Central America growing into call center hub

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By Doreen Hemlock | March 6, 2006

Central America is gaining ground as a hub for call centers and offices that handle data entry and other routine business functions for corporations.

A new report finds nearly 21,000 people employed in call centers in Central America, plus 17,000 working more in back-office and information-technology processing.

Panama leads in the Central America region, followed by Costa Rica, El Salvador and Guatemala, according to the report from Miami-based researcher Zagada Markets Inc.

Avaya is the biggest provider of equipment for the centers, followed by Nortel, Siemens and Genesys, Zagada said.

Central America's growth comes as corporations increasingly delegate their calls and more routine parts of their office work to specialized centers to cut costs and focus on other productive activities.

Many call center and IT processing firms are setting up "near-shore" in the Caribbean and Latin America for easier monitoring from the Americas, compared to centers in such distant locales as India or the Philippines.

Zagada predicts the number of call center agents in Central America will rise by about 8,000 in the next 12 months to about 29,000 in early 2007.

That's almost as many agents as now work in the Caribbean, where the Dominican Republic has displaced Jamaica as the top call-center employer, Zagada said.

Helping spur the growth: the newly signed U.S.-Dominican Republic-Central America Free Trade Agreement known as DR-CAFTA slated to take effect this year, researchers said.

For more information on the report due out this week, check <u>www.Zagada.com</u>.