

# INDIAN TECH INDUSTRY CROSSES \$200 BN REVENUE MARK IN FY22

Relevant for: Indian Economy | Topic: Issues relating to Growth & Development - Industry & Services Sector incl. MSMEs and PSUs

**BENGALURU** : India's technology industry crossed the \$200 billion revenue mark this financial year to touch a record \$227 billion, the National Association of Software and Services Companies (Nasscom) said on Tuesday.

During the year, the industry saw \$30 billion of incremental revenues and an overall growth rate of 15.5%, the fastest since 2011, Nasscom said in its Strategic Review 2022 report. The industry has also set an ambitious target to touch \$350 billion revenues by FY26 with an annual growth rate of 11-14%, the report added.

All sub-sectors of the industry recorded double-digit growth. Exports (including hardware) grew 17.2% with revenues of \$178 billion, which is more than 51% of India's total software services exports.

India's vast digital infrastructure played a key role in driving tech adoption, with public digital platforms as the bedrock of the digital advantage. Driven by enhanced local demand, the technology industry clocked 1.2 times growth in domestic revenues over FY19 to about \$50 billion.

E-commerce grew 39% to reach \$79 billion in FY22. Digital revenue share stood at 30-32%, recording an incremental revenue of \$13 billion in FY22.

"Fiscal 2022 has been a breakthrough year for the Indian technology industry. We've posted solid, broad-based growth, massively increased jobs, and are proud that we continue to be an engine for India's economic growth, and a beacon for inclusion and diversity. We are excited about the opportunities in the Techade as we enter an era of exponential transformation and technology becomes indispensable to progress. We remain committed to catalysing the trillion-dollar digital economy with our focus on talent, technology, collaboration, and innovation," Nasscom chairperson Rekha M. Menon said in a statement.

India has also emerged as a global hub for digital talent with more than five million tech workers, the industry lobby group said in the report. The industry recorded nearly 10% estimated growth in direct employees in FY22, with the highest-ever net addition of approximately 450,000 to its employee base.

The software services industry employs 1.8 million women, accounting for 36% of overall workforce, making it one of the largest private-sector employers of women in India.

Further, with one out of three employees already digitally skilled, the digital tech talent pool is at 1.6 million, growing at a CAGR (compound annual growth rate) of 25%. With massive focus on reskilling and upskilling, the tech industry reskilled around 280,000 employees in FY22. India's technology industry has emerged as a digital tech hotbed, with 30-32% revenues from the digital stream and more than 66% of deals largely digital. The industry also undertook more than 290 mergers and acquisitions with digital as the primary focus.

India, meanwhile, continues to be the third-largest startup hub globally with more than 25,000

tech startups and witnessing the birth of 42 new unicorns and 11 IPOs (initial public offerings) in 2021. Over 2,250 tech startups were founded in 2021 and a total highest-ever funding of \$24 billion was raised in 2021.

The industry also saw maturity in the software products segment with the presence of over 2,000 software product companies and 1,000 SaaS companies.

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