**"Now IT Sector Condition In Boomb or Recession”**

The IT sector is presently underweight due to higher attrition rate and as a result, employee costs increased significantly which the companies could not pass on to the customer. However, according to Reuters, a situation of rapid economic downturn in the IT sector is quite unlikely, despite the surge in technology-sector job cuts. There has been a fall in the number of people, particularly Americans, claiming unemployment benefits, indicating that widespread layoffs still remain low.

In addition, the United States is headed toward a recession, and it is already impacting the technology sector. This year saw US tech companies laying off 136,000 people with 42,000 people losing their jobs in November alone. Given how interconnected the world is today, a global economic slowdown is inevitable, and layoffs too are not far behind.

Typically, when the US or Europe enters a recession, as a first step to saving the economy, discretionary spending will be slashed. IT budgets come as a part of it. So any change in the IT budget would have an impact on the earnings and revenue growth for Indian IT companies.

The IT sector is considered "recession proof" as clients will either spend on business transformation or cost takeout deals. Clients have not stopped decision making on deals and spending amid inflation and recession fears. However, a potential recession in the US is posing a threat to Indian IT’s growth guidance for the next FY 22-23. According to Goldman Sachs, there was a 30 percent probability that the US economy would tip into recession over the next two years because of aggressive interest rate hikes by the US federal reserve.

The growth of the Indian IT industry is closely tied to global IT spending. According to Gartner, worldwide IT spending is forecasted to grow 5.1% in 2023. Deploying the right digital initiatives is critical to permanently reduce the cost of doing business and improve customer and employee experience.

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