

(R & D) & (IPR)

IT sector to meet \$77 b target by '08

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The Indian IT industry is slated to reach its long-term target of \$77 billion by 2008, with the products and technology services industry expected to contribute around \$8-10 billion, according to a Federation of Indian Chambers of Commerce and Industry (FICCI) report.

The report, titled 'R&D and Intellectual Property Rights in Information and Communication Technology Industry in India' said, other than the domestic players, many global service providers are increasingly considering India as a location for establishing captive centres for product development and R&D activities. The market for outsourced R&D activities in India was estimated to be between \$800 million and \$1 billion in 2002-03 and expected to reach \$11 billion by 2008, it said.

"Among reasons for India being one of the preferred destinations for outsourcing software and IT services is that it ranks favourably, in comparison with other locations, in respect of critical parameters, including level of government support, quality of the labour pool, English language skills, cost advantages, project management skills and overall

FULL STEAM AHEAD

- ▶ Products & tech services industry expected to contribute \$8-10 billion
- ▶ Global service providers eye India for product development and R&D
- ▶ Domestic market for outsourced R&D activities to be \$800 m-\$1 b in 2002-03, \$11 billion by 2008
- ▶ India preferred destinations for outsourcing software and IT services due to the following:
 - Level of govt support
 - Quality of the labour pool
 - English language skills
 - Cost advantages
 - Project management skills
 - Quality control
 - Comprehensive legal framework



quality control," the report said.

"An additional factor deemed critical to India's status as a destination of choice for outsourcing and off-shoring activities, is the existence of a comprehensive legal framework to regulate activity relating to the IT industry," it said.

The report said that many Indian companies have placed importance on the protection of IPRs and taken initiatives to increase awareness and protection within the companies and promote IP as a policy. "It is widely believed, that stronger IPRs in India will greatly benefit software companies across sectors, and will encourage greater product development in India. At present, the Indian software industry employs over 500,000 software

engineers, and software services in India have gained a worldwide reputation. Strong levels of protection for intellectual properties have encouraged foreign investments in India, with many companies choosing to either set up their own facilities in India or to outsource a large part of their business to India."

There has been significant increase in the appreciation of intellectual property and the awareness level has also increased tremendously. This is evident from the increase in the number of patent applications filed in the Indian Patent Office, it has risen approximately 150% in 1997-98 from 1993-94, crossing the 10,000 mark for the first time in 1997-98, it said.