

SPEECH OF
SHRI GURUDAS KAMAT,
HON'BLE MINISTER OF STATE FOR
COMMUNICATIONS & I.T.
DURING THE INAUGURATION OF
"INTERNATIONAL INSTITUTE FOR
INNOVATIONS IN ICT (14CT)"
AT SINHGAD TECHNICAL INSTITUTE (SIT),
LONAVALA
FROM 10.00 AM TO 12.00 NOON
ON 28TH FEBRUARY, 2010

I am delighted and feel privileged to be here at the inauguration of the International Institute for Innovations in ICT (14CT), which I am sure will bring India at the global forefront in the area of wireless and related technologies. I congratulate Sinhgad Technical Education Society (STES) for their commitment to make this historic venture.

I am aware that the Global ICT Standardization Forum for India (GISFI) is a well-recognized standardization body by the Government of India, industries and academia and it comes in response to several major trends towards future ICT technologies, such as the growing internationalization of ICT, the convergence of telecommunications and broadcasting, the need, importance and management of radio spectrum, the possibilities and challenges brought by the Internet of Things (IoT) and the development of future access technologies. GISFI is very important for India because it will put the Indian Industries and ICT effort on the world market and establish new opportunities for market growth as well as collaboration. I would also like to compliment the Center for TeleInfrastruktur (CTIF), Aalborg University, Aalborg, Denmark for opening a division in India (CTIF-India) and has initiated several activities jointly with STES.

The Information and Communication Technology (ICT) industry is growing rapidly the world over, as businesses and

governments have understood that technology delivers greater efficiency and higher productivity. As a result, today we are witnessing unprecedented global flows in information, products, people, capital and ideas, which have transformed business and markets. They have revolutionized learning and knowledge-sharing and empowered communities in new ways, leading to economic growth and previously unimaginable social development. Such growth and development is increasingly reliant on advances in Information and Communication Technologies (ICTs) that establish and connect networks of individuals across geographical boundaries at negligible marginal cost. Access to ICTs as a development tool is becoming a major political, economic and social imperative. Globally, Information Communication Technology (ICT) is literally putting smiles on faces. Individuals, organizations, nations and people are applying Information Technology in processes and everyday life. Some economies have improved dramatically though some nations are yet to appreciate the valid potentials of the new phenomenon.

The Indian ICT industry has witnessed excellent growth in the past two decades. Capitalizing on its advantages of talent pool, lower cost of operation and the innovative remote delivery model, India has established itself as a global leader in the ICT sector and today, India is clearly acknowledged as the global service hub. With the advent of the Information and Communication

Technology (ICT) revolution, India and its villages are slowly but steadily connected to its cities and the world beyond. India is now a powerful knowledge economy, and though India may have been slow starter, it certainly has caught up with the West and is ahead in various fields. We are now among the fastest growing economies of the world and ICT has become an icon synonymous with Indian economy. Given the circumstances and the state of the global economic environment, the ICT growth in India is robust and enviable by all accounts. It is our endeavour to have a sustained growth in the coming years. I trust that it is also going to be one of the few industries that will continue to hire and actually increase its head count.

As you all aware, the telecommunications sector in India has achieved unimaginable progress over a decade now. This is exemplified by the achievement of crossing the figure of 500 million mobile subscribers. Today, we are the fastest growing telecom market in the world, with the addition of about 12-15 million subscribers every month during last year, of which nearly 5-7 million subscribers were from rural areas. This achievement is even more remarkable as it happened at the time of a global economic slump. Now that the slowdown is showing signs of moderating, we can hope and aspire for even faster growth of telecommunication sector in our country.

I believe, a strong telecom sector promotes social well-being and facilitates rapid economic development of a country. It is a matter of great satisfaction that our telecom tariffs are among the lowest in the world. This has been possible due to our regulatory regime, which has encouraged healthy competition, and also due to the innovation and entrepreneurship of our private sector. While celebrating the growth and substantial achievements of the telecom sector in India, we are also cognizant of the digital divide. The consistent efforts both by the Government and the industry have helped in considerably reducing the high imbalance of rural-urban divide in the recent years and I hope we will be able to bridge the digital divide in near future.

The availability of broadband in India is also confined mostly to the people in urban areas. This lack of access to broadband for our rural population creates a large asymmetry of information as well as opportunity for them. Not only broadband penetration is very low in the country, access to the Internet itself is limited largely to urban areas. The broadband subscriber base is considered to be very minimal in a country of more than a billion and the low numbers are particularly shocking for a country that prides itself on its IT prowess. I feel we must focus on broadband, which is a truly transformative technology that has the potential to accelerate growth and facilitate Socio-economic change by making services easily accessible to those who need them the most.

Telephone connectivity took off in India when it went wireless, and the same story could be repeated in the case of Internet. To address this issue, the Government has already taken several initiatives. I also expect 3G Service, once it becomes operational, will become the predominant platform on which we will be able to build and deliver upon our broadband objectives.

India's domestic market is also throwing up several opportunities for IT-BPO players. American and European Industries first look towards India when they think of outsourcing their operations. This is because they find it economical to outsource a few of their core and non-core operations. India has come a long way from being a source of software coolies to a global hub for software research and development, product engineering, innovation and creativity. India is the most preferred destination for IT outsourcing and six Indian cities viz., Bangalore, Delhi NCR, Mumbai, Chennai, Hyderabad and Pune - are among 8 top global destinations for outsourcing of services

Indian IT is going beyond Software Services to become active partner in global product development initiatives. Indian IT is moving to a whole new level. Many Companies have moved beyond Software services to what is called Product Engineering and R&D Services - doing almost everything from conceptualising to delivering a product or a sub-system of a product.

For the last few years, we have been witnessing a very significant growth of Indian software and services exports including ITES-BPO exports. The Government has been playing a proactive role by creating and sustaining a regulatory environment that is conducive to the growth of the IT Software and Services industry. The Government has acted upon the need for the industry by ensuring the passage of the IT amendment bill which provides for Protection of personal data and information, and implementation of security practices and procedures related to electronic communications. These changes will be crucial for the continued growth of outsourcing to India, especially in the more value added areas. The tax benefits under Section 10A and 10B of the Income Tax Act for Software Technology Park Units and 100% export oriented units in IT Sector has been extended by one more year, i.e. up to 31st March 2011. In addition, about 205 IT SEZs have been notified, which are going to supplement the growth of IT Sector in the coming years.

The formulation of National e-Governance Plant [NeGP] is a major step forward and a milestone for our Government in simplifying the way the Government functions and delivers to its citizens. We are committed to our citizens the state-of-the-art delivery of public services, to all sections of the society at their doorsteps, alleviating poverty and improving education, health, trade and investment.

The Task Force of IT set up by the Government of India to suggest measures for stimulating the growth of IT, ITES and Electronics Hardware manufacturing industry in India in the context of global developments, has recently submitted its report. One of the objectives of the IT Task Force is "Inclusivity". Getting 'aam aadmi' into ubiquitous umbrella of country's mainstream economic growth and reaching the benefits of IT down to commonest diaspora, as also across entire IT sector spectrum's stakeholders, is the primary mandate and guiding tenet of IT Task Force. How to take IT from its urban-centric concentration to not only Tier-II and Tier-III cities, but also Taluka and Zilla levels so that people at village level are also brought into the loop to reap the benefits of IT, is the main agenda. The Task Force has come up with necessary actionable recommendations not only for short term, but also medium term (2014) and long term (2020).

The sheer size of the ICT market in India has a lot of upside potential. India is building its image as technology powerhouse and has brought about change in fast way trying to catch up to developed countries. India is looked at in a new light as a source of software and engineering capacity for the world. The policy changes - deregulation, opening up of economy and privatization - has helped foster ICT infrastructure. The large diffusion of ICT orientation in India is categorized into three phases - the first phase of the ICT industry evolution revolved around the

Telecommunication and Information Technology Services sector boom; the second phase was characterized by the growth of BPO companies, which created more jobs for youngsters and instrumental in increasing the purchasing power in the economy; and the third phase that we are currently in, revolves around innovation.

Let's look at what are key factors that contribute towards innovation in ICT in the Indian economy. It has been established that software is likely to continue to be the biggest differentiator in introduction of new products and services in the ICT space, broadly comprising Information Technology, Consumer Electronics and Telecom, given that processors and hardware components are standardized. Further, we have already attracted a number of multinational to set up their research divisions here and have also showcased ourselves as the destination for research in technology and related fields of work, thanks to a large pool of English speaking population and highly skilled engineers. Given that Innovation is the order of the day in Indian ICT industry, the biggest challenge remains in sustaining innovation to excel in economic growth. This requires focus on some of the areas such as - increased investment in R&D and human capital, development of infrastructure to support innovation, building capabilities and capacity for growth.

Another important fundamental requirement for achieving technological progress in any country is Protection of Intellectual Property. If Patent and Copyright laws are weak then people can copy innovations with little effort or penalty and no one will have an incentive to innovate. Patents laws are, therefore, not only meant for protection of production and use of technical knowledge but should also serve as a guide on how to share the knowledge for mutual growth. With innovations happening in the ICT domain today, the significance of Intellectual Property Rights (IPRs) and Patents have increased manifold and a lot of initiatives have already been taken to protect IPRs.

With India emerging as the “service hub” of the world with a sizeable share in the offshore IT/ITES market, the path for the ICT industry is strewn with several challenges. On one side of the fence is a plethora of opportunities offered by the web world to break barriers and partner with global giants. On the other side, however, is the digital divide, which could take some more time to take information to all corners of the society and achieve an all-inclusive growth. The need of the hour is to bridge the demand supply gaps - by upgrading technologies, establishing public-private partnerships and building regulatory frameworks that not only control but also foster innovation. These frameworks would thereby lead to capability building to surpass the global competition. Emphasis also needs to be placed on capability

growth in bandwidths, data communication speeds, and trained skillful work force. With a strong focus on some of the key areas, backed up by full support of the government for research and innovation, India can go a long way in beating the competition and emerging as a super power of the world.

I would like to conclude by reiterating that ICT revolution has transformed India in many ways and has proven to be a significant economic growth engine. Information and Communication Technologies (ICTs) can accelerate rural development and bridge the digital divide by facilitating knowledge management. Based on an evaluation of several ICT initiatives, appropriate policy and institutional environments for the creation and delivery of Information and knowledge to the rural end users can be developed. Significant policy, institutional networking and capacity building initiatives will be required at various levels to take ICT revolution to rural areas and to leverage it for its development.

I am given to understand that initially the focus of ICT will be on communication technology, energy and health sciences, and is expected to expand to more areas. It will be a unique advantage to the students of this institute, as they will learn to adopt project based learning, innovative R&D with commercial initiatives and will also benefit in keeping up to date with the future technologies, industrial and standards activities. It is our vision that a "connected

Indian" can enable the nation's progress towards inclusive growth and economic development and our mission is to connect and empower every Indian in his home by use of ICT. I am confident that the International Institute for Innovations in ICT (I4CT) will show us the right directions to fulfill our vision and mission in a most collaborative manner. I wish them all success in their future endeavours. I thank the organizers for inviting me and giving me an opportunity to be amidst this august gathering here today.

Thank you!!