NASSCOM INTENSIFIES FOCUS ON JAPAN

inside

Editorial

Exploring new geographies, crossing new technological frontiers

We are delighted to present this issue of NASSCOM Newsline to you, which talks not only about the significant work we are doing to foray untapped geos, but also talks about the latest technologies we are now focusing on.

In terms of regions and markets, we are paying greater attention to both China and Japan. Our recent initiatives in Japan, including the participation by an Indian delegation in the nation's mega show, CEATEC 2017, indicate to us the seriousness with which we are exploring the business opportunities emerging in that country. NASSCOM played a significant role at this conference-cum-exhibition, even showcasing India's prowess in the Digital Transformation domain.

China too, and more so its various provinces, are the other destinations that the Indian IT-BPM industry is concentrating on for future investments. In the article called 'China calling', we spotlight the approach NASSCOM is following to engage with the high potential Dalian province as well as BEST City, a smart city within this region.

Since both the Japan and China stories have a major start-ups component, we also bring you news about the second edition of a key program that NASSCOM and Facebook have rolled out, that's christened 'Code for the Next Billion'. The initiative aims to encourage Social Impact start-ups to innovate and open up new horizons for the developer community in India.

In our Research section, we have for you insights from the McKinsey Global Institute on the future of jobs and how they will be affected by tech driven trends such as Automation and Digital talent platforms.

Finally, we look at some of the steps that SSC NASSCOM has taken to build capacity, especially in the realm of IoT – a segment which is expected to create around 11 new job roles and will need a host of new skills.

We hope the articles have provided you with valuable inputs on some of the areas you too are thinking about. In case there are other issues you would like us to focus on, do let us know. We will be happy to spotlight these areas and share with you the industry initiatives (led by NASSCOM), that have been introduced in these spaces.

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NASSCOM intensifies focus on Japan

Leads 25-organization delegation to nation's biggest IoT conclave

China and Japan are geographies that NASSCOM has chosen to focus on in 2017, owing to their current trade relations with India, size of economy, stature in global geopolitical space, domestic compulsions, demographic trends, and India's share in their IT industries.

Over the last few years, NASSCOM has been working to gain government support to fund a special program for these markets. In the case of Japan in particular, NASSCOM has shared its wish-list with the government, which contains suggested steps that policy makers can follow in order to enhance IT trade relations between the two countries.

It has for instance, been looking at ways in which IT talent cooperation can be improved between India and Japan, and been promoting the establishment of jointly-owned development Centers (JDCs) in India. In order to build on Japanese investments in the country, NASSCOM has also been pushing for the setting up of more Global In-house Centers (GICs) by Japanese companies. The aim has been to encourage student exchange programs and an internship culture between the companies of both nations.

At the same time, NASSCOM's attention has been on:

- Having a high-skilled worker mobility agreement between India and Japan

- Encouraging the sharing of Best Practices between IT companies in India and Japan

- Establishing a joint university in Tokyo that delivers courses in English to promote student exchanges from India

- Promoting co-innovation and co-development of Solutions for Global markets in emerging technologies such as IoT, Big Data, Analytics

- Encouraging Japanese companies to participate in the SMART Cities initiative of India, which are opening up new opportunities for them

Clearly, Japan remains an important geography on the radar of the Indian IT-BPM industry and NASSCOM is constantly taking

measures to improve ICT trade with the country. Effort is additionally being expended on raising the brand image of IT-BPM industry in Japan, where the sector still does not have a very significant presence.

Making waves at CEATEC 2017

As part of this effort, NASSCOM participated in Asia's largest IoT event – Combined Exhibition of Advanced Technology (CEATEC) 2017, which was held from October 3 to 6, 2017 in Tokyo. The conference, which typically draws over 150,000 visitors, was special for the Indian IT-BPM industry as it featured an India showcase. While around 27 companies participated in the conclave-cum-exhibition, 10 Indian start-ups got free passes to attend the meet (with travel related expenses paid for). These companies were selected from 92 nominations!

The goal of the showcase was to draw global recognition for Indian start-ups and highlight India's technological transformation.

The event was organized by the Japan-IoT Acceleration Consortium (ITAC) and the Ministry of Economy, Trade and Industry (METI). The Indian companies present at the show demonstrated their skills in the area of 'IoT and Innovation'.

A noteworthy point is that in the opening ceremony, METI and the Home Minister of Japan made a mention of the India showcase at this year's event. The Indian Ambassador to Japan too was invited on stage during the inaugural ceremony for a commemorative photograph with the ministers. The ceremony was attended by the CXOs of Honda, Toyota, Sony, Panasonic, Mitsubishi, Hitachi and other Japanese giants.

The inaugural ceremony incidentally had English as well as Hindi translations of the live proceedings on screen. Four keynote speakers from the Indian side spoke on IoT and Artificial Intelligence-related issues at the conclave.

The Indian Pavilion at the Expo was inaugurated by the country's Ambassador to Japan, Sujan Chinoy, who was also present, alongside METI and Japanese government officials, at the India Day celebrations organized by NASSCOM on October 4, 2017.

In his speech, Ambassador Chinoy spoke about the great potential for Indian ICT companies that had grown in stature and moved up the value chain and were contributing to the success of Japanese companies in the global markets. He felt that the participation by 27 Indian start-ups in CEATEC 2017 would help in executing the directives given by the Prime Ministers of Japan and India when they had met at the September 2017 Summit in India regarding the creation of an India-Japan Start-up Hub.

The Deputy Ambassador of India, Chairman of Panasonic, and DG, METI made speeches at the opening of the India exhibition as well. The DG of METI was particularly articulate about the marriage of Japanese hardware and Indian software. This, he said, was a matter of 'when' rather than 'if'. The Indian contingent included two foreign companies – namely Bosch and NEC India.

At the event, NASSCOM also held a CXO Roundtable, which was moderated by McKinsey. Twenty CIO/CTOs representing Japanese tech companies participated in the discussion which was centered around the opportunities that existed for Indian IT-BPM companies in initiatives such as Society 5.0 and IoT in Japan.

Owing to NASSCOM's deep engagement with ITAC and METI, ten Indian start-ups were picked for a special session where they had the chance to make a five-minute pitch before a Japanese audience. The start-ups also got an opportunity to display their products at an Exhibition Booth before potential investors, partners, enterprises and customers.

It was really clear at the end of the event that the India showcase had been the star of the show! Media too was very interested in the India pavilion and the Nikkei business newspaper, a very reputed publication, carried a full page story on the Indian participation at CEATEC 2017

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> **CEATEC offers an ideal opportunity to India to showcase their global competence and expand to strategic markets like Japan, which welcome advanced technological capabilities. It's the biggest IoT platform in Asia that will help us rebrand India as an Innovation hub. We hope that this engagement strengthens the Indo-Japan relationship and helps build a robust collaborative eco-system in the long run**
>
> **Gagan Sabharwal,**
> Senior Director, Global Trade Development, NASSCOM
> "

China calling

NASSCOM revs up activity in China's Dalian province

Recognizing that China too is a geography of great potential and business opportunity for the Indian IT-BPM industry, NASSCOM has been working actively to strengthen the sector's presence in the country.

In recent years, the association has been seeking the help of China's provincial governments to deepen the connect between tech companies on their turf and those in India. A case in point is the Dalian province in China, where NASSCOM has forged a cooperation agreement with the government.

An MoU was signed by NASSCOM and the Government of Dalian on September 19, 2017 to further IoT collaboration between the two eco-systems. The MoU ceremony was attended by the Mayor and Vice Mayor of Dalian. This was followed by a day-long conference hosted together by NASSCOM, the Dalian government, and the Embassy of Indian in Beijing, on IoT.

The aim of the conference was to encourage tech companies on both sides to leverage each others' strengths and co-develop for global markets. Around 32 Chinese companies and 17 Indian organizations took

Destination Dalian

- Dalian is the Number 1 location for setting up an IT-BPM business
- Indian companies have 8,000 employees based in Dalian out of a total of 20,000 people in China
- Dalian is tipped by Beijing to be the AI hub in China and NASSCOM is keen to collaborate with government of the province in the same area

part in the conference. Both sides made four presentations each.

Representatives from Chinese companies in the manufacturing space shared that they felt threatened as manufacturing was fast becoming a low value addition job. They spoke about how they needed to become smarter in order to survive in the new environment.

Almost all Chinese companies stated that they were ready to partner with Indian organizations to make their offerings smarter. A bot, Mitra, developed by an Indian Robotics firm Inventico, showcased how Chinese hardware and Indian software could work well together.

Boosting the prospects of Indian companies in BEST City

NASSCOM also worked to further B2B cooperation with BEST City, a Smart city and one of the districts in the Dalian region, which has a sprawling IT campus that houses many global companies, including Wipro from India. Wipro, in fact, has built a large facility and scaled it to 800 people in two years with support from the BEST City.

Going forward, BEST City is looking to build an AI park and has sought NASSCOM's help in realizing this dream.

The chamber of commerce will try and ensure that all its member companies can come together in the NASSCOM IT Park in BEST City, instead of being scattered across different locations.

SMEs and start-ups, which are currently not present in China but are ready to invest in the IoT domain, can avail of the offer of the IT Park. BEST City will help them locate customers in the manufacturing segment, that they can partner with to co-develop on the IoT stack. It will additionally offer assistance in the form of long term, low interest loans for initial expenses as well as seed funding from Chinese investors keen to back Indian start-ups.

Project pipeline

Here are some short term business opportunities that are expected to come up for Indian companies in Dalian

- BEST City is expected to buy robots manufactured by Indian Robotics firm Inventico for its own use after a successful Proof of Concept (POC). It will also help Inventico set up operations and offer assistance in the form of a loan. An initial investment has already been earmarked for this venture.

- Best City is planning to set up an AI park which will serve as an AI collaborative platform for Chinese buyers and Indian sellers. To be developed by Zeta V, a start-up, the project has been assured of an initial investment of USD 500,000 by BEST City. The project and business plans for this platform were discussed in October, 2017 with Zeta V.

- A Smart parking solution will be developed by Wipro and Epoch (a hi-tech company that works for Apple in Dalian). A PoC is to be conducted by Wipro and Epoch and if found acceptable by BEST City, will be funded by it for its own use.

Encouraging Social Impact start-ups to Code for the Next Billion

NASSCOM-Facebook roll out second edition of program to build robust developer community

ndustry research and studies are pointing to a huge boom in Internet usage across India in the years ahead. According to an Internet report by NASSCOM, the number of web users in the country will see a two-fold rise, touching 730 million by 2020. This is expected to create a huge opportunity for companies looking to connect them with useful services and information.

This is one of the key reasons why NASSCOM, together with Facebook, has been investing in building a robust and cohesive developer community that creates inspiring, large-scale innovation for new Internet users.

NASSCOM and Facebook have done this through India's biggest hackfest that rolls out several key cities, targets over a thousand student entrepreneurs and involves mentoring of shortlisted students by leaders of NASSCOM and Facebook.

This is of course the Code for Next Billion Program, a joint endeavor which aims to:

- Empower Social Impact Start-ups in India that are building mobile applications for new-to-Internet/bottom of pyramid users

- Open new horizons for the developer community in India, providing them the right support to build innovative apps and mobile websites in the areas of Health, Economic Empowerment (finance, capacity building, etc.), Education/Skill Development, Public Utilities (water, power, transport)

> **Today, we are witnessing a remarkable growth in the start-up eco-system, propelled by innovative thinking and an attitude to build solutions in key sectors where technology can play a revolutionary role. We believe that the program will not only catalyze the constantly innovating eco-system, it will also help design thought processes in the country**
>
> **K.S. Viswanathan,**
> Vice President (Industry Initiative), NASSCOM

- Make India the center – the hub of app development – so that it draws global recognition
- Induct select participants into NASSCOM's prestigious 10,000 Start-ups Program

Interestingly, and in an effort to continue supporting Social Impact start-ups, NASSCOM and Facebook have now launched the second edition of the Code for Next Billion Program.

Backed by Invest India, which is the Outreach Partner, the six-month long program will also help accelerate the development and adoption of mobile Internet applications across India.

The program itself has been divided into three phases. To begin with, ten Social Start-ups will be selected and mentored to become sustainable Social Enterprises. Companies will be invited to participate and then there will be a sorting of applications from start-ups which are working to build the new-to-Internet populations.

In the second phase, the selected start-ups will be provided with technical, marketing, financial mentoring, and leadership skills, to build their applications and businesses.

In the third and final stage, also known as the graduation stage, start-ups will be made to connect with the industry leaders (CEOs, thought leaders, VCs, eco-system evangelists, social change leaders), and funders. The aim will be to showcase their commitment, solutions and impact, so that they can serve as examples to other developers and inspire them to take the same path of innovation.

> **We are excited to announce the second edition of the 'Code for the Next Billion' in partnership with NASSCOM. At Facebook, we want to give people the power to build communities and bring the world closer. To achieve this we need to help bring down social, economic and technical barriers that exist for the unconnected. The program is a step forward in supporting social impact start-ups that are building for India's next billion and encouraging a developer eco-system that inspires innovation**
>
> **Satyajeet Singh,**
> Head, Strategic Product Partnerships, Facebook India & South Asia
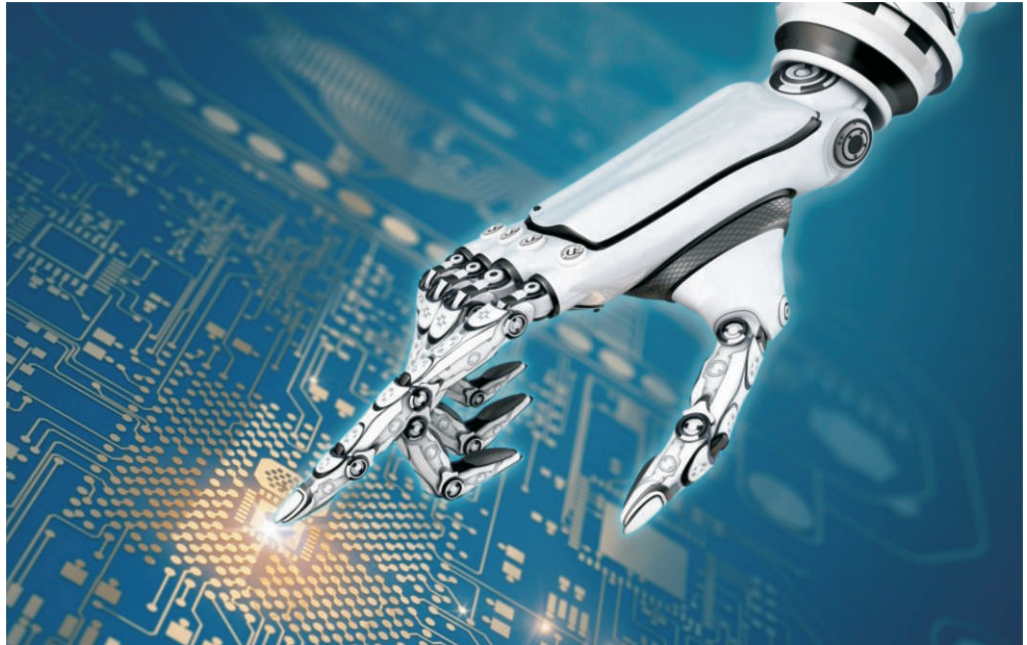

RESEARCH

Automation, Digital talent platforms impacting future of jobs

The Digital Transformation revolution is leading to many changes, but none as critical and momentous as the alterations we are seeing in the world of work. While the rise of automation, driven by new tech such as robotics, Artificial Intelligence and Machine Learning, is promising greater productivity, efficiency and convenience; it is also creating concerns over its impact on jobs, the new skills required, and the nature of work.

McKinsey Global Institute (MGI) has pointed this out in its 2017 research, also outlining the trends that will shape the future of work.

Automation disrupting the world of work

According to MGI, there are many activities that workers carry out today which have the potential to be automated and therefore disrupt the world of work.

MGI research on the automation potential of the global economy has examined more than 2,000 work activities and quantified the technical feasibility of automating each of them. The study indicates the following:

- The proportion of occupations that can be fully automated using currently demonstrated technology is actually small, less than 5 percent

- Even if whole occupations are not automated, partial automation (where only some activities that make up an occupation are automated) will impact almost all occupations to a greater or less degree, not just factory workers and

clerks, but landscape gardeners and dental lab technicians, fashion designers, insurance sales representatives, and also CEOs

- About 60 percent of all occupations have at least 30 percent of activities that are technically automatable, based on currently demonstrated technologies

- Most occupations will change, and more people will have to work with technology

MGI has estimated that on a global scale, the adaptation of currently demonstrated automation technologies could affect 50 percent of the world economy, or 1.2 billion employees and USD 14.6 trillion in wages! Just four countries – China, India, Japan, and United States – account for over half of these totals.

MGI research also shows that as machines evolve and acquire more advanced performance capabilities that match or exceed human capabilities, the adoption of automation will pick up. At the same time, MGI says, it may not automatically translate into the deployment of automation in the workplace and the automation of jobs. While technical potential is to be considered, it is just one of the elements. The second is the cost of developing and deploying both the hardware and the software for automation, while the third is the supply-and-demand

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dynamics of labor. If workers with sufficient skill levels for a given occupation are in abundant supply and significantly less expensive than automation, then this could slow the rate of adoption, MGI adds.

Eventually, based on all factors, MGI projects that it may take at least two decades before automation reaches 50 percent of all of today's work activities, taking into account regions where wages are relatively low.

The transformational push of Digital talent platforms

Besides automation, MGI also talks about the role that Digital talent platforms will play in matching workers and jobs.

In the view of MGI, Digital talent platforms:

- Can improve the matching of workers and jobs, create transparency and efficiency in labor markets, and potentially raise GDP

- Can increase labor participation and working hours. A US survey, for example, reports that three-quarters of stay-at-home mothers would be likely to work if they had flexible options

- Can, owing to their powerful search capabilities and sophisticated screening algorithms, speed up the hiring process and cut the time individuals spend searching between jobs, thus reducing unemployment

- Can help put the right people in the right jobs, thereby augmenting their

productivity along with their job satisfaction, increasing output per worker, and raising global GDP

New tech, new jobs

Additionally, MGI also says that technologies are creating new jobs and income possibilities. Even while they are replacing some jobs, they are creating new work in industries. MGI research shows that one-third of the new jobs created in the United States in the past 25 years were types that did not exist, or barely existed, in areas including IT development, hardware manufacturing, app creation, and IT systems management.

The net impact of new technologies on employment can be strongly positive. A 2011 study by McKinsey's Paris office found that the Internet had destroyed 500,000 jobs in France in the previous 15 years – but at the same time had created 1.2 million others, a net addition of 700,000, or 2.4 jobs created for every job destroyed.

The future of work therefore will depend greatly on the adoption of new tech and automation, and the skills that are developed in the market to cater to emerging requirements.

Led by NASSCOM Chairman C.P. Gurnani and President, R. Chandrasekhar, the delegation met with key policy makers in the US Congress and the Trump Administration. The aim was to convince US decision makers about the significant contributions that the Indian IT
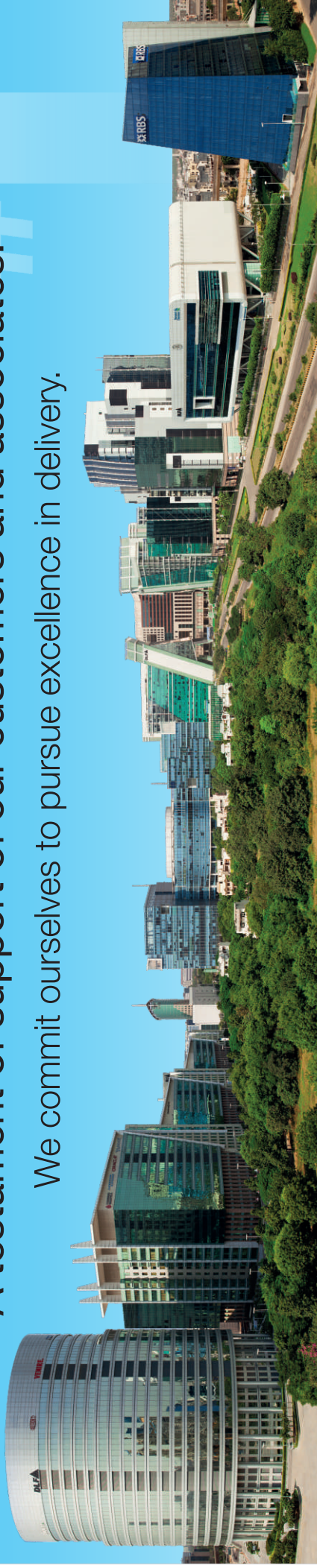
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British Safety Council
2014-15

Best Commercial Project in NCR
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CNBC Awaaz Real Estate Awards
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