

Macro Roundup Article

Headline: [Global Firms are Tapping India's Workers Like Never Before](#)

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Tweet: Between 2010 and 2021 US R&D spending in India increased 224% to \$5.5B. "Growing geopolitical tension with the West means that China, India's principal rival hub for low-cost R&D, has lost some of its appeal." @TheEconomist

Summary: In 2010 American multinationals spent \$1.7bn on R&D activities in India, according to America's Bureau of Economic Analysis. By 2021, the latest year available, that figure had surged to \$5.5bn. Growing geopolitical tension with the West means that China, India's principal rival hub for low-cost R&D, has lost some of its appeal. On May 16th it was reported that Microsoft had asked hundreds of employees working on advanced technologies such as machine learning and cloud computing in the country to relocate. All this has helped turbocharge India's services exports, which hit \$338bn last year, or nearly 10% of GDP, up from \$53bn in 2005, reckons Goldman Sachs. The country now accounts for 4.6% of global services exports, up from roughly 2% in 2005. India's goods exports, by contrast, account for just 1.8% of the global total, up from 1% in 2005.

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