

## ICT & BPO



In India, Information technology is still the fastest growing segment, both in terms of production and exports.

This methodology follows **two steps**:

High offshore component of delivery and superior execution in multi-location delivery continue to be key differentiators. IT led by large Indian firms, BPO by a mix of Indian and MNC third-party providers and captives, reflects the depth of the supply-base.

As a proportion of national GDP, the sector revenues have grown from 1.2 per cent in FY1998 to an estimated 6.8 per cent in FY2010. Net value-added by this sector, to the economy, is estimated at 3.8-4.4 per cent for FY2010.

- ✚ Indian IT-BPO grew by 12 per cent in FY 2010 to reach US\$ 71.7 billion in revenue.
- ✚ Hardware segment reached US\$ 11.8 billion in FY 2010, a growth of 17 per cent over FY 2009.
- ✚ Software and services exports accounting for over 99 per cent of the total exports, reached US\$ 47 billion.
- ✚ IT services contributed 57 per cent to total exports to reach US\$ 26.9 billion.
- ✚ BPO services exports, up by 18 per cent, was the fastest growing segment across software and services.

The Indian IT-BPO sector has built a strong reputation for its high standards of service quality and information security – which has been acknowledged globally and has helped enhance buyer confidence. The industry continues its drive to set global benchmarks in quality and information security through a combination of provider and industry-level initiatives and at strengthening the overall frameworks, creating greater awareness and facilitating wider adoption of standards and best practices.

Recent examples of significant investments in Information Technology sector are given below.



### **GTL Infrastructure acquisition of Aircel towers:**

This acquisition was worth about US \$ 1.8 billion and brought GTL Infrastructure to the third position in terms of number of mobile towers – 33000. The money generated gave Aircel the funds for expansion throughout the country and also for rolling out its 3G services.



### **Airtel's acquisition of Zain in Africa:**

Airtel acquired Zain at about US \$ 10.7 billion to become the third biggest telecom major in the world. Since Zain is one of the biggest players in Africa covering over 15 countries, Airtel's acquisition gave it the opportunity to establish its base in one of the most important markets in the coming decade.