

GOVERNMENT OF INDIA  
MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY  
**RAJYA SABHA**  
**STARRED QUESTION NO.\*68**  
TO BE ANSWERED ON: 21.07.2017

**POTENTIAL JOB LOSSES IN IT SERVICES BUSINESS**

**\*68. SHRI A. K. SELVARAJ:**

Will the Minister of Electronics & Information Technology be pleased to state:

- (a) whether it is a fact that there are concerns over potential job losses in the IT services business;
- (b) whether it is also a fact that though the pace of growth in IT services business has come down, the employment opportunities have not been affected; and
- (c) whether it is also a fact that hiring is still a reality and it is only the nature of business that is changing, if so, the details thereof?

**ANSWER**

MINISTER FOR ELECTRONICS AND INFORMATION TECHNOLOGY  
(SHRI RAVI SHANKAR PRASAD)

(a) to (c): A Statement is laid on the Table of the House.

**STATEMENT REFERRED IN REPLY TO RAJYA SABHA STARRED QUESTION NO. \*68  
FOR 21.07.2017 REGARDING POTENTIAL JOB LOSSES IN IT SERVICES BUSINESS**

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(a) to (c): The Indian IT-ITeS industry has been progressively contributing to the growth of economy through increasing exports and creation of employment opportunities. According to National Association of Software and Services Companies (NASSCOM), the IT-ITeS industry is estimated to directly employ nearly 40 lakh people, an addition of around 175,000 people over the year 2016. In addition, indirect employment is 1-1.2 crore (~2.5-3 times of direct employments). According to NASSCOM survey, around 6 lakh employments have been made in the IT sector in the last three years. It is estimated that the industry will remain a net hirer in FY 2017-18. The trend over last 3 years is as follows:

<b>Year</b>	<b>Number of Total employees</b>	<b>Net addition during the year</b>
FY2014-15	3,485,000	217,000
FY2015-16	3,688,000	203,000
FY2016-17	3,863,000	175,000

*Source: NASSCOM*

The IT-ITeS industry has continued to perform its role as the consistent growth driver for the economy. The total IT-ITeS Industry revenue (excluding e-Commerce) over the last 4 years is as under:

*(US\$ in Billion)*

	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17(E)</b>
<b>Exports</b>	<b>88.0</b>	<b>97.8</b>	<b>108</b>	<b>117</b>
<b>Domestic (incl. hardware)</b>	<b>31.6</b>	<b>34.0</b>	<b>35</b>	<b>38</b>
<b>Total Revenue</b>	<b>119.6</b>	<b>131.8</b>	<b>143</b>	<b>155</b>

*(E) = Estimate*

*Source: NASSCOM*

Every sector requires re-skilling and the fast changing digital technology area requires it even more. Workforce re-alignment is routine exercise of yearly performance appraisal processes which impacts only 0.5-3% of the overall IT talent pool. Re-skilling of existing staff and removal of those who do not meet the standards is routine in any industry and more so in IT. According to NASSCOM, the skills profile is set to undergo a rapid change as demand for skills around digital technologies grows exponentially. Many firms have established dedicated programs to re-skill their existing employees through over 300,000 available experts in the country.

Technology changes with time and it is seen that if new technology displaces few jobs, it creates more jobs in future. Technologies such as advanced robotics and automation are changing job roles significantly across industries. It is believed that technology adoption will

only lead to more job creation across sectors in the long run. More jobs will be created 'because of IT' than in 'core IT'.

Overall economic growth of India is ~7%, and with the emphasis on 'digital', there are going to be greater job opportunities. Government programmes like Digital India, Make in India, Start-up India, Digital Payments, e-Commerce and Cyber Security are going to create robust employment scenario in the IT area in the country. The Government took a meeting of all stakeholders from IT-ITeS industry for developing the roadmap for one trillion dollar digital economy of India. The meeting was highly successful. This will also create number of job opportunities in coming few years. According to NASSCOM survey, 25 lakh employments will be generated by 2025.

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