

6.Global Capability Centres- Economy

From Policy to Prosperity- GCCs Leading India’s Growth Journey. India has become a global hub for Global Capability Centres (GCCs), hosting over 1,700 units that have evolved from back-office support to strategic R&D and innovation engines projected to be worth \$105 billion by 2030. This growth is driven by India's deep talent pool (28% of global STEM workforce) and government initiatives like the EMC scheme and GENESIS programme that foster infrastructure and Tier-II city startups.

Introduction- India is transforming into a central pillar of the global enterprise ecosystem. This shift is driven by Global Capability Centres (GCCs), where talent and technology converge.

Definition- GCCs are offshore entities established by multinational corporations (MNCs) to deliver specialized services to their parent organizations.

Service Spectrum- Their operations span Information Technology (IT), Engineering Research & Development (ER&D), analytics, customer experience management, and core business operations.

Evolution- Originally set up as cost-saving back offices, GCCs have evolved into strategic innovation hubs and integral components of global corporate value chains.

Current Status of GCCs in India

Scale- India currently hosts more than 1,700 GCCs.

Revenue Growth- Combined revenues have surged from \$40.4 billion (FY19) to \$64.6 billion (FY24), reflecting an annual growth rate (CAGR) of nearly 10%.

Expansion- In the last five years alone, over 400 new GCCs and 1,100 operational units have been added.

Geographic Clusters- Major hubs have developed in Bengaluru, Hyderabad, Pune, Chennai, Mumbai, and NCR, supported by robust physical and digital infrastructure.

Future Projection (2030)- The ecosystem is projected to reach a valuation of \$105 billion, with nearly 2,400 centres employing around 2.8 million professionals.

Strategic Importance of GCCs for India

Engine of Economic Growth & Exports

Forex Earnings- GCCs are a critical driver of service-led growth and foreign exchange.

Resilience- High-value service exports from GCCs strengthen India's current account, reducing the economy's dependence on volatile merchandise trade.

Employment Generation & Human Capital

High-Quality Jobs- GCCs are the largest creators of knowledge-intensive jobs.

Workforce Numbers- Currently employ 1.9 million professionals; expected to rise to 2.8 million by 2030.

Role Evolution- Jobs are shifting from routine support to high-value roles in product architecture, system design, AI modelling, and global leadership.

Shift to Innovation & R&D Hub

Value Chain Climb- GCCs are transforming India's position from "execution" to "innovation."

R&D Focus- Engineering and R&D-focused GCCs are growing 1.3 times faster than the overall GCC growth rate, indicating a structural shift towards innovation.

Technological Leadership

Global Talent Pool- India contributes 28% of the global STEM workforce and 23% of global software engineering talent.

Frontier Tech- This talent density makes India a natural destination for scaling frontier technologies like AI, Cloud, and Data Analytics.

Government Initiatives Driving GCC Growth

Initiative Category	Key Schemes & Actions	Impact on GCCs
Infrastructure & Clus- tering	Modified Electronics Manufacturing Clusters (EMC) Scheme (MeitY)	Provides plug-and-play factories and scalable infrastructure, allowing GCCs to start operations without high initial capi- tal capability. Promotes industrial co-lo- cation.

Startup & Innovation	GENESIS Programme (₹490 Cr outlay)	Focuses on startups in Tier-II & III cities, building a decentralized talent pipeline for GCCs and fostering co-creation in digital transformation.
Ecosystem Enablement	Startup India & DPIIT Recognition	created the world's 3rd largest startup ecosystem (~1.97 lakh startups). These startups supply niche solutions (AI/ML) to GCCs.
Digital Skilling	Skill India, Digital India, Future Skills Prime (MeitY & NASSCOM)	Equips workforce with next-gen skills (Cybersecurity, AI, Cloud), ensuring a steady supply of industry-ready talent.
Regulatory Support	Liberalized FDI, SEZ Reforms, Single-Window Clearance	Reduces compliance burdens and operational delays, enhancing investor confidence and long-term commitments.

Conclusion

Global Capability Centres have successfully transitioned from cost-driven support units to strategic pillars of India's knowledge economy. By integrating deep into global value chains and focusing on R&D, they are not just exporting services but are acting as key architects of the global digital ecosystem. With continued government support in infrastructure and skilling, India is poised to solidify its status as the world's premier hub for enterprise innovation.

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