

# India remains hotspot for IT services growth

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India is a major hotspot for information technology service providers to invest for growth. IT vendors are investing in emerging geographies in Asia Pacific, Latin America, West Asia and Africa for business.

Several companies have recently invested in markets such as India to pursue healthcare opportunities at the local level, said the US-based Technology Business Research (TBR), an independent technology market research and consulting firm.

For instance, Wipro Infotech, the India and Middle East IT Business unit of Wipro, announced that the division will launch a healthcare vertical to provide end-to-end healthcare solutions to the region.

## HEALTHCARE VERTICAL

Within the next two years, Dell will create a BPO-specific unit in India to expand local BPO offerings. TBR believes healthcare will remain a key industry of investment as vendors look to gain traction in India and other emerging markets, says TBR.

India, China and Australia continue to support regional Asia Pacific growth for IT services. Leading vendors are also investing to target local demand in smaller emerging markets such as Vietnam, Thailand, Singapore and Malaysia.

The APAC remained the top revenue generator by geography, increasing 11.7 per cent year-to-year on a TTM (trailing 12-month) basis, while the US/Americas grew 10 per cent year-to-year and Europe, the Middle East, Africa (EMEA) grew 3.7 per cent year-to-year.

Asia Pacific's revenue performance was driven by demand for IT transformation as regional clients looked to up-

## EMERGING GEOGRAPHIES

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date legacy infrastructures, adopt cloud environments and expand into global markets, said a TBR analysis.

The vendors with low-cost, global delivery capabilities are able to capitalise on demand for new IT infrastructure in emerging markets in APAC and Latin America. There is also demand for IT modernisation incorporating cloud, mobility and analytics in the US due to vendors' cost-effective, innovative offerings and local market presence.

The US/Americas revenue was supported by demand for adopting new IT infrastructure in LATAM and meeting US regulatory standards in the healthcare market.

## EUROPEAN ECONOMY

The current economic climate in Europe is creating favourable M&A opportunities for North American and India-centric firms, as demonstrated by CGI's acquisition of UK-based Logica.

According to TBR Analyst Erin Hichman, "A focus on higher-margin offerings and controlling costs, such as leveraging a low-cost delivery model, along with maximising employee productivity and minimising cost structures will fuel leaders' growth. Lagging vendors suffer from over-exposure to underperforming markets and higher use of on-shore resources."

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