



A new report by The Boston Consulting Group forecasts the internet economy in India to reach Rs 10.8 trillion by 2016.

Mumbai. The Indian Internet economy contributed Rs 3.2 trillion to the overall economy in 2010, representing 4.1 percent of GDP, and is projected to rise to Rs 10.8 trillion by 2016, according to a new report in The Boston Consulting Group's Connected World series. It found that by 2016 the total size of the G-20 Internet economy will be \$4.2 trillion, equivalent to 5.3 per cent of GDP compared to 4.1 per cent in 2010.

India's Internet economy growth rate of 23.0 percent places it as the second fastest across the G-20 and ahead of many other developing nations in the G-20, which are growing at an average of 17.8 per cent.

Consumers are the big winners of the Internet economy and BCG's study highlights just how essential it has become to everyday life and the value which consumers attach to it. Asked how much they would have to be paid to live without Internet access, Indian respondents said an average of Rs 21,436 per year, or 2.8 times what they pay for access and services. When asked whether they would forgo showering for a year in order to keep Internet access, 36 per cent of Indian online consumers said they would; 64 per cent said they would forgo chocolate; 63 per cent coffee; and 70 per cent would give up alcohol.

The report highlights the extent to which the Internet is driving growth in businesses across the G-20. Drawn from the most comprehensive survey of its kind of SMEs around the world, the BCG report finds that "High web" companies in India – ones that use the Internet for marketing, sales and interactions with customers and suppliers – grew their revenues 19 per cent over the past three years, compared to only 13 per cent for those who made low or no use of the Internet.