

# In \$1 trn economy pursuit, policy push to propel UP as IT destination

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Uttar Pradesh is strategically placed to emerge as a crucial IT hub in north India, therefore, the sector becomes pivotal in ensuring that the state meets its target of becoming a USD 1 trillion economy in the next five years.

The sector has immense possibilities due to increasing digitalisation and demand for digital services, according to an official in the IT department.

The Union ministry of electronics and IT has said that India can become a USD 1 trillion digital economy by 2025-26, up from USD 200 billion currently, and supporting 60-65 million digitally-enabled jobs. It adds that India's digital consumer base is the second largest in the world and is growing at the second fastest rate among major economies.

To achieve its target of a USD 1 trillion economy, UP has planned to capitalise on this sector, with top IT companies like Microsoft, HCL, TCS, Wipro and Accenture already having a base here.

Currently, the IT ecosystem in UP is concentrated largely in Noida, opening up a massive potential for expansion in other parts of the state. There is also scope for creating high-value jobs in emerging technologies.

"UP's major advantage is its working population which is the second after Maharashtra. UP annually generates the highest number of graduates and is therefore creating a huge potential workforce. Top technology institutes such as IIT-Kanpur, IIT-BHU, IIIT-Allahabad and IIIT-Lucknow have a strong presence," a senior officer said. "Due to lack of opportunities,

## ADVANTAGE UP

- ▶ State has second largest working population in country
- ▶ Produces highest number of graduates
- ▶ Has top institutes like IIT-Kanpur, IIT-BHU, IIIT-Allahabad & IIIT-Lucknow
- ▶ Presence of technology startup ecosystem with top unicorns like Paytm, Physics Wallah & Pine Labs

## WAY FORWARD

- ▶ Development of Gautam Budh Nagar as a global technology and data centre hub with its well-established IT ecosystem
- ▶ Lucknow to be developed as an AI City and a new age technology and IT hub of UP after Noida

much of our skilled workforce is going to other states, and if we can retain them, it will be a huge advantage for the state. We also have a presence of a technology startup ecosystem with top unicorns such as Paytm, Physics Wallah, and Pine Labs, among others," he added.

Among the 25 sectoral policies, the state government has rolled out plans to attract investments in the IT sector in UP.

The policy focuses on setting up IT parks and IT cities in the state. To provide an impetus to the sector, the policy provides incentives like subsidies on land, capital expense and operating expenses. To upskill the existing talent and enhance employability, the policy also offers skill development incentives to professionals on select technology courses.

UP is an emerging data



- ▶ Kanpur to be a drone & robotics hotspot with a state of the art drone and robotics park



- ▶ Prayagraj & Varanasi being planned as ER&D centres

## INTERVENTIONS NEEDED

- ▶ Enhancing technology talent pool through inclusion of tech courses in academic institutions & internships
- ▶ Augmenting IT office infrastructure through development of IT cities and IT parks
- ▶ Establishing IT ecosystem through promotion of R&D centres, innovation hubs, and startups
- ▶ Conducive policy environment & regulatory support



  
**Target \$1 Trillion**

centre hub of India. Companies like Yotta of the Hiranandani Group, Nextra Data Ltd of the Airtel group, Sify technologies and NTT Global mark the state as a favourable destination for data centres. A separate policy on data centres has set a target of 900 MW capacity in the state for which it is offering financial and non-financial incentives.

In addition to Noida, the state government has identified other cities where IT and data centres can be promoted. Plans are afoot to promote Lucknow as an AI City and the next IT hub of UP after Noida. Kanpur is another city which is being planned as a drones and robotics hotspot, leveraging the Centre for Mechatronics in IIT-Kanpur.

Prayagraj and Varanasi are planned as ER&D (engineering, research and development) hubs. The presence of

eminent institutions such as IIT-BHU and IIIT-Allahabad will provide a highly skilled and specialized talent pool for such projects. Strategic interventions planned by the government include enhancing the technology talent pool through revision of the current curriculum to include relevant technology courses and providing internships work with industry, augmentation of IT office infrastructure.

Three software technology parks are being developed in Varanasi, Bareilly, and Gorakhpur, which, along with IT cities and IT parks, will provide better workspace.

To provide an IT conducive ecosystem, the government is also looking to promote research and development centres, innovation hubs, and startups. Digitalisation of government services and driving technology penetration across sectors will provide the necessary opportunities to UP based tech companies.