

Trump effect: IT industry expects to log lower growth

Nasscom defers guidance by a quarter as sector faces headwinds

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MUMBAI: The information technology (IT) industry lobby body Nasscom said the sector will grow at the lower end of its revised target in fiscal 2017 but deferred guidance for the next financial year by a quarter as it faces headwinds.

Amid continuous technology disruptions, political upheavals and slowdown in IT-BPM (Business Process Management) global spending, the Indian IT-BPM industry is projected to grow 8.6% (in constant currency) to cross \$155 billion in FY2017, according to a statement from Nasscom. Nasscom had earlier revised downward its fiscal 2017 revenue growth target to 8%-10% from an initial 10%-12% as the headwinds started emerging.

In an unprecedented move, Nasscom president R.Chandrasekhar said the association will come out with its guidance for the IT and the BPM sector in the next quarter, most probably in



Nasscom's C.P. Gurnani, left, and R.Chandrasekhar, right, felicitate TCS CEO N. Chandrasekaran. — PHOTO: SHASHI ASHIWAL

May, once it is done with "deeper interactions" with customers and other stakeholders.

Mr. Chandrasekhar accepted that there were headwinds on factors such as change in policies in the U.S., the industry's largest market, under a 'protectionist' Donald Trump regime but was optimistic on analysts' estimate that growth in global IT spending would double to 5% from 2.6% this fiscal.

While the world and espe-

cially Indian IT industry tries to adjust to Mr. Trump's policies, Reliance Industries chairman Mukesh Ambani opined that the protectionist policies were 'blessings in disguise' for India.

Mr. Trump's 'protectionist' moves would get India's IT industry to focus on solving local problems, Mr. Ambani told participants at the Nasscom Summit.

Stressing the significance of data Mr. Ambani said, "Data is the new oil and Indi-

ans should not have scarcity of it in terms of quality, quantity or affordability."

Addressing the summit, TCS CEO and Tata Sons chairman-designate N. Chandrasekaran asserted there was no turbulence in the Indian IT industry and there was only 'opportunity'.

'IT, most important'

"Every time there is a regulation change, everybody thinks that IT industry is in 'doldrums, I want to categorically say it's the most important industry to be in. Fundamentally, every business will be powered by technology. The biggest difference digital has made is that it has driven technology to such a level that every business is embedded in technology," said Mr. Chandrasekaran.

"We have been fortunate that opportunity is everywhere as every country and every industry needs technology. Many industries are not fully addressed, so are many markets, so we have great opportunity," he added.