

Incentivize IT industry to create job

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It was really useful to see that the budget was focusing on recouping the workforce, recouping the entire Community. I also saw that there was a mention about creating more 20 lakh jobs and the plans for that. So from the industry experience what I would like to state is that the IT industry in Kerala which is just about 2 per cent of the global exports from India, which is only about \$3 billion or Rs 25,000 crore. This industry could only generate about 1.5 lakhs less than two lakhs jobs in the entire 30 years of its existence in Kerala. So possibly generating 20 lakh jobs may not be possible and practically in the next five years, because if it took 30 years for us to create 1.5 lakh jobs and Rs 25,000 crore. I think we should put a realistic plan in place to see how we can double it.

The possible outcomes, especially because we have a very good market outlook, government should definitely focus on the IT industry very significantly, because this is probably the only industry that is showing a significant growth. so the projections from the likes of Gardner and so on is that this is expected to double in terms of top man almost doubled like we have 191 billion as the IT industry is growth. You know, as of last year, and this is expected to be about US \$ 350 billion by 2025- 26. So I think we are definitely in an industry where Kerala can leverage on this because Kerala has got educated talents. 30 of the employees of major companies like Microsoft are Keralites. So if we can actually use this industry as growth engine I think Kerala can definitely benefit. So primarily looking at doubling it from 1.5 to three lakh, our revenues could be for Rs 25,000 crore definitely we can take it to Rs 50,000 crore. I think there is a lot of activities being done from by the knowledge economy mission and so on, to create talents. Because talent seems to be the only bottleneck, for reaching this object, you have \$ 50,000 from which definitely even if you look at about 10 per cent of the GDP and then also the spent by the IT workforce and the associated teams that would come

in. If one IT jobs can possibly create three to four an alternate jobs. So overall tax revenue for the government could potentially be in the range of Rs 2200 - 3000 crore by 2025. So I think what needs to be done is to invest on two fronts, one is on creating talent. IT industry is also supporting the government initiatives by a talent support project that we have kick started where we hope, industry can support the interns and support the students to become better work ready by the time they pass out. But I think from the government point of view, what needs to be done is to incentivize companies to bring more jobs here. So we can attract larger companies, incentivize them like what Hyderabad is doing. I would say soaps to get them to come and invest here, we only have the emphasis and TCS and so on a few companies, but there are a lot of multinationals who are in Bangalore and many multinationals, for example, are looking at opening centers in tier three cities, tier two cities, and we have Kochi, Thiruvananthapuram and Kozhikode. Look at how to incentivize them and also support the existing companies. Smaller companies have actually set up shops here and grown. So can those be incentivized now, I think we should also take a very serious look at the rental policies. This is very important because, a lot of companies are exiting because work from home is working very effectively and I was talking to the TCS head and their plan by 2025 only 25 per cent will be in offices . Interestingly Techno park will increase the rent by 5 per cent. Techno park and Info park will increase rent by 5per cent which is not for anybody's benefits, so I think we should probably look at that, as to how that can be kind of taken off. While the industry was asking for a rental waivers primarily for smaller companies, large companies are fine because there is business coming for larger companies. But smaller companies are the ones who probably will come in and then create more jobs, we are not getting a lot of larger companies to come and invest here. If these three two things, primarily, you know, enabling the youngsters like, let's say if we can onboard 20,000- 30,000 people every year for the next five years, we have that 1.5 or two lakhs of more jobs being created in Kerala, so that we are able to leverage that Rs 3000 crore of tax revenues for the state So I think that incentivize existing customers, because the more rental or any incentivization and other example is you know interns should be probably given money to probably get them to be employable because companies would not just go and take interns but if there is some incentives. These two things are primarily what I am suggesting to create this industry, real anchor industry for Kerala Economy to grow.