

Nasscom upbeat on IT growth story

US slowdown impact may last 4-6 months; confident of meeting 2010 export target

Our Bureau

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Software association Nasscom on Friday indicated that the US credit crunch could lead to some slowdown in the growth rate of software and services sector, but exuded confidence that the IT industry would still notch in excess of 22 per cent growth rate required to meet the software export target of \$60 billion in financial year 2010.

"There could be some slowdown in growth, but the growth, per se, will happen. The target of \$60 billion by 2010 will be maintained and achieved, as we go forward. Companies, however, are currently watchful on how severe the slowdown would be," Mr Som Mittal, President of Nasscom, said at a conference to outline the association's focus areas for FY09 including societal development and inclusivity, green IT and education, amongst others.

Nasscom said that going by the current indicators, the



New growth areas: (From left) Mr Som Mittal, President, Nasscom; Dr Ganesh Natarajan, Chairman; Mr Pramod Bhasin, Vice-Chairman, at a press conference in the Capital on Friday. — Ramesh Sharma

impact of the slowdown may last for 4-6 months. "But in some cases the slowdown has actually forced companies to outsource. Overall, we could see slowdown in growth rate, but we will still be a robust 22 per cent or more, needed to reach \$60 billion by 2010," he pointed

out. At present, the US constitutes about 61 per cent of India's software and services exports.

The Indian IT-BPO revenue — domestic and exports combined — is projected to touch \$64 billion during the year ended March 2008 (the data on actual industry per-

formance would be released in June), exhibiting a growth of over 33 per cent.

PROJECTIONS

During FY08, the software and services exports are projected to cross \$40 billion, about 28 per cent surge over the previous year, and Nass-

com is confident of meeting these projections.

"New growth is coming from Europe and Asia Pacific markets. Slowdown in one market will be offset by growth in the other," Mr Pramod Bhasin, the new Vice Chairman of Nasscom and President and CEO of Genpact, said.

'TEMPORARY LULL'

Dr Ganesh Natarajan, Chairman of Nasscom and Global CEO of Zensar Technologies, said that any slowdown would be more of a "temporary lull and not impact long term prospects."

Earlier this week, research firm Forrester said that the market for technology in the US would experience a significant slowdown in growth in 2008 to about half of 2007-levels. Forrester said that the growth would slow from six per cent in 2007 to three per cent in 2008, although on a positive note the market would grow despite the slowdown.