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The Union Finance Minister holds Pre-Budget Consultative Meeting with the Representatives of IT Industry; FM: Software Development and Information Technology Enabled Services (ITeS, including BPO & KPO) industry had emerged as one of the most dynamic and vibrant sectors in India; Electronic Market in India is one of the Largest in the World and is expected to reach US \$400 Billion in 2020.

New Delhi, December 10, 2016
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The Union Finance Minister Shri Arun Jaitley said that India's external position is more robust now and the return to resilience to periodic global shocks is sustainable with lower trade and Current Account Deficits, stable exchange regime and the sound buffer of forex reserves. The Finance Minister said that India's competence in IT-Software is recognised globally and in recent times, software development and Information Technology Enabled Services (ITeS, including BPO & KPO) industry had emerged as one of the most dynamic and vibrant sectors in India. He said that the Government recognises the potential of IT sector, hence Electronic Systems and IT & BPM (Business Process Management) are included among 25 sectors in 'Make in India' programme. Shri Jaitley said that the electronic market in India is one of the largest in the world and is expected to reach US \$400 Billion in 2020.

The Finance Minister Shri Arun Jaitley was speaking at Pre- Budget Consultative Meeting with stakeholders from IT (Software / Hardware) Sector. During the meeting, various suggestions were received from the participants for boosting the IT sector. It was brought forth that Government support was required for IT sector in view of increasing trends of protectionism and anti-globalisation abroad. Also rapid changing nature of technology in IT field makes it imperative to focus on R&D in IT, hence, the Government needs to promote R&D and innovation in IT sector in a big way.

Further, there are issues about speed and penetration of broadband in India. Number of Wi-Fi hotspots is very low in the country. Hence, it was suggested that over-ground towers and underground fiber cable network need to be improved in a big way. At the consumer end, smart phone prices need to be further brought down so that broadband is more accessible to masses. It was appreciated in the discussion that green shoots are visible in smart phone manufacturing industry in India and manufacturing of these phones is increasing rapidly. Also, street price of these Indian made smart phones is competitive when compared to Chinese made phones. So the next logical focus of Indian smart phone manufacturers should be to target the export market.

To further boost electronic manufacturing in country, suggestions were made to extend the duty differential scheme to all ITA goods, specifically for personal computers (Desktop, Laptop). A proposal requested that list of CPE goods should be made comprehensive for Duty Differential Scheme to further promote and implement 'Make in India' initiative. Representatives sought that this scheme must continue to exist in GST regime.

To create an ecosystem for electronics and IT hardware manufacturing, proposal for a 'Component Trading Hub' was discussed. It would bring down logistics costs by creating robust infrastructure for connectivity. Participants also insisted on the need to encourage populated PCBs manufacturing in the country by restricting their direct imports.

A representative from a robotic firm requested for incentives to boost the robotics sector in country which is non-existent now.

Adoption of personal computer will be a catalyst for transformation of country to a digital economy and knowledge economy. To increase PC penetration, it was also proposed that easy loans (3-4% per annum) should be provided by banks for the purchase of personal computers and cost of PC should be allowed for deduction under Section 80C of Income Tax Act.

Concerns were shown in the meeting that increasing digitisation should not lead to increased digital divide in the country. So internet need to be more open, transparent and easily accessible to all. Suggestions were given to improve cyber security structure in India and establish a cyber test range. It was proposed that there should be a mechanism for reporting any vulnerability detected in a Government software System by any private person/agency.

Along with the Union Finance Minister Shri Arun Jaitley, the aforesaid Pre-Budget Consultative Meeting with the representatives of IT (Hardware & Software) Sector was also attended by, Minister of State for Finance, Shri Santosh Gangwar, MOS (Finance & Corporate Affairs) Shri Arjun Ram Meghwal, Finance Secretary, Shri Ashok Lavasa, Shri Shaktikanta Das, Secretary, DEA, Ms Anjali Chib Duggal, Secretary, Financial Services, Shri J.S. Deepak, Secretary, Telecommunication, Ms Aruna Sundararajan, Secretary, Department of Electronics & Information Technology (DEITY), Dr. Arvind Subramanian, Chief Economic Adviser (CEA), and Shri Sushil Chandra, Chairman, CBDT among others.

The representatives of the IT (Hardware & Software) Sector present during the meeting included Shri R. Chandrashekhar, President, NASSCOM, Shri T.V. Ramachandran, President, Broadband India Forum, Shri N K Goyal, President, CMAI Association of India, Shri Pankaj Mahindroo, Chairman, Fast Track Force & National President, Indian Cellular Association, Shri Prasad Garapati, Chairman, Electronics and Computer Software Export Promotion Council, Shri Nitin Kunkolienker, Vice President, Manufacturers Association for Information Technology (MAIT), Shri Vikram Desai, President, Electronic Industries Association of India, Ms Jaspreet Grewal, The Centre for Internet & Society, Shri UB Praveen, Infosys, Shri Arvind V.S., WIPRO, Shri Pauroos D Karkaria, TCS, Ms Nisha Tompson, Founder, Datameet, Shri Ajith Pai, COO, Delhivery, Shri Sunil Dutt, President, Device Sales, Jio Mobiles, and Shri Vartul Jain, CFO, Grey Orange India among others.
