

## **New Study Highlights Information and Communication Technologies as Key to Boosting India's Competitiveness**

**11 November 2010**

- World Economic Forum's Using Information and Communication Technologies to Boost India's Competitiveness study launched today ahead of the India Economic Summit
- The study builds on the findings of the World Economic Forum's Networked Readiness Index 2009-2010
- India benefits from high levels of individual capability in information and communication technologies (ICT), good business readiness and usage, and a coherent government vision of the importance of ICT
- Main challenges in ICT market/regulatory environment and infrastructure

**New Delhi, India, 11 November 2010** – The World Economic Forum released today the study Using Information and Communication Technologies to Boost India's Competitiveness, in the lead-up to the India Economic Summit in New Delhi on 14-16 November. The study analyses India's advances and challenges related to information and communication technologies (ICT) development for enhanced competitiveness and the creation of a truly networked society. Comparisons are made with a number of countries, including the People's Republic of China, Indonesia, the United States and Brazil, revealing significant differences in performance. The study's in-depth findings will be presented and discussed at the upcoming Summit.

The study draws on the findings of the World Economic Forum's Networked Readiness Index 2009-2010, featured in the World Economic Forum's Global Information Technology Report 2009-2010. It underlines the remarkable strides India has made in the last two decades, emerging as a global player in sectors such as ITeS-BPO and by increasing ICT penetration and diffusion within its territory. At the same time, the challenges ahead, as well as the opportunities for better exploiting India's many competitive advantages when it comes to networked readiness, are highlighted and discussed.

"With its large talent pool of English-speaking IT professionals, its extensive and expanding domestic market, and the increasingly central place occupied by ICT in the government's development strategy, India is well positioned to fully leverage ICT to leapfrog to higher stages of development, reduce poverty and regional income disparities, and reinforce its competitiveness foundations for enhanced prosperity for all Indians," said Irene Mia, Senior Economist at the World Economic Forum, and editor of the study. "A joint vision and effort of the government and the civil society at large is required to address the pending challenges and turn India into a durable development success story."

India ranks 43rd out of 133 countries in the Networked Readiness Index 2009-2010, as a result of a mixed performance across the nine categories covered by the index. India displays competitive strengths in areas related to human resources, preparation and willingness to use ICT by citizens, businesses and the government. In particular, ICT has increasingly been prioritized in the government development agenda as a key enabler of economic diversification, productivity increases and more universal service provision. On the other hand, ICT penetration rates remain extremely low, preventing a large part of the population to benefit from the revolutionary power of ICT. A significant impediment in this sense is the extremely poor quality and development of national hard infrastructure, including energy and transport networks as well as fixed telephony. In parallel,

despite the major market reforms that dismantled the license raj system in the 1990s, the regulatory environment for doing business must be improved by further cutting red tape and government inefficiencies and enhancing public governance.

The study includes deep-dives on selected issues of networked readiness, authored by eminent academics and industry experts. Among the issues explored: ICT contribution to economic growth (by Sadagopan Singam, Mahindra Satyam), ICT role to bridge the digital divide between rural and urban areas (by Ashish Babu and Sobha Varghese, Tata Consultancy Services), India's coming employment challenge (by Ajoyendra Mukherjee, Abhinav Kumar, and Pradipta BAGCHI, Tata Consultancy Services), innovation (by Navi Radjou and Jaideep Prabhu, Judge Business School, University of Cambridge) and the multipurpose national identity card (by Soumitra Dutta, INSEAD).

The editor of the study is Irene Mia, Director and Senior Economist, Centre for Global Competitiveness and Performance, at the World Economic Forum

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