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UK firms to drive offshore outsourcing boom  
Spending to increase 50 per cent year-on-year, says Gartner

By Andy McCue

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Demand for offshore outsourcing services among UK and European companies is set to increase by 50 per cent per year over the next two years, according to Gartner.

Globally the analyst predicts the number of organisations doing offshore outsourcing will increase from 13 per cent to 20 per cent over the same period.

Ian Marriott, research VP at Gartner, said: "We are seeing increasing uptake in offshore services in the UK and Europe both with traditional providers and Indian providers. It's not an add-on anymore. Deploy those resources wherever they can be found."

India remains the first choice of offshore destination for European countries and China also features as a potential top three choice, although it is still hampered by a lack of English language skills and a focus on the US.

But Marriott said that many organisations are increasingly looking at nearshore destinations among the former Eastern Bloc countries such as the Czech Republic, Hungary, Poland, Romania, Russia and Slovakia.

He said organisations need to cast their net wider and consider other options based on their individual needs.

Marriott added: "There's a huge amount of activity. We are tracking 60 countries offering services around the world."

Speaking to silicon.com at the Gartner Outsourcing Summit in London this week, Rajeev Sawhney, corporate VP at Indian outsourcer HCL, which recently [won a £150m offshoring deal with Dixons](#), admitted India faces challenges addressing labour shortages, attrition and rising salaries.

He said: "You cannot ignore the war for talent. Good people are hard to find. To get the best and retain the best is hard."

**But he added that China still has a long way to catch up before it can compete with India in the offshore outsourcing market because of its lack of English language skills.**

**Sawhney said: "Going forward, in the next decade China will move from manufacturing to services. But being able to speak English is one thing. Being able to think it is another."**