

# BANGALORE

## The hottest IT destination



**BANGALORE**, the capital of the southern Indian state of Karnataka, has been placed among the leading technology clusters of the world, by the United Nations Development Programme (UNDP). Formerly known as a "pensioner's paradise," Bangalore is today the fourth best Technology hub in the world, thanks to the IT revolution.

The city has turned out to be a hot destination for investors and professionals. Host to over 300,000 software professionals - about a third of India's - it has turned out to be a talent bank, both for the software sector and the outsourcing industry.

Bangalore's high-tech story began unfolding in 1984, when Texas Instruments opened its facility in the city. The Karnataka State Government had the vision to see the emerging tech industry, and therefore, formulated its policies to accommodate and facilitate growth of the technology industry.

The state was among the first in the country to come out with a 'Millennium IT policy,' which led to the inflow of IT investments and growth of companies, from a mere 12 in 1991 to over 1,600 in November 2005.

From 1991 to 1998, there was spiral growth. Post-1998 witnessed a huge jump, almost trebling the growth of the IT industry. Today, Karnataka accounts for over 30 per cent of software exports from the country.

During financial year 2004-05, IT exports were to the tune of \$6.27 billion, an unprecedented 52 per cent growth over the previous fiscal. The current financial year is likely to see \$8 billion of IT exports from the state.

Electronics City and Whitefield have become two strong technology hubs connected through an IT corridor of over 2,500 hectares of land. The IT corridor is perhaps the fastest developing stretch, having seen over 10 million sq ft of space built during the past seven years. The state government proposes to set up an Electronics Hardware Park in about 700 hectares of land near the Bangalore International Airport in Devanahalli, about 25 kms from the city.

The state government is also promoting tier-II cities of Mangalore, Mysore, Hubli-Dharwad, Belgaum and Gulbarga. The coastal city of Mangalore is already home to domestic IT giants Infosys and Wipro.

The heritage city of Mysore is fast expanding its IT wings. Infosys has set up a global leadership institute in Mysore in over 300 acres of land, which provides training to about 4,500 software professionals at any given point of time.

Hubli has a 250,000 sq ft, state-of-the-art, ready-to-occupy, IT park. Karnataka is also encouraging the setting up of Special Economic Zones (SEZs) by the big IT giants, besides earmarking SEZs for state-promoted IT parks.

For young Indian professionals, Bangalore is the first choice while seeking employment. The city has matured, and has a five-year lead over other cities. It has a vast resource of talent, as the state's universities and colleges produce over 45,000 engineering graduates, and over 100,000 English-speaking graduates annually.

This enormous talent pool attracts both domestic and international companies to Bangalore. The city also has a great degree of academic-industry interface, and even before a student graduates, he or she has a real-life understanding of the industry.

Bangalore has 13 international schools, the highest in the country. There are over 100 R&D institutions, including Centres of Excellence, such as the Indian Institute of Science, the National Law School, the National Institute of Mental Health and Neuro Sciences (NIMHANS), the Raman Research Institute, Indian Space Research Organisation, National Centre for Biological Sciences, and the Institute of Bioinformatics and Applied Biotechnology.

The cosmopolitan city provides a western ambience, attracting the youth to work in the technology industry. International-standard malls, multiplex complexes, pubs, discos, bowling alleys, amusement parks and resorts provide a lot of opportunity for working professionals to unwind, relax and socialise.

The NASSCOM-McKinsey Report 2005 has identified the IT and BT sectors among the four booming ones in India, offering a lot of potential. The other three sectors are automotive, apparel and construction.

Karnataka state is way ahead of other Indian states in the IT and BT sectors, and is assuming a leading position in the construction industry. Since Bangalore has a large number of educated youngsters working in the technology sector, it is natural for it to emerge as a fashion hub.

It would, therefore, not be surprising if the city turns out to be the 'Fashion capital of India,' besides being the 'Knowledge capital' of the country. ■

# KARNATAKA

## Welcome to the future



**THE SOUTHERN INDIAN** state of Karnataka is one of the fastest growing in the country. Bangalore, its capital, is the hub of the Indian information technology and other high-tech industries.

Karnataka is the only state to have experienced a growth rate in excess of eight per cent per annum during the second half of the 1990s. The corresponding rate for the other 14 major Indian states was 5.5 per cent.

Besides attracting the largest infrastructure investment in the country, Karnataka also represents one of the fastest growing markets in India. Bangalore, also dubbed the Garden City, was for decades a quiet little cantonment town with great weather, plenty of parks and gardens, graceful colonial villas, and a laidback lifestyle.

However, the emergence of the software industry in the 1980s and 1990s, triggered off a boom in Bangalore, which is today one of the fastest growing metros in India. It has transformed itself from a pensioner's paradise, to one of the top-10 hi-tech cities in the world.

A vibrant, cosmopolitan city, it offers an international standard of living, with excellent hotels, restaurants, shopping, entertainment and leisure. The city has some of the finest schools, colleges and institutes of higher learning, its healthcare facilities are comparable with the best anywhere in the world, and it has world-class housing facilities.

Karnataka is among the country's top five industrialised states. Its emphasis has been on new economy industries.

The state, which has an



investor-friendly and transparent administration, provides good logistic support for investments. Approvals and clearances are through a single-window approach.

The state has an abundant, highly-skilled technical manpower, thanks to the presence of a large number of engineering and medical colleges, and other institutions of higher learning. Top international firms such as GE, Astra Zeneca, Monsanto, Intel, and Lucent have set up research facilities in the state.

Sprawling information technology parks, electronics cities, agro and food processing parks, and other such facilities dot the state's landscape. Prominent among these include the Export Promotion Industrial Park, the International Technology Park, an Apparels Park, and a special economic zone.

For potential investors in the state, there is a world of opportunities awaiting in various sectors, including machine tools, electronics, information technology and software development, automobiles, electronic hardware, pharmaceuticals, power generation, airports, sea-ports and highways, industrial parks, and agro-processing and food processing. ■

### The India-Karnataka Advantage:

- ◆ Bangalore is among 24 cities worldwide, projected to power the 'Asian Century,' according to a research paper by Jones Lang Lasalle, the leading Chicago-based investment management firm.
- ◆ The United Nations has ranked Bangalore fourth in the world as a 'Global hub of technological innovation.'
- ◆ Over the last two years at least one new Biotech company has set up shop in Karnataka - every month.
- ◆ Two foreign equity companies move to Karnataka every week.
- ◆ You can outsource top-notch quality work at 60 per cent lower cost from Bangalore.
- ◆ The city has the highest number of engineering colleges than any other city in the world.
- ◆ Karnataka is a prime centre of learning, with 16 universities, 133 medical training institutions, 134 engineering colleges, and 712 general colleges.
- ◆ It is the 'science centre' of India with over 100 R&D centres.
- ◆ Karnataka is home to over 1,300 cutting-edge software companies, including over 50 per cent of the world's SEI CMM Level 5 companies and 70 venture capital firms.
- ◆ Karnataka produces 20 per cent of India's electronics hardware
- ◆ It accounts for 50 per cent of seed production in the country
- ◆ The state contributes 70 per cent of India's coffee and silk.
- ◆ Apparel exports from Karnataka add up to \$1.2 billion.
- ◆ It is a major source of processed food products, with exports worth \$700 million.
- ◆ The state is also a major producer of steel and cement.