

## IT-BPM Industry on a sustained growth path in FY 2017-18; Digital solutions and niche segments key growth drivers

- Exports to grow in the range of 7-8%; Domestic revenues to accelerate faster at 10-11%

**2<sup>nd</sup> June 2017, Hyderabad:** The **National Association of Software and Services Companies (NASSCOM)** today announced that the growth outlook for the IT industry in FY18 at 10-11% for domestic market and 7-8% for exports, citing improvements in financial services and high potential in digital businesses as key drivers. This outlook comes on the back of political and economic uncertainties that impacted decision making and discretionary spend during the past year. NASSCOM also cited an increase in requirement for integrated digital capabilities and automation based projects from customers, which were key investment areas for the industry.

NASSCOM highlighted the industry's position as a net hirer with the demand for technology skilled professionals growing in the sector and across other sectors as well. The industry body stated that it was however imperative for new and existing talent to reskill themselves to prepare for emerging job roles which required new skillsets. The fiscal year will see growth driven by the modernization of operations for client firms and the adoption of new technologies such as SaaS applications, cloud platforms, BI, cognitive and embedded analytics as enterprise customers scale digital projects.

Speaking on the industry growth outlook **Mr. Raman Roy, Chairman, NASSCOM**, said, *"The IT-PM industry in India continues to demonstrate a sustained growth index. The industry has continuously reinvented itself and its performance in FY 2017 showcases how the industry has focused on building its digital solution offerings through a combination of business model changes and investment in products and platforms."*

**Mr. R Chandrashekhar, President, NASSCOM**, said, *"Manoeuvring through an uncertain phase over the past year, the industry has maintained its status as a key net hirer in the country and global technology and services hub. Considering the evolution that the industry is undergoing due to the adoption of new technologies, it is imperative that we as an industry drive the skilling and reskilling of new and existing talent, so as to ensure the requirement that will be created in the form of new job roles can be fulfilled appropriately and in time, helping us prepare for the future opportunities."*

An interesting takeaway from the analysis of the sector performance in FY 2017 was the relatively fast adoption of digital solutions by Indian enterprise. The domestic market is expected to grow faster than the export market in FY 2018 driven by this trend. NASSCOM highlighted the vision of the 1 trillion digital economy in India by 2022 and the need for enabling policies and key projects to fast track this over the next five years.

As the industry business models change, NASSCOM also highlighted the need to look at more broadbased KPIs for the sector that will demonstrate how the industry is investing for the future and how the outcomes could be measured.

### Guidance FY18 Highlights

- **IT-BPM Industry revenues** in FY18 projected to grow at 7-8% from exports; 10-11% from domestic
- **Industry expected to add 1.3 - 1.5** lakh new jobs during the year
- **Growth areas** - SaaS applications, cloud platforms, BI, cognitive, embedded analytics
- **Evolving geographies** - Africa, China, Japan, Middle East, Germany
- **Domestic IT-BPM:** Push towards \$1 trillion digital economy
- **Enterprises driving the Digital Agenda:** 2/3rd of private banks & ~20-30% of public banks to adopt digital technologies in the 2-5 years
- **Growing Internet Economy:** 432 mn Internet subscribers; 2nd largest after China; 300+ mn smartphone users;
- **2018** tech spending to pick up as forecasted by industry analysts



NASSCOM also stated some key initiatives that the apex body has been actively building to help accelerate the digital opportunity in the export and domestic market. As part of its outreach, NASSCOM has curated focused programs to build India as digital and innovation hub, showcasing examples of how capabilities are getting built across the board. Also, with a renewed focus on new technologies, the industry body is setting up CoEs across India towards enhancing cyber security, IOT, design and data sciences capabilities. With India making strides in the entrepreneurship domain, NASSCOM 10,000 start-ups initiatives is also further enhancing its offerings by connecting entrepreneurs with large companies to leverage innovation. Outreach to newer markets too will be a top most priority, with a focus on showcasing digital solutions in geographies like Japan, Germany, China, Middle East and Africa.

**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 2400 members, which include both Indian and multinational companies that have a presence in India. NASSCOM's member companies are broadly in the business of technology products and services, BPM solutions, Engineering R&D, Internet, Mobile and E-commerce. NASSCOM's membership base constitutes over 90% of the industry revenues in India and employs over 3.9 million professionals.

**For further information, please contact:**

Kavita Doshi NASSCOM + 91 120 4990200 <a href="mailto:kavita@nasscom.in">kavita@nasscom.in</a>	Nitin Shukla   Shruti Singh NASSCOM India Press Office - Genesis Burson-Marsteller +91 9873985197   +91 9654497747 <a href="mailto:nitin.shukla@bm.com">nitin.shukla@bm.com</a>   <a href="mailto:shruti.singh@bm.com">shruti.singh@bm.com</a>
---	---