

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

UNSTARRED QUESTION NO:1523

ANSWERED ON:06.03.2013

IMPACT OF RECESSION ON IT INDUSTRY

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

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- (a) whether the world-wide recession has adversely affected India's information technology industry;
- (b) if so, the turnover of the industry in the years 2010-2011,2011-12 and 2012-13 as compared to foreign industry;
- (c) whether the Government proposes to increase revenues of IT and ITES (Information Technology Enabled Services) industry from US \$100 billion to US \$300 billion by 2020;
- (d) if so, the steps taken by the Government to achieve the said target;
- (e) whether the New National Policy on Information Technology proposes to create skilled manpower in IT field;
- (f) if so, the details and the salient features thereof; and
- (g) the steps taken by the Government to increase the IT and ITES exports revenue?

Answer

MINISTER OF STATE FOR COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI MILIND DEORA)

(a) and (b): No Sir. The export performance of Information Technology-Information Technology Enabled Services (IT-ITES) industry from the country during the last three years is as under: -

Year	Rs. Crore	US\$ Billion	Growth#	Rate YoY (%)
2010-11	268609	59.0	14.29	
2011-12	332769	68.8	23.89	
2012-13(E)	410836	75.8	23.46	

E: Estimate #Growth in Rupee Terms

As per National Association of Software and Services Companies (NASSCOM), the Global Technology spend has recorded a growth of 4.8% in 2012. However, the Indian IT-ITES industry is estimated to achieve double-digit growth during FY 2012-13.

(c) and (d): Yes, Sir. The Government through its National Policy on Information Technology (NPIT) 2012 notified on 14.09.2012 envisages to increase revenues of IT Industry (Exports + Domestic) from 100 Billion USD at present to 300 Billion USD by 2020. The vision of the policy is to strengthen and enhance India's position as the Global IT hub and to use IT and Cyberspace as an engine for rapid, inclusive and substantial growth in the national economy.

(e) and (f) Yes, Sir. One of the thrust areas of National Policy on Information Technology (NPIT) 2012 is to create a pool of 10 million additional skilled manpower in ICT by the year 2020 through formal and non-formal sectors, with focus on skill development and expertise creation.

(g): Government extends several incentives to increase the IT and ITES export revenue. Under the Software Technology Parks (STP) scheme, which is administered by the Software Technology Parks of India (STPI), an autonomous society under Department of Electronics & Information Technology (DeitY). Ministry of Communications & IT, the IT-ITES units are eligible for various benefits such as Customs Duty exemption on imported goods, reimbursement of Central Sales Tax (CST) and Excise Duty exemptions on procurement of indigenously manufactured goods. Further, the Department of Commerce (DOC), Ministry of Commerce & Industry through Marketing Development Assistance (MDA) and Market Access Initiatives (MAI) Scheme assists exporters especially Small & Medium Enterprises (SMEs) for export promotion activities abroad. DOC has notified 235 IT-ITES specific Special Economic Zones (SEZs). Currently, the SEZs units are eligible for tax benefits as per Section 10AA of the Income Tax Act for a period of 15 years in a phased manner. The IT-ITES SEZ units are contributing significantly to the growth of export revenues of the sector.