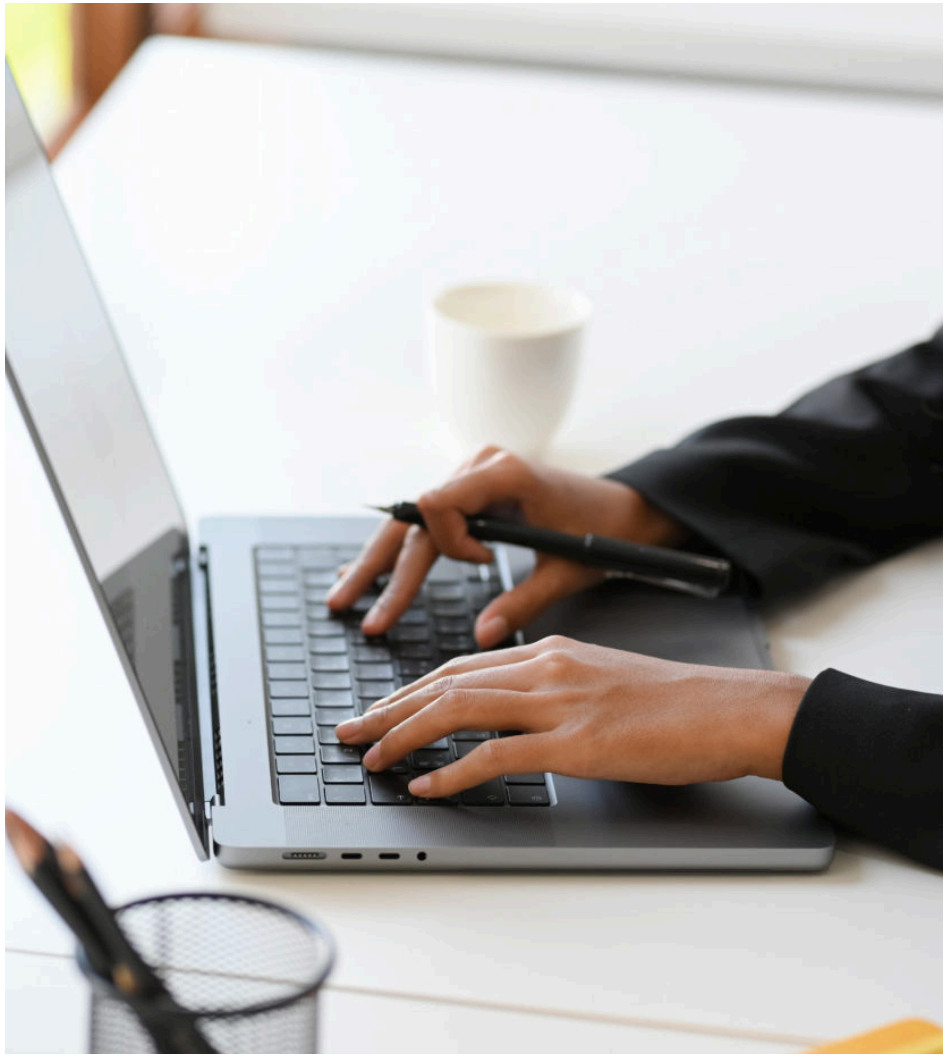


Number of Seats/ Workstations



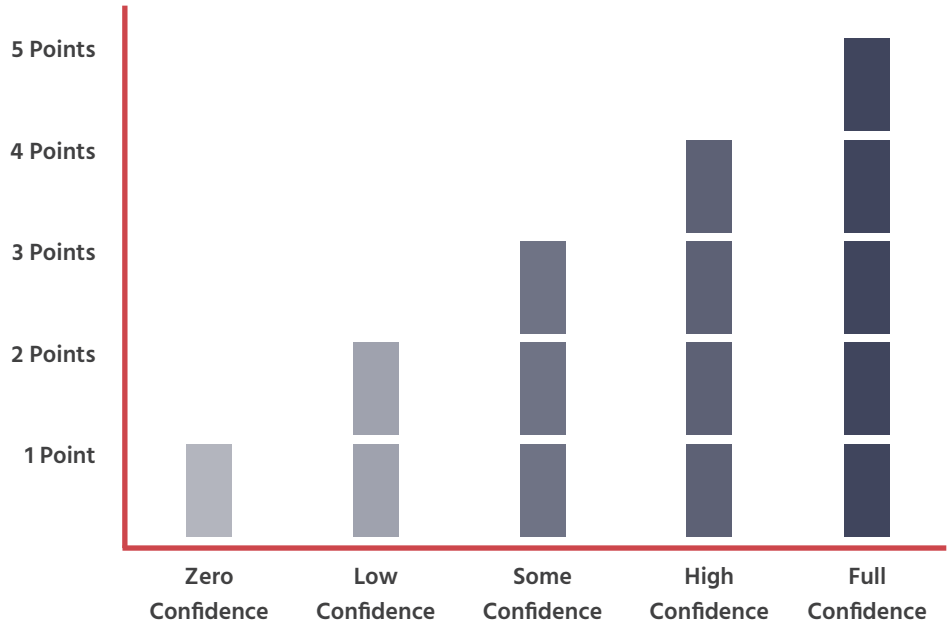
Years of Operation





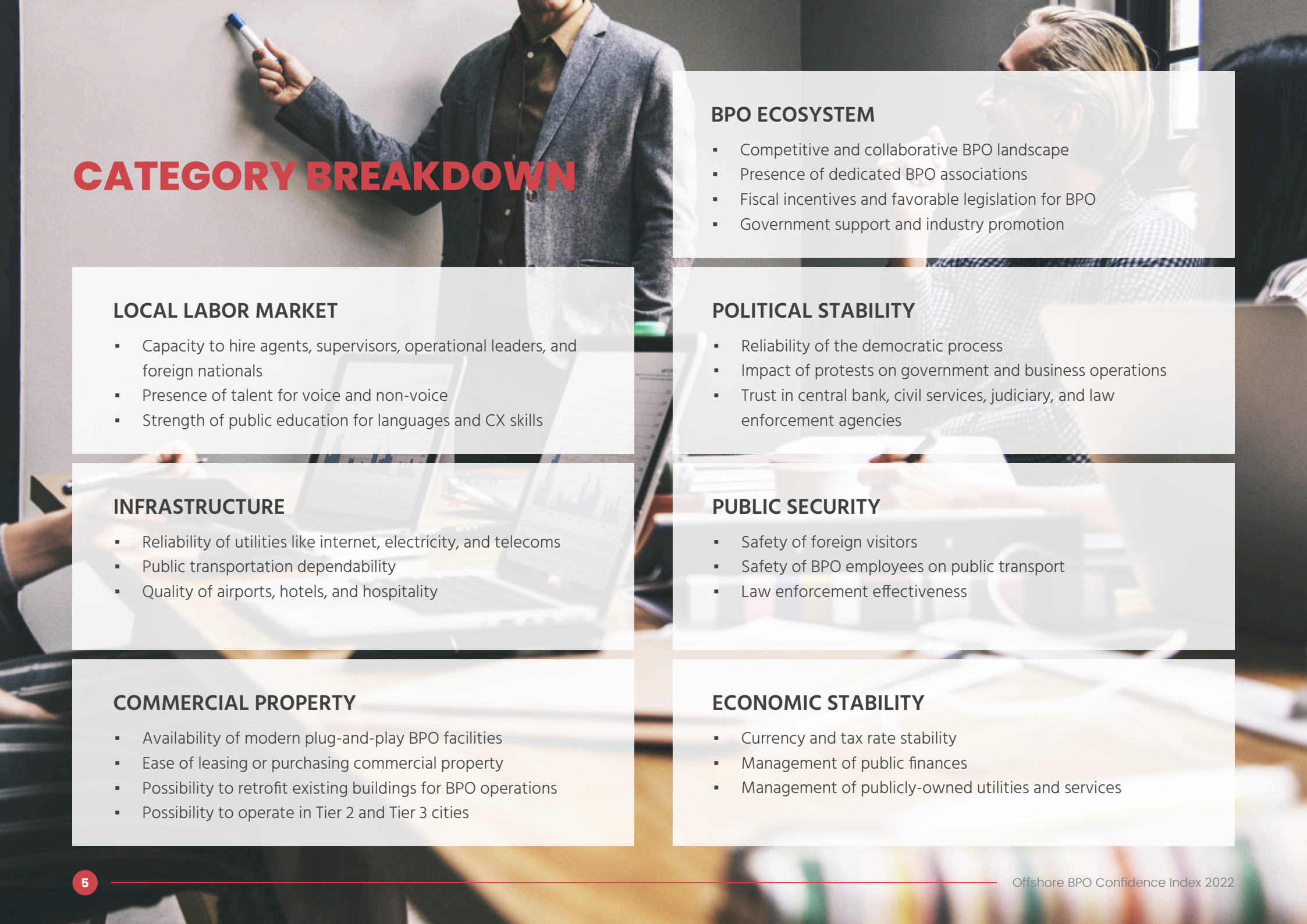
METHODOLOGY

On a scale of one to five, we asked respondents to rate their confidence in the many considerations of doing business in their country, resulting in a maximum of five points for each question.



To calculate the confidence rating for each country, we combine the accumulated points to deduce an average score for every category and the overall rankings.

Respondents' names and company affiliations are confidential. All results are the opinions of participating country managers and do not represent the official views of their respective BPO organizations.



CATEGORY BREAKDOWN

BPO ECOSYSTEM

- Competitive and collaborative BPO landscape
- Presence of dedicated BPO associations
- Fiscal incentives and favorable legislation for BPO
- Government support and industry promotion

LOCAL LABOR MARKET

- Capacity to hire agents, supervisors, operational leaders, and foreign nationals
- Presence of talent for voice and non-voice
- Strength of public education for languages and CX skills

POLITICAL STABILITY

- Reliability of the democratic process
- Impact of protests on government and business operations
- Trust in central bank, civil services, judiciary, and law enforcement agencies

INFRASTRUCTURE

- Reliability of utilities like internet, electricity, and telecoms
- Public transportation dependability
- Quality of airports, hotels, and hospitality

PUBLIC SECURITY

- Safety of foreign visitors
- Safety of BPO employees on public transport
- Law enforcement effectiveness

COMMERCIAL PROPERTY

- Availability of modern plug-and-play BPO facilities
- Ease of leasing or purchasing commercial property
- Possibility to retrofit existing buildings for BPO operations
- Possibility to operate in Tier 2 and Tier 3 cities

ECONOMIC STABILITY

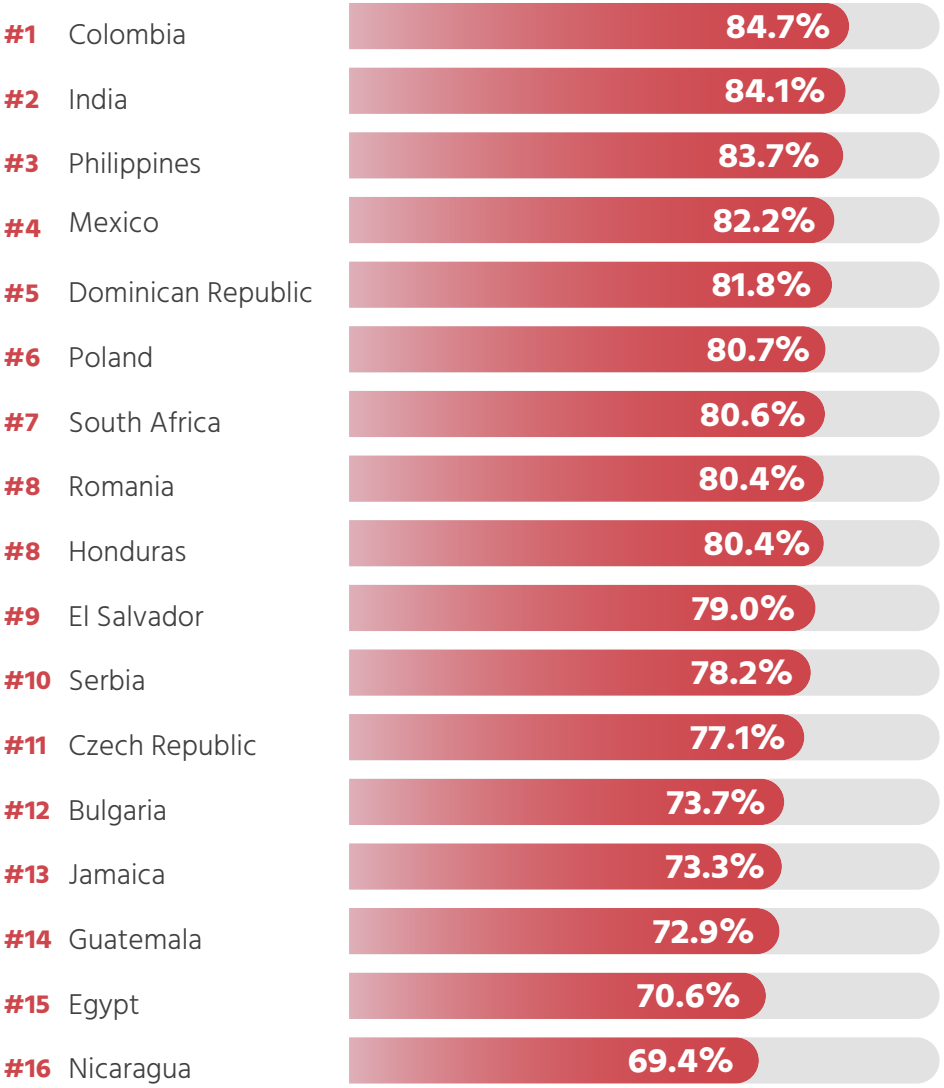
- Currency and tax rate stability
- Management of public finances
- Management of publicly-owned utilities and services

OVERALL RANKINGS

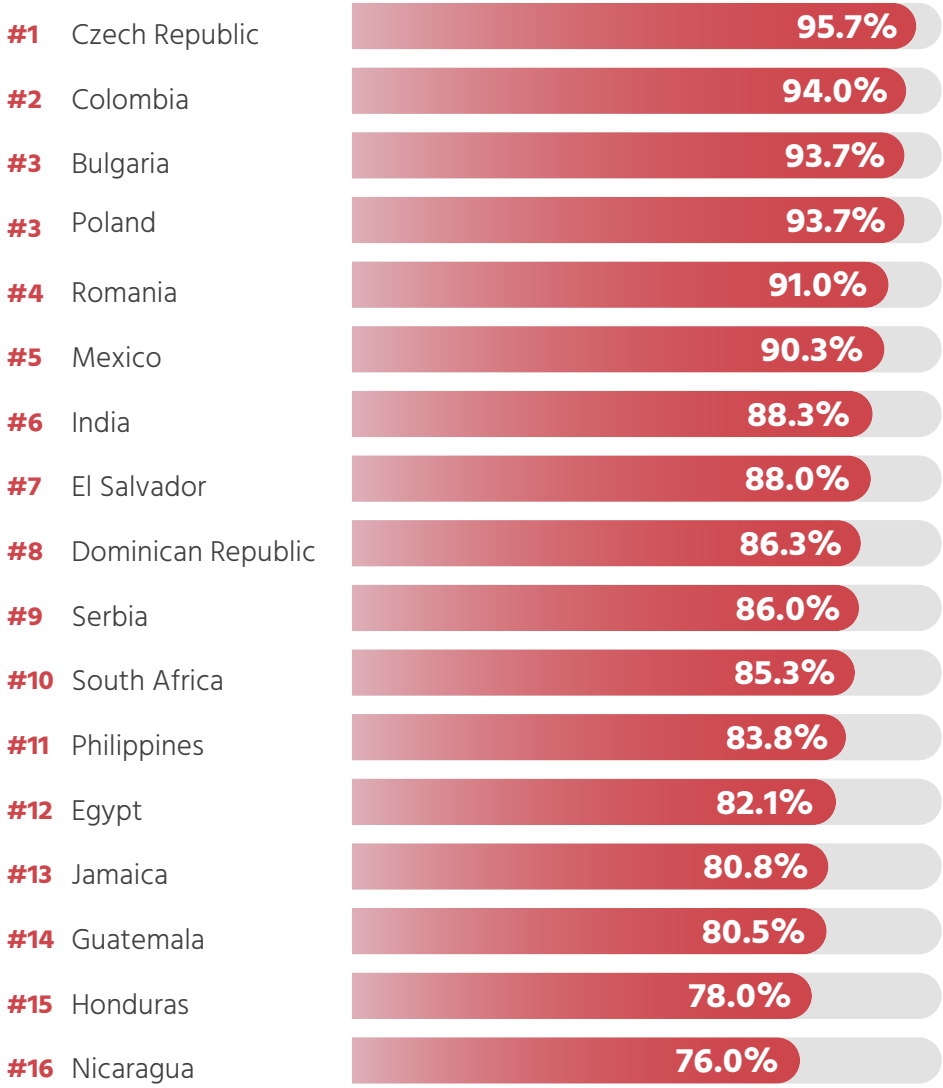
#1	Colombia	85.1%
#2	India	85.0%
#3	Dominican Republic	82.7%
#4	Czech Republic	80.7%
#5	Poland	80.5%
#6	South Africa	80.3%
#7	Philippines	79.7%
#8	Romania	79.4%
#9	El Salvador	78.0%
#10	Mexico	77.2%
#11	Egypt	75.9%
#12	Honduras	74.3%
#13	Jamaica	74.2%
#14	Serbia	73.6%
#15	Guatemala	72.6%
#16	Bulgaria	69.5%
#17	Nicaragua	65.1%

RANKING BY CATEGORY

Local Labor Market

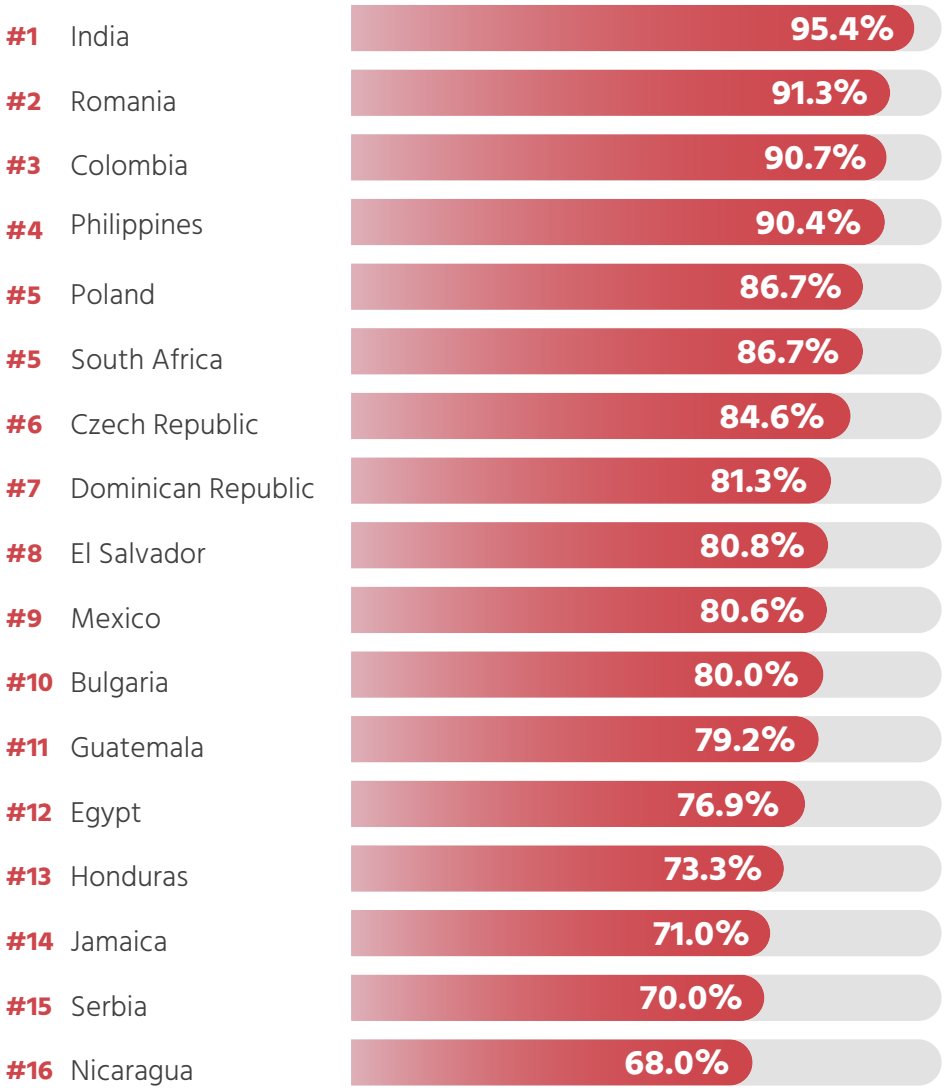


Infrastructure

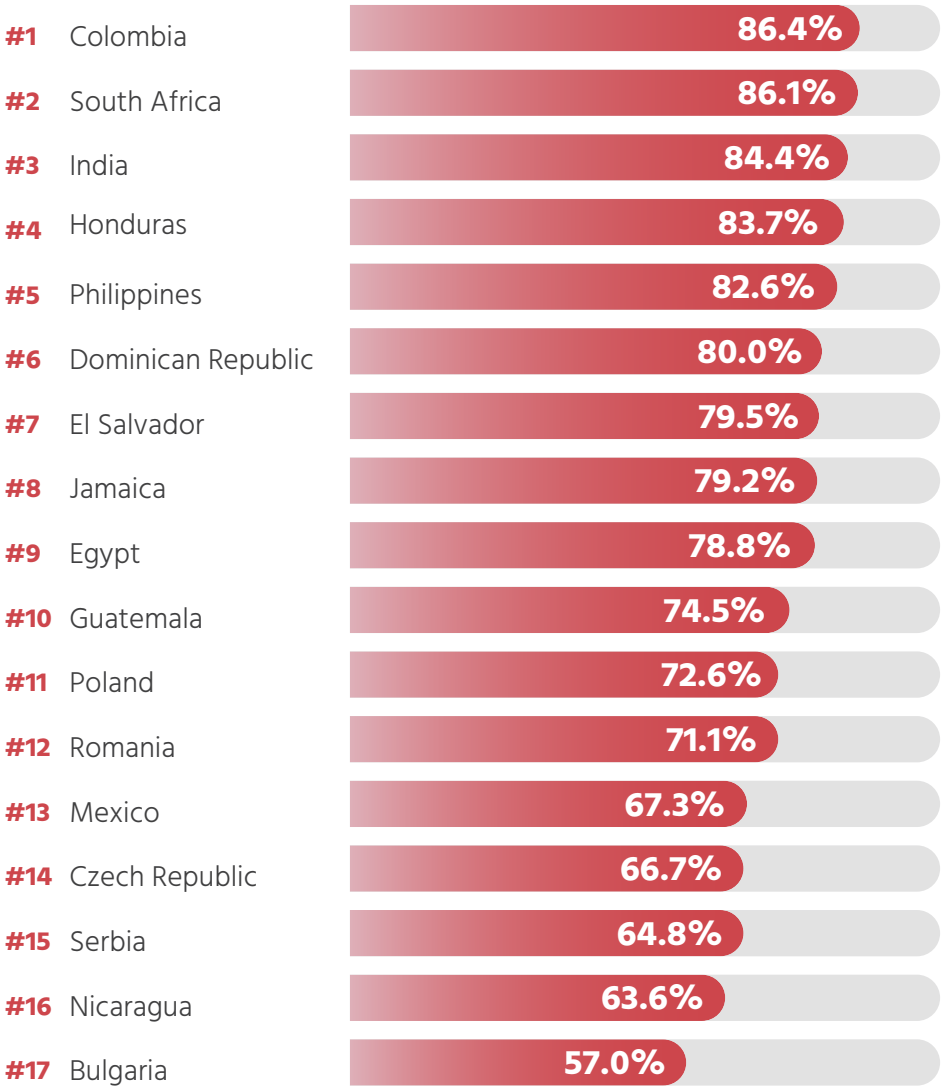


RANKING BY CATEGORY

Commercial Property

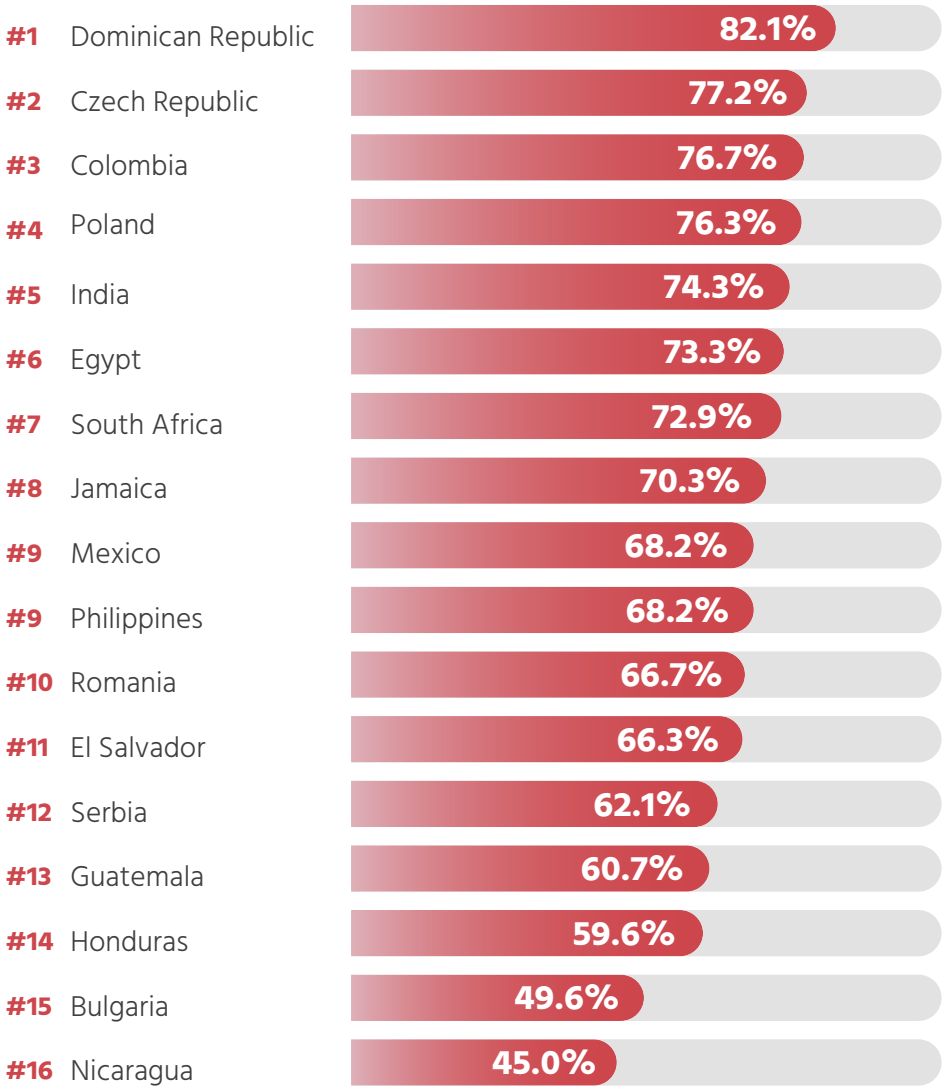


BPO Ecosystem

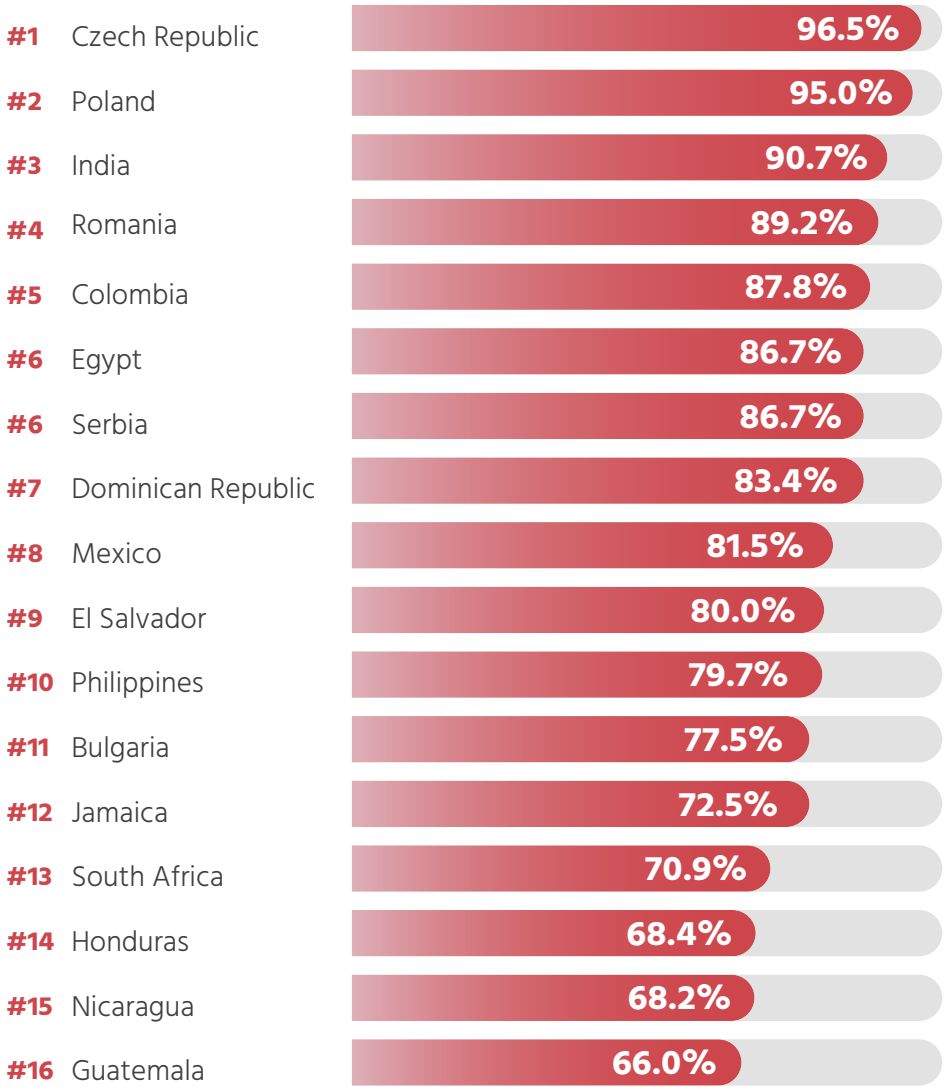


RANKING BY CATEGORY

Political Stability



Public Security



RANKING BY CATEGORY

Economic Stability

#1	Dominican Republic	84.0%
#2	India	83.4%
#3	South Africa	72.3%
#4	Czech Republic	72.0%
#5	Colombia	71.1%
#6	Guatemala	70.4%
#7	Romania	70.0%
#8	Honduras	68.7%
#9	El Salvador	68.3%
#10	Serbia	68.0%
#11	Mexico	67.4%
#12	Philippines	67.3%
#13	Nicaragua	65.0%
#14	Jamaica	64.5%
#15	Egypt	62.2%
#16	Poland	57.3%
#17	Bulgaria	51.3%

Bogota, Colombia

CATEGORY	RANKING	CONFIDENCE RATING
Local Labor Market	1	84.7%
Infrastructure	2	94.0%
Commercial Property	3	90.7%
BPO Ecosystem	1	86.4%
Political Stability	3	76.7%
Public Security	5	87.8%
Economic Stability	5	71.1%

COLOMBIA

Local Labor Market

Confidence is high in Colombia's capacity to provide CX managers, executives, supervisors, and front-line agents, with the availability of talent for digital skills marginally outweighing voice. However, faith in the country's language training capabilities in public education is lukewarm.

As one respondent points out, the government is making multiple efforts to enhance these skills and bolster CX investor confidence. Still, while several talent initiatives exist, some respondents have chosen to remain neutral until they see tangible results.

Infrastructure

The vast majority of respondents (89%) have complete confidence in Colombia's internet connectivity, fixed telephone lines, and mobile coverage for voice. Hotels, restaurants, and airport facilities for international travelers share the same results. Lower confidence in the electric power grid, 4G/5G coverage, and domestic transportation holds the country back from first place this year.

Commercial Property

Arriving BPOs should have no problem buying, leasing, or retrofitting commercial property in Colombia, as confidence is high across the board. Plus, 89% of respondents have complete confidence in the country's second-tier and third-tier cities, although one notes that additional investment is necessary to get property in these locations up to scratch.

According to one respondent, several big players have world-class facilities in the country, and new entrants regularly lease offices with third parties, including co-working operators.

BPO Ecosystem

The country's investment promotion agency, ProColombia, gained high praise this year, with respondents highlighting its ability to lobby the government for favorable BPO regulations. Equally, all respondents expressed high confidence in their competitors' ability to present Colombia's professional, attractive image to international BPO clients and prospects.

According to one respondent, the BPO association has a more significant impact on the vendors offering domestic services due to high competition in the country. Even so, the government's labor department continues to provide favorable benefits and increase exposure to all BPOs in the country.

Political Stability

Colombia's first-ever leftist president, Gustavo Petro, started his four-year presidential term in August 2022, so expectations are high. BPO leaders have already met with the new government to discuss critical issues, reforms, and the country's future. Although respondents are confident in Petro's new administration, some feel it is too soon to evaluate the potential impact of the proposed changes.

Public Security

Despite its fifth-place ranking, all respondents in Colombia have either high or full confidence that visitors will not have issues with safety. Law enforcement is trustworthy, helpful, and efficient, while BPO employees can feel safe using public transport to commute to work. According to one respondent, Barranquilla is considered one of the safest cities in the country.

Economic Stability

Faced with a new government and global inflation, respondents expressed uncertainty over Colombia's economic stability this year, hence the relatively low score. Regarding doing business, one respondent notes that Colombia's banking system is stringent and challenging for new foreign investors to navigate and that new BPOs should be aware of restrictions when receiving foreign currency during their first year of operations.

Cartagena, Colombia

INDIA

Local Labor Market

The majority of respondents in India have very high confidence in their capacity to recruit front-line agents for voice and non-voice channels, along with supervisors, team leaders, and managers or executives. However, they are less confident in the availability of foreign or temporary workers and the related hiring process.

On the public education side, respondents have an average confidence rating of 83% for India's ability to train world-class language skills and the necessary skills for a career in CX or BPO.

Infrastructure

Despite its ranking, 86% of respondents in India have either high or complete confidence in the stability and quality of the country's internet connectivity, fixed telephone lines, mobile coverage, 4G/5G, and electric power grid. Public transportation has the lowest confidence rating (77%) this year, while restaurants, hotels, and airport facilities have the highest.

Commercial Property

India boasts the strongest BPO property market in this year's study. Regarding purchasing and retrofitting commercial property for BPO operations, 88% of respondents have complete confidence that the country can accommodate. For leasing property or finding plug-and-play facilities, all respondents have either high confidence or complete confidence that new BPOs can find what they need. That same confidence applies to second- and third-tier cities.

Agra, India

CATEGORY	RANKING	CONFIDENCE RATING
Local Labor Market	2	84.1%
Infrastructure	6	88.3%
Commercial Property	1	95.4%
BPO Ecosystem	3	84.4%
Political Stability	5	74.3%
Public Security	3	90.7%
Economic Stability	2	83.4%

Mumbai, India

BPO Ecosystem

In general, India's respondents are very confident in the country's BPO ecosystem, especially regarding the positive image that competitors exhibit to international investors and the freedom and flexibility to operate without government interference.

Most respondents are happy with India's investment promotion agency, the local BPO association, and the government's willingness to engage in open dialogue. However, India's lowest confidence rating in this category (74%) relates to the availability of financial support for BPOs, such as tax abatements, training cost offsets, and startup incentives.

Political Stability

Confidence in India's government, civil service, central bank, law enforcement agencies, and judiciary system is lacking, with very few respondents expressing high confidence in the absence of corruption in these institutions. Still, there is high confidence in the fairness of the political system and the capacity for peaceful transitions of power.

Public Security

Regarding safety in India, confidence is high across the board. All respondents agree that foreign business travelers will be safe when visiting India and that BPO employees will have no safety issues when commuting to work on public transport. Moreover, the consensus is that local law enforcement is trustworthy, helpful, and responds promptly and efficiently to criminal activity.

Economic Stability

At only 0.6% behind the Dominican Republic and 11.1% ahead of South Africa, India's respondents have high confidence in the country's economic stability this year, despite global struggles. For the next 12 months, they expect limited currency fluctuations, stable tax rates, and manageable inflation levels, citing the government's ability to manage public finances effectively. However, confidence is somewhat lacking when it comes to publicly owned utilities and services.

Punta Cana, Dominican Republic

DOMINICAN REPUBLIC

CATEGORY	RANKING	CONFIDENCE RATING
Local Labor Market	5	81.8%
Infrastructure	8	86.3%
Commercial Property	7	81.3%
BPO Ecosystem	6	80.0%
Political Stability	1	82.1%
Public Security	7	83.4%
Economic Stability	1	84.0%

Local Labor Market

Respondents in the Dominican Republic expressed a 93.4% confidence rating in the availability of quality front-line agents and experienced supervisors, dropping to 86.6% for operational leadership and 67% for seasonal foreign workers. There is slightly higher confidence in the possibility of sourcing talent for non-voice channels than traditional voice, but only by a slight margin.

One respondent indicated that the government needs to provide more support to increase English language proficiency in the BPO sector. This opinion is reflected in the 70% confidence rating for public education, both for its ability to train world-class language skills and the necessary skills for international CX delivery careers.

Infrastructure

Regarding utilities, there is high confidence in the quality of the Dominican Republic's internet, fixed phone lines, and mobile voice coverage. That confidence remains high for 4G/5G coverage and the electric power grid, only dipping slightly. The country only appears to fall back on the reliability of public transportation and travel connections, despite its high-quality airport facilities, hotels, and restaurants.

Commercial Property

The country has a higher potential for leasing commercial property for BPO operations than purchasing it.. There are good opportunities to retrofit existing facilities, but the availability of modern plug-and-play facilities is

somewhat lacking. Moreover, most respondents believe that the country's second- and third-tier cities outside Santo Domingo are viable choices for new entrants.

BPO Ecosystem

All respondents in the Dominican Republic have high confidence in the government's ability to engage in open dialogue and support the BPO industry with favorable legislation and financial support. However, 50% of respondents doubt that their competitors can agree on the necessary changes required to maximize the industry's success, despite the positive image they exhibit internationally.

Political Stability

Confidence in the fairness and competitiveness of the country's electoral process is high, higher still regarding a peaceful transition of power and the capacity for peaceful protests. Most respondents are somewhat confident that government and law enforcement agencies have low levels of corruption but are more trusting of the central bank and the judiciary system overall. The combination of these sentiments results in the Dominican Republic securing the top spot in this category, significantly ahead of the Czech Republic in second place.

Puerto Plata, Dominican Republic

Public Security

There is little doubt that business travelers will have a safe visit to the Dominican Republic or that the local labor force can trust public transport for commuting purposes. Most respondents also believe local law enforcement is trustworthy, helpful, and capable of delivering swift justice.

Economic Stability

Echoing the country's ranking for political stability, most respondents have high confidence in the government's ability to manage public finances, utilities, and services effectively, securing it another first-place position in the study. Furthermore, all respondents have high confidence that inflation, tax rates, and currency will remain stable and manageable in the Dominican Republic for the next 12 months.

Prague, Czech Republic

CZECH REPUBLIC

CATEGORY	RANKING	CONFIDENCE RATING
Local Labor Market	11	77.1%
Infrastructure	1	95.7%
Commercial Property	6	84.6%
BPO Ecosystem	14	66.7%
Political Stability	2	77.2%
Public Security	1	96.5%
Economic Stability	4	72.0%

Local Labor Market

Most respondents in the Czech Republic have high or complete confidence in the availability of supervisors, managers, and BPO executives but have slightly less enthusiasm for the presence of front-line agents. One respondent noted that BPOs must be willing to pay the salaries requested by their preferred candidates or prepare to hire lower-quality talent.

There is also lukewarm confidence in the education system's ability to teach languages or skills for BPO. Still, with its location in the European Union, operators in the Czech Republic can easily hire EU workers, even if obtaining work visas for non-EU talent is more challenging.

Infrastructure

All respondents have complete confidence in the quality of the Czech Republic's cellular coverage, electric power grid, and public transportation. Trust in the country's internet, fixed phone lines, and 4G/5G is also the highest in the study. Equally, high confidence in airport facilities, travel connections, hotels, and restaurants helps the Czech Republic secure the number-one spot in this category.

Commercial Property

With an 87% confidence rating, there is little concern that purchasing or leasing commercial property for BPO would be a challenge in the Czech Republic. Respondents also have high confidence in the possibility of retrofitting existing property and sourcing multiple cities for BPO or CX

operations. The only apparent fallback in this category is that there may be fewer modern plug-and-play BPO facilities in the country.

BPO Ecosystem

While some country managers generally view the Czech Republic's government as favorable and supportive, others feel it could be more proactive in promoting new investors and the country's success as a BPO and CX location.

Respondents also have low confidence (54%) in the government's ability to provide favorable legislation and financial support. Even so, the majority have high confidence in their industry peers and the Association of Business Service Leaders in the Czech Republic (ABSL).

Political Stability

Led only by the Dominican Republic, the Czech Republic emerges as the second-most politically stable country in this year's study. Most respondents have high or complete confidence that core public services institutions are free from corruption, and there is little doubt in the fairness and competitiveness of the country's electoral process.

Public Security

The Czech Republic leads the world as the safest country in the study. Almost every respondent has complete confidence that foreign business travelers will be safe, staff will be safe on public transport, and law enforcement will be prompt, efficient, and trustworthy.

Economic Stability

Respondents in the Czech Republic have mixed opinions on the economy. Most feel that the government is effectively managing public finances and that the currency will remain stable, but there is uncertainty about tax rates and an expectation that inflation might be challenging to manage over the next 12 months.

Český Krumlov, Czech Republic

POLAND

Local Labor Market

The majority of country managers in Poland have complete confidence in the availability of quality front-line agents, resulting in a 93% confidence rating. Supervisors share a similar result (87%), followed by operational leadership (80%) and foreign workers (77%). Respondents stressed that recruiting for non-voice, digital channels is more straightforward than voice, and many would like to see the public education system improve its approach to language learning and soft skills training. One person also noted that the government could do more to expedite the process of providing working visas for foreign workers.

Infrastructure

All of Poland's respondents have 100% confidence in the quality of the country's internet connectivity, fixed telephone lines, and mobile coverage for voice, with only a little less trust in 4G/5G networks. Poland's electric power grid, public transportation network, airport facilities, restaurants, hotels, and international travel connections evoked similar sentiments from most respondents, signifying that infrastructure is solid and reliable across the board. For one country manager, the current turmoil between Russia and Ukraine raises concerns about electricity and power grid efficiency.

Commercial Property

With a 90% confidence rating, Poland appears to have a high potential to find modern plug-and-play BPO facilities. Respondents also share similar confidence in the possibility of leasing, purchasing, and retrofitting property

Warsaw, Poland

CATEGORY	RANKING	CONFIDENCE RATING
Local Labor Market	6	80.7%
Infrastructure	3	93.7%
Commercial Property	5	86.7%
BPO Ecosystem	11	72.6%
Political Stability	4	76.3%
Public Security	2	95.0%
Economic Stability	16	57.3%

Krakow, Poland

for BPO, along with an 83% confidence rating in the availability of property in second- and third-tier cities.

One respondent noted that while Tier 1 and Tier 2 cities can host most BPOs and provide almost any language, Tier 3 is more suited to serving the domestic market.

BPO Ecosystem

Although confidence is high regarding Poland's investment promotion agency, BPO association, external perception, and a shared vision for the industry, there is significant doubt in the government's ability to support the BPO industry. Most respondents feel that the government is not particularly open to engaging in dialogue, providing favorable legislation for the industry, or offering fiscal incentives to BPOs.

Political Stability

Generally, confidence is high among this year's respondents regarding Poland's political stability. Most believe that elections are fair and competitive, followed by a peaceful transition of power. However, there is apprehension about showing more than "some confidence" in the absence of corruption within core government institutions. This sentiment is less impactful regarding the central bank, judiciary system, civil services, and law enforcement departments.

Public Security

Safety and security generate little concern among respondents, with all country managers expressing 100% confidence in the safety of public transport for contact center workers and the absence of danger for foreign visitors. Generally, trust in the effectiveness of local law enforcement is a little lower but still evokes a substantial 90% rating.

Economic Stability

Trailed only by Bulgaria, respondents in Poland have very little confidence in the country's economy this year. Inflation is the biggest concern for the next 12 months, and very few respondents expect stable tax rates and currency during the same period. Although there is some assurance that the government can manage publicly-owned utilities and services, there is mixed faith in the government's ability to manage public finances adeptly.

SOUTH AFRICA

CATEGORY	RANKING	CONFIDENCE RATING
Local Labor Market	7	80.6%
Infrastructure	10	85.3%
Commercial Property	5	86.7%
BPO Ecosystem	2	86.1%
Political Stability	7	72.9%
Public Security	13	70.9%
Economic Stability	3	72.3%

Cape Town, South Africa

Local Labor Market

Most respondents in South Africa have complete confidence in their ability to source front-line agents for voice support and digital channels and maintain high confidence in the availability of supervisors and leadership. However, the country falls short of the capacity to recruit foreign workers, with delays in the visa process creating a bottleneck.

South Africa's education system is not focused on international CX careers. One respondent noted that while the government understands the positive impact of CX and BPO on employment and GDP, it must do more to steer public schooling towards career-pathing in this industry.

Infrastructure

Public transportation and energy delivery are two areas that require immediate improvement in South Africa and are significant areas of focus for the government and the private sector. In the interim, BPOs have adjusted to provide uninterrupted services during power outages and offer private transportation services to shift workers. Internet, cellular coverage, hotels, restaurants, and international travel infrastructure share high confidence ratings above 80%.

Commercial Property

Most respondents agree that commercial property within South Africa is abundant, with good availability for leasing and purchasing facilities.

Moreover, there's confidence in the possibility of retrofitting existing buildings or finding plug-and-play facilities, and new entrants should have no problem settling in second and third-tier cities.

BPO Ecosystem

South Africa has one of the most robust BPO ecosystems in this year's study, primarily due to the efforts of the country's outsourcing trade associations, Business Process Enabling South Africa (BPESA) and CapeBPO.

Respondents feel that the government adequately supports the industry while competing companies present an attractive image of South African BPO to the world. Regarding financial support, one respondent noted that a more unified strategy is required to provide more clarity on tax incentives and rebates.

Political Stability

Respondents believe corruption is a problem within some government and law enforcement branches and have little confidence that civil services operate autonomously without interference. However, most country managers are fully confident that South Africa's judicial system and central bank are operating independently without any outside influence,

Johannesburg, South Africa

and there is little doubt in the fairness of the country's electoral process.

"I trust that we will soon feel the government's commitment to ending corruption because its success will determine the country's stability," noted one respondent.

Public Security

While there is a sense of uncertainty around the trustworthiness of law enforcement and the safety of commuting BPO workers in South Africa, all respondents are confident that business travelers will be safe visiting the country. "Generally speaking, the areas where foreign visitors travel are much safer than the areas from which the local labor force would commute," noted one respondent. Although high crime rates cause concern, many communities and law enforcers are working on cooperating to solve the issue.

Economic Stability

Confidence is high that inflation and tax rates will remain stable in South Africa for the next 12 months. However, despite South Africa's high ranking in this category, respondents have torn down the middle on their confidence in the government's ability to manage public finances and publicly owned utilities and services.

Manila, Philippines

PHILIPPINES

CATEGORY	RANKING	CONFIDENCE RATING
Local Labor Market	3	83.7%
Infrastructure	11	83.8%
Commercial Property	4	90.4%
BPO Ecosystem	5	82.6%
Political Stability	9	68.2%
Public Security	11	79.7%
Economic Stability	12	67.3%

Local Labor Market

The Philippines has an abundance of experienced agents, supervisors, managers, and executives due to a long-established BPO and contact center industry. Respondents have high confidence in recruiting for voice (91%) and non-voice (93%) channels but have limited faith in the possibility of finding foreign workers due to bureaucratic, time-consuming visa procedures.

Most of the country's graduates that enter the BPO sector acquire their education in private schools (elementary and high school), and respondents feel that the public education system has done little to meet the demands of the outsourcing industry. "The current government policy is ineffective and inefficient," said one country manager.

Infrastructure

Respondents rated their confidence in energy, internet connectivity, landline telephones, and cellular coverage above 80%, although 5G is not accessible in all areas within Metro Manila.

The country lost points due to its public transportation service, which one person described as "meagre standard, lacking connectivity and service availability," so BPO workers are highly dependent on the private sector and personal travel arrangements. Hotels and restaurants, on the other hand, share a 94% confidence rating.

Commercial Property

The Philippines' real estate sector has sufficient space to fit the needs of BPOs, signified by high confidence ratings for purchasing, leasing, and retrofitting property. Manila, though, has become saturated with competition, so more companies are setting up in tier-two and tier-three cities. These locations offer lower rental costs and a talent pool that would commute from the Metro outskirts to the central business district.

"With poor transportation infrastructure and time wasted on commuting, working within a shorter travel distance proves very attractive to the talent we need," one country manager noted.

BPO Ecosystem

Despite its top-five position in this year's rankings, Philippines respondents have mixed opinions about the state of BPO in the country. On the one hand, there's high confidence in the IT and Business Process Association of the Philippines (IBPAP), Contact Center Association of the Philippines (CCAP)and the BPO Services Association (BSA). On the other hand, some country managers feel that government support for the industry has waned, and old legislation needs updating to stay relevant on the world stage.

Still, the Philippines government does provide support to BPOs for talent readiness, while industry organizations and the private sector have agreements that allow the industry to tap into various talent pools.

Political Stability

Respondents feel that law enforcement, civil services, the judiciary system, and core government institutions suffer from corruption, and confidence in the country's electoral process could be higher. Still, there is more confidence in the central bank, and there is little doubt that protests and power transfers will be peaceful.

Public Security

Foreign business travelers should have no issues when visiting the Philippines, and the local labor force is unlikely to experience safety concerns when traveling to work. However, respondents consider law enforcement unhelpful and suggest that connections are required to get a prompt, efficient, and helpful response.

Economic Stability

Echoing the sentiments of most countries in the report, country managers in the Philippines show concern that inflation, tax, and currency rates will fluctuate in the coming year. Respondents also reiterated their distrust in the government's ability to handle public finances, utilities, and services.

Davao, Philippines

ROMANIA

Local Labor Market

Country managers in Romania have no problem sourcing front-line agents for voice support and digital services, experienced supervisors, and operational leadership, but they're struggling to recruit foreign workers due to time-consuming visa processing (up to two years in some instances). One respondent noted that Romania is not yet used to importing labor but expects things to change in the future.

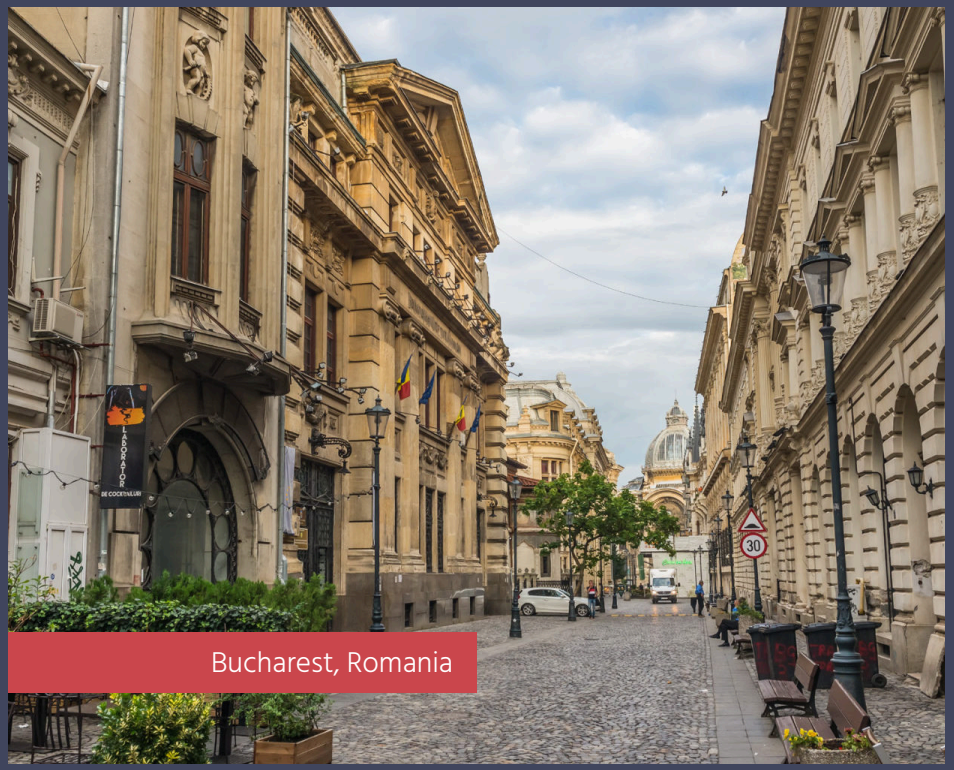
Education-wise, there is high confidence in Romania's ability to teach foreign languages but less confidence that the public education system can train adequate soft skills for CX delivery, leaving the onus on the industry to develop graduates in this area.

Infrastructure

Romania is one of the best countries in the world for internet connectivity, speed, and telecom capabilities, with respondents expressing 100% confidence in these services. The cost of food, restaurants, and general living is low compared with western Europe, and travelers can easily find world-class hotels. However, metropolitan areas like Bucharest suffer from long traffic jams, and there's an opportunity to improve public transportation and international connections significantly.

Commercial Property

Romania's high ranking indicates its potential as a destination for physical contact centers, with amicable leasing, purchasing, and retrofitting property



Bucharest, Romania

CATEGORY	RANKING	CONFIDENCE RATING
Local Labor Market	8	80.4%
Infrastructure	4	91.0%
Commercial Property	2	91.3%
BPO Ecosystem	12	71.1%
Political Stability	10	66.7%
Public Security	4	89.2%
Economic Stability	7	70.0%

Brasov, Romania

options. Most respondents have complete confidence in the availability of modern plug-and-play facilities and see no downside to sourcing multiple cities for BPO operations.

BPO Ecosystem

Despite a growing talent pool, ample availability of commercial property, and reliable infrastructure, Romania's BPO ecosystem has a long way to go to reach the same standard as leaders Colombia, South Africa, and India. While the government doesn't appear to interfere with the industry, it's way behind on favorable legislation, financial support, and BPO regulations. One respondent noted that the Romanian government "doesn't yet see and give credit to the BPO industry to its full potential; therefore, it's not a priority".

Companies eyeing Romania should note that it takes 20 days to start a business in the country, which is far behind the 9-day regional average.

Political Stability

Echoing the sentiments around the BPO ecosystem, respondents have little faith in the government regarding corruption — some country managers expressed zero confidence in this category. There is concern over the independence and efficiency of the judicial system, law enforcement agencies, central bank, and civil services, along with a lack of fairness during elections.

Operationally, the Romanian government is known for making frequent legislative changes without first consulting the private sector, so new entrants should bear this in mind.

Public Security

Like most eastern European countries, Romania is safe to visit and safe for the workforce to commute, scoring a 97% confidence rating in both categories. Respondent confidence drops when considering the trustworthiness and efficiency of local law enforcement, but not enough to cause concern.

Economic Stability

Romania's country managers are uncertain of the future economic state of the country, casting doubt on the 12-month stability of tax rates, inflation, and the Romanian Lei (RON). Still, the country's GDP is growing steadily, despite ongoing global economic crises.

EL SALVADOR

CATEGORY	RANKING	CONFIDENCE RATING
Local Labor Market	9	79.0%
Infrastructure	7	88.0%
Commercial Property	8	80.8%
BPO Ecosystem	7	79.5%
Political Stability	11	66.3%
Public Security	9	80.0%
Economic Stability	9	68.3%

San Salvador, El Salvador

Local Labor Market

El Salvador has relatively few universities and, as is widely reported, many ambitious youths seek to leave the country for the United States. Overall, recruiting bilingual talent can be difficult. As one respondent noted, private secondary schools offer instruction in English, but the public school system does a poor job of equipping students with language skills.

These fundamental realities have not changed over the past year. Instead, the local labor market has tightened since the inaugural Confidence Index. As a result of worsening hiring conditions for front-line agents and BPO supervisors, El Salvador's overall ranking fell in 2022.

Infrastructure

BPO executives and managers view the country's infrastructure as adequate for operations. Internet connectivity is reliable in business parks and commercial zones, and high-speed broadband access is available across much of the capital city of San Salvador. Roads and the primary international airport are in reasonably good condition.

Commercial Property

El Salvador offers good commercial real estate options for BPOs seeking to enter the country, with ample availability for leasing, retrofitting, or building operations. But while setting up shop is a straightforward process, BPO activity remains confined mainly to San Salvador.

BPO Ecosystem

Outsourcers in El Salvador enjoy moderate support from peers, investment promotion agencies, and the government. In part, this owes to a decade-long attempt by operators and BPO stakeholders to develop language training programs for workers to create service-sector jobs and stanch the flow of youth leaving the country. Yet, government support for the sector also takes a back seat to higher-profile efforts to attract foreign investment into trendier sectors, like cryptocurrencies.

Political Stability

El Salvador lacks political stability, according to BPO managers in the country. President Nayib Bukele and his political allies have removed a handful of the country's most powerful judicial figures in the past year, paving the way for a Supreme Court decision allowing Bukele to run for a second term in 2024. The move, widely seen as a power grab, undid a constitutional prohibition on successive terms by the president.

La Libertad, El Salvador

Public Security

With gangs controlling vast swaths of the country, daily life in El Salvador can be dangerous. The country has the highest homicide rate in the world. Yet, this has been the case for years. Over time BPOs have adapted, working to ensure a greater degree of safety for call center agents and visitors.

Economic Stability

El Salvador's middling ranking masks BPO managers' low confidence level in this category. The country's president touted economic salvation in the past year through the official use of bitcoin, loading up on the cryptocurrency at record-high prices. With the price of bitcoin down nearly 70% and the national debt soaring, the economy is teetering on the brink of default, justifying respondents' concerns.

MEXICO

Local Labor Market

As Latin America's largest nearshore market, Mexico boasts an ample workforce of bilingual speakers who possess an array of soft and technical skills. Thus, BPOs across the country have little trouble finding or recruiting agents. Supervisors and mid-level managers are also easily recruited from the domestic talent pool.

Like other leading offshore locations, size works to Mexico's advantage. Outsourcers can find workers in several cities across the country. And numerous universities help to continuously refresh the pipeline of Mexican talent for English-Spanish contact center services. The pervasive influence of US culture also helps.

Infrastructure

With an infrastructure score above 90%, BPO managers broadly approve of the quality of connectivity and roads in Mexico. Widespread 4G coverage and reliable residential internet in the principal BPO hubs of Mexico City, Guadalajara, and Monterrey facilitate work-from-home. Roads are generally sound.

Perhaps the biggest drawback is most international flights continue to go through Mexico City, which has an outdated and cramped airport. A poorly planned airport that just opened outside the capital is unlikely to solve the problem.

CATEGORY	RANKING	CONFIDENCE RATING
Local Labor Market	4	82.2%
Infrastructure	5	90.3%
Commercial Property	9	80.6%
BPO Ecosystem	13	67.3%
Political Stability	9	68.2%
Public Security	8	81.5%
Economic Stability	11	67.4%

Mexico City, Mexico

Commercial Property

BPOs will not struggle to find office spaces throughout Mexico. Currently, Guadalajara offers many options for BPOs entering the country, but while leasing is a straightforward matter, retrofitting can be a chore due to unpredictable wait times for approval of permits.

BPO Ecosystem

Mexico's human talent and scale advantages add up to less than the sum of their parts for one reason: a poor BPO ecosystem. Within days of entering office, populist president Andrés Manuel López Obrador (AMLO) axed the nation's investment promotion agency. Four years later, that decision continues to hamper any effort by the BPO industry to advocate for helpful regulation.

Political Stability

On the surface, Mexico remains a politically stable nation with competitive elections and a six-year presidential term. But while AMLO has not seriously challenged this constitutional provision, he has repeatedly called for referenda to grow his power base at the expense of Mexico's established political norms.

Public Security

Violent crime threatens the lives of many Mexicans daily, so it is little surprise that BPO managers hardly view the country as safe. But, crime has persisted at current levels for over a decade. Still, BPO executives and managers have devised workarounds to ensure operations and agents are relatively safe.

Economic Stability

Mexico's economic fate shadows that of the United States. Yet, while the nation is exiting the COVID-19 pandemic on sound footing, the BPO industry has become exposed to the president's whims.

Over the last 18 months, AMLO has criticized Spanish multinationals operating in the country and condemned outsourcing as an abusive practice. While subsequent legislation makes it clear that the president seeks to curb subcontracting of labor — not BPO — the net result has been to sew concerns within the business services industry that it could face unwelcome regulatory changes.

Guadalajara, Mexico

EGYPT

CATEGORY	RANKING	CONFIDENCE RATING
Local Labor Market	15	70.6%
Infrastructure	12	82.1%
Commercial Property	12	76.9%
BPO Ecosystem	9	78.8%
Political Stability	6	73.3%
Public Security	6	86.7%
Economic Stability	15	62.2%

Cairo, Egypt

Local Labor Market

Egypt's labor strengths lie in the availability of front-line agents for voice and digital support, but experienced supervisors and managers are harder to come by. This situation is likely the result of graduates joining the industry to get a global name on their CVs before leaving to work in their preferred field.

One country manager noted that Egypt's private schools are the primary source of talent for serving offshore markets, especially when looking for solid language capabilities. Most companies have established training programs to provide graduates with the ability to work in the contact center industry since public institutions have little to no influence on these skills. Respondents also view the process of hiring foreign workers as unpredictable and expensive.

Infrastructure

Most respondents have high confidence in Egypt's internet connectivity, fixed telephone lines, cellular voice coverage, and power grid, explaining the country's growing popularity as a BPO destination in recent years. Airports, hotels, and restaurants share similarly positive sentiments. However, low confidence in public transportation, travel connections, and 4G/5G network coverage holds Egypt back in this category.

Commercial Property

Since 2021, confidence in the availability of commercial property in Egypt has dropped by around 10%, with the processes of purchasing, retrofitting, or finding plug-and-play facilities presenting the lowest scores. Leasing

property appears to be the most viable option, and several cities have developed business parks to serve the BPO industry, as one respondent pointed out.

BPO Ecosystem

Confidence could be higher regarding Egypt's current BPO ecosystem, with several country managers showing little faith in the government's ability to provide favorable legislation or support for the industry. Still, most respondents have complete confidence in their competitors' ability to present an attractive, professional image to international clients and prospects.

Alexandria, Egypt

Political Stability

Politically, Egypt achieves an average confidence rating in this year's report, with most country managers providing middling scores across the board. Respondents feel that corruption mainly impacts core government institutions and civil services, but it is less prevalent in the central bank, law enforcement agencies, and the judicial system. There is also concern that protests against the government are unlikely to be peaceful.

Public Security

Traveler safety achieved a 96% confidence rating among BPO country managers, resulting in Egypt's highest confidence rating this year. There is also high confidence in the efficiency and trustworthiness of law enforcement, along with a sense that commuting workers will be safe on public transport.

Economic Stability

Like most countries, various recent global economic crises are affecting Egypt's economy significantly, mainly in terms of inflation and currency devaluation, which scored some of the lowest confidence ratings in this year's study. Respondents have an above-average level of faith in the government's ability to manage public finances and publicly-owned utilities and services, but they show considerable concern about the stability of tax rates, inflation, and currency over the next 12 months.

Tegucigalpa, Honduras

CATEGORY	RANKING	CONFIDENCE RATING
Local Labor Market	8	80.4%
Infrastructure	15	78.0%
Commercial Property	13	73.3%
BPO Ecosystem	4	83.7%
Political Stability	14	59.6%
Public Security	14	68.4%
Economic Stability	8	68.7%

HONDURAS

Local Labor Market

BPO executives in Honduras have a generally positive view of the country's talent pool, with the highest confidence rating of any Central American nation. Recruiting front-line agents, including Spanish-English speakers, can be done easily. BPOs can find it more difficult to recruit experienced agents with sought-after skills, be it niche vertical expertise or multilingual abilities.

Honduras offers a viable second city (San Pedro Sula) outside the capital (Tegucigalpa), a unique feature in Central America. This dual-city offering eases the strain on BPOs looking to recruit talent. Initiatives funded by the government and charities to train young Hondurans in English and tech skills further bolster the BPO talent pipeline.

Infrastructure

Despite the human talent on offer, Honduras suffers as a BPO destination in many respects — infrastructure is an obvious problem. Getting between San Pedro Sula and Tegucigalpa is more of a headache than it should be. And while the internet is fast and reliable at business parks in the country, last-mile connectivity can be unreliable in residences, making work-from-home delivery challenging.

Commercial Property

In San Pedro Sula and Tegucigalpa, a commercial real estate development, Altia Smart City, caters specifically to BPOs and ITOs. Leasing, expanding, or customizing office space in these parks is easy and straightforward.

Roatan Island, Honduras

However, setting up a standalone BPO outside one of these two parks involves red tape and exposes businesses to the crime that ravages Honduras.

BPO Ecosystem

Honduras's positive image in the BPO industry derives mainly from a robust and supportive ecosystem. A string of governments has supported the industry's growth with low taxes. Meanwhile, stakeholders like Altia Smart City and foreign charities have boosted the human talent pool with initiatives to teach English.

Political Stability

BPO executives worry a lot about political instability in Honduras. While last year's presidential election did not feature the fireworks of previous contests, the sad reality is that coups have been known to occur in the country. Less than a year in office, President Xiomara Castro has done little, but the concern is that she could prove to be the puppet of her husband, a leftist who was driven from power in a coup in 2009.

Public Security

Honduras struggles with violent crime. Transnational drug gangs operate with impunity across Central America and perpetrate most of the region's criminal activity. And so, like their counterparts in Guatemala and El Salvador, BPO agents and executives in Honduras must deal with the reality of unsafe streets daily.

Economic Stability

Honduras has a reasonably stable economy, a result of steady inflows of dollars in the form of remittances and foreign aid. Few emerging sources of economic growth could poach talent from BPOs. And, despite political instability, the outsourcing industry has enjoyed steady support.

JAMAICA

CATEGORY	RANKING	CONFIDENCE RATING
Local Labor Market	13	73.3%
Infrastructure	13	80.8%
Commercial Property	14	71.0%
BPO Ecosystem	8	79.2%
Political Stability	8	70.3%
Public Security	12	72.5%
Economic Stability	14	64.5%

Local Labor Market

Jamaica enjoys the largest native English-speaking workforce in the American nearshore. But this is hardly a secret — recently, there have been whispers that this fundamental strength is giving way to saturation. Moreover, one respondent noted that universities offer limited options for BPO-oriented professionals. It can be challenging to find supervisors and mid-level managers on the island.

Infrastructure

Jamaica offers adequate IT connectivity and roads for BPO operations. Wireless telcos began offering high-speed residential packages with 5G coverage in recent years. Direct flights to Kingston and the resort town of Montego Bay from North American and UK cities enhance the island's appeal to foreign investors.

Still, the island suffers from patchy roads and sporadic power outages. And while taxis are aplenty, there are no trains and few buses in Kingston and Montego Bay.

Commercial Property

After several years in which BPOs could easily find office spaces in Jamaica, the commercial property market became tighter in 2022. Still, respondents note that leasing, retrofitting or building office spaces remains viable. In Montego Bay, many of the best sites are now on the city's outskirts.

Kingston, Jamaica

BPO Ecosystem

Jamaica enjoys one of the most committed investment promotion agencies in the Americas. Jamaica Promotions Corporation (JAMPRO) and the Global Services Association of Jamaica (GSAJ) have nursed the development of the BPO industry over the past decade through a combination of lobbying to ensure agreeable government regulation and data collection.

Political Stability

Jamaican politics feature regular and competitive elections, ensuring a baseline of political stability. But, in the past year, rumbles that the nation could officially leave the Commonwealth have brought a degree of concern about the long-term implications for trade ties with Britain and Canada, among other nations.

Public Security

Jamaica suffers from high crime rates and a widespread sense that its streets are unsafe. Gangs dominate daily life in much of Kingston and effectively control parts of the city. In truth, parts of the capital are no-go zones for visitors and business travelers.

Outside observers regularly criticize the government for failing to enact reforms to reduce crime systematically. For now, though, BPO executives and managers are left to their own devices when taking precautions to ensure safe commutes for agents.

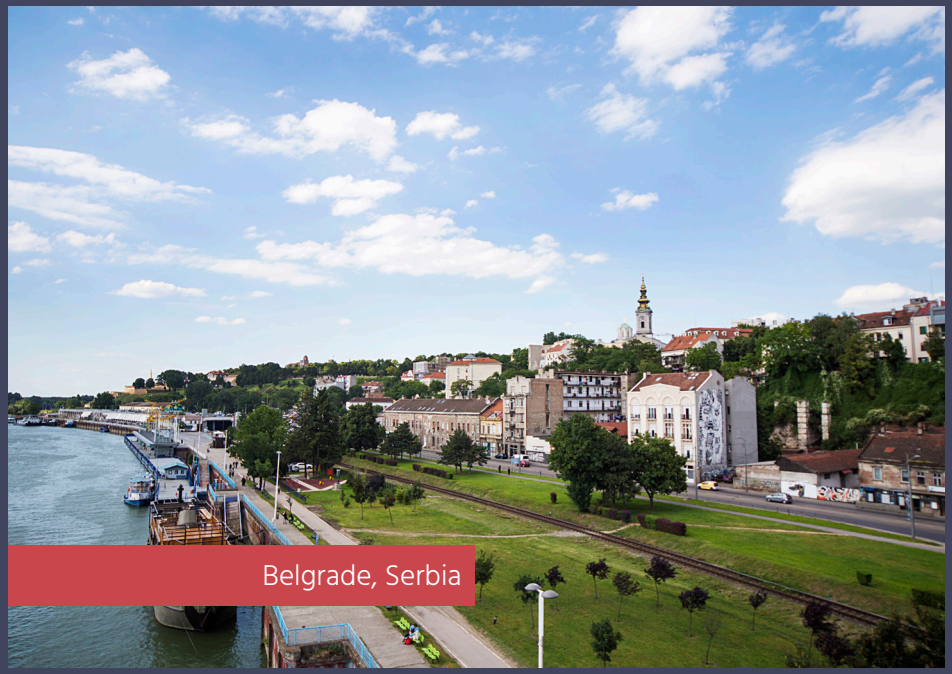
Economic Stability

Jamaica's economy notched stable growth in 2022, despite the lingering effects of COVID-19 on tourism. Yet doubts remain about the mid-term macroeconomic health of the island. The national debt is high, real incomes are barely increasing, and fear of natural disasters looms over budgeting.

Negril, Jamaica

SERBIA

CATEGORY	RANKING	CONFIDENCE RATING
Local Labor Market	10	78.2%
Infrastructure	9	86.0%
Commercial Property	15	70.0%
BPO Ecosystem	15	64.8%
Political Stability	12	62.1%
Public Security	6	86.7%
Economic Stability	10	68.0%



Belgrade, Serbia

Local Labor Market

Serbia's country managers are 87% confident in their capacity to recruit experienced supervisors, team leaders, and front-line agents for voice and digital support. However, Serbia has one of the report's lowest confidence ratings for hiring foreign workers (47%), primarily due to a lack of faith in its visa processing.

On the education side, confidence in the public education system's ability to teach world-class language skills is at 90%, but companies will have to implement internal training programs to help develop the necessary skills for an international CX delivery environment.

Infrastructure

Respondents are primarily optimistic about Serbia's internet, phone, and cellular connectivity and the country's electricity and power grid reliability. Public transportation, on the other hand, is holding Serbia back in this category. Belgrade, the country's capital, has no underground metro, and "infrastructure, in general, needs improvements", according to one country manager. Still, visitors will have no problem finding world-class hotels and restaurants during their stay.

Commercial Property

Serbia's low position in the rankings reflects the challenges of acquiring suitable commercial property for BPO operations. Leasing property appears

to be the most viable approach for new entrants, with respondents labeling facility purchases as the more difficult option. There is also limited confidence in the ability to source multiple cities for multilingual BPO operations outside Belgrade.

BPO Ecosystem

Serbia has a long way to go to establish a thriving BPO ecosystem. The country has no local BPO association, and respondents display low confidence in the government's ability to support the sector with financial incentives and favorable legislation. There is also doubt in existing players' ability to form cohesive views that would maximize the industry's success, signifying the absence of collaboration amongst BPOs.

Political Stability

Respondents show little faith in Serbia's government regarding corruption, the electoral process, and peaceful transitions of power. Not one country manager responded with complete confidence in this category. Serbia is also said to suffer from a weak rule of law, political interference in the judicial system, legislative and regulatory unpredictability, and complex bureaucracy. However, improvements in business registration, licensing, and

Novi Sad, Serbia

e-procurement have helped the business climate develop in recent years.

Public Security

Serbia is a safe, secure country with minimal risk of danger for foreign business travelers and commuting workers, scoring as high as 97% and 93% confidence ratings in these categories, respectively. Country managers have less confidence in the efficacy of local law enforcement but no less than other eastern European countries.

Economic Stability

Economically speaking, Serbia evokes average levels of confidence from its BPO country managers, who share mixed opinions on the potential stability of inflation, tax rates, and currency in 2023.

Serbia's emerging economy still represents a significant BPO investment and export opportunity if government motivation to support the sector can be improved.

Antigua, Guatemala

CATEGORY	RANKING	CONFIDENCE RATING
Local Labor Market	14	72.9%
Infrastructure	14	80.5%
Commercial Property	11	79.2%
BPO Ecosystem	10	74.5%
Political Stability	13	60.7%
Public Security	16	66.0%
Economic Stability	6	70.4%

GUATEMALA

Local Labor Market

BPOs in Guatemala struggle to find and recruit agents. Few secondary schools teach English well, resulting in a shortage of bilingual talent. Moreover, one respondent said it's daunting to recruit and retain mid-level floor managers. In this environment, Guatemala's BPO labor market faces serious challenges. This reality accounts for the low confidence among BPO managers regarding the local labor market.

Infrastructure

BPO managers are increasingly concerned about the state of infrastructure in Guatemala. Though the country has a confidence rating above 80%, shoddy residential internet presents a problem for BPOs looking to offer work-from-home customer care. Transportation infrastructure can also be a headache. One respondent deemed the capital's roads and airport "unreliable."

Commercial Property

Suitable commercial real estate can be complicated for BPOs to find in Guatemala. Industry executives expressed uniformly pessimistic views of the property options, regardless of whether an outsourcer sought to lease, retrofit, or build on a site from scratch. Much of the suitable commercial space lies in just a few parts of the capital, like Zone 10, further crimping real estate options.

Guatemala City, Guatemala

BPO Ecosystem

Guatemala's outsourcers operate with sporadic support from investment promotion agencies. At times in the past, the agency BPO Guatemala encouraged the sector's growth through efforts to help train agents in English. However, this initiative appears to have fallen by the wayside in 2022. Efforts to advocate for BPO-friendly regulation have proven similarly inconsistent.

Political Stability

Political instability concerns BPO executives in Guatemala. Though 2022 has been less tumultuous than other years in the recent past, the country still suffers from weak political institutions that often give way to corrupt deals among the country's elites.

Public Security

As part of Central America's infamous "Northern Triangle", Guatemala faces numerous security challenges. Gangs operate with impunity across much of the country, resulting in high levels of violent crime, including murder and kidnapping. Unfortunately, unlike other parts of the region, BPO operators in Guatemala feel fully exposed to the uncertainty and risk posed by lawlessness.

Economic Stability

For all its other problems, at least Guatemala's economy is seen as relatively stable. Remittances helped prop up the economy throughout the COVID-19 pandemic, allowing for a shallower recession than in other parts of the region and a spry economic rebound in 2021. Food prices have crept up recently. Overall though, the Guatemalan economy is poised for stable growth.

BULGARIA

CATEGORY	RANKING	CONFIDENCE RATING
Local Labor Market	12	73.7%
Infrastructure	3	93.7%
Commercial Property	10	80.0%
BPO Ecosystem	17	57.0%
Political Stability	15	49.6%
Public Security	11	77.5%
Economic Stability	17	51.3%

Local Labor Market

BPO executives and managers in Bulgaria are growing worried about the talent pipeline for successful contact center operations. While the country offers a host of universities, better prospects in Western Europe entice thousands of skilled Bulgarians each year to leave for advanced EU nations. And in 2022, the end of COVID-19 restrictions across Western Europe catalyzed the movement of talent from southern to western Europe. Brain drain is thus a rising concern.

Additionally, young Bulgarians with linguistic and tech skills typically reside in Sofia. Attempts to spur the growth of secondary cities, namely Plovdiv, have produced mixed results. With talent either leaving for Western Europe or concentrating in the capital, BPOs can end up in bidding wars for choice recruits.

Infrastructure

Confidence remains high in Bulgaria's IT backbone and the country's roads and transport options. Amid an overall decline in BPO executives' confidence in the value of service delivery from Bulgaria, positive views of the country's infrastructure are a rare bright spot.

Commercial Property

Leasing suitable real estate in Sofia remains viable for BPOs to enter the market. However, common alternatives, such as retrofitting existing offices, can be trickier. More difficult still for an arriving BPO is to set up shop

Sofia, Bulgaria

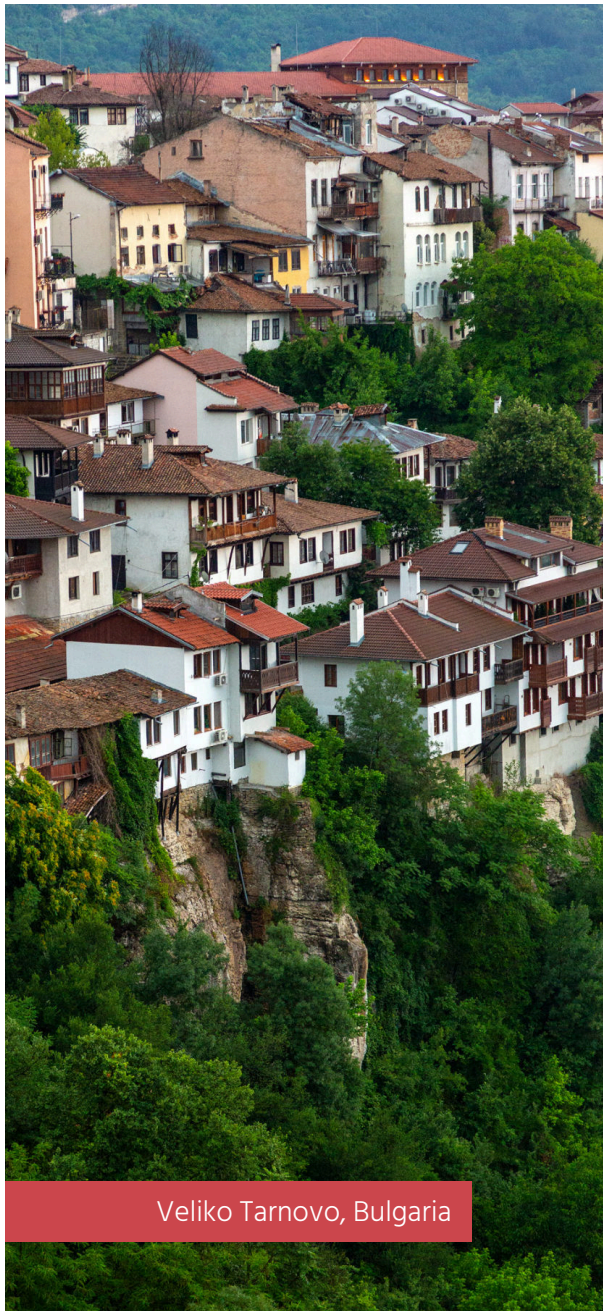
outside the capital, where a lack of suitable commercial spaces and red tape can hamper new outsourcing operations.

BPO Ecosystem

A BPO entering Bulgaria should not expect support since the country's BPO ecosystem is the lowest rated in the study. Such a lack of support from a dedicated government agency means sporadic — or nonexistent — advocacy for BPO-friendly regulation and a lack of data to inform potential investors, among other problems.

Political Stability

Concerns abound regarding the political direction of Bulgaria. As of October 2022, the country has endured four elections in 18 months. While this is not wholly unprecedented in parliamentary democracies (see: Israel and Italy), the stakes are high in Bulgaria. Despite a longstanding commitment, the country is unlikely to adopt the euro soon. And the churn of elections has many worried that voter frustration could ultimately empower political extremists.



Veliko Tarnovo, Bulgaria

Public Security

Workers and visitors should be mindful of how they move about in Bulgaria. The country has a low homicide rate and generally low statistics related to violent crime. But when it comes to BPO operations, safe transit to and from work is becoming more of a concern.

Economic Stability

Bulgaria lacks economic stability. Primarily, the mounting worries about Bulgaria's economy from BPO executives and managers owe to externalities, such as the end of COVID-19 restrictions across Europe and the subsequent lure of higher pay in Spain, Germany, and elsewhere. Also, one respondent noted that political instability might prevent the execution of sound economic policy.

NICARAGUA

CATEGORY	RANKING	CONFIDENCE RATING
Local Labor Market	16	69.4%
Infrastructure	16	76.0%
Commercial Property	16	68.0%
BPO Ecosystem	16	63.6%
Political Stability	16	45.0%
Public Security	15	68.2%
Economic Stability	13	65.0%

Managua, Nicaragua

Local Labor Market

Nicaragua is the least favored destination in the 17-country sample, according to BPO executives based there. Little surprise then that managers report difficulty in recruiting and retaining agents. A shortage of bilingual Spanish-English agents, and a general lack of tech skills, consign some BPOs to offering lower-value transactional services.

Curiously though, one respondent with experience across the region said that while good agents may be hard to find in Nicaragua, sponsoring visas for managers and higher-level executives is more straightforward than elsewhere in Latin America.

Infrastructure

Nicaragua's low ranking compared to other countries surveyed here belies a generally more upbeat view of the country's infrastructure. The capital of Managua enjoys reliable service from respected telecoms. In fact, unlike other countries in the region, when BPOs in Nicaragua switched from on-site delivery to WFH in the early months of the pandemic, they pulled off the transition without a hitch, thanks in part to quality residential Internet.

Nicaragua also stands out from the pack by offering clean tap water, a rarity in Latin America. Still, roads are patchy, and the airport in the capital needs work.

Commercial Property

BPOs face headwinds if they want to enter or expand in Nicaragua. Outsourcers must contend with red tape to secure a site, and increasingly, they must do so in an environment where significant business investment brings extra scrutiny from government offices. One BPO reported that expanding at a given site was subject to arbitrary caps.

BPO Ecosystem

For years, the investment promotion agency PRONicaragua offered steady, effective support for BPOs in the country. Officials from the country's free trade zone also helped but, as one respondent noted, since Ortega's crackdown against political opponents — which includes business leaders — these outfits have offered "more limited" aid in recent years.

Political Stability

Nicaragua's lowest ratings are in the realm of political stability. In office since 2006, Daniel Ortega has dismantled democratic institutions in the country by ordering sweeping arrests of opposition politicians and protestors, and appointing his wife as vice president. Election monitors and Western democracies condemned his reelection as a farce in November 2021.

Granada, Nicaragua

Public Security

Unlike neighboring countries, Nicaraguan streets are safe for locals and visitors. The country's homicide rate is significantly lower than that of Guatemala, El Salvador, or Honduras. One respondent from a global BPO said it offered a private shuttle for its agents, but this service operates more as an added convenience to agents than a necessary security measure. Still, the perception of security in the country is marred, not by the prevalence of gang violence but by the chill of Nicaragua becoming a police state.

Economic Stability

Paradoxically, Nicaragua's economy has proven resilient of late. Part of the reason is that the creeping one-person rule has unfolded over 16 years, allowing businesses to adjust. Another source of stability is the dollar: Nicaragua's economy is highly dollarized, and BPOs reported paying all agents in USD.

ABOUT THE AUTHORS

Peter Ryan

Peter Ryan is the Principal at Ryan Strategic Advisory. Peter has worked in the CX analysis and advisory space since 2003 and has established a reputation as one of the most knowledgeable thought leaders in the global outsourcing space. Peter is an expert in vertical market penetration, service delivery, best practices in technology deployment, and offshore positioning. He's also a great boxer and spars regularly in his home base of Montréal, Canada.

Matt Kendall

Matt Kendall is the Founder and Managing Director at Cognitive Copy. Based in Valencia, Spain, Matt started providing copywriting services for the BPO, ITO, and CX industries in 2018. Before launching his business, Matt spent three years analyzing BPO trends in the American nearshore and two years reporting on the telecom, IT, and automotive sectors in Mexico and Central America. Today, Matt writes and directs short films and plays drums in his free time.

RYAN STRATEGIC ADVISORY

Ryan Strategic Advisory provides market insight, brand development initiatives, and actionable data for organizations in the customer experience services ecosystem. With two decades of experience, Ryan Strategic Advisory is the world's most trusted source of actionable insight into the global front-office BPO and customer experience sectors. Please visit our website to learn more or get in touch through our contact form.

Cognitive Copy

Cognitive Copy specializes in copywriting and content creation for the outsourcing industry. With years of experience writing for BPOs, contact centers, and software development outsourcers, we can help you engage with your audience and boost your marketing wins. Contact us to discuss your next marketing project, or visit our website to learn more about our writing, consulting, and research services.