

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

UNSTARRED QUESTION NO:513
ANSWERED ON:07.08.2013
DECLINING IT EXPORT
Ahir Shri Hansraj Gangaram

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

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- (a) whether according to NASSCOM, the IT export of India has been affected and is on the continual decline due to reduction in IT expenditure by US and Europe;
- (b) if so, the details thereof along with the details of the export in IT sector during the last three years and estimated for the current year; and
- (c) the steps taken and assistance provided by the Government to increase the export in IT sector?

Answer

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

(a) and (b): As per NASSCOM, the export performance of Information Technology-Information Technology Enabled Services (IT-ITES) industry from the country has continued to sustain growth in export despite global economic recession. Due to slow economic recovery in US and European Union (EU), which account for about 90% of the total IT-ITES exports from the country, there has been a marginal decline in the growth rate in dollar terms during the year 2011-12. The export of IT-ITES sector during the past three years viz. 2009-10, 2010-11 and 2011-12 and the estimate for the year 2012-13 is as under: -

Year	Rs. Crore		US\$ Billion		Growth Rate YoY (%)
	In Rupee Terms		In Dollar Terms		
2009-10	235033	49.7	8.72	5.5	
2010-11	268609	59.0	14.29	18.8	
2011-12	332769	68.8	23.89	16.5	
2012-13 (E)	410836	75.8	23.46	10.2	

(c): Government extends various incentives for promotion of Information Technology Sector. 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.