

AMID BEARISH GLOBAL SCENARIO, NASSCOM BULLISH ON FUTURE OF IT-BPM INDUSTRY

- Industry to grow at 8-10% in FY 2017; demonstrating sustained growth despite global headwinds
 - Digital investments and capabilities – key to future industry growth

New Delhi 16th November, 2016: As part of its mid-year performance review of the IT-BPM industry, the **National Association of Software and Services Companies (NASSCOM)** today shared its revised guidance stating that the industry is expected to grow at 8-10% (in constant currency) during FY2017. Highlighting the impact of short-term factors like global, political and economic and business scenarios, NASSCOM reiterated that the industry remains in a strong position as it charts the future growth path for itself.

In the current fiscal year, the industry continued to evolve with a focus on innovation, efficiency, enabling transformation and agility while partnering with clients in their digital initiatives. Technology disruptions are reshaping businesses and increasingly global and Indian enterprises are focusing on building technology-led platforms that can redefine how their services and solutions can be delivered. Global IT-BPM spends on digital services have increased by 2x since 2014. Technology buyers are now expanding outside the CIO organisation, thus creating a unique opportunity for technology providers.

Speaking on challenges and opportunities for the industry, **Mr. R. Chandrashekhar, President, NASSCOM**, said, *“The industry is going through a transient phase with various domestic and global factors impacting its performance. While the effect of various short-term factors may show for a couple more quarters, the worst is behind us. Global projected growth for the industry is high and our share remains strong. We are confident that the sector will continue to re-invent itself by investing in digital technologies and competencies, to drive consistent and sustained growth.”*

Technology and software is becoming a universal and integral part of modern businesses and society. Traditional firms are also aiming to become software and analytics companies. Global software and IT services globally is set to grow at a healthy pace of 7.2% and 4.4% respectively in 2017. To stay globally competitive, the need of the hour is for Indian firms to invest in the future and enhance their digital capabilities. This entails a mix of reskilling, domain and platform capabilities coupled with acquisition led competencies.

Over the last two decades, India has witnessed a profound evolution in the industry - an evolution that is mirrored in the growth of various segments, verticals and companies. India currently is the biggest GIC locations globally, with over 1000 centers focused on technology, services, R&D and innovation. The country is also the 3rd largest start-up ecosystem in the world with over 4750 firms,

Key Highlights

India IT-BPM export revenues

- Growth of 8-10% (Constant Currency)
- Incremental Revenue addition - USD 8-10 billion (FY 2017)
- 14% revenues from digital solutions (4x growth since 2014)
- 11% growth in emerging verticals
- 2X incremental growth in markets outside US
- 20% increase in net client addition
- India continues to gain market share – 7% of global software and IT services; 56% of global sourcing

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witnessing a growth of 10-12% annually. Further, the industry has diversified into new verticals (healthcare, retail etc.) and is now exploring largely untapped geographies like Continental Europe, which are witnessing 2X incremental growth with respect to last year.

Driven by strong and stable fundamentals, NASSCOM reiterated that the long term opportunity and potential for the industry remains unchanged with a vision to achieve USD 350 billion by 2025.

About NASSCOM

NASSCOM® is the premier trade body and the chamber of commerce of the IT-BPM industries in India. NASSCOM is a global trade body with more than 2100 members, which include both Indian and multinational companies that have a presence in India. NASSCOM's member and associate member companies are broadly in the business of IT Services, BPM, ER&D, products, internet and ecommerce and start ups. NASSCOM's membership base constitutes over 95% of the industry revenues in India and employs over 3.7 million professionals.

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