

Chinese state firms 'not blocking' Indian IT cos

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Beijing, March 18

A top Chinese official said on Tuesday that state-owned Enterprises (SOEs) were "not blocking" Indian IT companies, which have been struggling to get state sector contracts, and cited the success of other foreign firms.

"We do not pose any impediments for Indian software companies in entering into cooperation with SOEs," Yang Xueshan, Vice-Minister for Industry and Information Technology and one of China's senior-most officials in charge of IT policy, told *Business Line*. Yang was speaking on the sidelines of the third India-China Strategic Economic Dialogue (SED) here on Tuesday.

Yang's Ministry and India's Ministry of Communications

and Information Technology signed an MoU on "cooperation in the field of Information and Communication Technologies", an agreement described by officials as showing Chinese willingness to move things forward in the IT sector.

"The MoU essentially is a formal recognition (from China) that we want to promote Indian IT," said Planning Commission Deputy Chairman Montek Singh Ahluwalia, who headed the Indian delegation.

So far, only Tata Consultancy Services has been successful in winning major contracts from SOEs and local governments.

One Indian official, speaking on condition of anonymity, said Chinese bidding procedures were cumbersome and opaque,

and it was legitimate to complain of a lack of access. But he also said the success of TCS showed that companies needed to get their strategy right, and invest more in understanding China.

Yang, who earlier headed the IT division of the Policy Planning Department of the State Council, or cabinet, said he was aware of the "mutual complementarity" between India's software strength and Chinese manufacturing. "There are no obstacles for Indian companies. There are various (foreign) software companies that are engaging with SOEs today."

Prakash Menon, head of NIIT China, which is training over 10,000 Chinese every year, said there was "a change in how China is responding" to Indian IT.

Hindu Business Line, Bangalore, March 19, 2014