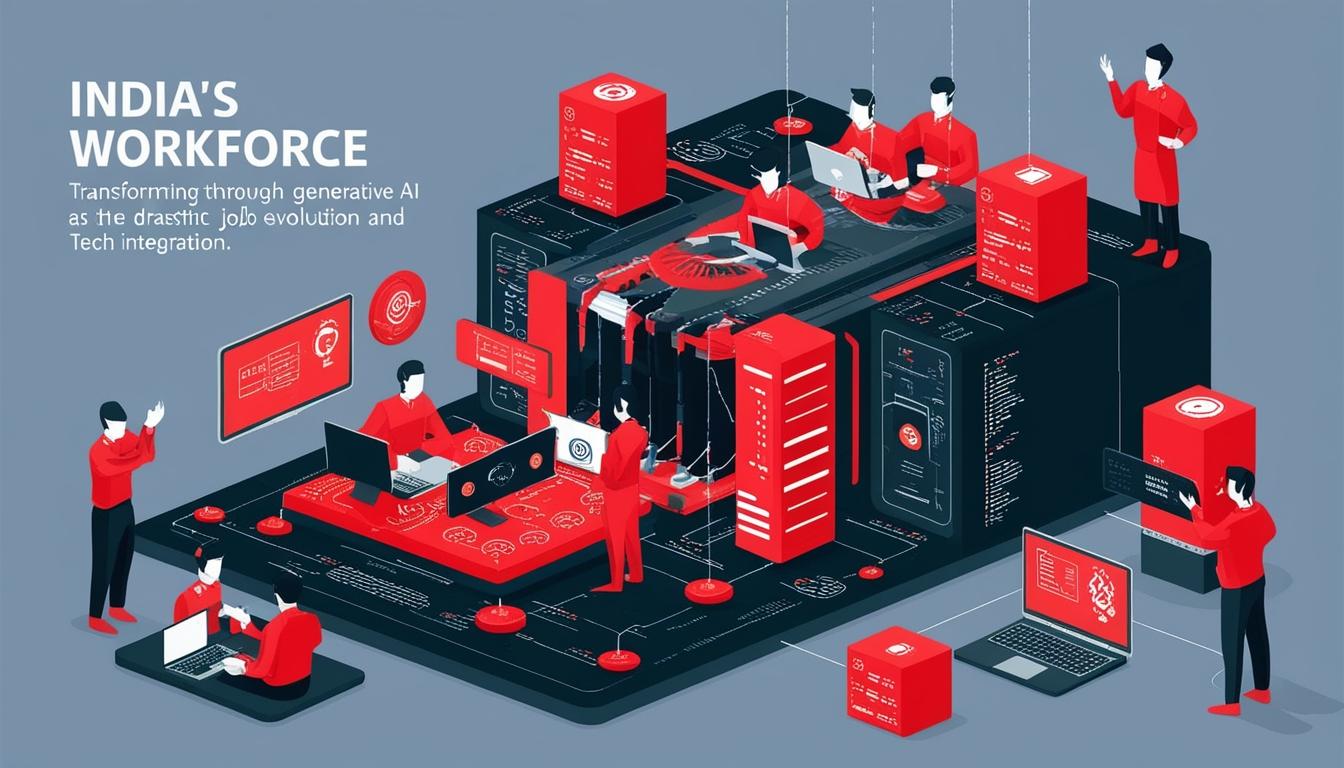
# Generative AI set to transform 38 million jobs in India by 2030



According to a report from EY India, the adoption of Generative AI (GenAI) is set to bring substantial transformations to the workforce, potentially impacting around 38 million jobs by the year 2030. The report, titled ‘How much productivity can GenAI unlock in India? The AIdea of India: 2025’, was released on January 14, 2025. It highlights that GenAI could enhance productivity in the Indian economy by 2.6 percent within the organised sector and an additional 2.8 percent in the unorganised sector.

The EY report underscores the expansive impact GenAI is expected to have across all job sectors. According to the findings, "GenAI is poised to transform every job, unlocking immense potential for productivity and economic gains." It identifies that 24 percent of tasks across various industries could be entirely automated, while 42 percent may be augmented through AI, potentially freeing up between 8 to 10 hours each week for knowledge workers.

Industry-specific insights reveal that the services sector is anticipated to realise the most significant productivity gains, attributed to its higher labour share relative to gross output. In contrast, manufacturing and construction industries are expected to experience a more marginal impact.

However, the transition to GenAI adoption is not without challenges. The report indicates that only 3 percent of Indian enterprises possess the necessary in-house talent and resources to leverage AI effectively, while an overwhelming 97 percent of executives cite a lack of talent as a primary obstacle. Furthermore, the survey, which included over 125 C-suite participants, revealed that the adoption of GenAI remains in its nascent stages. Only 15 percent of enterprises have implemented GenAI in a production environment, while 34 percent have completed proof of concepts (PoCs), and 11 percent are working on refining those concepts. Notably, 8 percent of businesses that have experimented with GenAI encountered difficulties in achieving measurable outcomes, and a considerable 36 percent of participants have yet to initiate any experimentation with the technology.

Addressing these challenges, Rajiv Memani, Chairman and CEO of EY India, emphasised, “GenAI is transforming India’s economic landscape by unlocking unprecedented opportunities across sectors. This revolution will fundamentally reshape jobs, driving productivity and innovation.” He further recommended that organisations prioritise building talent pipelines and upskilling initiatives while fostering collaborations between public and private sectors to establish India as a global hub for AI-skilled talent.

The report also sheds light on the varying stages of data readiness among Indian enterprises, with only 3 percent reporting full readiness and 23 percent indicating a lack of preparedness for AI deployments. Mahesh Makhija, Technology Consulting Leader at EY India, stated, “In industries like financial services, healthcare, and retail, AI will reshape basic processes including customer acquisition, operations and service, while IT/ITeS and BPO will undergo more dramatic changes.” He noted that sectors such as biotech, advanced manufacturing, and renewable energy could adopt AI-first business models, highlighting the importance of a robust AI policy agenda, advanced computing infrastructure, and strategies to address concerns around responsible governance and data protection.

In a sectoral analysis of business processes, call centre management is projected to receive the most substantial productivity enhancement, estimated at 80 percent, while software development could see a 61 percent increase. Other sectors such as content development and distribution, customer services, and sales and marketing are expected to experience productivity boosts of 45 percent, 44 percent, and 41 percent respectively. The IT/ITeS sector is projected to achieve a 19 percent productivity enhancement, while healthcare is anticipated to grow by 13 percent and banking and insurance sectors by 8-9 percent.

The report highlights that the measurement of Return on Investment (ROI) is pivotal for the decision-making surrounding GenAI investments. Of the enterprises currently utilising GenAI in production, only 8 percent report the capability to comprehensively measure and allocate AI-related costs. This emphasises the need for more systematic approaches to predict the financial implications of AI as its adoption accelerates.

Moreover, the report notes a significant reduction in the costs associated with AI deployments, attributed to the open-source movement and the shift towards purpose-specific small language models (SLMs). With foundational model API prices reportedly decreasing by as much as 80 percent over the last two years, the affordability of AI solutions is on the rise, particularly benefiting small and medium enterprises, with deployment costs now at a low of Rs 120 per hour.

The report’s findings were drawn from a comprehensive survey that encapsulated various sectors of the Indian economy, including financial services, retail, healthcare, life sciences, media and entertainment, technology, automotive, industrials, and energy. The insights further illustrate the transformative potential of GenAI across sectors, positioning it as a key factor in shaping the future of business practices in India.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://www.business-standard.com/technology/tech-news/ai-set-to-reshape-38-mn-jobs-in-india-by-2030-boost-productivity-ey-125011400955_1.html> - Corroborates the EY India report's findings on GenAI impacting 38 million jobs, productivity boosts, and sector-specific transformations.
2. <https://economictimes.indiatimes.com/jobs/hr-policies-trends/genai-set-to-revolutionise-38-million-jobs-in-india-by-2030-unlocking-significant-productivity-gains-ey-india-report/articleshow/117270784.cms> - Supports the report's details on GenAI's impact on jobs, productivity gains, and the challenges of talent shortages.
3. <https://www.ey.com/en_in/newsroom/2024/11/gen-ai-a-top-priority-for-70-percent-gcc-s-in-india-more-than-half-leveraging-it-to-boost-ops-and-customer-experience-ey-survey> - Provides insights into the adoption of GenAI by Global Capability Centres (GCCs) in India and the priorities of these centres.
4. <https://www.business-standard.com/technology/tech-news/ai-set-to-reshape-38-mn-jobs-in-india-by-2030-boost-productivity-ey-125011400955_1.html> - Details the potential automation and augmentation of tasks across industries and the impact on knowledge workers.
5. <https://economictimes.indiatimes.com/jobs/hr-policies-trends/genai-set-to-revolutionise-38-million-jobs-in-india-by-2030-unlocking-significant-productivity-gains-ey-india-report/articleshow/117270784.cms> - Highlights the industry-specific productivity gains, particularly in the services sector, and the marginal impact on manufacturing and construction.
6. <https://www.business-standard.com/technology/tech-news/ai-set-to-reshape-38-mn-jobs-in-india-by-2030-boost-productivity-ey-125011400955_1.html> - Discusses the challenges of GenAI adoption, including the lack of skilled talent and the stages of AI implementation among Indian enterprises.
7. <https://economictimes.indiatimes.com/jobs/hr-policies-trends/genai-set-to-revolutionise-38-million-jobs-in-india-by-2030-unlocking-significant-productivity-gains-ey-india-report/articleshow/117270784.cms> - Quotes Rajiv Memani and Mahesh Makhija on the transformative impact of GenAI and the need for talent development and public-private collaborations.
8. <https://www.ey.com/en_in/newsroom/2024/11/gen-ai-a-top-priority-for-70-percent-gcc-s-in-india-more-than-half-leveraging-it-to-boost-ops-and-customer-experience-ey-survey> - Mentions the varying stages of data readiness among Indian enterprises and the importance of AI policy and infrastructure.
9. <https://www.business-standard.com/technology/tech-news/ai-set-to-reshape-38-mn-jobs-in-india-by-2030-boost-productivity-ey-125011400955_1.html> - Provides sectoral analysis of business processes, including the projected productivity enhancements in call centre management, software development, and other sectors.
10. <https://economictimes.indiatimes.com/jobs/hr-policies-trends/genai-set-to-revolutionise-38-million-jobs-in-india-by-2030-unlocking-significant-productivity-gains-ey-india-report/articleshow/117270784.cms> - Highlights the importance of measuring Return on Investment (ROI) for GenAI investments and the challenges in allocating AI-related costs.
11. <https://www.business-standard.com/technology/tech-news/ai-set-to-reshape-38-mn-jobs-in-india-by-2030-boost-productivity-ey-125011400955_1.html> - Discusses the reduction in AI deployment costs due to the open-source movement and the shift to small language models (SLMs).
12. <https://news.google.com/rss/articles/CBMipAFBVV95cUxPVjdubGtySXRnSWMzWlQxb01zTHRRU1R2WlA5TFJvVEl1VVJ4TDdEcWd3NkQ4Y0l1eUJEOGhmbUd3dWZzVHlpN09JUE5HOVVGcTRvdkNQc2dQX3NremI3OVRDenhWSWFUWmdpU2ZMZ0czQm1TQ1FwbE1YbHhSbFdhYnI5bWdMNHVLWVBmbDhtWFlHQjlnVTBTM0ptMXg2X25ma3A1MA?oc=5&hl=en-US&gl=US&ceid=US:en> - Please view link - unable to able to access data