

## DIGITAL TO DRIVE THE NEXT TRANSFORMATION PHASE FOR THE INDIAN TECHNOLOGY INDUSTRY

- Indian IT-BPM industry clocks a growth rate of 8.6% (in constant currency) in FY2017 in a year of moderate global growth
  - Launch Skill Initiative to catalyze skilling / reskilling for 1.5 million

**15<sup>th</sup> February 2017, Mumbai:** The Indian technology industry is growing on the transformation path to become a digital technology industry by developing its digital capabilities and reorganising itself to make the most of this opportunity. These and many other industry trends were discussed at start of the 25<sup>th</sup> edition of the annual NASSCOM India Leadership Forum. Sharing their views, Mr. CP Gurnani, Chairman, NASSCOM, Mr. Raman Roy, Vice Chairman, NASSCOM and Mr. R Chandrashekhar, President, NASSCOM, said that with companies actively exploring new engagement models, there is a growing need for the companies to restructure and focus on capacity development to address the digital opportunities.

On the industry's performance in FY2017, NASSCOM said that amidst continuous technology disruptions, political upheavals, and slowdown in IT-BPM global spending, the Indian IT-BPM industry is projected to grow at a rate of 8.6% (in constant currency) to reach over USD 155 bn in FY2017. IT-BPM exports from India is expected to reach USD 118 billion. India's domestic IT-BPM market is expected to grow by 12% YoY to reach INR 2,545 bn. The industry currently employs over 3.86 mn people, growth of 5% and addition of 1.7 lakh people over FY2016. In terms of the markets, **US and APAC are** fastest growing at **7.8%** with gradual stabilization in the growth of the European market. Retail, healthcare and travel & transportation have been the key verticals for the Indian IT-BPM industry, growing at the rate of **8%**.

Sharing his views, **Mr. CP Gurnani, Chairman, NASSCOM,** and MD & CEO, Tech Mahindra, said, "The digital tsunami is reshaping our industry the

priority is to reimagine businesses and unlock new opportunities. The Indian IT-BPM Sector is emerging as a digital solutions partner for global corporations and we are excited to work across stakeholders - customers, start-ups, academia and others to build this exciting future".

**Mr. R Chandrashekhar, President, NASSCOM,** said, "while there are some uncertainties in the short term, the initial data from global analysts on tech spending in 2018 is promising, We are initiating deeper interactions with all stakeholders - global customers and industry providers - to get a more reliable and clear perspective on the projections for FY2018 and will give the guidance in the next quarter".

### INDUSTRY PERFORMANCE FOR FY2017

- Industry revenues (excl. eCommerce) at **USD 155.5 billion** (in constant currency)
- Exports growing at **8.6% in constant currency**
  - **IT services** reaches **USD 80 billion**
  - ER&D and Product Development revenues **~USD 29 billion**
  - **World's biggest BPM destination-** Revenues of **USD 30 billion**
- Domestic is expected to grow by 8.5% YoY to reach USD 38 billion
- Industry employee base reaches 3.86 million, addition of 1.7 lakh in FY2017
- Digital accounts for 14% of industry revenues

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India is positioning itself as the digital transformation partner for global businesses. The new emerging technologies will open up multiple areas of work for the industry and will have a significant impact on existing service lines. To brace the impact, one of the most important imperatives for the industry will be to skill / reskill the talent to gear them up for the digital opportunity. It is also important to build an industry-wide collaborative model and shape a learning ecosystem that is primed for the future. While the existing service lines will be re-imagined, newer and deeper soft-skills will be needed with increased autonomy, empowerment, and data enablement of frontline teams.

The future skills work group at NASSCOM, in partnership with BCG, is working together with the industry on a two-pronged approach to enhance the skills ecosystem - Skills vs 'Job-specific' Curriculum and Tech enabled Learning Ecosystem. The skills vs job-specific curriculum will mean blended job roles of the future with focus on skill based learning and certification. The Tech-enabled Learning ecosystem will be aimed at leveraging technology for building the skills that is scalable & agile with focus on mobility and analytics to provide reach and efficiency. The initiative aims to skill / reskill 1.5-2 million people to be skilled over the next 4-5 years. This is a unique collaborative model in partnership with leading industry players.

## **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 1800 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 software development, software services, software products, consulting services, BPO services, e-commerce & web services, engineering services off-shoring and animation and gaming. NASSCOM's membership base constitutes over 95% of the industry revenues in India and employs over 3.1 million professionals.

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