

GOVERNMENT OF INDIA
MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY
LOK SABHA
STARRED QUESTION *361
TO BE ANSWERED ON: 21.03.2018

GROWTH OF IT COMPANIES

***361. SHRI P. KUMAR:**

Will the Minister of Electronics and Information Technology be pleased to state:

- (a) whether the growth of Information Technology (IT) companies has been affected adversely due to the policy changes in the United States of America under the present administration;
- (b) if so, the details thereof;
- (c) whether the said policy changes are likely to reduce the jobs in IT sector; and
- (d) if so, the details thereof and the steps taken by the Government in this regard?

ANSWER

MINISTER OF ELECTRONICS AND INFORMATION TECHNOLOGY
(SHRI RAVI SHANKAR PRASAD)

(a) to (d): A Statement is laid on the Table of the House.

**STATEMENT REFERRED IN REPLY TO LOK SABHA STARRED
QUESTION *361 FOR 21.03.2018 REGARDING GROWTH OF IT COMPANIES**

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(a) and (b): No, Sir. As on date, seven H-1B/L-1 visa related bills have been introduced in the 115th U.S. Congress that seek to revise the various provisions of the H-1B and L-1 visa programmes. They have yet to go through the full legislative process i.e., to be passed in both Houses and finally assented to by the President. In the previous Congress too, similar Bills were introduced but did not become law.

The Software and Services revenue (including Hardware) was USD 132 Billion and USD 143 Billion in FY 2014-15 and FY 2015-16 respectively; it crossed USD 150 Billion in the FY 2016-17 and reached USD 154 Billion. It is estimated to reach USD 167 Billion in the current FY 2017-18. The export of software and services is estimated to reach USD 126 Billion in the current FY. It is the largest export sector for the country comprising 24% of total exports. Further, the software and services exports are projected to grow at 7% to 9 % and reach nearly USD 135 – 137 Billion in the FY 2018-19.

India's Digital Economy has received a tremendous boost through various Government Initiatives such as Digital India covering e-Government Services, Common Service Centres, BPO Promotion Schemes, Digital Payments, Electronic Manufacturing, and Digital Saksharta Abhiyaan; e-Commerce, GST Network, Make in India, Start-up India, e-Health, Smart Cities, and e-Agriculture Market Place/Digital Mandis. These initiatives coupled with new and emerging technologies are enhancing the digital economy of the country and are creating IT and Electronics led new job opportunities in both traditional as well as new sectors of the economy such as Transport, Health, Power, Agriculture, and Tourism.

(c) and (d): Estimation of expected reduction in jobs is conjectural at this stage as various legislative changes proposed are at discussion stage and not yet become law. Government of India remains closely engaged with the U.S. Administration and the Congress on all issues relating to movement of Indian professionals including under the H-1B visa programme. In our engagements, we have emphasized that this has been a mutually beneficial partnership which should be nurtured. Indian skilled professionals have contributed to the growth and development of the U.S. economy and have helped the U.S. retain its competitive edge and innovation advantage.

As regards the employment in IT sector, the number of employees has nearly become 39,68,000 in CFY 2017-18, an addition of 1,05,000, from 38,63,000 in FY 2016-17. The hiring trend is projected to remain similar to CFY in the FY 2018-19 and technology jobs in related sectors are expected to grow faster with continuous focus on re-skilling. According to NASSCOM, it is estimated that the IT-BPM sector would continue to hire at a rate of 3% to 3.5% year-on-year to reach 45,00,000 total jobs by 2022.

The Government initiatives such as Common Service Centres (CSCs), BPO Promotion schemes, Electronic Manufacturing, Digital Payments, and Digital Saksharta Abhiyaan have generated nearly 15 lakh additional jobs over the last two years. This includes about 5 lakh jobs generated by the growth in the Electronic Manufacturing Sector. India is becoming a promising centre of mobile manufacturing. In 2014, there were only 2 factories; since this Government has come to power, now 118 factories are manufacturing mobiles and accessories, including some of the best global brands.

Another programme of BPO in small towns of this Government with due incentives is also finding great support. Many BPOs have started operating in small towns in North East, J&K, UP, Bihar, Maharashtra and Southern States. This is creating good employment locally for young people including women.
