



## ISRAEL & EASTERN EUROPE KEY FIGURES FOR OUTSOURCING

### Bloomberg 2017 Innovation Index

Economy	R&D intensity	High-tech Companies	Education	Patent activity
Poland	36	13	23	11
Bulgaria	48	30	24	33
Romania	49	28	41	19
Russia	31	15	2	6
Ukraine	42	35	5	10
Israel	2	11	4	31

\*Bloomberg ranked countries based on their overall ability to innovate and identified the TOP 50



### The Global Outsourcing Report. Opportunities, Costs and Risks

Global Outsourcing Rank	1	6	10	13	17	18
Global Outsourcing Index (GOI)	2.02	2.40	2.46	2.56	2.74	2.76
Country	India	Russia	Romania	Poland	Ukraine	Israel
<b>Cost</b>	\$\$	\$\$	\$\$	\$\$\$	\$\$	\$\$\$\$\$
Geopolitical risk	3	3	2	2	3	3
Human capital risk	1	1	2	2	2	2
IT competency risk	2	2	2	2	3	1
Economic risk	1	2	3	3	2	3
Legal risk	3	5	5	3	5	1
Cultural risk	1	3	2	2	3	1
IT infrastructure risk	4	2	3	2	2	1
<b>Overall Risk Rating</b>	2.1	2.4	2.6	2.2	2.8	1.8
<b>Market Opportunity Rating</b>	1.8	3.0	3.0	2.9	3.9	1.9
<b>Future Outsourcing Rank</b>	2	5	7	20	6	22

\*Cost, risk and market opportunity are rated on a scale of 1 to 5, where 1 is the least risk and 5 is the greatest.

#### INDIA

1 -> 2

The world's most popular outsourcing location, India has the early-mover advantage, with little cultural risk, a huge, well educated, experienced labor pool, improving management expertise and familiarity with global customers. But rising costs will limit future competitiveness

#### RUSSIA

6 -> 5

Russian IT offshoring is growing, with a focus on niche software companies. The country boasts a highly skilled, creative workforce; drawbacks include poor government support and poor enforcement of IP. Will focus successfully on creative solutions and R&D services in the future.

#### ROMANIA

10 -> 7

Romania's many well-educated and highly skilled IT workers are particularly strong in specialized software development and Internet-based services. Costs and cultural risk are low, and legal risk is declining. This leads to a promising future.

#### POLAND

13 -> 20

Strong in nearshoring from continental Europe, Poland is popular among Western defense contractors, with an educated IT workforce, strong systems writing and R&D skills, and good infrastructure. Its future lies in recent membership in the EU, though costs will rise.

#### UKRAINE

17 -> 6

Ukraine's big pool of IT specialists and low labor costs make it competitive for offshore programming, and the market is growing. The country's future is good, but it depends on reducing corruption and imposing the rule of law.

#### ISRAEL

18 -> 22

Highly skilled in R&D and product outsourcing, Israel has a reputation for high quality and innovation, though costs are high. Its future as a developer of intellectual property and for telecommunications, security and life sciences is bright, but expensive.