# This fast-growing part of India's IT sector will require 5 lakh professionals



SaaS sector: This part of India's IT industry currently employs 40,000 workers

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- India's software-as-a-service industry is growing twice the pace of the overall IT market

India's software-as-a-service industry could reach $1 trillion in value and create nearly half million new jobs by 2030 as businesses around the world accelerate digitization and automation, according to a new study.

There are more than a thousand funded startups and 10 unicorns in the country's SaaS sector, generating as much as $3 billion in annual subscription revenues, according to a report released on Wednesday by SaaSBoomi, a community of industry founders and builders, alongside consultancy McKinsey & Co and the country's software industry trade group, Nasscom.

The number of unicorns could increase 10-fold by 2030, reaching $1 trillion in value, they predicted.

The industry, which currently employs 40,000 workers, could generate annual revenues of as much as $70 billion by 2030 and win as much as 6% of the global market, which is forecast to be worth $1.3 trillion by 2030, the report added.

Nearly four decades after the rise of India's IT services industry, technology entrepreneurs have created thousands of startups that offer niche software solutions, ranging from billing to customer support, as a subscription service via the cloud.

Many of the firms, like Chargebee Inc., have gone global and some like Freshworks Inc. are heading toward public share offerings.

However, many startups face challenges in accessing capital during their early stages and attracting skilled talent to grow. The industry may need to boost funding at three to four times the current level to reach their potential over the next 10 years, said the report.

Despite the challenges, "India has an exciting opportunity to propel itself on to the world stage as a SaaS force to be reckoned with," Manav Garg, founder and chief executive officer of Eka Software Solutions and a founder partner of SaasBoomi, said in a press release.

SaaS and software accounted for $600 billion of the $3 trillion in global enterprise IT and communications spending last year, the report said. The industry's growing at an 8% annual rate, twice the pace of the overall IT market. Covid-19 has created a further push toward SaaS, with six Indian SaaS unicorns created during the pandemic.