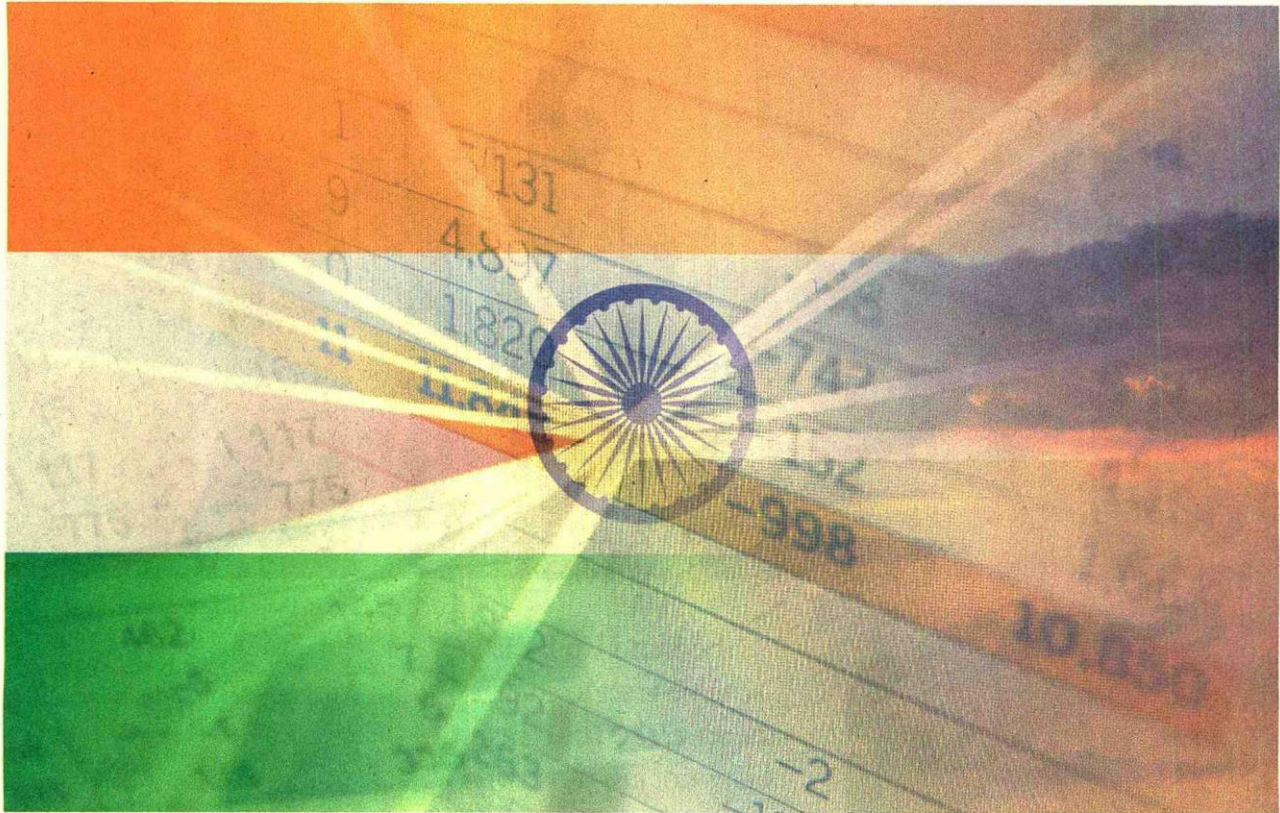


# Indian IT sector expected to grow at a rate of 12-14 per cent



**M**ake in India campaign, with a special focus on Digital India is fostering growth in the IT sector. The unique attributes of these two campaigns are immense. With approximately 67 per cent of the US\$ 124-130 billion market, India is the world's largest sourcing destination for the information technology (IT) industry. The Indian IT sector is expected to grow at a rate of 12-14 per cent for FY2016-17 in constant currency terms. The sector is also expected to triple its current annual revenue to reach US\$ 350 billion by FY 2025.

The industry employs about 10 million professionals. More importantly, the industry has led the economic transformation of the country and has put India on the global map as the IT destination. India's cost competitiveness in providing IT services, which is approximately 3-4 times cheaper than the US, continues to be the mainstay of its Unique Selling Proposition (USP) in the global sourcing market. However, India is also gaining prominence in terms of intellectual capital with several global IT firms setting up their innovation centres in India.

The IT industry has also created significant demand in the Indian education sector,

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especially for engineering and computer science. The Indian IT and ITeS industry is divided into four major segments - IT services, Business Process Management (BPM), software products and engineering services, and hardware.

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Furthermore, as per the 'Make in India' campaign, the National Policy on Information Technology 2012 aims to increase revenues of the IT industry to USD 300 Billion by 2020 and exports to rise to USD 200 Billion by 2020. The policy also works towards achieving the double goals of bringing the power of communication and information technology within the reach of each citizen to enable India to emerge as the leading global hub and destination for IT services by 2020.

India's internet economy is expected to touch Rs 10 trillion (US\$ 146.72 billion) by 2018, accounting for 5 per cent of the country's GDP. India's internet user base reached over 400 million by May 2016, the third largest in the world, while the number of social media users grew to 143 million by April 2015 and smartphones grew to 160 million.