NASSCOM GCC REPORTS

Curated Extracts from published reports

DEFINITIONS

GLOBAL CAPABILITY CENTER (GCC)

- Global Capability Centers (GCCs) are Offshore Services Units established by Multinational Corporations (MNCs) to perform strategic functions, leveraging knowledge-based talent, cost and operational efficiencies

- GCCs encompass the Technology, Engineering, and Operations functions, including Shared Services Centers of MNCs in India

- MNCs not qualifying as GCCs include Service Providers (SPs) (Technology/Engineering/Operations/Digital functions) or Integrators supporting Product/Solution/Platform development, Staffing companies, Pure-play Sales Entities, and Professional Services companies that have a dual model (in-house and third-party)

WHAT QUALIFIES AS A MID-MARKET GCC

- Mid-market GCCs refer to Capability Centers established by Mid-sized Enterprises with annual global revenues typically ranging between USD 100 Mn to USD 1 Bn

- Mid-market GCCs focus on delivering high-value, specialized services while maintaining a leaner operational model compared to larger GCCs

- There is no cut-off with respect to date of inception of GCC in India

MNCs NOT QUALIFYING AS A GCC

- ✓ Service Providers (SPs) (Technology/Engineering/Operations/Digital functions) or Integrators supporting Product/Solution/Platform development
- ✓ Staffing companies generating revenue by outsourcing talent or contingency staff
- ✓ Pure-play Sales Entities selling products or customized tools/software to India and nearby regions
- ✓ Professional Services companies that have a dual model (in-house and third-party)

Snapshot of the Global Capability Center (GCC) Ecosystem in India

nasscom   zinnov

1700+
Total Number of GCCs (FY2024)

2975+
Total Number of GCC Units (FY2024)

~4.6%
CAGR of number of GCCs
(FY2019 – FY2024)

1.9 Mn+
Total Installed GCC Talent (FY2024)

82 K+
Total Installed GCC Talent in
Tier-II and Tier-III Cities

~6.3%
CAGR of Total Installed GCC
Talent (FY2019 – FY2024)

USD
64.6 Bn
India GCC Revenue (FY2024)

USD
36.4 Bn
India GCC Revenue – ER&D (FY2024)

~9.8%
CAGR of India GCC Revenue
(FY2019 – FY2024)

FUTURE OUTLOOK FOR GCCs

GCC Outlook for 2030

GCC MARKET SIZE

- ~USD 30.5 Bn — FY2019R
- ~USD 64.6 Bn — FY2024
- USD 99-105 Bn — FY2030E

~16.2% (FY2019R → FY2024)
~9-10% (FY2024 → FY2030E)

Number of GCCs

- 1430+ — FY2019R
- 1700+ — FY2024
- 2100-2200 — FY2030E

~3.5% (FY2019R → FY2024)
~4-5% (FY2024 → FY2030E)

GCC Headcount

- ~1.4 Mn — FY2019R
- ~1.9 Mn — FY2024
- 2.5-2.8 Mn — FY2030E

~6.3% (FY2019R → FY2024)
~6-8% (FY2024 → FY2030E)

Number of GCC Units

- 1950+ — FY2019R
- 2975+ — FY2024
- 4300-4400 — FY2030E

~8.8% (FY2019R → FY2024)
~7-8% (FY2024 → FY2030E)
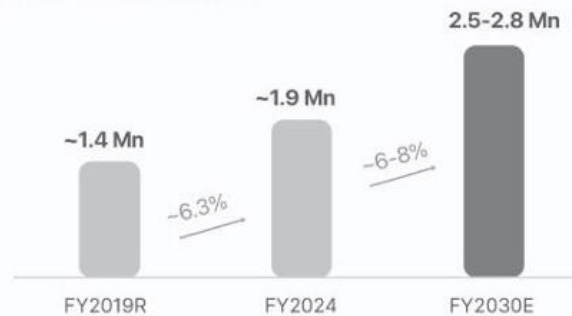
The Indian GCC landscape has become more diverse, with the addition of 230+ and ~200 new GCCs from the Americas and EMEA + APAC, respectively

DISTRIBUTION OF GCCs IN INDIA, BASED ON HQ LOCATION (FY2024)

Total Number of GCCs (FY2024): **1700+**

Total GCC Units (FY2024): **2975+**

GCC Talent (FY2024): **1.9 Mn+**

Americas

~27%

855+ (FY2019) → 1090+ (FY2024)

BorgWarner · KOCH
merative · PEPSICO
airbnb · rfd · Micron

EMEA

~41%

340+ (FY2019) → 480+ (FY2024)

Hitachi Energy · Linde
FORVIA · Huf · SANDOZ
kagool · temenos · deliveroo

APAC

~65%

85+ (FY2019) → 140+ (FY2024)

TOYODA GOSEI · nab · MUFG
MERCARI · RAKSUL
ATLASSIAN · GRAYMATICS

GCC DISTRIBUTION ACROSS INDIA (FY2019- FY2024)

Total Number of GCCs (FY2024): **1700+**

Total GCC Units (FY2024): **2975+**

GCC Talent (FY2024): **1.9 Mn+**

Others*
- 90+ FY2019
- 220+ FY2024

NCR
- 285+ FY2019
- 465+ FY2024

Mumbai
- 215+ FY2019
- 365+ FY2024

Hyderabad
- 230+ FY2019
- 355+ FY2024

Pune
- 210+ FY2019
- 360+ FY2024

Bengaluru
- 620+ FY2019
- 875+ FY2024

**Chennai**
- 180+ FY2019
- 305+ FY2024
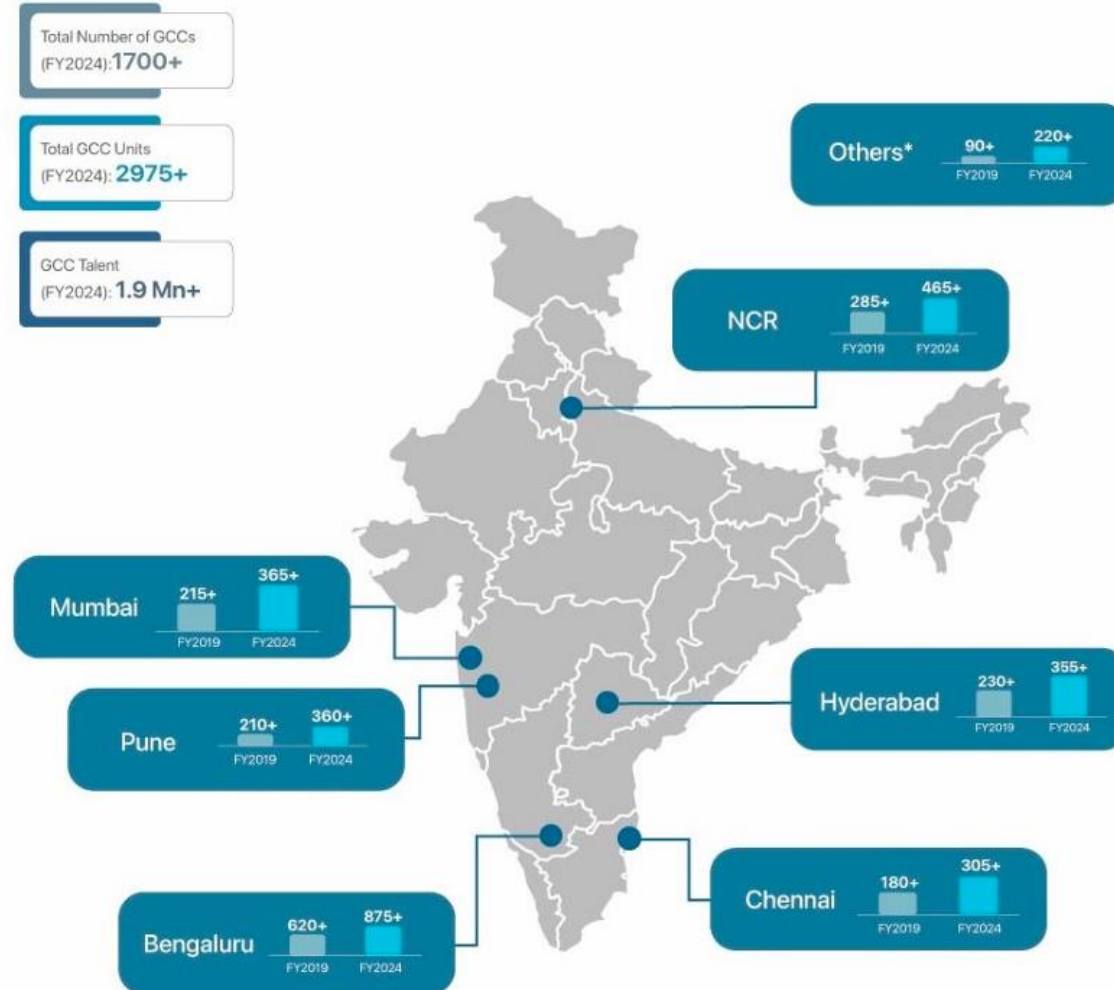
KEY INSIGHTS

- Bengaluru continues to lead in GCC setups, followed by NCR, Hyderabad, Pune, and Mumbai, especially in the last 5 years

- Bengaluru's status a GCC hub is solidified, thanks to a robust GCC and innovation ecosystem, availability of talent, and a conducive environment for talent mobility

- GCC-specific policies from the Tamil Nadu government, with a focus on providing tax incentives and the upcoming draft GCC policy by the Government of Karnataka, are further boosting this growth

- Bengaluru and NCR account for 47% of the IT talent present in India's GCC ecosystem

- Hyderabad and NCR boast a higher ER&D talent concentration after Bengaluru, accounting for 25% of the total ER&D GCC talent

- Chennai continues to significantly attract Automotive talent, with 13% of the total installed talent

GCCs SET UP IN THE LAST 5 YEARS IN TIER-I CITIES

Henkel   Johnson Controls   MAGNA

Fidelity INTERNATIONAL   BlackBerry   FedEx   f5

How did global capability centres evolve in India?
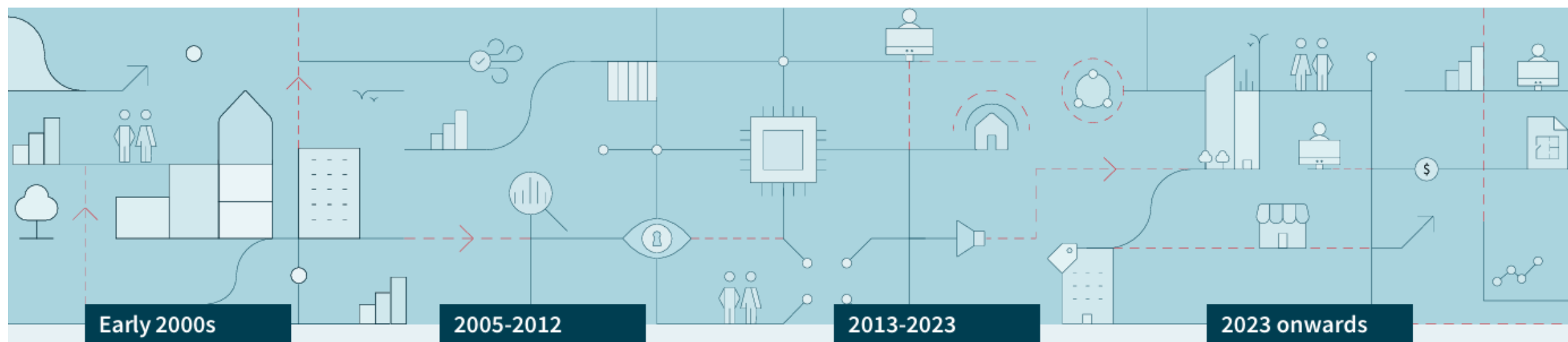
Early 2000s

Captive Centres limited to BPOs

Global firms considered entering India to set up captive centres post the tech and outsourcing boom. Cost-effective talent and real estate were big drivers to set up captive centres here

GCCs focused on the back office and business support functions and IT support services in the form of maintenance and help desks

Major activities were limited to BPO functions such as data processing, document management, & customer care

2005-2012

Growth of GICs

Captive centres became progressively more value-accretive in nature and driving process efficiencies by taking up end-to-end ownership of the entire global product lifecycle

Talent pool utilisation was enhanced with the aim towards creating R&D capabilities and enhancing delivery and process excellence creating global in-house centres

Global in-house centres started undergoing a transformative shift towards becoming GCCs, driving digital transformation and innovation across the organisation product and service capability ecosystem

2013-2023

Opening of Centres of Excellence

GCCs saw an increasing focus on high-value activities such as digitisation, and building competencies around new-age technologies like AI/ML, data science blockchain technologies, analytics and product conceptualisation

India was increasingly seen as one of the preferred destinations for global firms to set up their Centres of Excellence (CoEs) across portfolios - Engineering Research & Development (ER&D), IT, BFSI etc.

2023 onwards

GCCs become transformation hubs

GCCs act as transformation hubs for global businesses - end to end product and P&L ownership with elevated levels of autonomy provided by HQ organisations
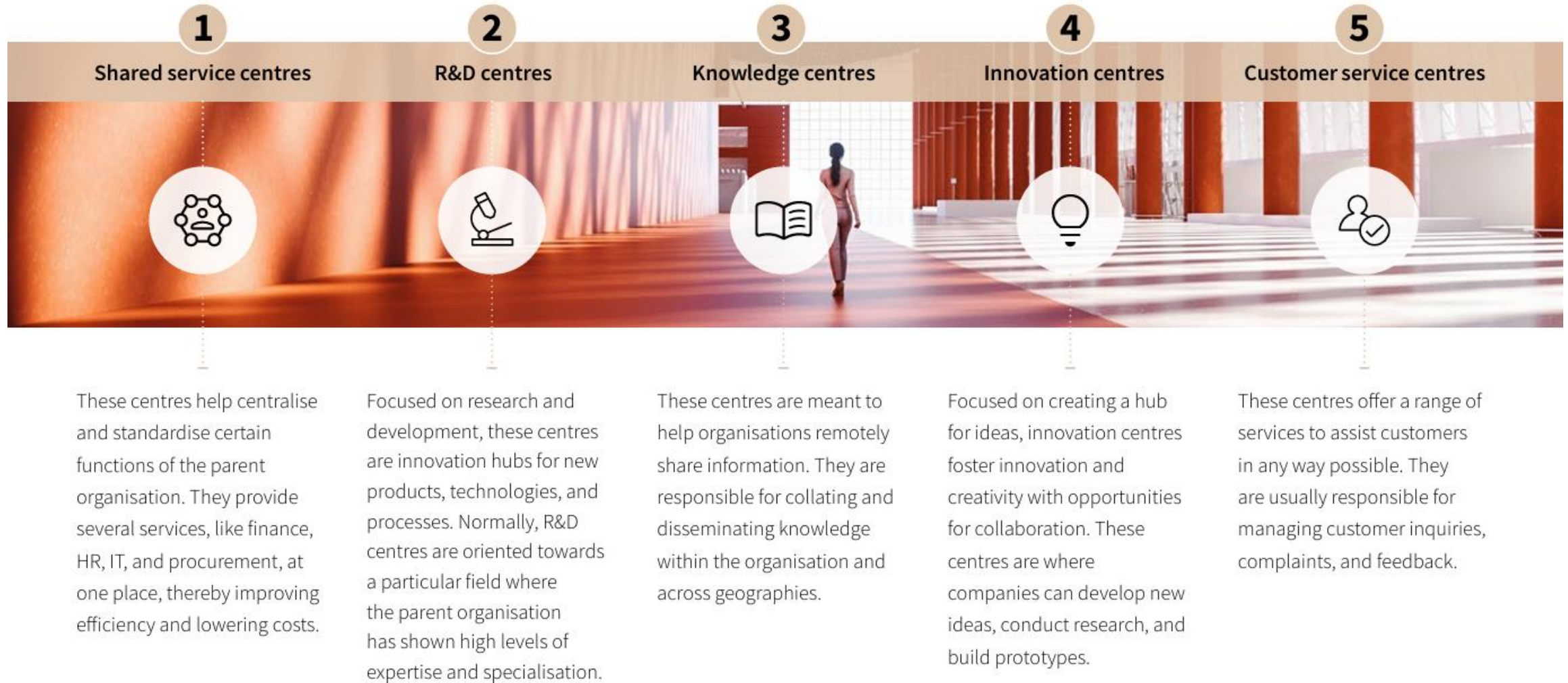
Increasing number of global roles contracted to India

GCCs venturing into newer markets, focusing on managing value added, business critical operations with ownership of both business and technology aspects

What are the different types of global capability centres that can be set up?

Global capability centres can be of several types. The common ones include:

1
Shared service centres

2
R&D centres

3
Knowledge centres

4
Innovation centres

5
Customer service centres

These centres help centralise and standardise certain functions of the parent organisation. They provide several services, like finance, HR, IT, and procurement, at one place, thereby improving efficiency and lowering costs.

Focused on research and development, these centres are innovation hubs for new products, technologies, and processes. Normally, R&D centres are oriented towards a particular field where the parent organisation has shown high levels of expertise and specialisation.

These centres are meant to help organisations remotely share information. They are responsible for collating and disseminating knowledge within the organisation and across geographies.

Focused on creating a hub for ideas, innovation centres foster innovation and creativity with opportunities for collaboration. These centres are where companies can develop new ideas, conduct research, and build prototypes.

These centres offer a range of services to assist customers in any way possible. They are usually responsible for managing customer inquiries, complaints, and feedback.

You should choose the type of global capacity centre you want to set up based on your specific business needs and objectives. While you consider your options, you must factor in your organisation's goals, budget, and vision for the future too.

Why India?

India is the land of many. And as a large commercial market, it has everything!

With the evolution of the services sector and India emerging at the forefront of tech-driven innovation, GCCs have moved up the value chain as well. Strategic R&D, business innovation related work streams and the digital revolution have taken centre stage, resulting in several global firms looking at tapping into India to drive their business growth.

India is a melting pot of diverse business ecosystems that help organisations flourish. This includes:

Access to a large talent pool

India has the largest youth population in the world and is one of the top STEM graduate-producing countries.

Availability of experts in digital transformation

India's technology industry expanded its 58-lakh strong workforce by 1.2 lakhs in 2024-25, with GCCs accounting for over 1 lakh of these roles. The rise of new-age technologies will result in the needed for more digital-savvy professionals as the tech sector grows on to become $300 billion industry in FY 2025-26.

Effective cost management

India's lowered cost of living serves as a good incentive for organisations to set up captive centres in smaller cities.

Government incentives

Both the central and state governments offer many incentives to set up operations and create opportunities. India's FDI and tax regimes are also considered to be business friendly.

Enterprising leadership

The country is home to experienced professionals who have the talent and acumen to handle all kinds of businesses - from startups and technology to service providers.

Quality infrastructure

Easy access through roads, airports, railways etc. make expansion easy in India. This is complemented by electricity and reliable internet connectivity available across the nation.

Organisations view India as a key destination and contributor in their next stage of growth, setting up incubators, accelerators, and multiple partner programs to drive collaboration.