

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

UNSTARRED QUESTION NO:36
ANSWERED ON:07.07.2014
AUGMENTATION OF IT SECTOR
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Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

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- (a) whether the information technology (IT) sector still maintain their edge in competitive environment;
 - (b) if so, the details thereof and the reasons therefor;
 - (c) whether the IT companies are unable to get new projects from foreign countries to provide jobs for the larger number of IT professionals in the country;
 - (d) if so, the details thereof and the total number of IT graduates and professionals in the domestic and international market and their per capita income both in the country and foreign countries where they are working respectively; and
 - (e) the measures taken by the National Association of Software Services Companies (NASSCOM) and the other professional bodies to augment the IT business both domestically and internationally ?

Answer

MINISTER FOR COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI RAVI SHANKAR PRASAD)

(a) and (b): According to the National Association of Software and Services Companies (NASSCOM), India continues to be a premier destination for the global off-shoring market of Information Technology and Information Technology Enabled Services (IT-ITES), accounting for almost 55% of the total global sourcing market in 2013 as compared to 52% in 2012. Certain Asian and Latin American countries have also emerged in this Sector and are steadily gaining momentum as destinations for IT-ITES investments. However, India's unique value proposition of a mature customer focused industry, domain experience, large pool of talent and proven track record has ensured that India remains at the centre stage of most global sourcing decisions. Thus the Indian industry with high value add exports remains competitive. As per the details given below, the Indian IT-ITES industry revenue (Exports + Domestic) has registered progressive growth over the last five years:

(US\$ in Billion, INR in Rs. Crores)

	2009-10	2010-11	2011-12	2012-13	2013-14 (E)					
	US\$ INR	US\$ INR	US\$ INR	US\$ INR	US\$ INR					
Exports	49.7	235033	59.0	268609	68.7	332769	75.8	410836	86.0	519440
Domestic	14.3	67800	17.3	78670	19.0	91766	19.3	104700	19.0	114760
Total	64.0	302833	76.3	347279	87.7	424535	95.1	515536	105.0	634200

E = Estimate

Source: NASSCOM

(c) and (d): The Indian IT-ITES industry has been progressively growing and is able to secure new projects from various foreign countries. According to NASSCOM, the export revenue in respect of Indian IT-ITES industry is estimated at USD 86.0 billion in FY 2013-14 as against USD 75.8 billion in FY 2012-13, registering an increase of 13.1 per cent during the said period. Further, the professionals employed by the Indian IT-ITES industry is estimated at 3.13 million in FY 2013-14 as compared to 2.96 million in FY 2012-13, registering a net increase of 1,66,000 employees.

Further, the total number of employees catering to domestic and International markets during FY 2013-14 is estimated as under:

FY 2013-14
(Estimated)
IT-ITES Domestic 680000
IT -ITES Export 2450000

According to NASSCOM, no data is available in regard to per capita income of such professionals on a country basis.

(e): According to NASSCOM, it has been engaged on various fronts to ensure that India continues to be the world's leading offshoring destination. Further, it has been actively involved with various stakeholders including the industry, academia and the government to sustain India's growth in IT-ITES industry. Besides, NASSCOM plays an active role in the formulation of policy in key areas such as skill development, trade and business services and also providing platforms for its members and other stakeholders, in regard to exchange of views. NASSCOM is also actively involved in various faculty development programs and has partnered with the Sector Skill Council to study the available skills and project the required skills to meet the emerging needs of the IT-ITES sector. NASSCOM is supporting companies in networking and market access for their innovative products. NASSCOM is engaging with the Indian Govt. and Govt. of other countries to remove trade barriers and address mobility issues like restriction on visa etc.