

IT Outsourcing in India

India is an emerging super power, when it comes to developing IT solutions. IT is regarded as one of the leading industry in India. The mentioned statics would clarify the industry and scenarios more transparently.

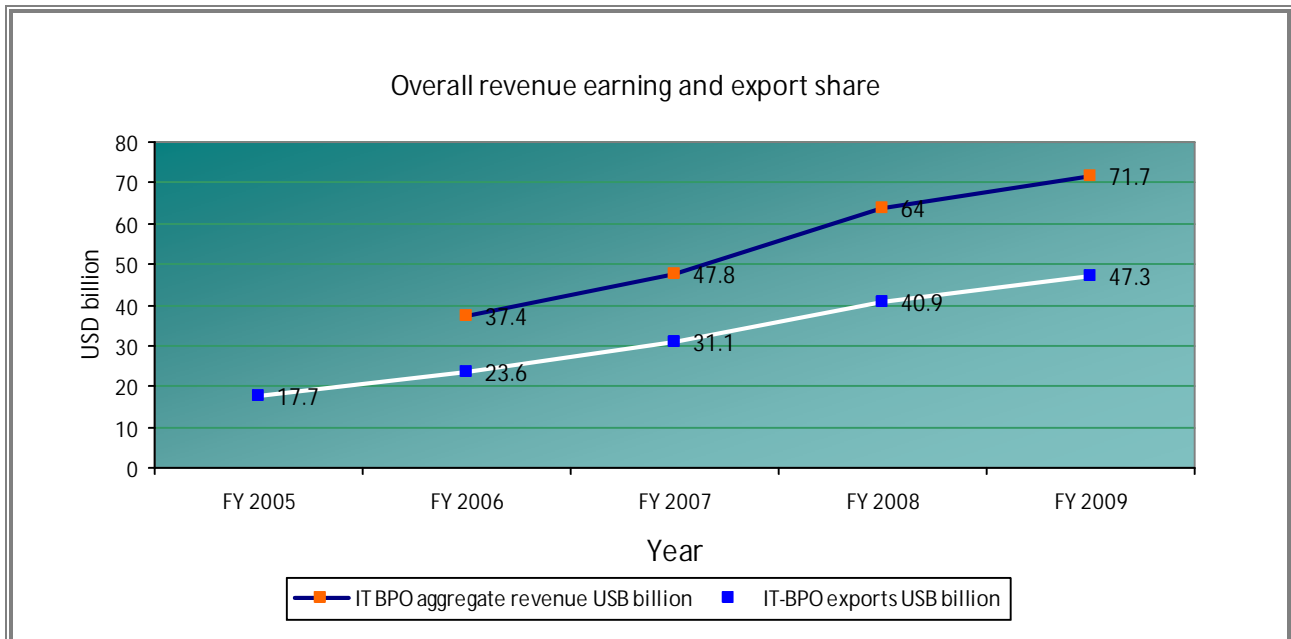


Figure 1: India's Overall Revenue Earning and Export Share¹

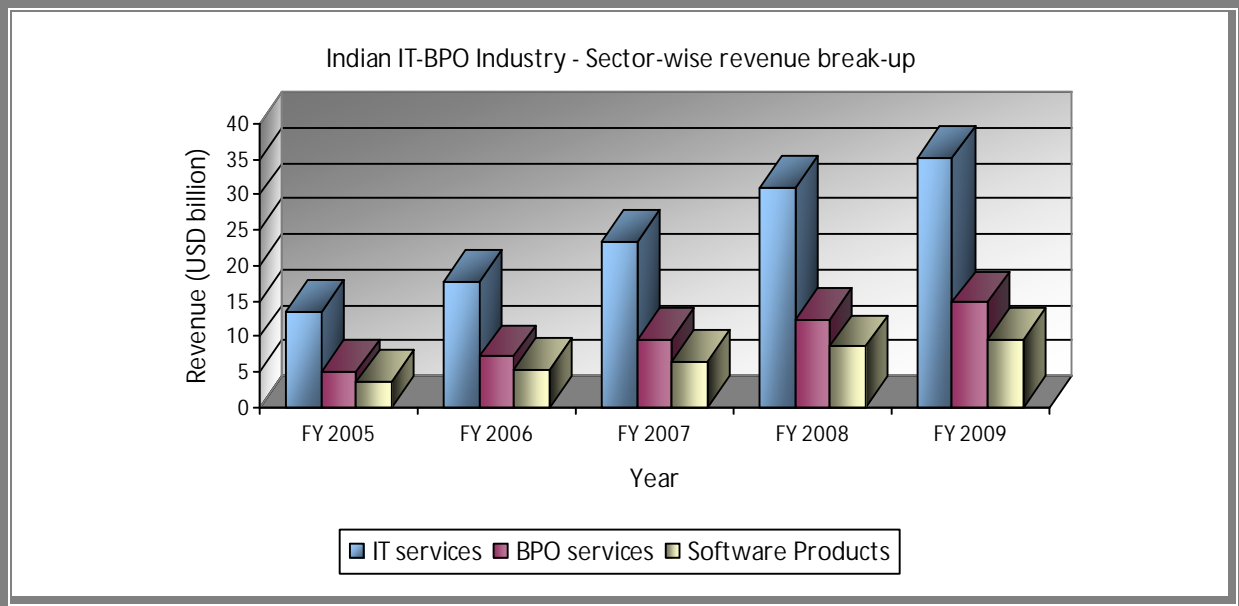


Figure 2: Indian IT-BPO Industry – Sector-wise Revenue Break-up

India is the most preferred destination for IT outsourcing. The reason being¹:

- Cost efficiency of IT outsourcing in India: The wide gap between the personal costs in India and that of the developed countries ensures considerable economical benefits for those who are prepared to exploit the advantages of outsourcing.
- Quality output that IT outsourcing firms in India guarantee: The Indian companies involved in IT outsourcing in India provide high quality work, meeting international standards and complying with the ISO & SEI-CMM standards.
- The reliable communication facilities: Excellent telecom, ISP, and cellular networks in all cities and towns in the country that play a significant role in determining the success of offshore IT outsourcing to India. Thus companies engaged in IT outsourcing to India, can be in touch with the vendors without any connection hurdles.
- Technologically advanced outsourcing firms in India: India's technologies offer excellent software solutions. The applications include E-commerce, Business Process re-engineering, System Migration, Maintaining Legacy system, System integration.
- Stable government facilitating IT growth: India has a stable pro-IT government whose policies, economy, GDP growth, taxation, power, telecom, industrial parks & special zones have been helpful in improving the infrastructure as well as communication. The government plays a major role in contributing to the success and well-being of IT outsourcing to India. Indian government policies are framed in a way that ensures maximum benefit out of IT outsourcing to India.

Top 5 outsourcing Objectives:

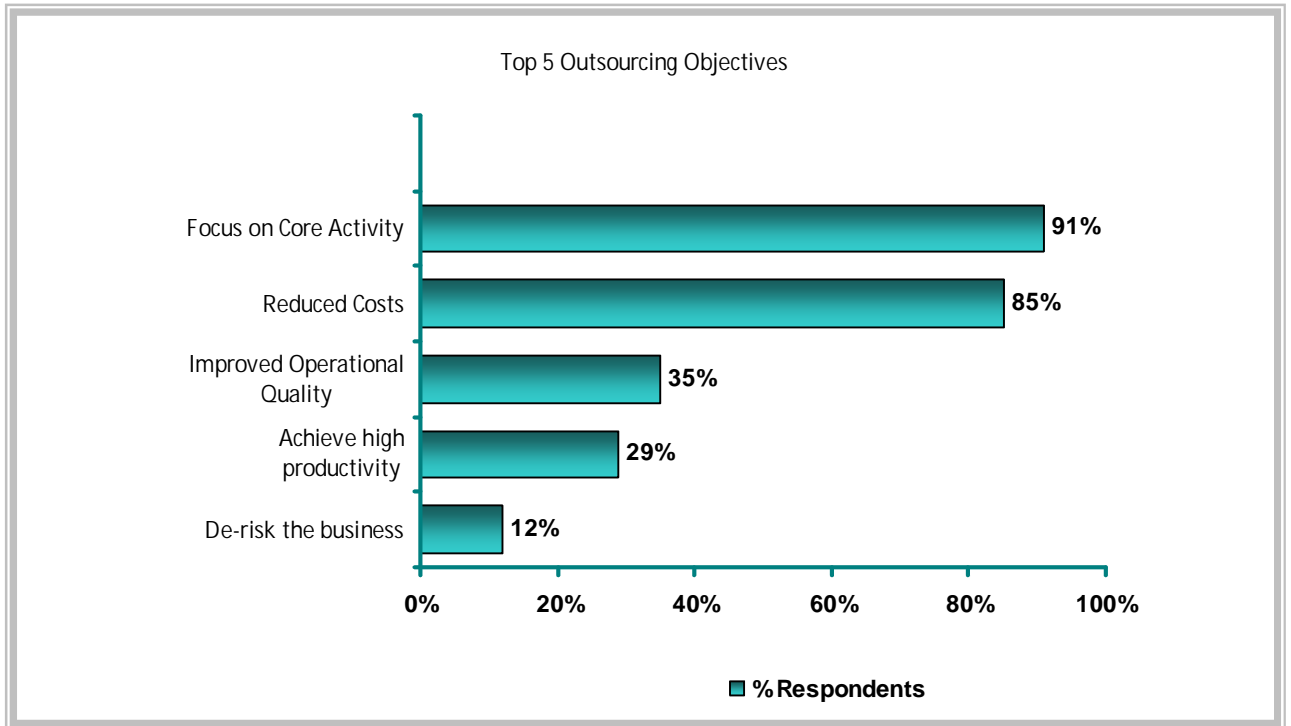


Figure 3: Top 5 Outsourcing Objectives¹

Future of Indian IT Industry:

The Indian IT sector is the most flourishing sector of Indian financial system indicating a speedy expansion in the coming years. According to NASSCOM, the Indian IT exports are anticipated to attain USD 175 billion by 2020, out of which the domestic sector will account for USD 50 billion in earnings. In total, the export and domestic IT sectors are expected to attain USD 225 billion.

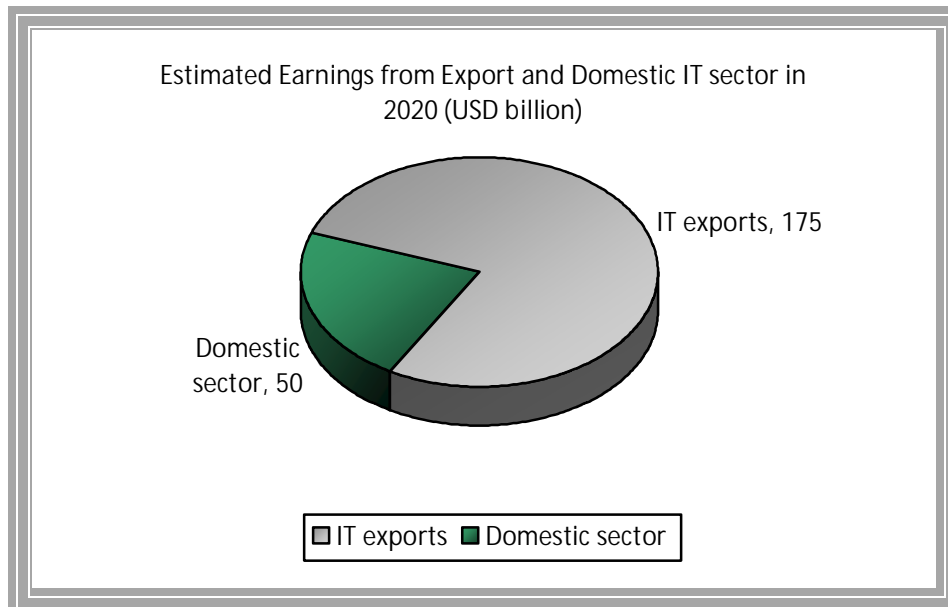


Figure 4: Estimated Earning from Export and Domestic IT Sector in 2020¹