

Nasscom lowers IT, BPO growth to 17%

New Delhi: The economic downturn has forced industry body Nasscom to lower its projection of the revenue growth rate from software and service exports (IT and BPO) to 16-17% in the current fiscal from the earlier forecast of 21-24%. "Factoring the impact of the global economic crisis in the second half of 2008-09, the industry is expected to grow by 16-17% by March 2009, Nasscom president Som Mittal said.

"Despite an uncertain economic environment, the Indian IT-BPO industry will see sustainable growth over the next two years and our estimates indicate the industry will clock revenues of \$60-62 billion by FY'11, growing at a compound annual growth rate of 15% per year," he added. Software and BPO export revenue is expected to touch \$47 billion in 2008-09 from the earlier anticipated figure of \$50 billion, Nasscom said.

The combined revenue (export and domestic) is estimated to touch \$60 billion in 2008-09, it said. The industry, including domestic companies, recorded an overall growth of 28%, clocking revenues of \$52 billion in 2007-08. The exports segment grew by 29% to register revenues of \$40.4 billion in 2007-08. With the BFSI sector accounting for almost 40% of the revenues of this sector, the collapse of major banks in the US and the UK, Nasscom was left with no option but to revise its targets downwards from the earlier \$50 billion software exports estimate for FY 2009, analysts said. After growing at 28-30% for years, slowdown has hit the export driven industry.

The domestic IT-BPO market is expected to cross Rs 1,11,000 crore by FY 2009 exhibiting a 20% growth rate. PTI



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To push offshoring

New Delhi: A high-level team from Nasscom will be in US next month to interact with the Obama administration, top politicians, think-tanks and corporates and convince them of the benefits of outsourcing. Nasscom chairman Ganesh Natarajan, who will lead the team that will also have president Som Mittal, said the visit would focus on three things — totalisation agreement, immigration issues and benefits of outsourcing. PTI

'Satyam an isolated case'

New Delhi: Nasscom on Wednesday said that Satyam is an isolated case and not a reflection of the IT industry, which is robust on values and parameters. "The board of Satyam is doing a great job... It's a one-off case. Let us move on from what has happened in Satyam," Nasscom president Som Mittal said. "Let us follow on the intrinsic value of the company." PTI