

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

UNSTARRED QUESTION NO:3604

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TELECOM REVOLUTION IN VILLAGES

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

(a) whether the India's position as a global powerhouse in software and back-office off-shoring could be under threat from China in the next three-five years said National Association of Software and Service Companies (NASSCOM), India's software lobby group in a White Paper released recently as reported in the Mint Newspaper dated August 22,2007.

(b) if so, the facts of the matter reported therein; and

(c) the steps taken/being taken by the Government to boost the software and services sectors of the country?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (DR. SHAKEEL AHMAD)

(a) and (b): As per highlights of NASSCOM's Whitepaper on Tracing China's IT Software Services Industry Evolution:

'China has the potential to develop a large IT-BPO industry. Underlying this is substantial domestic market potential, a sizeable educated workforce and strong government emphasis on developing the sector.

Currently the IT-BPO industry in China is in its early phases of evolution. Frequent comparisons with India and commentary positioning China as a substitute destination is misplaced.

The current industry landscape in China bears some resemblance to earlier years of Indian IT-BPO. However, systemic weaknesses and comparatively evolved demand and competitive environments today pose some additional challenges.

The Chinese government is keen on promoting this sector. Rapid progress on the 'tangible' aspects of infrastructure and capacity creation is evident, softer aspects remain a challenge. China is unlikely to catch on India's lead in global services sourcing in any significant manner over the next 3-5 years.'

(c): Steps taken by the Government to promote the IT Sector are given as Annexure.