

**GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA**

STARRED QUESTION NO:237

ANSWERED ON:14.03.2007

FOREIGN EXCHANGE EARNINGS IN IT SECTOR

Appadurai Shri M.;Surenran Shri Chengara

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

:-

- (a) the amount of foreign exchange earned in ITSector by exporting computer software during the last three years and the estimated projections for the next three years, State-wise;
- (b) the name of foreign countires to which computer software was exported during the last year;
- (c) whether there is a decline in the earnings of foreign exchange during the year 2004-2005 in comparison to the previous year;
- (d) if so, the reasons therefor;
- (e) the steps taken by the Government to improve software exports; and
- (f) the number of software parks likely to be set up in Andhra Pradesh by the end of 2008?

Answer

MINISTER OF COMMUNICATIONS & INFORMATION TECHNOLOGY(DAYANIDHI MARAN)

(a) to (f): A Statement is laid on the Table of the House. STATEMENT REFERRED TO IN REPLY TO LOK SABHA STARRED QUESTION NO. 237 FOR 14.3.2007 REGARDING FOREIGN EXCHANGE EARNINGS IN IT SECTOR

(a) and (b): As per NASSCOM (National Association of Software and Service Companies) total export revenue in last three years from IT Sector are as follows (excluding hardware):

Financial Year 2003-2004:	US\$ 12.9 billion
Financial Year 2004-2005:	US\$ 17.7 billion
Financial Year 2005-2006:	US\$ 23.6 billion

As per the Electronics and Computer Software Export Promotion Council (ESC) and NASSCOM it is expected that Computer Software

and related service export (including ITES) will exceed US\$ 60 billion by the year 2010.The state-wise breakup of exports as per Software Technology Parks of India (STPI), an autonomous society under Department of IT, Ministry of Communications and IT, Govt. of India is placed at Annexure-I.

As per NASSCOM mainly USA and European countries are importing IT products from India; and level of imports for Financial Year 2005- 2006 are as follows:

USA	: 67.18%
Europe	: 25.13%
Rest of the world	: 7.69%

(c): No, Sir. As per NASSCOM the total exports have grown from US\$ 12.9 billion in 2003-2004 to US\$ 17.7 billion in 2004-2005.

(d): Does not arise.

(e): Steps taken by the Government to promote the growth of IT Software and Services Industry are enclosed as Annexure-II.

(f) As per STPI they had already set up six centers in Andhra Pradesh at Hyderabad, Thirupati, Vijayawada, Visakhapatnam, Warangal and Kakinada. As per the current policy for setting up a new STPI Centre, the State Government has to provide 3 acres of land, 10,000 sq.ft. of built up space and a grant-in-aid of Rs. 1 Crore to STPI. A feasibility study has to be conducted by STPI jointly with the State Government to evaluate the export potential and commercial viability of the proposal. There is no proposal pending at present to set up a new center in Andhra Pradesh. The Government of Andhra Pradesh has indicated that they propose to set up 8 IT Parks and 29 IT / ITES SEZs.