



Industry Performance: 2018-19 and what lies ahead

2018-19: The year that was

- Opportunities and new technologies
- How did the Indian IT-BPM industry fare?

The changing narrative of the industry

2019 and beyond...

- Economic and Political uncertainty
- Rules of business are changing

What are our leaders saying – CEO survey highlights

NASSCOM key focus areas 2019-20

2018: A YEAR OF GROWTH

GLOBAL ECONOMY

3.7%

Global Economy Growth

2.9%

US Economic Growth

2.3%

Advanced Economies Growth

4.6%

Emerging Markets Growth

GLOBAL TECH SPENDING

5-6%

Global Technology Spending – USD 3.65 tn

11%

Growth in R&D Spending

15-20%

Growth in As-a-Service Economy

\$ 194-198 bn

Global Sourcing Market

INDIA ECONOMY

7.3%

India's GDP Growth

\$ 352 bn

India's Exports

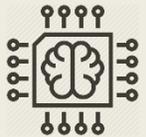
\$ 61 bn

Foreign Direct Investment

77

Ease of Doing Business Ranking

NEW TECH CHANGING BUSINESSES



AI and Advanced Analytics



Blockchain



Cybersecurity



Devices and IOT

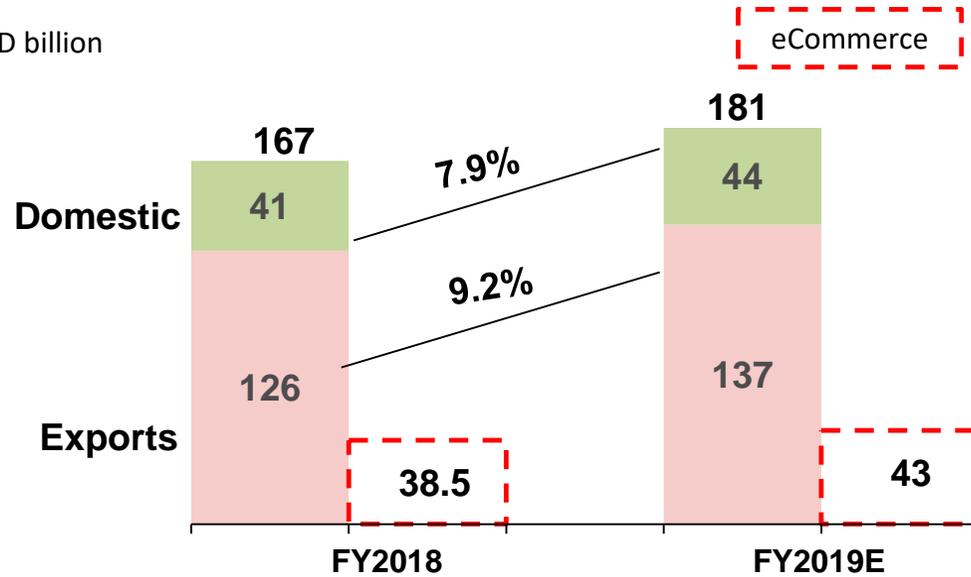


AR/ VR / Mixed Reality

IT-BPM INDUSTRY IN INDIA – FY 2019

Revenue¹: Industry expected to grow marginally above NASSCOM guidance of 7-9% in constant currency

USD billion



E: Estimate

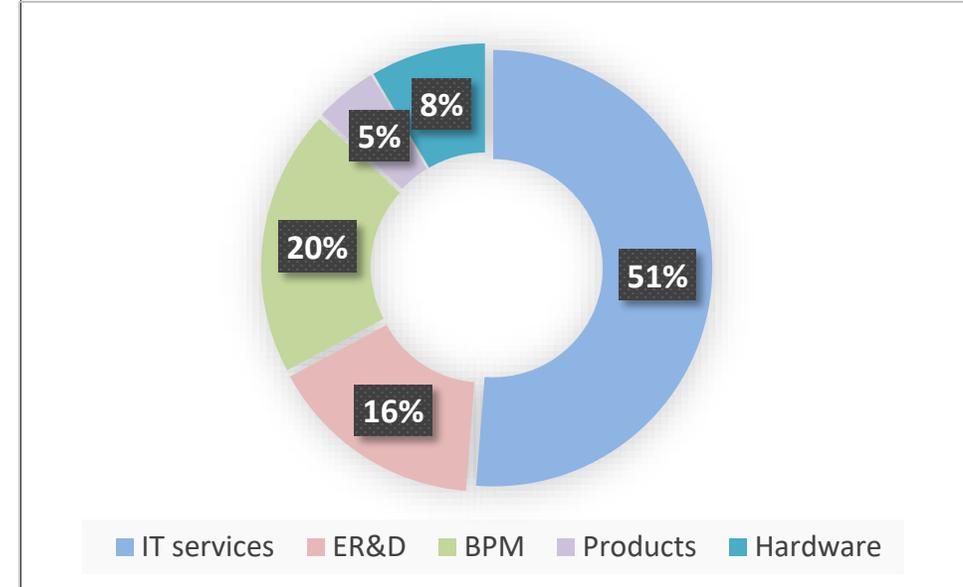
FY2019 Reported Currency Revenues and Growth Rate

Exports	USD 135.9 billion	8.3%
Domestic	INR 2,861 billion USD 41 billion	7.9% (INR) 0% (USD)

¹: includes Hardware, exports include global revenues of Indian companies

Source: NASSCOM

Diverse industry segments: Non IT Services almost half of industry revenues



Share of Export Revenue – well spread across Indian and MNC-GCC companies

Solution Providers from India 60-62%

MNCs and GCCs in India 38-40%

TRENDS THAT DEFINED THE YEAR

Digital Acceleration

\$ 33 bn	Digital Revenues
30%	Growth rate YOY

Skills

170,000	Net new hires
600,000	Digitally Skilled
20-25%	Increase in L&D budget

Startups

7,200+	Tech Start-ups in 2018
8	Unicorns added
50%	DeepTech Startups added

E-commerce

\$ 43 bn	E-commerce Revenues
120 mn	Online Shoppers
\$ 6.6 bn	VC / PE investment

Innovation Hub

40	New R&D GCCs set up in 2018
1st	SaaS unicorn from India
2,556	Patents filed in US in 3 years in digital

CoEs / Partnerships

25+	Innovation Hubs in US in the year
Academia partnerships in US, Europe, US, Australia	
1000+	Startups in co-innovation programs

M&A

\$ 10 bn	M&As value in the year
36%	Digital M&As
45%	M&As in e-commerce / startups

AI/Automation

400+	AI Startups
1st	Leading country in RPA deployment
#AI for ALL – National AI Strategy announced	

THE CHANGING NARRATIVE

**GADGETS
NOW**

Indian IT sector was forecast to die. 4 ways IT companies changed in 2018 to deal with this

THE ECONOMIC TIMES

Indian IT industry is making convincing strides as their clients demand digital transformation

THE ECONOMIC TIMES

Business transformation deals surge in BPM companies

Unlike how it was in the past, Kapoor said that clients are asking firms to do much more comprehensive work and provide end-to-end business transformation.

THE ECONOMIC TIMES

Indian IT pushing the limits, on the cusp of a digital leap

live**mint**

TCS crosses \$100 billion market capitalization

THE ECONOMIC TIMES

In a first, India enters \$100 billion M&A club in 2018: Report

THE ECONOMIC TIMES

Here's how Indian IT firms are overhauling employee training process

It's aimed at ensuring they remain relevant at a time when demand for new tech is changing basic business.

THE TIMES OF INDIA

Infosys helps employees upskill, doubles salary

moneycontrol

India and its growing role as a future engineering R&D powerhouse

The \$75-80 billion ER&D global services industry is expected to grow at a rapid pace (14-16 percent YoY) and reach a valuation of USD 145-155 billion by 2020. This growth is fueled by an interplay of Digital and ER&D.

2019: GLOBAL OUTLOOK CAUTIOUS

GLOBAL ECONOMY

3.5%

Global Economy
Growth

2.5%

US Economic
Growth

2%

Advanced Economies
Growth

4.5%

Emerging Markets
Growth

TECHNOLOGY SPENDING

4-6%

Global Technology
Spending

8%

Growth in Software
Spending

15-20%

Growth in As-A-Service
Economy

4.8%

Growth in IT
Services

INDIA ECONOMY

7.5%

India's GDP
Growth

\$ 400 bn

India's Exports

EMERGING CHALLENGES



Trade Wars
and Policy
uncertainty



Currency
Fluctuations



No Deal Brexit



Weakening Financial
Market Sentiment



Regulatory changes in
new tech

KEY TRENDS CHANGING THE RULES OF COMPETITION



**Product/ Services
Centric Business Model
to Experience First**



**Rise of Ecosystem /
Collaborative Economy**



The More we know... the Less we can Predict!
Yuval Harari

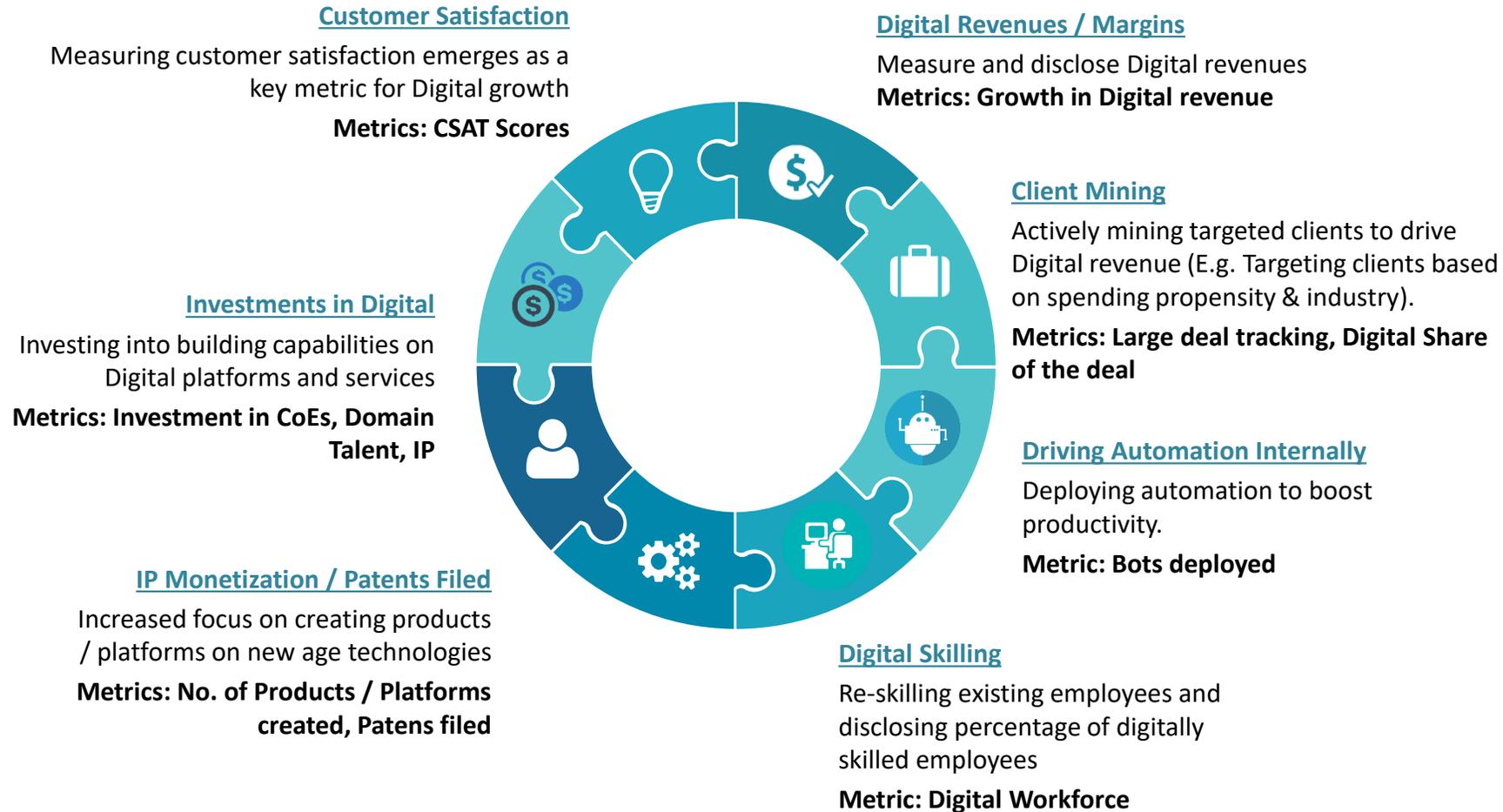


**Talent, Culture, Agility
driving competitive
advantage...**



**Never Before Pace of
Change**

EVOLVING DIGITAL METRICS

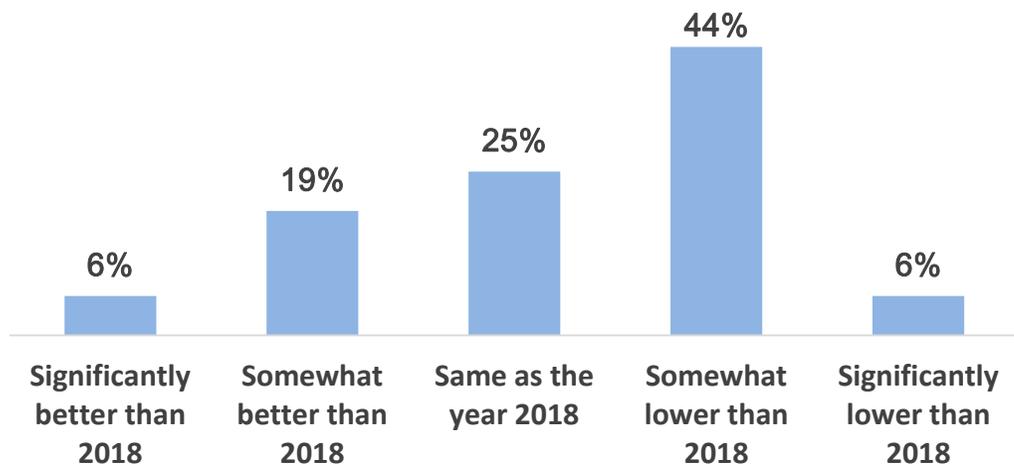




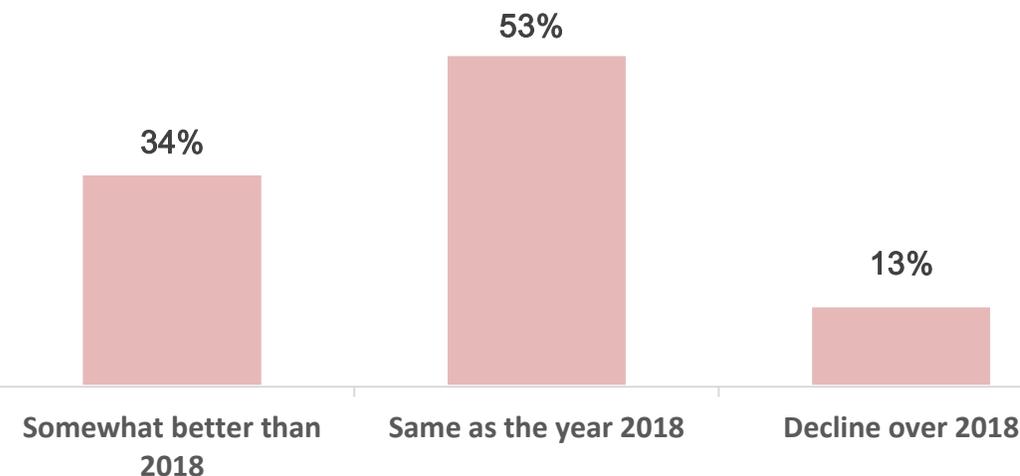
NASSCOM
CEO SURVEY:
WHAT ARE OUR
LEADERS SAYING?

NASSCOM CEO SURVEY 2019-20: KEY FINDINGS

Global Economic and Business Sentiment 2019



Global Technology and BPM Spending in 2019



MESSAGE 1: Uncertainties Prevail

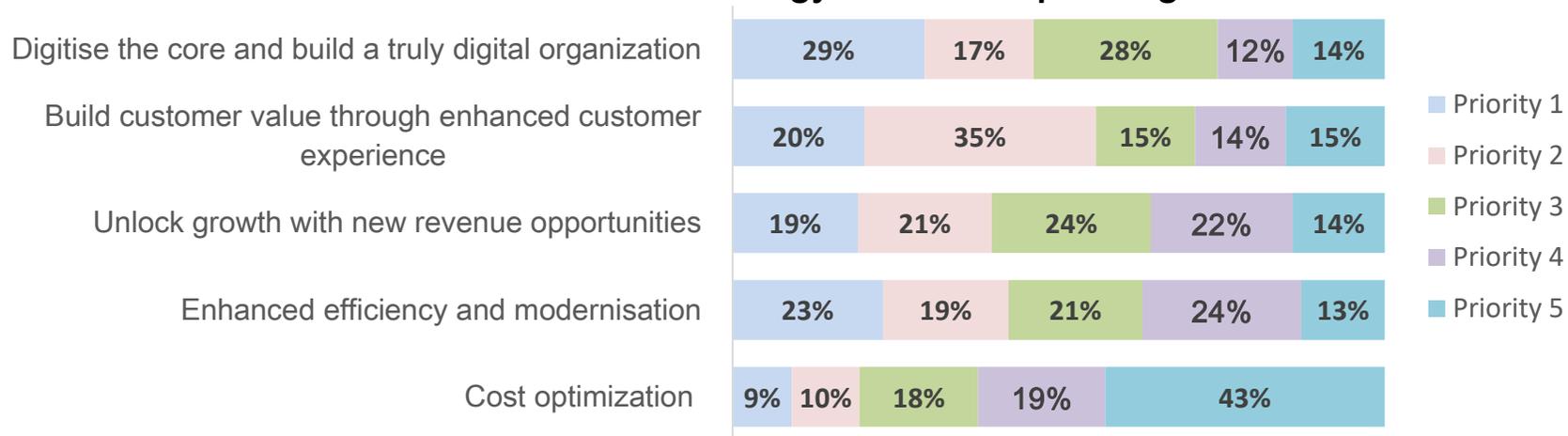
Global economic uncertainties are leading to a divided outlook, wherein 50% CEOs believe that the global economic and business outlook will be lower than 2018 and 50% believe it will be similar or better.

MESSAGE 2: Tech Spending to grow and is likely to be less impacted by global uncertainties

Most CEOs feel that there will be growth in technology and BPM spending, though 13% believe that it maybe somewhat lower.

NASSCOM CEO SURVEY 2019-20: KEY FINDINGS

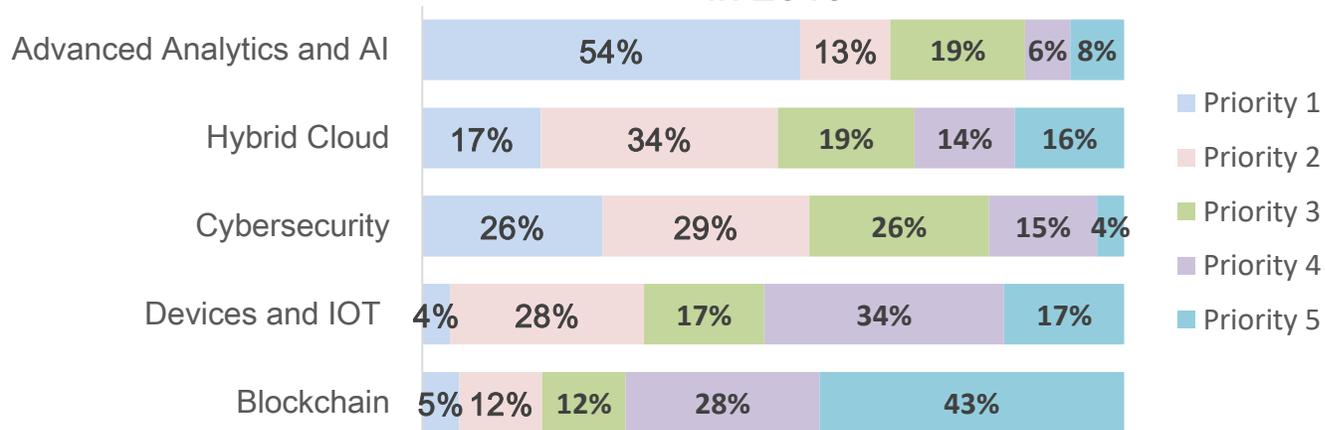
Key growth drivers for global businesses for Technology and BPM spending in 2019



MESSAGE 3: CX and Digital: The value levers

Digitizing the business than just silos and enhanced customer experience are the top 2 spending areas for IT and BPM. Cost optimization was a much lower priority across the sample size.

Top Technology priorities for global businesses in 2019

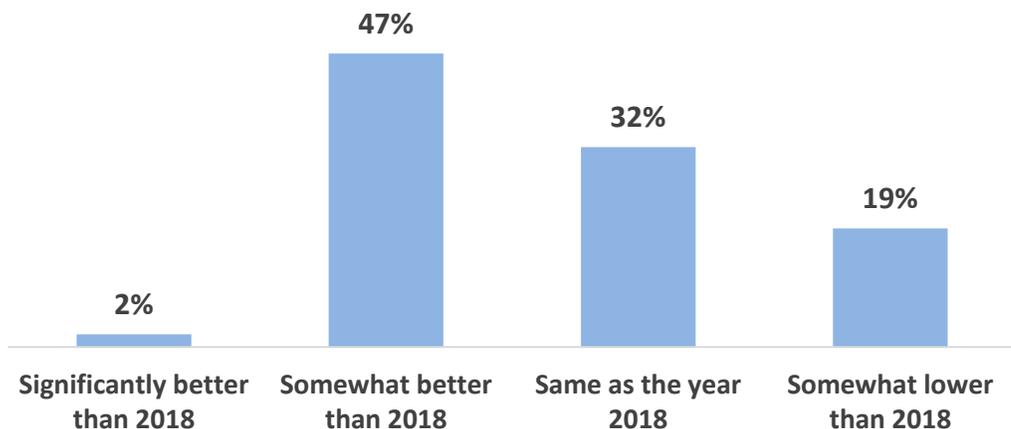


MESSAGE 4: AI and Data is the game changer for business

Advanced Analytics and AI is the no. 1 priority for over 50% of the CEOs. Hybrid Cloud and Cybersecurity to also witness increased spending

NASSCOM CEO SURVEY 2019-20: KEY FINDINGS

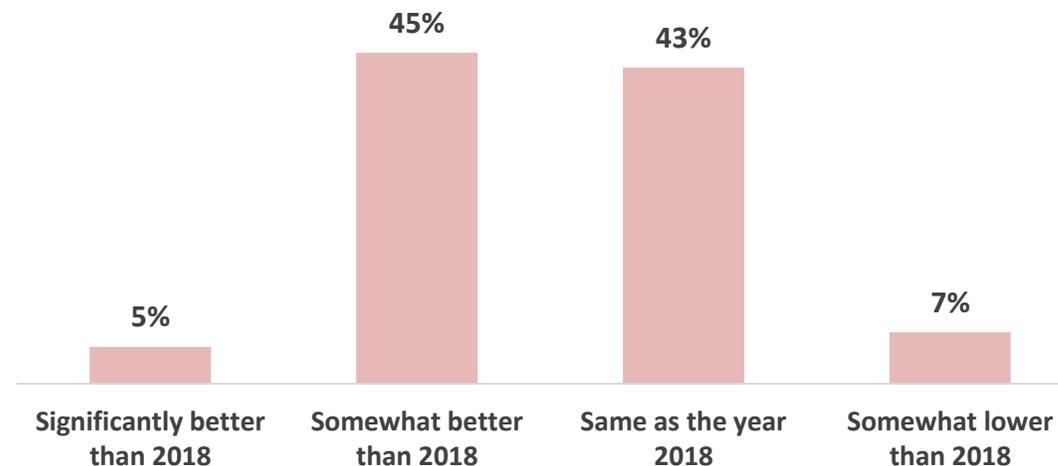
IT-BPM Industry in India: Sentiment 2019



MESSAGE 5: Sentiment for 2019 divided

While, 51% of CEOs feel that the year ahead will be similar or somewhat lower than 2018, 49% believe that the year will be better. Digital transformation journey likely to be less impacted from global macroeconomics.

Technology Skills and Hiring: Sentiment 2019

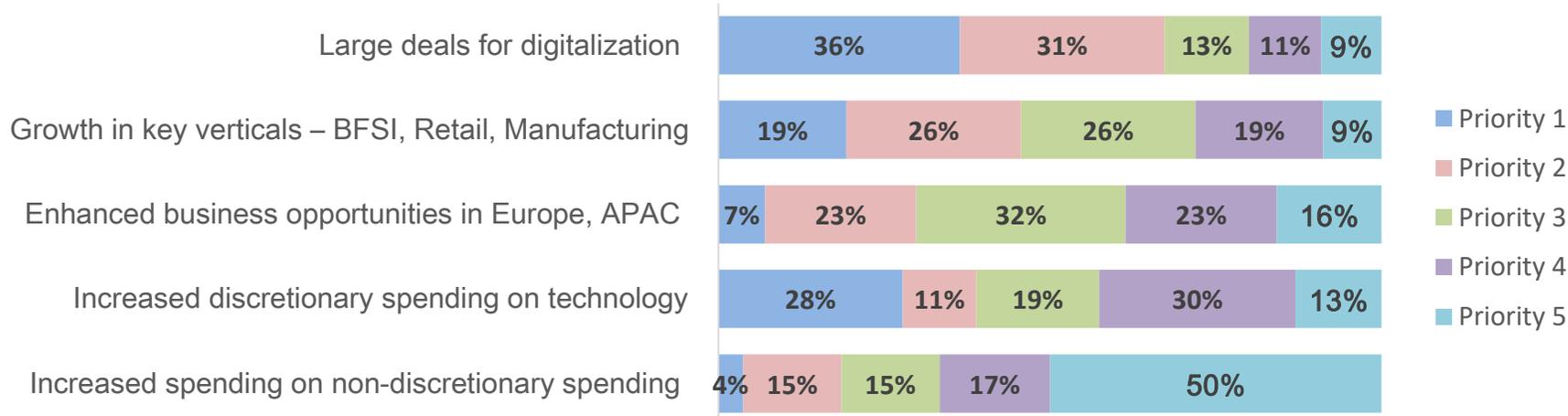


MESSAGE 6: Tech Talent with right skills will continue to be in high demand

Almost 90% of the CEOs feel that tech hiring will be similar or somewhat better than 2018. Increased focus on skilling and reskilling as businesses deal with the global tech skills shortage.

NASSCOM CEO SURVEY 2019-20: KEY FINDINGS

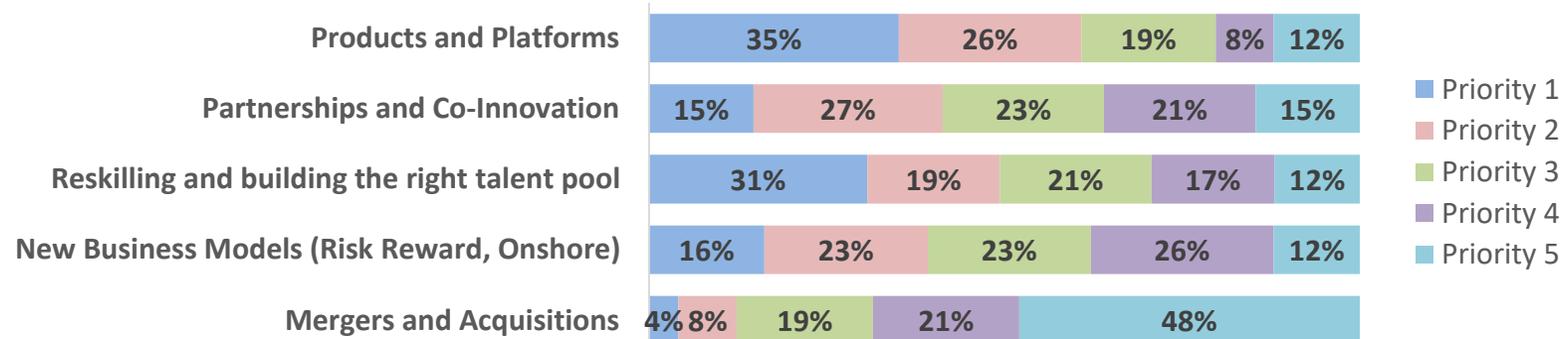
Growth drivers for IT-BPM Industry in India in 2019



MESSAGE 7: Digital @ Scale to grow in 2019

Industrialization of Digital with large digitization deals is seen as the no. 1 growth driver for business in 2019. Growth in mature verticals and less penetrated markets also business drivers.

Top focus segments for Digital Capabilities in 2019

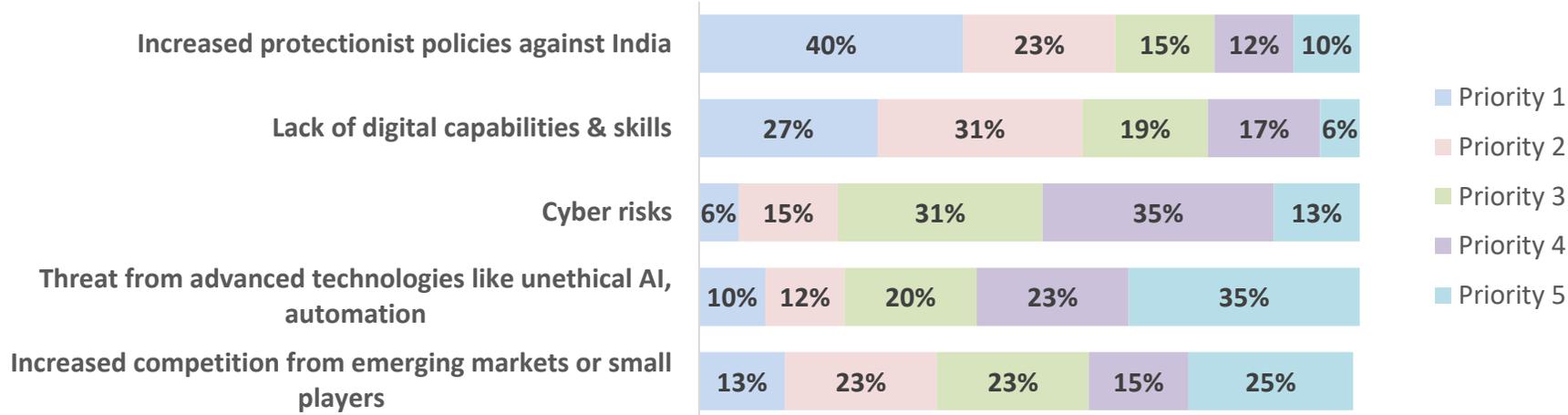


MESSAGE 8: Innovation – Build, Buy and Partner key focus

Investments in Products and Platforms, Co-innovating with start-ups and building the right talent pool is what dominates CEOs attention in 2019.

NASSCOM CEO SURVEY 2019-20: KEY FINDINGS

Key risks that can hinder the growth of Indian IT services-BPM industry

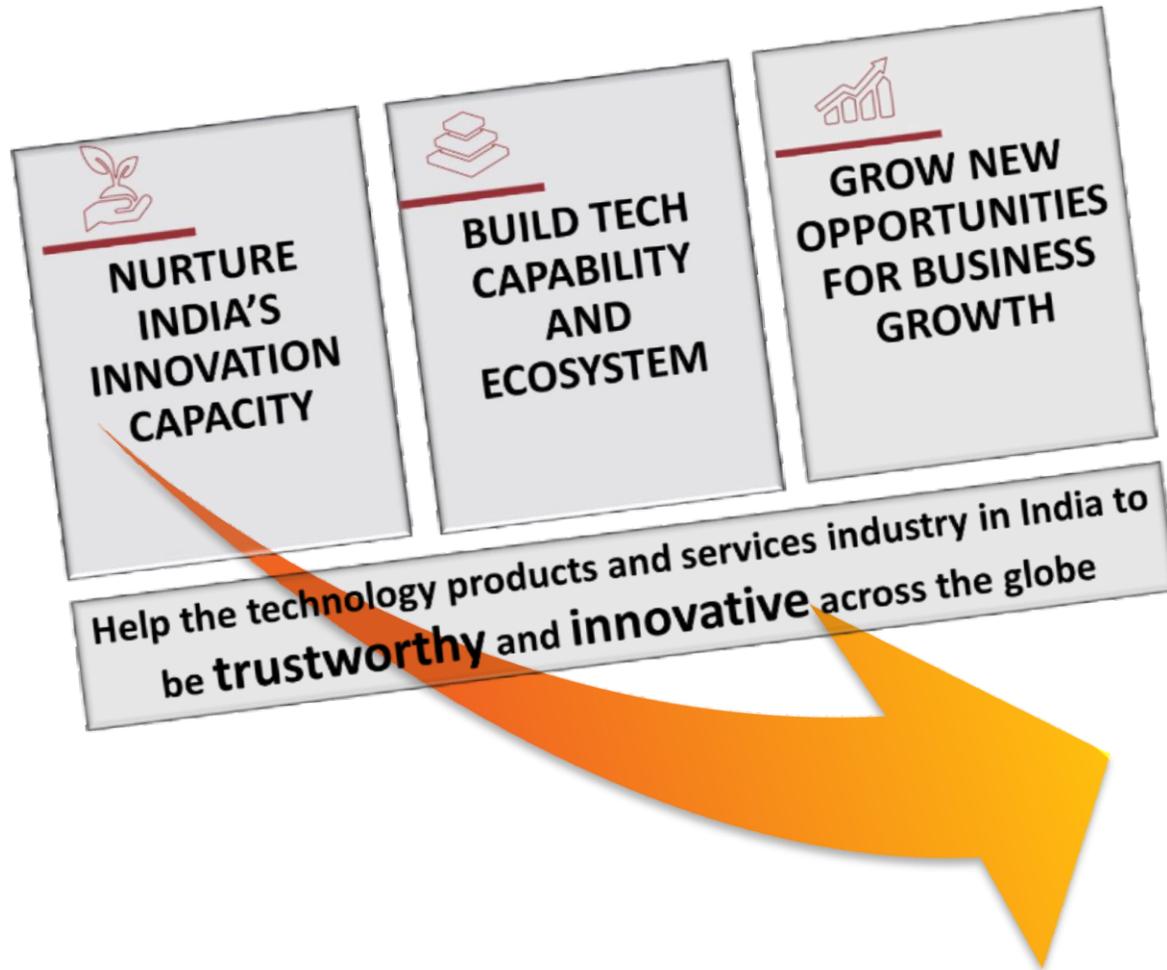


MESSAGE 9: Globalization in transition and skills shortage can impact industry growth

Increased protectionist policies and lack of digital skills are the two key risks that can hinder the growth of the sector.

MESSAGE 10: Cautious optimism, cloud of global macro-economic risks loom

In summary, CEOs are cautiously optimistic about the sector and expect digitization initiatives to continue. However, impact of global macro economic risks can pose challenges for growth.



Strengthen the Indian IT Narrative Globally – Preferred partner for Digital Transformation

The Re-skilling Imperative

Strengthen India's Deep Tech Ecosystem and Build India's AI Thought Leadership with focus on Talent, Innovation and Ecosystem

Continue to expand Indian IT footprint globally

Gov't Partnerships in India to scale tech adoption and usage in Healthcare, Agriculture & Manufacturing

Enable the Right Tech Regulatory Framework with focus on Trust, Innovation and Security

THANK YOU

QUESTIONS