INDIA'S NEXT GROWTH PHASE HINGES ON INNOVATION: SITHARAMAN

GCCs must attract more Fortune 2000 firms: FM

FE BUREAU
New Delhi, July 9

Finance Minister Nirmala Sitharaman addresses the inaugural session of CII GCC Business Summit 2026 in New Delhi on Thursday AMIT MEHRA

FINANCE MINISTER NIRMALA Sitharaman on Thursday called for an aggressive push to attract more Fortune Global 2000 companies to establish Global Capability Centres (GCCs) in India, saying the country's next growth phase must be powered by innovation, intellectual property and global leadership rather than low-cost competitiveness.

Speaking at the CII GCC Business Summit here, the minister said around two-thirds of the Fortune Global 2000 companies are yet to establish a GCC in India, representing a major untapped investment opportunity.

She said India's value proposition has evolved from cost efficiency to capability leadership, with enterprises increasingly prioritising innovation, artificial intelligence, engineering and strategic functions over low costs. She urged industry to move up the value chain by creating intellectual property, leading frontier research, developing AI applications, owning product architecture and driving global innovation.

"The question before us is no longer whether India can host Global Capability Centres. We have answered that convincingly," she said. "The real question now is whether India can become the country from which global enterprises create their most valuable capabilities, design their next generation of products, develop frontier technologies and shape enterprise strategy itself."

India currently hosts more than 2,100 GCCs employing around 2.3 million professionals and generating nearly $100 billion in annual revenue.

Calling the remaining Fortune Global 2000 firms a major opportunity, Sitharaman said building an ecosystem capable of supporting around 5,000 GCCs by 2030 is both realistic and achievable.

While companies initially came to India for cost efficiencies, newer centres are increasingly responsible for artificial intelligence, engineering research and development, cybersecurity, product architecture and enterprise-wide transformation, with businesses now focused on maximising innovation, accelerating discovery and strengthening long-term competitiveness. The government, she said, is backing this transition with policy reforms aimed at reducing compliance burdens and providing greater tax certainty.

Measures announced in the Budget 2026-27 include a unified safe harbour regime for IT and IT-enabled services, higher safe harbour thresholds, a fast-track Advance Pricing Agreement mechanism and continued investments in digital infrastructure, university townships and city economic regions.

She also urged companies to look beyond traditional technology hubs as the next phase of GCC expansion gathers pace.