

GOVERNMENT OF INDIA
 MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY
LOK SABHA
UNSTARRED QUESTION NO. 4289
 TO BE ANSWERED ON: 21.03.2018

HIRING RATE IN IT SECTOR

4289. SHRI M.B. RAJESH:

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

- (a) whether there has been a deceleration in net new hiring growth rate in the IT sector;
- (b) if so, the details thereof and the reasons therefor ;
- (c) whether the trend will continue in the ongoing year and the coming year; and
- (d) the total revenue growth of the IT sector and the total growth in job additions in the last three years?

ANSWER

MINISTER OF STATE FOR ELECTRONICS AND INFORMATION TECHNOLOGY
 (SHRI K J ALPHONS)

(a): Yes, Sir. However, despite the gentle deceleration, the IT sector continues to be a net hirer.

(b): The year-wise details of Employment in the IT Sector are as under:

	FY2015-16	FY2016-17	FY2017-18
Total employees	36,88,000	38,63,000	39,68,000
Net addition	2,03,000	1,75,000	1,05,000
Growth rate	6%	4.50%	2.70%

Besides, 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 during the last two years.

There is a continuing gentle deceleration in net hiring growth rate (but with a growing base) as industry focuses on innovation, enhanced efficiencies and lower attrition. The drop in the hiring growth rate in the IT industry is due to several factors which inter-alia includes:

- Exponential and disruptive adoption of new technologies by the industry;
 - Some of the less complex, standard and repetitive jobs are being automated;
 - Companies are improving their employee-utilisation levels and reorienting their bench strength. The emphasis is shifting to upgraded skills; and
 - Companies are employing people with specialised skill-sets in newer areas such as data science, machine learning, artificial intelligence and internet-of-things.
- (c): The industry continues to be a net hirer in the ongoing year and is projected to add about 1,00,000 new jobs in the year 2018-19. Further, thereafter, 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.

(d): The total growth in job additions in the last three years is as given in part (b) above. The total revenue growth of the IT sector in the last three years is as under:

	2015-16	2016-17	2017-18 (E)
Exports (US\$ billions)	108	116	126
Domestic (US\$ billions)	35	38	41
Total	143	154	167

(E) = Estimate

Source: NASSCOM

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