

## GOVERNMENT TO SUPPORT INDIA'S IT INDUSTRY

**Prelims:** Governance- Policies, Economics- Industries

**Mains:** GS-II- Government policies and interventions for development in various sectors and issues arising out of their design and implementation.

### Why in News?

- ▶ Union Minister of Commerce & Industry and Railways, held a meeting with senior managers of IT companies in New Delhi

### IT Industry Challenges:

- ▶ India's IT industry contributed 7.7% to the country's GDP in FY 2017 and is expected to contribute 10% of India's GDP by 2025.
- ▶ The United States account for 2/3rds of India's IT services exports.
- ▶ India is the largest exporter of IT services in the world and exports dominate the Indian IT industry and constitutes about 79% of the total revenue of the industry.
- ▶ India's IT service sector is now gearing up to be the digital partner of intelligent automation like smart algorithms, bots and AI tools, which are fast becoming a part of every industry and an increasingly digital world.

### Challenges and support:

- ▶ The representatives of the companies informed that although the Chinese IT services market is the third largest in the world India's investments and business have not been able to grow in China.
- ▶ This is due to various non-tariff barriers and challenges faced by Indian companies to set up their entity in China.
- ▶ Market access issues that create hurdles for Indian companies to open their business in China was also discussed.
- ▶ Government of India will give all support for the global growth of India's flagship industry and will make all efforts to facilitate the IT service industry and for that it is ready to engage with China and also Japan and Korea
- ▶ Commerce and Industry Minister urged India's IT services companies to explore other markets and not be inhibited in operating in countries that are non-English speaking.