

## Now IT Sector condition in Boom or Recession



The present condition of IT sector has been a topic of discussion for quite some time now. As of present, the IT sector is experiencing a **boom**, and the same is expected to continue for a few more years from now. India's tech industry is estimated to touch \$245 billion in the 2022-23

financial year. The **pandemic** has played a crucial role in the growth of India's IT sector.

In the contemporary world economy, **India is the largest exporter of IT**. The contribution of IT sector rose from 1.2% in 1998 to 10% in 2019. India dominates the exports industry and it constitutes about 79% of the industries **total revenue**. Along with the International markets, the domestic market is also growing significantly with robust revenue growth. The major IT hubs in India are:- Bengaluru, Hyderabad, Chennai, Kolkata, Pune, Kochi and Delhi NCR (Noida and Gurgaon).

Due to pandemic, many companies have shifted their focus towards **digitalization** and **remote working**. During pandemic, the employees have gained a lot of experience and confidence in their jobs. With **remote working** becoming the norm, **businesses** have had to rely heavily on cloud computing services to enable their employees to **work from home**. Another area that has experienced growth in the IT sector is **cybersecurity**. As more and more data is stored on the cloud and shared online, the need for cybersecurity has become more pressing. **Cyberattacks** have become **increasingly** sophisticated and frequent, and businesses have had to invest in better cybersecurity measures to **protect** their data. This has led to a surge in demand for cybersecurity services. **Artificial Intelligence** (AI) and Machine Learning (ML) have also played a significant role in the growth of the IT sector. These technologies have been used to develop new products and services, **automate** processes, and enhance **decision-making** capabilities.

This was about the boom in IT sector in India. On the other hand, the IT sector has also been facing some challenges. One of the most significant challenges has been the **shortage of skilled workers**. The demand for intake of jobs for IT people are more but lack of skilled

workers leads to vacancy of roles. This has led to an **increase** in salaries and a decrease in the quality of work, as companies struggle to find the right talent. Recession actually means a **downward trend** in the business cycle characterized by a decline in production and employment, which in turn causes the incomes and spending of households to decline.



In 2023, India has a '**Zero-Probability**' of slipping into a recession, as per the Bloomberg Report. A bigger indicator of a looming recession is a decrease in hiring, and increase in layoffs. The global layoff count since 2022, exceeding over 2,000 rounds, is nearly half a million employees. With nearly two-third of the impacted staff in the US, the rest of the world contributes to one-third. **India ranks second in the layoffs count**, with an impact in the 35,000 to 40,000 range.

Another challenge facing the IT sector is the increasing competition. With the **growth** of the **IT sector**, many new players have entered the **market**, **offering innovative** solutions and **services**. This has led to a **highly** competitive market, with companies competing to offer better products and services at **lower prices**. The IT sector has also been affected by the ongoing trade tensions between countries.

In conclusion, the IT sector is currently booming, driven by the demand for **Cloud Computing, CyberSecurity and AI/ML services**. However the sector is also facing issues such as lack of skilled workers, Increasing competition day-by-day and ongoing trade tensions. Indian IT might infact see some slow down in growth in the next few quarters but the **Indian IT industry has proven that even in tough economic times, it can not only survive but thrive.**