

India emerges as world's services factory: Report

Share In Global Services Exports More Than Doubles In Last 18 Yrs, Says Goldman Sachs

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New Delhi: India's share in global services exports has more than doubled over the last 18 years and rise of global capability centres (GCCs) has played a crucial role in the expansion, a global report said on Monday.

The proliferation of GCCs has given a boost to real estate, expanded services exports, added to economic growth, created jobs and led to rapid increase in revenues for these firms. GCCs are specialised offshore entities set up by companies operating across the world and these centres support a raft of business processes, including IT, human resources, finance, analytics, among others.

"Revenues of GCCs in India have grown nearly 4x at a CAGR of 11.4% over last 13 years to \$46 billion as of FY23. The number of GCCs has more than doubled from 700 to 1,580 over the same time period, with the sector adding around 1.3 million employees (11.6% CAGR), taking the total employee headcount to 1.7 million in FY23," says the report by Goldman Sachs titled "India's rise as

GROWING FOOTPRINT OF GCCs

1 While No. of GCCs has grown over two-fold in 13 years...



2 ...their revenue & employees have risen nearly four-fold...



3 ...Bengaluru sees highest GCC concentration, followed by Delhi/NCR



Note: Other Tier 2 and Tier 3 cities with GCC units include Chandigarh, Kochi, Thiruvananthapuram, Vadodara, Jaipur, Goa, Mysuru, Indore, Nagpur, Bhubaneswar, Visakhapatnam and Madurai
Source: Nasscom & Goldman Sachs

the emerging services factory of the world." "Over the next few years, we expect strong growth in high-value services to continue. We expect the growth in high-value services to domestically drive top-end discretionary consumption and commercial and residential real estate demand," said the report.

It said India's services ex-

ports grew to nearly \$340 billion in 2023 at a CAGR of around 11% from 2005 (nearly double global growth) outpacing goods export growth. "As a result, India's share in global services exports rose from under 2% in 2005 to 4.6% in 2023, while India's share in goods exports only increased from 1% in 2005 to 1.8% in 2023," said the report.