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Karnataka attracts 1/4th share in IT investments: Assocham

BENGALURU: Karnataka attracted Rs 53,396 crore investments in the IT sector last fiscal, a nearly 25 per cent of total Rs 2.2 lakh crore from both public and private sources across the country, says a report.

Clocking a Compounded Annual Growth Rate (CAGR) of over 14 per cent, IT investments in Karnataka had grown from Rs 14,337 crore in 2005-06 to Rs 53,396 crore in 2015-16, an Assocham sector-specific analysis said.

Investments attracted by the IT sector in India increased from over Rs 46,200 crore in 2005-06 to over Rs 2.2 lakh crore in 2015-16, thereby clocking a CAGR of over 17 per cent during this period, the analysis conducted by Assocham Economic Research Bureau (AERB) said.

Gujarat is ranked second in terms of share in investments attracted by the IT sector in India.

IT sector investments in Gujarat had increased from over Rs 700 crore in 2005-06 to about Rs 35,300 crore in 2015-16, clocking a CAGR of about 48 per cent during this period, the Associated Chambers of Commerce and Industry said.

Kerala (13 per cent), Andhra Pradesh (12 per cent), Tamil Nadu (7 per cent), Haryana (5 per cent), Maharashtra (5 per cent), West Bengal (4.5 per cent), Telangana (4 per cent), Odisha (3 per cent), Uttar Pradesh (2 per cent) and Madhya Pradesh (1.5 per cent) are other top states with significant share in IT investments attracted across India.

"With a vibrant and productive industrial ecosystem, Karnataka has emerged as the most preferred investment destination in the country as it houses multiple firms in robotics, semi-conductor chip design, nano technology and advanced materials," Assocham Secretary General D S Rawat said.

Abundant availability of skilled, talented and disciplined human resource, together with industry-friendly environment has transformed Karnataka into the undisputed hub of Digital India, Rawat said.

"However, Karnataka government should work towards further improving the infrastructure across the state and promote ease of doing business to lure new investors in large numbers and encourage the existing industries to further expand their base," he added.

Providing tax sops and incentives can further help the state attract investors and create jobs, thereby leveraging domestic advantages like suitable eco-system, law and order, stability and knowledge pool, Rawat said.