

**GOVERNMENT OF INDIA  
COMMUNICATIONS AND INFORMATION TECHNOLOGY  
LOK SABHA**

UNSTARRED QUESTION NO:2431

ANSWERED ON:09.08.2010

DEVELOPMENT IN IT SECTOR

Dhanaplan Shri K. P.;Reddy Shri Magunta Srinivasulu;Singh Shri Ganesh

**Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:**

- (a) whether the Information Technology (IT) Sector has been affected by the ongoing global economic recession in the country and are still dependent on IT services outsourcing;
- (b) if so, the details thereof alongwith the annual growth rate of this sector during the Eleventh Five Year Plan;
- (c) whether the IT sector has made a very significant role in the rural and backward areas of the country;
- (d) if so, the details thereof during the last three years and current year, State-wise;
- (e) whether the Government has any proposal to give incentives and other facilities to the development of IT sector especially in rural and backward areas of the country;
- (f) if so, the details thereof, State-wise; and
- (g) the steps taken/being by the Government for the speedy development of IT Sector?

**Answer**

MINISTER OF STATE FOR COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI SACHIN PILOT)

(a) to (b): As per the National Association of Software and Services Companies (NASSCOM), the impact of the global economic recession on the Information Technology (IT) Sector was relatively moderate. The Indian Software and Services export growth rate was 16.5% during the year 2008-09 as compared to around 30% in the last few years. During the year 2009-10, the growth has further declined to about 5.5%. The main reason for dip in the growth rate is due to deep recession in North America, UK and European markets that account for more than 85 per cent of Indian software and services exports. The export revenue of IT-ITES sector accounts for about two third of the total IT-ITES revenue. Hence IT-ITES sector is still dependent on IT services outsourcing.

The annual growth rate of IT-ITES revenue during the Eleventh Five Year Plan is as under:-

(in US\$ Billion)			
Financial Year	2007-08	2008-09	2009-10 (Estimated)
Exports	40.4	47.1	49.7
Domestic	11.7	12.8	14.0
Total	52.1	60.0	63.7
Year on Year Growth Rate (in %)	32.1	15.0	6.2

Source: NASSCOM

(c) to (g): Under National e-Governance Plan, the Government has sanctioned the scheme of Common Services Centre (CSCs) under which 1,00,000 kiosks are being established in rural areas. Each CSC is established on the basis of 1 in 6 villages criteria. These kiosks are equipped with Computers, Connectivity and trained and incentivized manpower. These centers provide public services along with facilities of Internet and E-mail. The scheme is being implemented on Public Private Partnership model with Government of India providing only revenue viability gap funding. Till 30th June, 2010 about 80,000 CSCs have been established. State-wise details of funds allocated / expenditure is enclosed as Annexure.