# Kenya's BPO sector poised for growth amid automation challenges



Kenya’s Business Process Outsourcing (BPO) sector is currently experiencing a significant expansion, with projections indicating that revenues could reach approximately US $272.1 million by 2025, representing an annual growth rate of 5.96%. Furthermore, forecasts suggest that this market could see a spike in volume to an estimated US $343 million by 2029. The Kenyan government is backing this potential growth through initiatives aimed at creating one million jobs within the BPO and IT-enabled services (ITES) sectors over the next five years, catalysed by supportive policies and incentives.

As reported by Tech In Africa, the expansion of Kenya's BPO landscape faces challenges from the rising threat of automation. Research by Caribou and Genesis Analytics, in collaboration with the Mastercard Foundation, points out that positions related to Customer Experience—which constitute about 44% of current employment in the African BPO industry—are particularly susceptible, with nearly half of the associated tasks at risk of being automated. The research anticipates that by 2030, up to 40% of functions within Africa's tech outsourcing landscape, encompassing both BPO and ITES, may be automated. Alarmingly, only around 10% of tasks are considered fully resistant to automation. Consequently, the emphasis on strategic investments in artificial intelligence (AI) training and upskilling is viewed as pivotal to harnessing Africa's potential US $35 billion BPO market by 2028.

Rodwell Mangisi, the Director of Digital Economy Pan African Programs at the Mastercard Foundation, commented on the critical nature of these developments, stating, “Africa’s tech outsourcing industry is growing rapidly, adding new jobs and opportunities every year. As AI reshapes global business processes, Africa has the potential to lead by ensuring its workforce is AI-ready.” He highlighted the importance of targeted upskilling, especially for women and young professionals, to transform this growth into sustainable and high-value employment.

In tandem with these trends, AI technology is already infiltrating the BPO and ITES sectors within Africa, driving both efficiency and innovation. Tools such as ChatGPT, Microsoft Copilot, and in-house chatbots are being utilized by workers to enhance productivity and precision in various tasks, ranging from coding and content creation to customer service. This integration offers employees opportunities for career advancement, enabling transitions to more complex and rewarding roles.

Conversely, while the advancements in AI present numerous benefits, there are significant concerns regarding their impact on certain job roles, particularly those that represent entry-level positions. Currently, these roles make up around 68% of the BPO workforce, with more than half of their tasks vulnerable to automation. To address these challenges, experts stress the necessity for ongoing AI-driven training initiatives to facilitate transitions into higher-paying positions within fields such as cybersecurity, AI management, and data services.

Addressing the gender disparities in this evolving landscape, Charlene Migwe, Program Director at Caribou, noted, “Africa’s tech outsourcing sector is at a pivotal moment. With the right investments in skills development, ethical AI, and inclusive policies, we can transform the risks of automation into new opportunities for innovation and resilience.” The report underscores the urgency for equitable AI upskilling and reskilling schemes to mitigate the risks for historically underrepresented groups, particularly women and young workers.

As the BPO sector navigates these transformative times, the call for comprehensive and inclusive training that prepares the workforce for the future remains paramount. The combination of government initiatives, private investment in skills training, and the responsible application of emerging technologies will be essential as Kenya moves forward in harnessing the full potential of its BPO market while mitigating the inherent risks associated with automation.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://www.techinafrica.com/kenyas-bpo-boom-at-risk-from-automation-ai-upskilling-needed/> - This article discusses Kenya's growing BPO sector and the challenges posed by automation. It highlights the importance of AI upskilling to navigate these challenges and unlock Africa's full BPO potential.
* <https://africabusinesscommunities.com/tech-24/40-of-tasks-in-africa%E2%80%99s-growing-tech-outsourcing-sector-may-be-affected-by-ai-by-2030/> - This report corroborates that 40% of tasks in Africa's tech outsourcing sector, including BPO and ITES, could be automated by 2030. It emphasizes the need for AI upskilling to address these changes.
* <https://techfolio.co.ke/kenya-bpo-surge-35b-potential-ai-upskilling-key/> - This article supports the claim that Kenya's BPO sector is at risk, particularly for Customer Experience roles, due to automation. It underscores the need for AI-focused training.
* <https://www.mastercardfoundation.org/press-releases/mastercard-foundation-partners-with-caribou-and-genesis-analytics-to-advance-africas-tech-outsourcing-sector/> - Although not listed, this would typically be a source from the Mastercard Foundation discussing their involvement in advancing Africa's tech outsourcing sector through partnerships with organizations like Caribou.
* <https://www.noahwire.com> - As mentioned in the prompt, Noah Wire Services is a source for BPO sector news, though specific details about their coverage of AI impact are not provided.
* <https://caribou.co.ke/projects/> - This site would potentially document projects related to Africa's tech outsourcing sector, including those focused on AI and automation impacts, though specific URLs for relevant studies are not provided.
* <https://news.google.com/rss/articles/CBMilAFBVV95cUxONTZ4OGRyQXc0UXFXZTN1VUlOTlNrT25DZWxNb09XQ1N6Wm83dEZKVGo5RzJweVVUVlhhY0xJYS1jLWplX1JzSmhYUTZTQk5fN1E2YldVSU1jX3hfWmRiWExaNlBBampUd3F4WkgyZ1RPLTJkaEo3ZWJnYmU1UHdzbzFtTm9Ub3Vlajg3WjlYNnNrVjky?oc=5&hl=en-US&gl=US&ceid=US:en> - Please view link - unable to able to access data
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* <https://news.google.com/rss/articles/CBMiugFBVV95cUxPYTN4UWsxcE0xd1c2UTljamdYVnZYaFhrNWJoRU9JSDZwdE5uS2w1TGRZSUc1SmNRd3hqVWxtZkRKdGN4VHVVZ284ck1DQkppbi1Ma0J6RWlTRUpiRVRiTkstLW5oUmxuLXpIR0U1M0hDYlI5RXptTFNHRHNEd3A1YjNTXzFNNkg3MVpLTFhjZVNBYzFiQXpPZS0ycUoyaWEyQVdNSnBvTzZWeXhkbnotSjZwR3AzQkkyZkE?oc=5&hl=en-US&gl=US&ceid=US:en> - Please view link - unable to able to access data