

AI Adoption in Key Indian Sectors Touches 48% in FY24

BFSI leads with 68% adoption, followed by tech at 60-65%: Teamlease

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New Delhi: The rate of artificial intelligence (AI) adoption in key industries across India reached approximately 48% in FY2024, with expectations to expand by an additional 5-7% in FY25, data from staffing firm Teamlease Digital showed.

“Nearly 75% of organisations across various sectors are actively considering integrating AI into their operations within the next year,” Krishna Vij, business head, Teamlease Digital, told ET.

The banking and financial services (BFSI) industry led the pack with a 68% AI adoption rate in FY24, followed by the tech industry at 60-65%. The AI adoption rate was 52% for the pharma and healthcare industry, 43% for fast moving consumer goods (FMCG) and retail, 28% for manufacturing, 20-22% for infrastructure and transport, and 10-12% for media and entertainment, Teamlease Digital found.

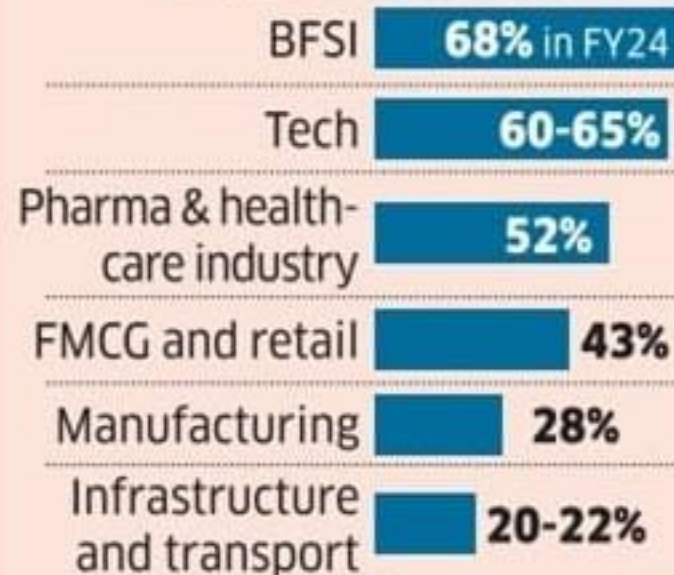
It estimated that the AI market size was \$6 billion in 2023, projected to reach \$20 billion by 2028, at a compound annual growth rate of 26%. Additionally, 60% of the AI market share is held by IT service providers, 8% by captives/global capabili-

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AI ADOPTION RATE



ty centres (GCC), and nearly 7% by the IT-enabled service (ITeS) providers. Non-IT industries hold more than 28% of the total AI market share in India, Vij said, while

BFSI has a 30% AI market share across all non-IT industries. AI adoption in India is yet to mature compared to global markets such as the US, Vij said. This is partly due to a talent gap of close to 50% in India. While the country has about 4.2 lakh AI professionals, the need is for six lakh professionals.

Countries like the US have far more advanced infrastructure in place as well as more robust funding for startups, she said.

“The government policies, the ethical considerations, and the need of adapting to AI and implementing AI is much easier in the US and in a global scenario, which is still evolving in India,” Vij added.

India is still focusing on enhancing its existing portfolios towards AI and formulating its policies accordingly, and will require a lot of government support, she said. IT industry body Nasscom had estimated that the potential impact of AI adoption on India’s gross value added (GVA) by FY2026 would be \$500 billion. Meanwhile, the government of India had earlier this year approved the allocation of over Rs 10,000 crore towards the India AI Mission, seeking to ‘bolster India’s global leadership in AI’ by supporting the expansion of compute capacity, AI skills, and innovation.

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