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Economic Impact of Global Capability Centers in India

Introduction

From a single pioneering center established by Texas Instruments in 1985, India's Global Capability Center (GCC) sector has grown into a vast network of over 1,800 entities in 2025, serving as the operational nerve centers for some of the world's largest corporations. These centers, once viewed primarily as low-cost service hubs, have rapidly evolved into engines of innovation, transformation, and enterprise value. Over the past decade, their expansion has accelerated, with GCCs now playing a strategic role in core business functions ranging from R&D and product design to analytics, AI, and global operations. By 2030, the number of GCCs is expected to exceed 2,400, underscoring India's emergence as the world's preferred destination for high-value global services. This report unpacks the scale, impact, and transformative potential of India's GCC sector - across economic value, employment, innovation, and regional development.

Framework for Estimating Economic Impact of India's GCC Sector – The Three Channels

1. **Direct Impact**: Represents the economic value added directly by GCCs through their operations in India.

2. **Indirect Impact**: Captures the economic activity stimulated along the GCC value chain. This includes business generated for vendors, service providers, and technology partners supporting GCC operations. Indirect impact reflects the extended ecosystem created around GCCs.

3. **Induced Impact**: Reflects the wider economic effects driven by consumption spending of employees working in GCCs and their supply chains. This includes spending on housing, retail, education, and other goods and services, which boosts local economies.

While Direct impact is derived from aggregated financial data sourced from leading GCCs and industry sources, indirect and induced impacts have been estimated using a Dun & Bradstreet economic impact assessment model, which applies sector-specific multipliers based on India's input-output tables. These multipliers quantify how activity in one sector stimulates activity in others.

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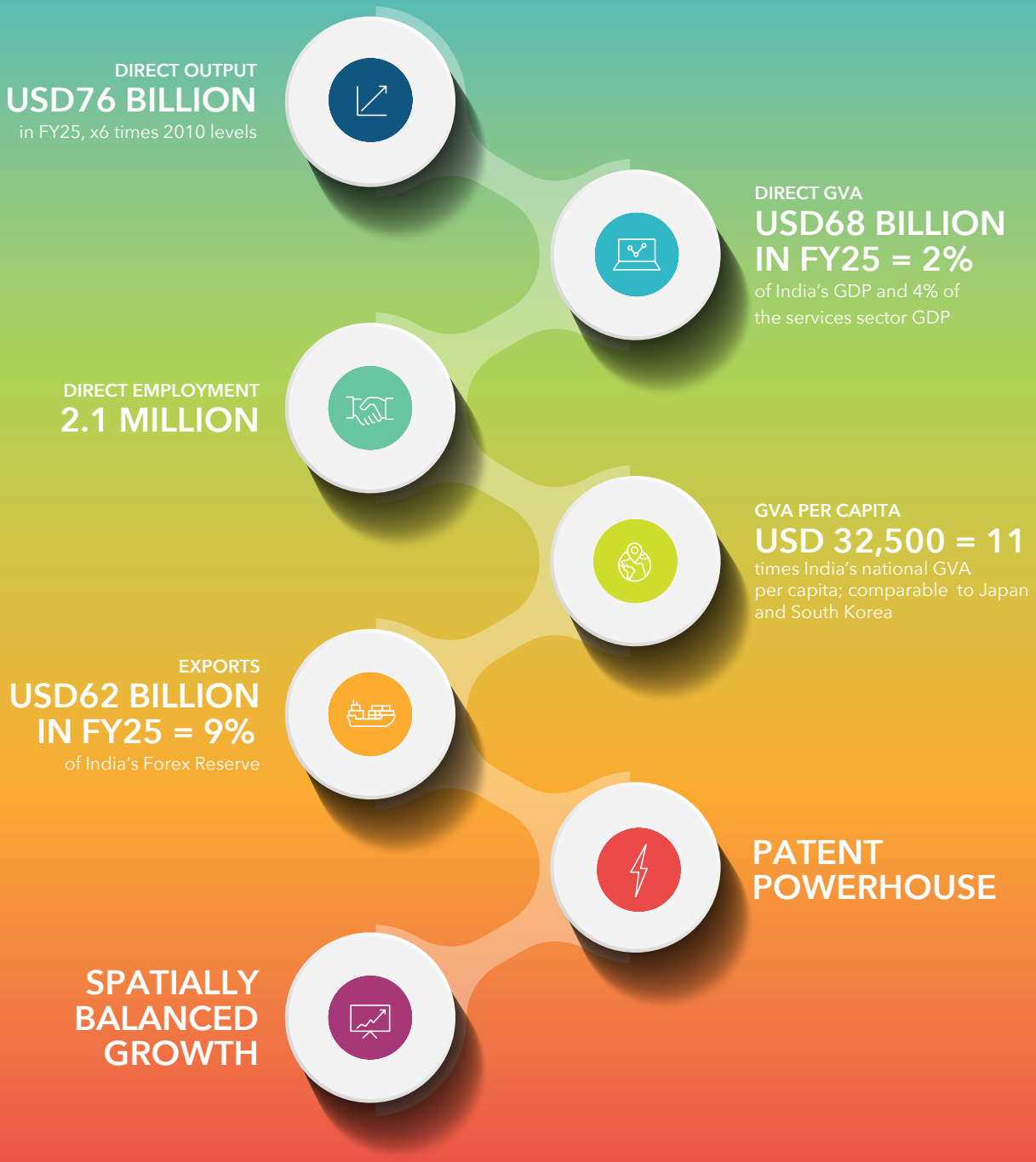
Economic Impact – At a Glance



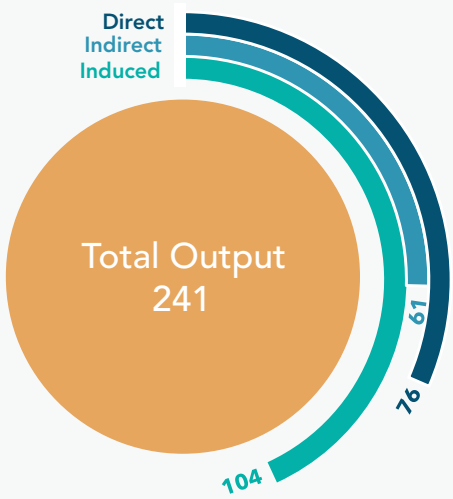
Economic Impact

Impact on Output

India's GCC sector has evolved into a formidable pillar of the modern economy, powering **USD241 billion in economic activity** in FY25 alone. Of the total, USD76 billion stems from direct output, while USD61 billion flows through supply chain linkages, and a further USD104 billion emerges from induced consumption across the broader economy.

What stands out is the remarkable velocity of growth in direct output. In just 15 years, GCCs have scaled their **direct economic contribution** to **USD76 billion** in 2025 - **more than six times** the USD12 billion recorded in 2010 - reflecting a 13% compound annual growth rate (CAGR).

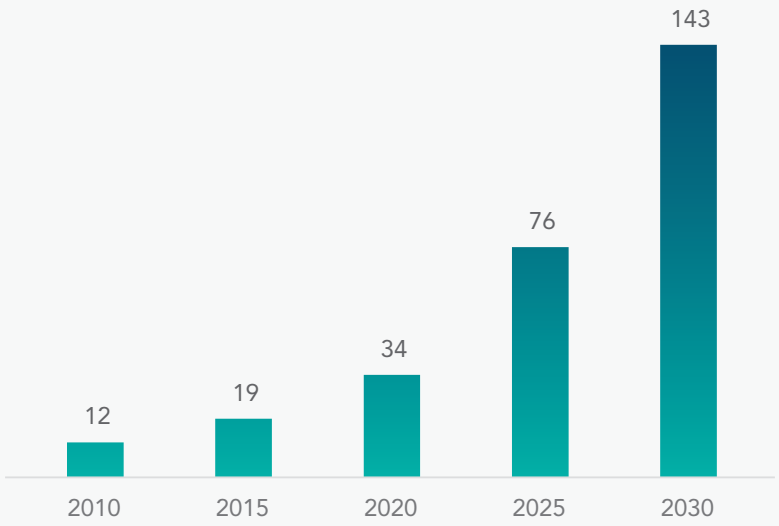
GCC Sector Contribution to Output by Channels of Impact (USD billion)



Source: Dun & Bradstreet

The next chapter is likely to be just as transformative. By 2030, direct output is projected to reach USD143 billion, driven by a decisive pivot from transactional processes to high-value functions such as AI/ML engineering, advanced analytics, cybersecurity, and global product ownership. As global firms deepen their reliance on India's talent and innovation ecosystems, **GCCs are no longer back offices - they are becoming nerve centers of global enterprise strategy.**

GCC Sector Direct Contribution to Output (USD billion)



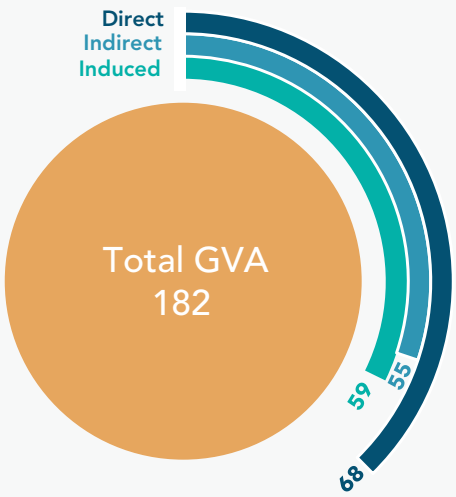
Source: Dun & Bradstreet

Impact on Gross Value Added (GVA)

While both output and GVA measure economic activity, they represent different stages in the value chain. Output refers to the total value of goods and services produced, including the value of intermediate inputs used in production. GVA, on the other hand, isolates the net contribution by subtracting the value of intermediate consumption from output. In essence, GVA reflects the actual economic value created by an entity – through wages, profits, and taxes – whereas output captures the broader transactional volume, including pass-through costs.

In FY25, the GCC sector added an estimated **USD182 billion in GVA, more than the GVA of 25 Indian states and Union Territories**. This includes USD68 billion in direct GVA, USD55 billion in indirect contributions via supply chains, and USD59 billion in induced impact through consumption.

GCC Sector Contribution to GVA by Channels of Impact (USD billion)

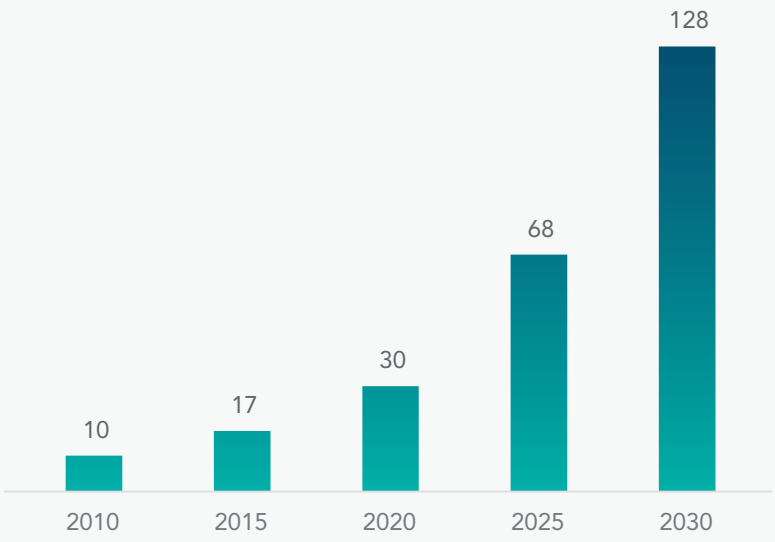


Source: Dun & Bradstreet

The direct GVA alone equals **2% of India's GDP** and **4% of the services sector GDP**. This places GCCs among the most consequential economic actors in India's services-led growth story, rivalling some of the largest domestic industries in value creation.

The growth trajectory has been nothing short of remarkable. From just USD10 billion in direct GVA in 2010, the sector's contribution has scaled to **USD68 billion** in 2025 - around **seven times** the level recorded in 2010. Looking ahead, direct GVA is expected to rise to USD128 billion by 2030, driven by the sector's ongoing transition into higher-order capabilities.

GCC Sector Direct Contribution to GVA (USD billion)



Source: Dun & Bradstreet

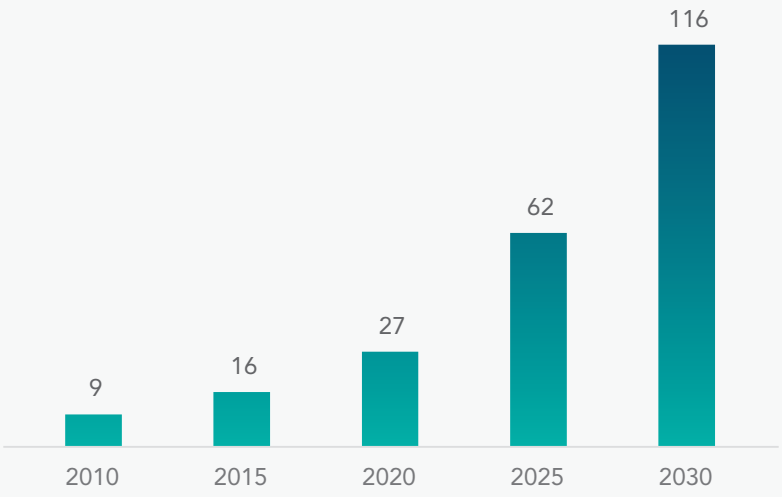
Impact on Exports

For most GCCs, revenues earned are synonymous with exports, making the sector a vital contributor to India's foreign exchange earnings. That said, the export numbers should be viewed through a more discerning lens.

A significant portion of GCC activity reflects a shift in the delivery model, with global companies moving work from third-party Indian IT vendors to their own captive centers in India. While the underlying services continue to be delivered from India, the associated export revenue transitions from IT services firms to GCCs. This phenomenon of intra-sector cannibalization necessitates a more calibrated view of net export growth.

After adjusting for this compositional shift, we estimate that GCCs contributed **USD62 billion in net exports in FY25**, a sharp rise from USD9 billion in 2010. By 2030, this figure could reach USD116 billion.

GCC Sector Direct Contribution to Exports (USD billion)



Source: Dun & Bradstreet

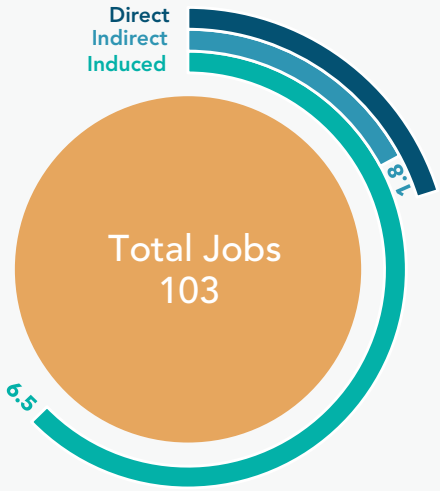
What sets the GCC export model apart is its **exceptionally high net forex retention**. Unlike merchandise or industrial exports, which depend heavily on imported inputs, GCCs operate with near-zero import intensity. As a result, nearly every dollar earned flows directly into the country's reserves. At USD62 billion, GCC exports in FY25 are equivalent to **9% of India's total forex reserves**, a striking indicator of the sector's strategic value in strengthening macroeconomic buffers.

Impact on Employment

The GCC sector supported an estimated **10.4 million jobs in FY25**, comprising **2.1 million direct employees**, 1.8 million in allied industries, and a substantial 6.5 million through induced employment.

What makes this employment footprint distinctive is not just its scale, but its quality. GCCs typically offer salaries significantly above national and sectoral averages, especially for early- and mid-career professionals. This income premium drives higher discretionary consumption across urban centers - ranging from housing and education to retail and mobility - which, in turn, amplifies the sector's induced impact.

GCC Sector Contribution to Employment by Channels of Impact (million)



Source: Dun & Bradstreet

This is evident in the employment composition itself: induced jobs outnumber direct roles by over 3:1, reflecting the high-multiplier nature of the GCC ecosystem. Unlike labor-intensive industries that rely on volume, GCCs create economic value through skills, specialization, and spending power - **turning intellectual capital into a flywheel for broader economic activity**.

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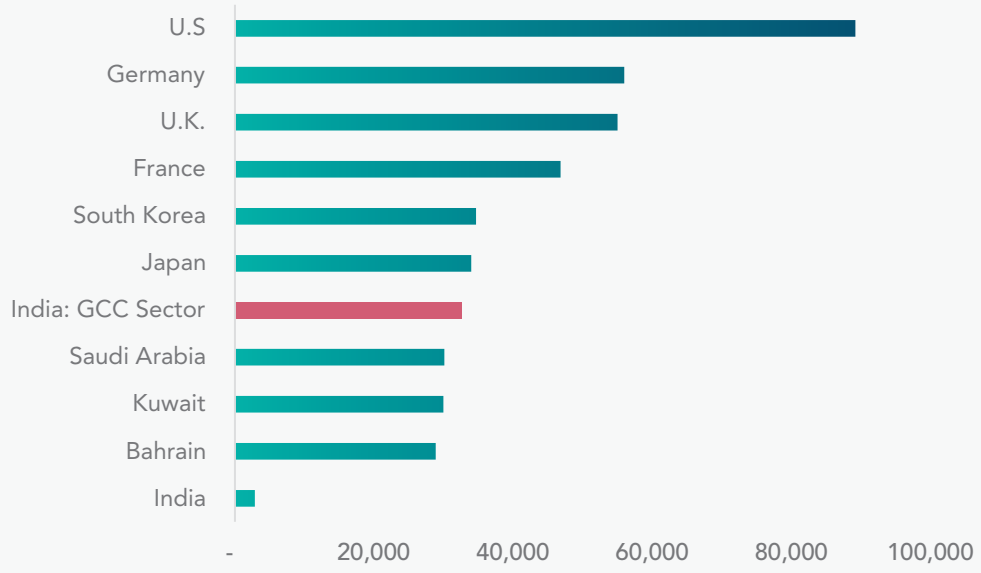
Impact on Productivity

In FY25, GCCs are estimated to have generated USD68 billion in direct GVA through a workforce of 2.1 million professionals, translating to a per capita GVA of approximately **USD32,500**.

This is more than **11 times India's national GVA per capita, and comparable to levels seen in advanced economies like Japan and South Korea**. As GCCs continue to move up the value chain their productivity is poised to expand further.

GDP Per Capita (USD)



Source: IMF, Dun & Bradstreet

This exceptional productivity stems from the high-skill, high-value nature of GCC roles, which are increasingly focused on areas such as digital transformation, advanced analytics, and risk management. Unlike traditional service delivery models, GCCs operate as integral extensions of global headquarters, driving strategic work rather than executing just transactional tasks.

Moreover, GCCs benefit from cutting-edge digital infrastructure, domain specialization, and process automation, enabling each employee to generate significantly more value per unit of time. This shift toward capability-driven mandates over labor-arbitrage models has been central to their outsized productivity.

Impact on Innovation

India's GCCs have rapidly evolved from back-office support centers into core innovation hubs for global enterprises, driving product development, digital transformation, and IP creation at scale. Nowhere is this more visible than in life sciences and healthcare, where GCCs have attracted over USD7 billion in FDI, accounting for **nearly one-third of total FDI into India's pharmaceutical sector**. Today, many global companies entrust their Indian GCCs with mission-critical R&D, resulting in tangible gains across productivity, cost efficiency, and business impact.

AstraZeneca – Reinventing Training Through Virtual Reality

At AstraZeneca's Innovation and Technology Centre in Chennai, a virtual reality headset is all it takes to step inside a high-fidelity interactive digital replica of the company's Swedish manufacturing facility. Developed entirely by the India-based GCC, the platform enables operators to learn drug production processes without ever entering a physical plant. The impact? **Significant cost savings and zero material wastage** during training, marking a breakthrough in how pharma companies scale complex skills globally.

Lowe's – Transforming Checkout with In-House Tech Innovation

Retail giant Lowe's turned to its Bengaluru GCC to overhaul its in-store checkout experience. The result: a proprietary self-checkout system that now handles 40 to 50% of all transactions, up from 25% earlier. Built at a fraction of vendor costs - and with higher stability - the solution is now being rolled out across 1,700+ stores in the U.S., demonstrating how India's GCCs are not just cost centers, but profit accelerators.

Hexagon – Building a Patent-Rich Software R&D Hub

At Hexagon's Hyderabad facility, its largest R&D site globally, 2,100 engineers work at the intersection of software and engineering. The center has amassed a robust portfolio of software-based patents, supporting every product division within the company and reinforcing India's position as a strategic IP creation hub.

Novartis – Advancing Drug Discovery and Clinical Trials

At its Hyderabad Global Capability Centre, Novartis is rewriting the playbook on how large-scale drug development can be driven from India. With over $300 million invested in the last five years and a team of 9,000 professionals, the site has become the company's second-largest global location after its headquarters in Basel.

This center plays a pivotal role in clinical development - leading end-to-end execution of trials, generating critical data, and transforming experimental molecules into life-saving medicines. As of July 2024, the Hyderabad hub was actively managing 52 clinical trials across 335 sites, involving approximately 2,000 enrolled patients.

Fueling this engine of innovation are 350+ highly skilled scientists, including PhDs, post-doctorates, and Masters-level experts, who are dedicated to advancing the pharmaceutical development of new chemical entities. In doing so, the center exemplifies how GCCs are at the forefront of life-saving innovation.

GE – Driving Multisector Innovation

GE's John F. Welch Technology Centre (JFWTC) in Bengaluru is the company's largest integrated multidisciplinary research and development center outside the U.S., housing over 5,000 engineers and contributing more than 3,500 patents to GE's global portfolio. The center drives end-to-end innovation across aviation, healthcare, energy, and renewables, underscoring the pivotal role Indian talent plays in shaping next-generation industrial solutions.

Impact on Regional Development

India's GCC expansion story is no longer confined to its major metros. Over the past few years, there has been a notable shift toward Tier-2 and emerging cities, catalyzed by structural advantages. More than 200 GCCs have established operations outside traditional hubs like Bengaluru, Hyderabad, and Chennai - bringing global work to cities such as Coimbatore, Kochi, Mysuru, Indore, Jaipur, and Bhubaneswar.

The rationale is compelling. Operating costs in these locations are 25 to 30% lower than in Tier-1 cities, driven by more affordable real estate and a lower total cost of talent. At the same time, these cities offer access to deep, underutilized talent pools, particularly in engineering and emerging tech roles, thanks to the presence of high-quality academic institutions and improving digital infrastructure.

The impact is already visible. Jaipur, for instance, has surged up the ranks in Dun & Bradstreet's City Vitality Index - which tracks economic activity across all Indian districts. From a rank of 63 in Q1 2023, Jaipur jumped to 19 in Q1 2024, and further to 15 in Q1 2025, underscoring how GCC-led growth is helping unlock latent potential in emerging cities.

This decentralization is fostering more **inclusive economic development**, generating employment, upgrading local ecosystems, and reducing urban migration pressures. As a result, GCCs contribute to a more **spatially balanced and resilient growth model** for India.

Looking ahead, the trend is expected to accelerate, particularly as hybrid work models, policy incentives, and infrastructure investments make next-wave cities viable destinations for high-value global work.

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