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Indian IT industry will do very well in medium and long term: CP Gurnani, Tech Mahindra

By ET Now | Updated: Jan 18, 2017, 03.14 PM IST

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In a chat with ET Now, **CP Gurnani, CEO & MD, Tech Mahindra** says that we help Trump in not only creating jobs because let us face it, Indian IT industry spends almost four to five billion dollars in US.

Edited excerpts:

What threats Donald Trump pose to Indian IT sector?

Donald Trump has been very clear that he does not want the displacement of low-skill workers. We by definition only provide high-skill workers. We help Trump in not only creating jobs because let us face it, Indian IT industry spends almost four to five billion dollars in US. All these companies that you hear of either **Wipro** buying or **Infosys** buying or Tech Mahindra buying ultimately it is helping the American entrepreneurs also and just to give you an example even last year Tech Mahindra has opened three new centres. We have now total six centres in United States. We take a lot of grads from the college, skill them and put them on to jobs which creates products which make US more competitive.

In the light of the President-elect Trump's comments that are coming in what sort of impact are you seeing on IT spends for companies, are there early signs that you are reading just yet?

No the IT spends actually are going up. Even the Gartner report talks about 2.9% growth in the IT spend and frankly the way I look at it is there are three parts to it. In short term, there may be obstacles, whether it is **Brexit** as an obstacle, whether it is a foreign currency volatility as an obstacle or whether it is a bill in US which may become a law or may not become a law that I can see it as an obstacle in short term but in medium and long term, Indian IT industry will do very-very well.

In terms of the demand environment or in terms of discretionary spending you say there could be a short term blip but you assess that mid or long term it is going to go up?

Again I am not saying that the short term there will be blip in the demand it is just a question is that fulfilment per se we may have some challenges because if I am not able to get the right people at the right place. I will have a blip but overall I am very very confident that a) it is an opportunity for India, India to get more aggressive into platforms, more aggressive into the BRIC and click economy, more aggressive to create products at the same time, overall the way the technological collaboration works, the way this whole connected world works it is really easy to create a connected collaborative environment.

Will we look at more onshore hiring in places like the US?

Tech Mahindra is very conscious that it is not only US the world is about now localisation and when you talk about localisation we are now talking about the world where the local skills have to be upgraded so that we continuously are able to deliver projects not only from



CP Gurnani, CEO & MD, Tech Mahindra

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offshore and for us offshore is no longer India. We have centres in Malaysia, we have centres in China, we have centres in Singapore, we have centres in Canada, we operate in 90 countries like when you go and see a Siemens or a Phillips or a City Bank you assume that they are the local firms or local corporations.

There has been so much debate and discourse on how IT margins are going to be squeeze because and rightly so you will be looking at localisation as some of the developed markets where it is going to take a hit on your margins will it not?

There will be obstacles there is no second thought about it but the best way to describe it I was addressing on my internal conferences I said we Indians are skilled at driving, driving where we find an open space and get in out there.

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