

'IT industry should be on track to touch \$225-b industry by 2020'

ACCENTURE'S India MD, Harsh Manglik, who manages the company's 47,000 employees in the country, has now been given the additional responsibility of giving direction to the 2.3 million-strong Indian IT industry. In his first interview after being appointed as Nasscom chairman last week, the IIT-Kanpur alumnus and IT industry veteran talks with Harsimran Julka about the future of the \$60-billion sector and the challenges ahead. Excerpts:

What's your immediate agenda on taking over as Nasscom chairman?

My agenda would be to see that all challenges in the path of the \$60-billion IT-BPO industry are removed. We should be on track to become a \$225-billion industry by 2020. On a mean rate, we are sure to touch at least \$175 billion, provided everything goes well. In 1999, Nasscom had predicted that the IT industry will gross \$50 billion by 2009. The industry performed on target, last year. My effort will also be to see that domain skills are acquired along with scale.

Is there any hope that the over 35-40% growth era will return?

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HARSH MANGLIK
CHAIRMAN, NASSCOM

market, our view is that for the next 10 years, the industry should be able to grow at a 25% CAGR y-o-y.

Last year, we saw large scale layoffs by IT firms. Will Nasscom advocate a labour policy or encourage unionisation in the industry?

HR issues are best solved by companies themselves. Nasscom will never favour intrusive legislation on this front. When an industry achieves a critical mass, these issues are automatically evened out. And I think the IT industry has achieved that mass. In the last 10 years, the majority of net new jobs in urban areas have emerged as a result of

the IT industry. Secondary jobs like security guards, catering, transportation have also benefited. A tinkering with the existing laws may block that flow.

What are the imminent roadblocks in the path of the industry's growth? Is it time for companies to start paying taxes?

Infrastructure and power are the basic issues. Almost 45% companies in the sector produce their own power, which is an additional cost. After all, it's not only about competing with companies, but with countries. We need to make sure that India does not lag behind. Small companies which cannot afford SEZs should be given tax benefits. On the supply side there are so many challenges.

The supply gap is also a factor of quality of education. Will Nasscom intervene to change the engineering colleges' curriculum?

Nasscom should not specify the curriculum in the country. Instead, greater autonomy should be given to colleges to let them try out new ideas. We should not be prescriptive. India already has the raw material (in terms of talent), we just have to retool them. We should have more schools of higher learning and make them specialised.