

IT industry to infuse big buck in automation, AI in 2019; fight's on against data curbs

PRESS TRUST OF INDIA
New Delhi, December 25

IT FACES THREATS from rising protectionism, data flow curbs and fast-changing technological shifts, but the Indian IT industry is keeping its hopes high for the new year with plans afoot for big investments in automation and artificial intelligence.

For the industry body Nasscom, 2018 has been the year of 'Digital at Scale' as IT firms focussed on leveraging new technologies and ensuring sustainability by creating right skills with help from innovation, policies and partnerships.

The year ahead is "punctuated with several transformative opportunities," Nasscom president Debjani Ghosh said. The industry body has projected exports to grow at 7-9% for 2018-19, almost same as the previous fiscal, but domestic revenue may grow faster at 10-12% and this may make the new year transformative with overseas funds accounting for a lion's share so far.

Over years, the industry has graduated from being the back office of the world to being at the forefront of change, helping clients optimise operations and stay ahead of competition.

Protectionist stances are being seen across key markets – be it the US, UK or Australia – with governments bringing in more stringent regulations around procurement of work visas. As a counter, Indian IT firms are ramping up their local presence abroad by hiring locals. Ghosh said rising protectionism continues to be an irritant and the anti-immigration rhetoric discriminatorily targets Indian companies and challenges the level playing field for business delivery.

The companies, however, are upbeat on opportunities. Cyient executive chairman BVR Mohan Reddy said the Indian technology industry's business model has moved away from cost-arbitrage to solution provi-



sioning and value creation. He exuded confidence that visa issues will not be a concern for a sustained growth of the industry.

Mindtree CEO Rostow Ramanan said his company is closely watching international issues and is geared up to deal with this dynamic scenario through greater local hiring and other measures. "Our approach would be to locate tasks in the geography based on the best interests of our clients," he said. Mindtree is also focussed on "imagining what is 'Beyond Digital' and making investments to prepare for the future".

One of the biggest developments in 2018 was implementation of the GDPR (General Data Protection Regulation) in the EU in May. It aims to strengthen and protect data of individuals in the region, while the norms also stipulate heavy penalties for non-compliance by companies. For some, this is also being seen as an opportunity. According to Microsoft India president Anant Maheshwari, this gave India an opportunity to build expertise and capabilities, create new lines of advisory and consulting businesses, develop a market differentiator and be a source of competitiveness for customers in EU.

India is developing its own set of data protection rules, which would deal with consent, definition of personal and sensitive data, possible exemptions, grounds for processing data, storage restrictions for personal data, and individual rights.