

India needs to create a robust software product development ecosystem

India became the seventh-largest services exporter in the world in 2020, moving up the ladder by two positions, and achieved a USD 89 billion services trade surplus in FY 2020-21, given its prowess in the IT / ITeS exports.

During the Covid-19 pandemic, the IT sector was the fastest to adapt to remote work culture in India. The sector is highly cost competitive, even in comparison with developed countries such as the US. The National Optical Fibre Network (NOFN) in India aims to connect all the 2.5 lakh Gram Panchayats (village councils) in the country with high-speed broadband.

The computer software and hardware sector is one of the most attractive sectors for inward FDI in India. It attracted over USD 74 billion FDI equity between April 2000 and June 2021. India is a preferred destination for setting up Global Capability Centres. The Indian data center industry attracted investments of over USD 390 million in 2020, while the per capita data consumption in India is expected to reach 25 GB/month by 2025.

India's exports of software services in FY 2020-21 stood at USD 134 billion. However, the contribution of Software Product Development to these exports was just about USD 4.5 billion. It, therefore, becomes imperative to encourage a software product development ecosystem for creating a technology-oriented products industry in India.

As this ecosystem will be marked by innovations, Intellectual Property (IP) creation and increase in productivity, it not only has the potential to boost exports, and create employment and entrepreneurial opportunities, but also generate growth avenues in many other sectors.

The Covid-19 pandemic has tested the resilience of the Indian IT sector and created various opportunities for growth due to increased digitization. Economic incidents of the past few years such as demonetization, GST roll-out and the recent Covid-induced lockdowns have made the Indian populace tech-savvy, even in the informal sector.

Increased formalization of the economy and improved governance hold the promise of leapfrogging our economy, and the IT / ITeS sector serves as a backbone for the same. Given that these services can transform the entire gamut of industries, ranging from manufacturing, agriculture and urban development to finance, education and healthcare services, the sector calls for increased thrust and development support.

Notifications

PIB

Index of Industrial Production - September 2021

<https://pib.gov.in/PressReleasePage.aspx?PRID=1771219>

Consumer Price Index - October 2021

<https://pib.gov.in/PressReleasePage.aspx?PRID=1771235>

CBIC launches online digital application at ICD Tughlakabad, Delhi

<https://pib.gov.in/PressReleasePage.aspx?PRID=1771026>

Cabinet approves price support to Cotton Corporation of India

<https://pib.gov.in/PressReleasePage.aspx?PRID=1770515>

Cabinet approves reservation norms for Jute Packaging Materials

<https://pib.gov.in/PressReleasePage.aspx?PRID=1770511>

RBI

Auction of Government Securities: Non-Competitive Bidding Facility to retail investors

<https://m.rbi.org.in//scripts/NotificationUser.aspx?Id=12193&Mode=0>

Integrated Ombudsman Scheme, 2021

<https://m.rbi.org.in//scripts/NotificationUser.aspx?Id=12192&Mode=0>