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Extension of software technology park scheme, a boon to tier II and III centres

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TIRUCHI: Some of the start-up information technology companies based in Tiruchi have made out a case for extension of the Software Technology Park (STPI) scheme for another 10 years for Information Technology / Information Technology Enabled Services (IT/ITES) units in tier II and III centres.

These two sectors have contributed greatly in generating employment and boosting the gross domestic produce of the country. It has been estimated that, by 2008, the two sectors will account for about 20 per cent of the country's GDP. But there has been a huge disparity in the export contribution as only seven major cities account for 95 per cent of the total IT/ITES exports worth US \$ 32 billion, observed Muthukumar Ramalingam, Managing Director and Chief Executive Officer of Dextrasys Technologies, an IT company based in Tiruchi.

Manpower everywhere

Bangalore, the National Capital Region (New Delhi), Chennai, Hyderabad, Pune, Navi Mumbai and Kolkata were the leading cities in exports. The disparity was shocking given the spread of infrastructure and communication network across the country. Besides, the skilled manpower resource for the seven cities came from the length and breadth of the country. The gap in export contribution has to be addressed urgently through a few policy decisions.

Even if 50 per cent of the export contribution came from tier II and III centres, the spin-off benefits would be huge. Cities such as Tiruchi, Coimbatore, Patna, Kochi and Vishakapatnam have good educational institutions and could be

developed as emerging IT and ITES destinations, Mr. Ramalingam said.

The STPI scheme, meant to promote and encourage export- oriented units with certain concessions, must be extended by another 10 years for small and medium enterprises (SME) across the country.

This must be done irrespective of the location – whether they were inside a Special Economic Zone (SEZ) or outside it. Additional concessions such as exemption of MAT (maximum alternative tax) and relaxation of Labour law provisions would help SMEs in these cities to grow.

Mr. Ramalingam said that he had sent a memorandum to A. Raja, Union Minister for Communication and Information Technology, and P. Chidambaram, Union Finance Minister, in this regard.

Mr. Ramalingam suggested that the best practices of the State-specific IT/ITES policies could be adopted at the national level too.

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