

THOUGHT LEADERSHIP REPORT · OCTOBER 2026

GCC PULSE REPORT 2026

Global Capability Centres: From Cost Centres to Strategic Capability Hubs

Scale, talent, technology and the road to 2030 across India, Central and Eastern Europe, the Americas, Asia Pacific, Africa and the Middle East.

TECHSCI RESEARCH · THOUGHT LEADERSHIP

About This Report

GCC Pulse Report 2026 is TechSci Research's annual assessment of the global capability centre (GCC) economy: the network of enterprise-owned centres that large organisations build outside their home market to run technology, operations, data, engineering, risk and, increasingly, product and research mandates.

Who It Is Written For

Chief operating officers, global capability centre heads, chief information and technology officers, location and real-estate strategists, chief human resources officers, government investment-promotion teams, and the financial and media audiences that follow global services delivery.

Scope of the Report

- The strategic reframe from cost centre to capability hub, and what it changes about mandate, governance and measurement.
- Expansion trends, scale, velocity and portfolio composition across the major capability centre markets.
- TechSci Research's diagnostic frameworks, the GCC Pulse survey programme and the TechSci Research market estimates.
- Artificial intelligence and digital transformation, and the readiness divide between locations and enterprises.
- Research and development, innovation mandates, talent and skills, and the emerging functions enterprises build next.
- Tier-2 and secondary-city opportunities, industry-wise playbooks and the emerging multi-polar map of global destinations.
- Risks, the outlook to 2030 with ten predictions, and practical playbooks for enterprises, governments and centre leaders.

Methodology and Evidence Base

GCC Pulse Report 2026 draws on primary research conducted by TechSci Research and on published material from the following categories of source, and nowhere else:

- **TechSci Research analytical frameworks.** The diagnostic frameworks that structure this report, together with the GCC Pulse survey programme through which TechSci Research tests them against practitioner experience. The frameworks are described in Chapter three and applied at the points indicated in the text.
- **National governments and their agencies**, including the Press Information Bureau of the Government of India and Software Technology Parks of India under the Ministry of Electronics and Information Technology, state government policy documents, the U.S. Citizenship and Immigration Services and the Ministry of Investment of Saudi Arabia.
- **Multilateral and statistical institutions**, principally the United Nations Conference on Trade and Development (UNCTAD) and the World Bank.
- **National and regional trade and investment promotion agencies**, including the Trade and Investment Promotion Agency of Costa Rica (PROCOMER) and ProMéxico.
- **Corporate disclosures and company announcements** on centre openings, mandates and location decisions, taken directly from the issuing company.
- **Academic and peer-reviewed literature**, including the *IIMB Management Review* round table on Global Capability Centres.
- **Established news media** for market events, investment announcements and policy reporting.

Currency figures are in U.S. dollars unless stated. Where a source reports an Indian fiscal year (FY), FY24 denotes the year ended March 2024. Percentages are rounded. This document is a point-in-time assessment as at October 2026.

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EXECUTIVE SUMMARY

Ten Findings That Define 2026

Global capability centres have crossed a threshold. They are no longer a line item inside a cost-reduction programme; they are where a rising share of the enterprise's technology, data, engineering and product capability now sits. The evidence of the past year is no longer about whether the model works. It is about how quickly the world's largest organisations are re-anchoring core capability inside it, and how unevenly the gains are distributed between locations, industries and workforces.

$64.6bn
India's capability centre revenue in FY24, up from $40.4bn in FY19, a 9.8% annual growth rate

1.9m+
Professionals employed across India's 1,700-plus global capability centres

27%
Services' share of global exports in 2025, an all-time high

56%
Share of global services exports that is now digitally deliverable

30,000+
Global leadership roles expected in India's centres by 2030, from 6,500 today

1.3x
How much faster engineering R&D centres are growing than centre formation overall

Source: ***Press Information Bureau, Government of India (December 2025); Software Technology Parks of India; UNCTAD. TechSci Research.***

1. **The centre of gravity has moved from cost to capability.** The capability centre began as an arbitrage instrument: the same work, performed at a lower cost. That description no longer fits the leading centres, which own products, platforms, data models and regulated processes end to end. Academic analysis published in the *IIMB Management Review* documents the shift from cost-arbitrage units to strategic hubs, and India's *Economic Survey 2024 to 2025* records centres moving beyond back-office roles into engineering R&D in aerospace, defence, semiconductors and advanced manufacturing.
2. **Scale has become macro-relevant.** India's capability centre revenue rose from $40.4 billion in FY19 to $64.6 billion in FY24, growing at 9.8% a year and outpacing the wider technology services sector it was once a subset of. The network employs more than 1.9 million professionals across over 1,700 centres.
3. **The next doubling is underwritten by policy, not only by demand.** Software Technology Parks of India projects the market to double from about $50 billion in FY24 to $110 billion by FY30, a compound annual growth rate near 14%. The Government of India projects roughly $105 billion of revenue, close to 2,400 centres and more than 2.8 million professionals by 2030. More than 400 centres and 1,100 units were added in the five years to 2025.
4. **City concentration is both the biggest structural risk and the clearest opportunity.** More than 90% of India's capability centres sit in six metropolitan clusters, which is why policy has turned decisively toward dispersal. Telangana added 75 centres in FY26, more than any other Indian state, and targets 100 more in FY27 with an explicit tier-2 agenda. Karnataka created a "Beyond Bengaluru" track for nano-centres, and MeitY's GENESIS programme carries a ₹490 crore budget for tier-2 and tier-3 ecosystems.
5. **Digital delivery is the structural tailwind.** Services accounted for 27% of global exports in 2025, and digitally deliverable services grew at an average of 7.1% a year over the past decade and now make up 56% of global services exports. World services exports grew 8.3% in 2025, faster than goods trade, and total global trade passed $35 trillion for the first time.
6. **Talent, not capital, is the binding constraint.** India contributes 28% of the global STEM workforce and 23% of global software engineering talent, and that depth is now felt in seniority as much as volume. Global leadership roles hosted in Indian centres are projected to rise from about 6,500 to more than 30,000 by 2030. Every other GCC market must now answer that benchmark.
7. **Artificial intelligence is separating leaders from laggards at national as well as enterprise level.** Engineering R&D centres are growing 1.3 times faster than centre formation overall. Yet fewer than one third of developing countries have adopted a national AI strategy, and UNCTAD warns that computing capacity, data, finance and expertise remain concentrated in a small number of economies and firms.
8. **The capability map is genuinely multi-polar.** Costa Rica's services exports reached $16.1 billion in 2024, 17% of GDP, with knowledge-intensive activities at 58% of services exports and 119,982 direct jobs in free-zone services companies, 43% of them held by women. Galderma opened an AI-focused centre in Kraków in February 2026. Saudi Arabia's regional headquarters programme is converting investment policy into corporate presence.
9. **Immigration policy is quietly repricing the model.** The United States proclamation of 19 September 2025 requires a $100,000 payment with new H-1B petitions filed on or after 21 September 2025, a one-time fee that does not apply to renewals, previously issued visas or travel by existing holders. Its strategic effect is to widen the advantage of capability centres over mobility as a route to global talent.
10. **Governance, privacy and cyber are the fastest-rising costs of scale.** As centres take on regulated data, clinical evidence, financial-crime operations and AI model ownership, the compliance perimeter moves with them. Value now depends on defensible controls, not simply on the work performed.

THREE IMPLICATIONS FOR THE NEXT TWELVE MONTHS

Portfolio, not a site. The question is which capability, in which jurisdiction, under which regulatory perimeter, with which talent pipeline.

Seniority is the differentiator. Centres that cannot place and retain decision-makers stay delivery units whatever their technical quality.

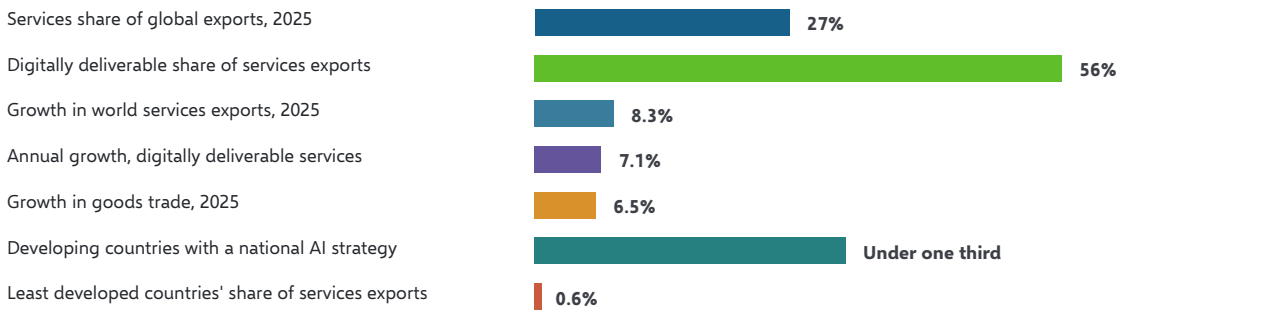
AI readiness is a location criterion. Compute access, data-regulation maturity, AI skills and ecosystem depth now outrank headline cost.

Table 1 | India's Capability Centre Economy

Metric	Latest reported	2030 projection	Source
Revenue	$64.6bn (FY24), from $40.4bn (FY19)	$105bn	Press Information Bureau, December 2025
Number of centres	1,700+ (2025)	About 2,400	Press Information Bureau, December 2025
Professionals employed	Over 1.9 million	Over 2.8 million	Press Information Bureau, December 2025
Global leadership roles hosted	About 6,500	Over 30,000	Press Information Bureau, December 2025
City concentration	More than 90% in six clusters	Policy target of tier-2 and tier-3 dispersal	Software Technology Parks of India
Growth in engineering R&D centres	1.3x the overall growth rate	Expected to remain the fastest segment	Press Information Bureau, December 2025

Source: ***Press Information Bureau, Government of India; Software Technology Parks of India; TechSci Research.***

Global services trade: the structural tailwind



Bars are drawn to a common scale, so the 0.6% bar for least developed countries is a visible sliver rather than a full bar.

Figure 1 | The structural tailwind. Capability centres are concentrated in the segment of world trade that is growing fastest and is least constrained by shipping, borders or tariffs.

Source: TechSci Research.

KEY TAKEAWAY: the model has moved from a cost programme to a growth programme, and the constraint on that growth has shifted from capital and real estate to talent, AI readiness and regulatory trust.

CHAPTER ONE

The Strategic Reframe: From Cost Centre to Capability Hub



A global capability centre is an offshore or nearshore entity established by a multinational corporation to access talent, technology and cost structures that are not available to it at home. That definition has been stable for three decades. What has changed decisively since 2023 is the content of the mandate: the functions a centre is trusted to own, the seniority of the people it recruits, and the way its performance is measured.

1.1 The Broadening Mandate

Capability centres now span corporate functions such as finance, accounting and tax; technology and engineering, up to platform ownership; data and analytics; and, in regulated sectors, the scientific chain that runs from trial design through regulatory submission and post-market surveillance. That breadth is not new. What is new is that a growing number of these functions are run as the enterprise's primary capability rather than as a lower-cost replica of one. When a national finance ministry begins documenting capability centres as industrial-policy assets rather than services-export line items, the model has changed category.

1.2 Distinguishing the Delivery Models

Much confusion in location and governance debates comes from treating every offshore structure as the same instrument. Ownership, mandate, metrics and intellectual-property treatment differ materially, and so does the strategic risk if the arrangement fails.

Table 2 | Where delivery models differ

Model	Ownership	Typical mandate	Primary metric	Treatment of IP and data
Global capability centre	Enterprise-owned subsidiary or branch	End-to-end ownership of technology, operations, data and increasingly product and research mandates	Business outcomes: cycle time, quality, revenue enablement, risk reduction	IP and data remain inside the enterprise perimeter
Global business services	Enterprise-owned, federated across functions	Consolidation of multiple functional centres under one operating and governance layer	Standardisation, cost per transaction, service levels	Enterprise-controlled; shared services agreements govern internal transfers
Business process outsourcing	Third-party provider	Defined, contractually scoped processes	Contractual service levels and unit price	Enterprise retains ownership; provider controls systems
Centre of excellence	Either, often inside a capability centre	A specialist competency treated as differentiating	Capability depth, reuse across the enterprise, external recognition	Usually enterprise-controlled when inside a capability centre
Managed services	Third-party provider, often on enterprise premises	Run and maintain mandates on enterprise platforms	Availability, incident response, cost per seat or asset	Provider-operated with enterprise governance and audit rights

Source: ***IIMB Management Review, TechSci Research.***

1.3 Five Generations of Capability

The framework below is diagnostic: it tells an enterprise which generation its centres actually belong to, which is usually one generation behind its own narrative.

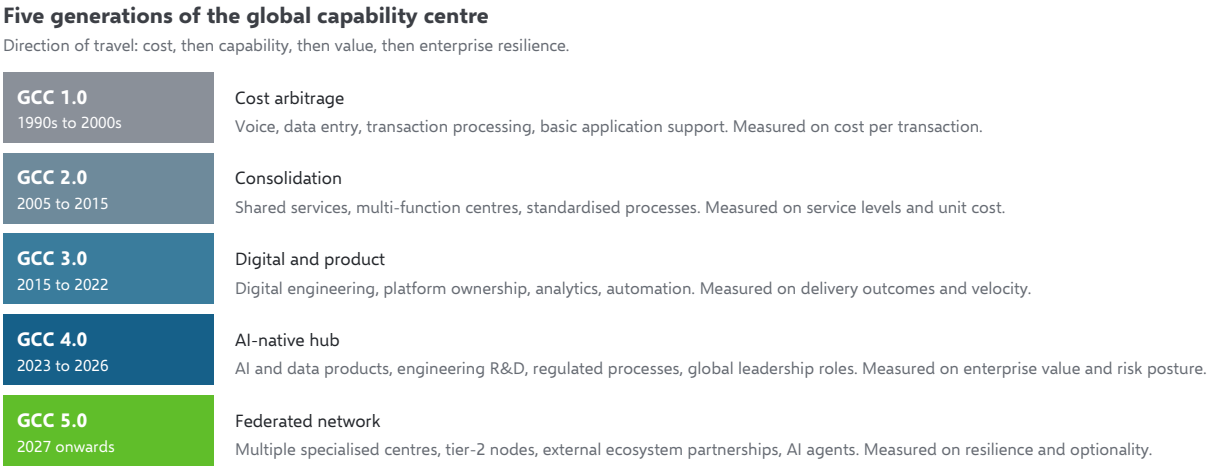


Figure 2 | Five generations of the global capability centre. The generational label describes the mandate and measurement of the centre, not the sophistication of its technology stack. Most enterprises operate centres across three generations at once.

Source: TechSci Research.

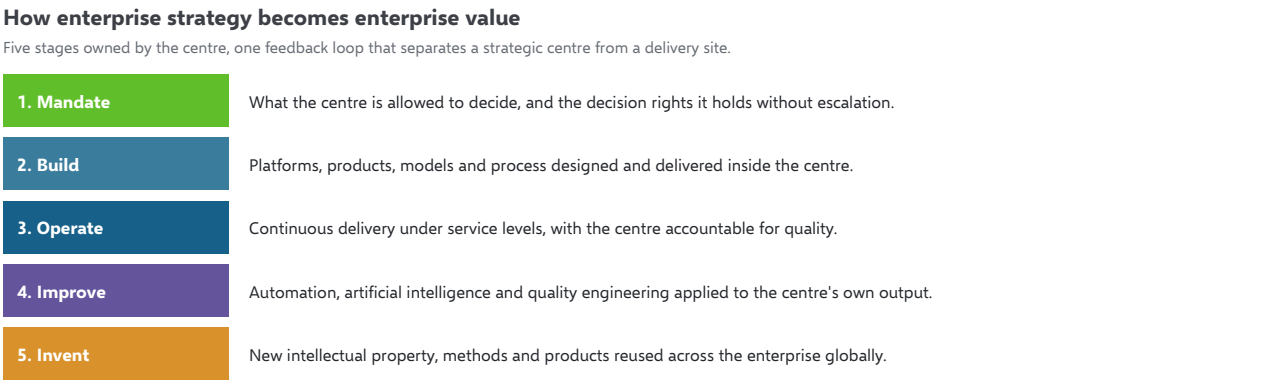


Figure 3 | The capability centre operating model. Five stages, one feedback loop, five places to measure value.

Source: TechSci Research.

FIVE SHIFTS THAT FOLLOW THE REFRAME

Mandate. The unit of work moves from a task to an outcome, and the centre gains authority to decide rather than only to execute.

Measurement. Cost per transaction gives way to cycle time, revenue enabled, defect escape rate and model performance.

Seniority. Global and regional leadership roles move into the centre, rising from about 6,500 to over 30,000 by 2030 in the leading market.

Governance. Risk-committee reporting, model governance and data-residency controls become centre obligations.

Location logic. Site selection shifts from cheapest acceptable labour to where a capability can be built, staffed and regulated over a decade.

DATA SPOTLIGHT

From $40.4bn to $64.6bn. India's capability centre revenue grew from $40.4 billion in FY19 to $64.6 billion in FY24, at 9.8% a year, while centres passed 1,700 and employment passed 1.9 million. More than 400 new centres and 1,100 new units were established in the same five-year window.

KEY TAKEAWAY: the reframe is not a rebranding exercise. It changes what a centre decides, how it is measured and who it must recruit.

CHAPTER TWO

Global Expansion Trends: Scale, Velocity and Portfolio

The current expansion cycle is distinguished less by its size than by its composition. Growth is faster in engineering and AI-linked mandates than in classical operations, it is increasingly policy-enabled rather than purely market-led, and it is beginning to move out of the metropolitan clusters that created it.

2.1 Scale and Velocity

Software Technology Parks of India, the government body that administers the country's software technology park scheme, projects the market to double from about $50 billion in FY24 to roughly $110 billion by FY30, an implied compound annual growth rate near 14% and materially above the growth rate of the wider technology services industry. Scale of this kind changes the sector's negotiating position: a market of $100 billion or more, dispersed across thousands of centres and every major industry, is no longer an experiment that a new chief executive can close in a single portfolio review.

Table 3 | Velocity indicators from the most recent official reporting

Indicator	Value
New capability centres established in India	400+
New delivery units added in India	1,100+
Revenue compound annual growth rate	9.8%
Projected market compound annual growth rate	Near 14%
Centres added by Telangana in FY26	75
Direct and indirect jobs from those investments	75,000 and 225,000

Source: ***Press Information Bureau, Government of India; Times of India; TechSci Research.***

2.2 Portfolio: Four Vectors of Growth

Headline growth understates the compositional shift. Engineering research and development centres are growing 1.3 times faster than capability centre formation overall, the strongest available signal that investment is migrating toward higher-value mandates.

Table 4 | Four vectors of capability centre growth

Vector	What is changing	Evidence
Scale	Absolute number of centres, units, employees and revenue	1,700+ centres and 1.9m professionals, toward about 2,400 centres and 2.8m professionals by 2030
Scope	Functions owned end to end: product, platform, data, research, regulated operations	Economic Survey records movement into aerospace, defence, semiconductors and advanced manufacturing
Seniority	Global and regional leadership roles physically hosted in the centre	Projected rise from about 6,500 to over 30,000 global roles by 2030
Geography	Dispersal beyond primary clusters into tier-2 and tier-3 cities	Karnataka and Telangana state incentives; MeitY GENESIS programme for tier-2 and tier-3 ecosystems

Source: ***Press Information Bureau, Government of India; Software Technology Parks of India, TechSci Research.***

2.3 The Expansion Journey, Gate by Gate

Expansion is rarely a single decision. It is a sequence of gates, and most disappointing outcomes trace back to a gate that was passed without evidence.

The seven gates of a capability centre expansion

Gate 1. Business case	Cost is necessary but never sufficient; the case must name the capability gained.
Gate 2. Mandate design	Decision rights, ownership perimeter and the metrics the centre will be judged on.
Gate 3. Location screen	The seven readiness conditions in Table 9, applied before incentives are considered.
Gate 4. Entity and compliance	Incorporation, data handling, tax, employment law and regulatory notification.
Gate 5. Talent and leadership	Senior appointments made before the first wave of delivery hiring begins.
Gate 6. Migrate and scale	Phased transfer with quality gates rather than a single cut-over date.

Gate 7. Value review, then the loop
The centre must show business outcomes delivered, capability retained in skills, models and methods, and a credible next mandate funded from realised value. Failing the review is a mandate problem, not a cost problem.

Flowchart by TechSci Research, derived from published policy, corporate and academic sources.
Each gate has an artefact that proves it was passed; enterprises holding all seven rarely need to renegotiate a mandate later.

Figure 4 | The seven gates. A sequence, not a checklist: the location screen is applied only after the mandate is written, which is the reverse of how most expansion programmes are run.

Source: TechSci Research.

> **THE QUALITY TURN**
>
> The most important change in 2026 is not quantitative. Telangana's IT adviser has said the state now measures itself on the depth of innovation its centres bring, rather than on their number, and the state's forthcoming policy reserves incentives for investments capable of creating entirely new ecosystems in space technology, semiconductor design, AI model development, quantum, aerospace and defence, and advanced life sciences. Incentive negotiations are becoming more selective and more conditional: support is increasingly tied to the class of work a centre will perform and the ecosystem it will seed, not simply to the headcount it will add.

KEY TAKEAWAY: volume targets are being replaced by complexity targets in policy, and should be replaced by capability targets in corporate strategy.

CHAPTER THREE

TechSci Research Frameworks and the GCC Pulse Survey Programme

This report's own contribution is analytical. Official data establishes the size, shape and direction of the global capability centre economy, but it does not explain what a centre should be doing next, where it is likely to fail, or how a leadership team should sequence its decisions. That is where TechSci Research adds value: through a set of diagnostic frameworks built for these questions, and through a survey programme designed to test them against what executives actually think.

3.1 What This Chapter Adds

Two things sit in this chapter. The first is the set of TechSci Research diagnostic frameworks that run through the report, each built to answer a specific question a centre leadership team or a government investment team has to resolve. The second is the GCC Pulse survey programme, through which TechSci Research tests the frameworks against practitioner experience.

3.2 The GCC Pulse Survey Programme

TechSci Research conducted a structured survey of executives who own, fund or depend on global capability centres, supported by depth interviews with centre leaders and location strategists. The design is set out below in full so that readers can judge the methodology.

Survey Table 1 | GCC Pulse survey programme design

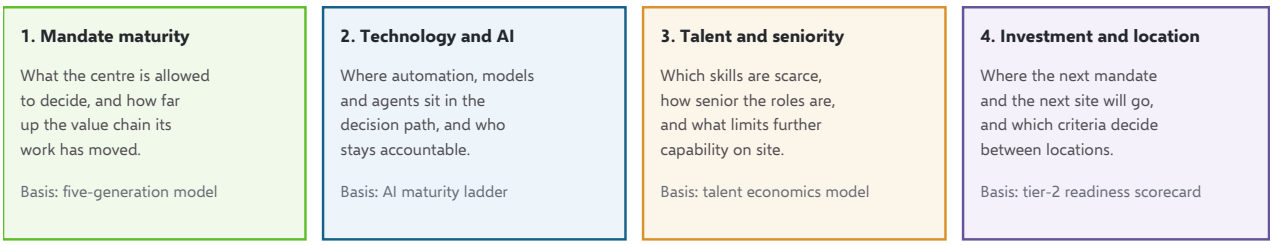
Parameter	Design
Instrument	Structured questionnaire with fixed-response and open-text items, plus a follow-up depth interview for a subset of respondents
Fieldwork	Programme designed and launched in 2026; responses analysed on a rolling basis
Respondents sought	Senior executives with direct responsibility for, or oversight of, enterprise capability centres, and public-sector officials responsible for capability centre investment
Coverage	Multi-country and multi-industry, with particular interest in organisations operating three or more centres
Subject matter	Mandate maturity, technology adoption, talent and seniority constraints, investment intent and location criteria
Analysis	TechSci Research analysis, cross-tabulated by region, sector and centre age
Publication	TechSci Research estimates, published in this edition

Source: ***TechSci Research.***

3.3 What the Survey Measures

The survey is organised around four measurement domains. Each corresponds to one of the frameworks in the next section, so that the framework applies directly to the analytical structure of this report.

The four measurement domains of the GCC Pulse survey programme



Each domain maps to one TechSci Research framework, so the framework applies directly to the analytical structure of this report.
The questionnaire and the cross-tabulations accompany this report.

Figure 5 | The survey measurement framework. Four domains, four frameworks, one analytical structure.

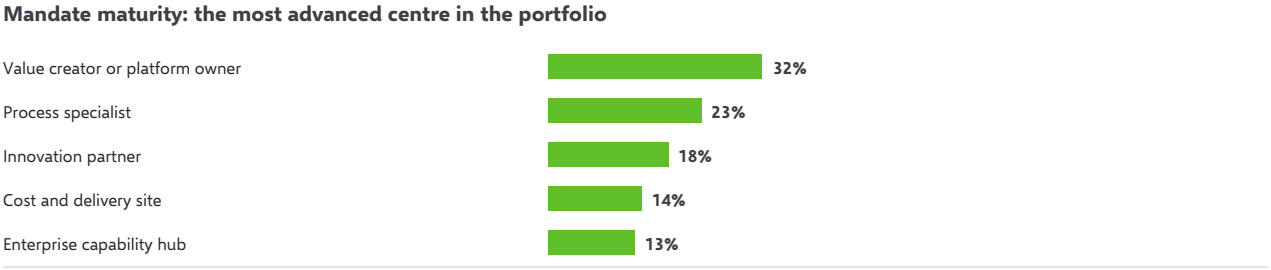
Source: TechSci Research.

3.4 Survey Programme and TechSci Research Estimates

Basis of these figures. The distributions in this section are TechSci Research's own assessment. They apply the diagnostic frameworks set out below to the qualitative evidence assembled in this report, and show how TechSci Research assesses the market to distribute across each framework today. No published statistical series reports these distributions, and these figures are not a summary of one. They are estimates, not findings.

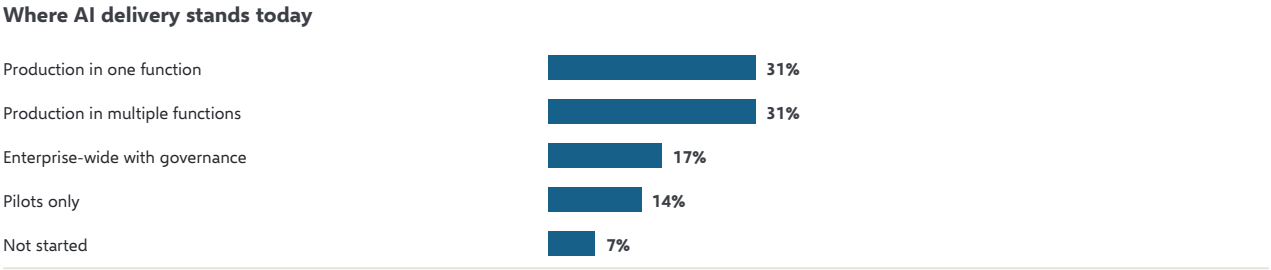
Three findings stand out in the estimate. Mandate maturity has shifted toward the value-creation end of the framework, with value creator and platform owner the largest single category. AI delivery has moved decisively past experimentation, with a clear majority of centres running models in production, yet enterprise-wide governance lags well behind production

use. And investment intent is concentrated overwhelmingly in existing centres rather than new sites, which reinforces this report's central argument that the next phase of the model is depth rather than footprint.



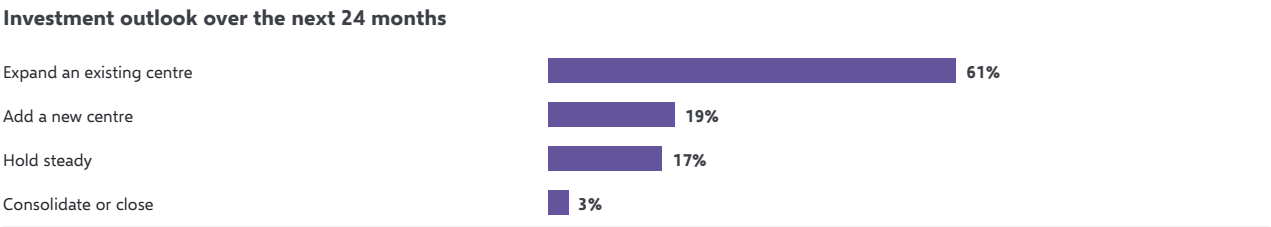
Survey Figure 1 | Mandate maturity. TechSci Research estimate. Value creator and platform owner is the largest single category.

Source: TechSci Research.



Survey Figure 2 | AI delivery stage. TechSci Research estimate. Combined production use exceeds 60%, while enterprise-wide governance lags well behind it.

Source: TechSci Research.



Survey Figure 3 | Investment outlook. TechSci Research estimate. Expansion of existing centres dominates, well ahead of new-centre formation.

Source: TechSci Research.

Survey Table 3 | Constraints and skills

What limits a wider mandate	Share	Scarcest skill	Share
Talent depth	29%	Domain-plus-technology hybrids	27%
Governance and operating model	24%	AI and machine learning engineering	26%
Executive trust	18%	Cloud and platform	17%
Regulatory and data constraints	14%	Product management	15%
Cost model	11%	Cybersecurity	10%
No material barrier	4%	Leadership and general management	5%

*Source: **TechSci Research.***

Survey Table 4 | Region by mandate maturity

Region	Value creator	Process specialist	Innovation partner	Cost and delivery	Enterprise hub	Total
India	8	7	6	4	5	**30**
North America	5	6	4	4	1	**20**
More than one region	2	2	1	3	4	**12**
Central and Eastern Europe	9	1	1	0	0	**11**
Asia Pacific excluding India	4	1	4	1	1	**11**

Latin America	1	3	2	2	1	**9**
Middle East and Africa	3	3	0	0	1	**7**
Total	**32**	**23**	**18**	**14**	**13**	**100**

Source: ***TechSci Research.***

Survey Table 5 | Sector by AI delivery stage

Sector	Production, one function	Production, multiple	Enterprise-wide	Pilots only	Not started	Total
Technology and software	6	11	3	5	1	**26**
Banking, financial services and insurance	5	7	4	1	3	**20**
Manufacturing and industrials	6	4	1	2	0	**13**
Retail and consumer	5	2	3	1	1	**12**
Healthcare and life sciences	2	4	3	0	2	**11**
Telecom and media	5	2	1	1	0	**9**
Energy and utilities	2	1	2	4	0	**9**
Total	**31**	**31**	**17**	**14**	**7**	**100**

Source: ***TechSci Research.***

KEY TAKEAWAY: mandate maturity and AI production use have both advanced, but governance and investment remain concentrated in existing centres, which is where the next phase of value will be won or lost.

3.5 The TechSci Research Diagnostic Frameworks

The seven frameworks below are the analytical contribution of this report. Each is a diagnostic instrument rather than a forecast: applied to a centre, a portfolio or a location, it produces a judgement about what is working, what is missing and what to do next. They are used at the points indicated in the text.

Survey Table 2 | The TechSci Research diagnostic frameworks

Framework	Question it answers
Five generations of the capability centre	Which generation does this centre actually belong to, as against the one its charter claims?
Operating model and reinvestment loop	Is realised value funding the next mandate, or is the centre operating as a delivery site?
Seven gates of expansion	Which gate has been passed without evidence, and what breaks if it is not revisited?
AI maturity ladder	How far can this centre be trusted to decide, and what governance is missing before it goes further?
Innovation mandate ladder	Is the centre building, owning or inventing, and what causes it to stall?
Talent economics model	Which talent dimension will bind first, and what must be tested before committing?
Tier-2 readiness scorecard	Can this location sustain a centre past its first contract renewal?

Source: ***TechSci Research.***

KEY TAKEAWAY: the frameworks in this report are built to be used, and the survey programme is the instrument through which they are tested against what practitioners actually experience.

CHAPTER FOUR

Artificial Intelligence and Digital Transformation



Artificial intelligence has changed the capability centre's bargaining position twice in three years: first by moving the centre closer to the enterprise's value chain, and then by making the centre's own productivity a question the enterprise must answer. The centres that will matter in 2030 are those that have crossed from experimentation to production, and can prove it.

4.1 The Investment Signal

Engineering research and development centres are growing 1.3 times faster than capability centre formation overall, and centres of excellence in artificial intelligence and machine learning are being established across the leading hub markets. Those two facts are related: AI work is engineering work, and it requires the same proximity to data, product owners and production systems. Enterprises are also reallocating within existing centres. The classical sequencing, automate a process and then move it offshore, has inverted. Centres now receive a mandate, a data set and a model-ownership obligation, and are expected to automate continuously while running the operation.

4.2 The AI Maturity Ladder

Table 5 | The AI maturity ladder, TechSci Research framework

Level	What it looks like in the centre	Control and data requirement	Mandate ceiling
1. Assisted	Individual use of general-purpose AI tools for drafting, summarising and coding help	Acceptable-use policy; no enterprise data in public models	Local productivity gains; no mandate change
2. Augmented	AI embedded in workflows: service desk, code review, reconciliation, documentation	Data classification, access control, model inventory, human review points	Efficiency targets on existing scope
3. Automated	End-to-end process automation with AI in the decision path and measurable quality metrics	Data lineage, testing regimes, exception handling, audit trails	Ownership of the process and its cost curve
4. Autonomous	Agentic systems executing defined tasks with guardrails, escalation paths and bounded authority	Model governance, drift monitoring, entitlement design, rollback capability, third-party risk review	Ownership of decision rights within defined limits
5. AI native	AI is the default operating assumption: products and services designed around models, with the centre owning outcomes	Enterprise model governance, evaluation pipelines, regulated-data controls, residency by jurisdiction	Product and P&L-adjacent ownership; global mandate

Source: ***TechSci Research.***

Levels are cumulative in capability but not automatic in sequence; many centres operate at level 4 for one function and level 1 elsewhere. Levels 4 and above carry regulatory exposure that varies by jurisdiction of the enterprise, not only of the centre.

4.3 The AI Deployment Decision Path

Production AI inside a capability centre is governed by three questions asked in sequence. The path below is the version TechSci Research recommends to centre leadership teams: it forces the residency question, the ownership question and the reversibility question to be answered before deployment rather than after an incident.

From use case to production: three questions that decide the path

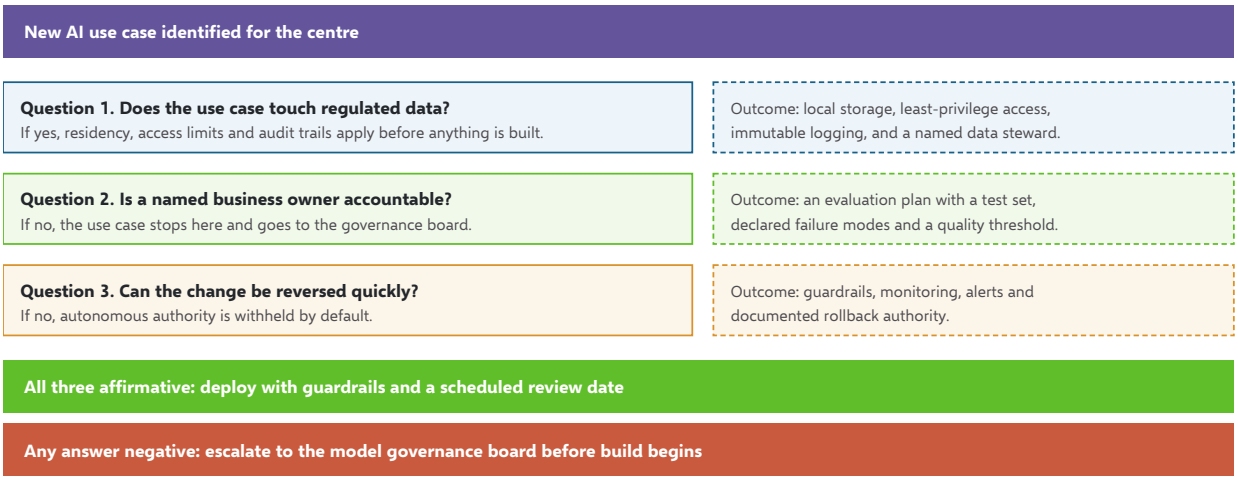


Figure 6 | The AI deployment decision path. Answering these three questions late is how centres acquire model risk they cannot evidence.

Source: TechSci Research.

4.4 The Readiness Divide Is a Location Risk

AI capability is not evenly distributed, and the gap is structural rather than cyclical. UNCTAD reports that fewer than one third of developing countries have adopted a national AI strategy, and warns that AI could intensify existing inequalities because computing capacity, data, finance and expertise remain concentrated in a small number of economies and firms. The same analysis identifies connectivity, international payment costs and skills shortages as the binding constraints on participation in digital services trade.

DATA SPOTLIGHT

Services are the growth engine of world trade, and digital delivery is the fastest part of it. Services reached 27% of global exports in 2025; world services exports grew 8.3%, ahead of goods trade at 6.5%; digitally deliverable services have grown 7.1% a year on average over the past decade and now account for 56% of global services exports. Total global trade passed $35 trillion in 2025.

THE TRADE-RULE DIMENSION

Digital trade rules are fragmenting. Of the preferential trade agreements signed between 2000 and 2025, 55% include e-commerce or digital-trade provisions, and since 2020 participation has been highest among developed economies at 90%, followed by least developed countries at 66% and developing countries at 62%. For enterprises placing AI-heavy mandates, the operative question is not only where the talent is, but which digital-trade and data-transfer framework governs the centre's output.

KEY TAKEAWAY: AI has become the primary test of whether a capability centre is genuinely strategic, and the test is not adoption but production ownership, governance and measurable value.

CHAPTER FIVE

Research and Development: The New Mandate



Research and development is the fastest-growing mandate in the capability centre economy and the hardest to fake. Unlike operations, it cannot be measured by volume, and unlike technology delivery, it cannot be bought at short notice in the market. It is built by accumulating scarce people over years, which is why it is becoming the principal differentiator between locations.

5.1 The Evidence of a Genuine Shift

Three official observations establish that R&D is no longer marginal. Engineering research and development centres are growing 1.3 times faster than capability centre formation overall. India's *Economic Survey 2024 to 2025* records centres moving into engineering R&D across aerospace, defence, semiconductors and advanced manufacturing, sectors where knowledge is protected, regulated and long-cycle. And the talent base can support it: India contributes 28% of the global STEM workforce and 23% of global software engineering talent. Company decisions corroborate the direction: Galderma's February 2026 announcement of a capability centre in Kraków, its second after Barcelona in 2023, describes an IT-led centre intended to deepen the company's technology capability, including artificial intelligence, and to support the scaling of AI solutions across the group.

5.2 Life Sciences and the Deepest Mandate

Pharmaceutical and life-sciences centres illustrate how far the mandate can extend. Published functional descriptions include drug development, clinical operations, data management, biostatistics, medical writing, regulatory affairs, pharmacovigilance and health research and development, work that sits on the critical path of a regulated product pipeline rather than adjacent to it. Government-to-government documentation records the pattern at company level: Japan's Eisai is establishing a centre in Visakhapatnam focused on AI-enabled drug development and clinical analytics under the India and Japan economic security framework. The significance is not the individual project; it is that the work now being located offshore includes the generation of regulatory evidence, where errors are most expensive and audit trails matter most.

Table 6 | The innovation mandate ladder, TechSci Research framework

Stage	What the centre does	How it is measured	Risk if it stalls
Support	Runs and maintains existing systems and processes	Stability, service levels, cost	Becomes substitutable by vendors and automation
Build	Delivers change: projects, releases, migrations	Throughput, quality, predictability	Retains execution but no influence over the roadmap
Own	Owns platforms, products, data domains and regulated processes end to end	Business outcomes, adoption, risk posture	Depends on scarce skills in a rising cost market
Invent	Creates intellectual property, models, methods and products used by the enterprise globally	Reuse across markets, external recognition, protected findings	Low in the short term, high in the long term if location strategy reverses

Source: ***TechSci Research.***

Centre-level patent and publication output is not consistently disclosed by enterprises, so this report assesses innovation mandates through mandate descriptions and official sector classifications rather than patent counts, and treats any patent-per-centre claim as unverified unless the enterprise itself publishes it.

5.3 How Innovation Mandates Fail

- **The mandate is announced before the leadership is placed.** A centre asked to innovate without a decision-maker on the ground routes every judgement back to headquarters and defaults to delivery behaviour.
- **The metric never changes.** If the scorecard still reads cost per transaction, the centre will optimise for cost per transaction regardless of the innovation language in its charter.
- **The IP question is left open.** Where findings, models or methods are created, ownership and reuse rights must be settled in advance; ambiguity suppresses the collaboration that innovation mandates depend on.
- **The pipeline is borrowed rather than built.** Deep R&D mandates require university links, doctoral pipelines and long-tenure career paths, the elements that take longest to create and are most often deferred.

KEY TAKEAWAY: R&D converts a capability centre from a service provider inside the enterprise into a source of enterprise advantage, and location decisions made in 2026 will determine who holds it in 2032.

CHAPTER SIX

Talent and Skills: The Binding Constraint



Capital is available, real estate can be built and policy incentives can be legislated within a budget cycle. Talent cannot. Every forecast in this report assumes a workforce that grows by roughly nine hundred thousand people in the leading market alone, and the competition for it is now global, industry-wide and increasingly senior.

DATA SPOTLIGHT

The talent equation in one line: 1.9 million professionals today rising to more than 2.8 million by 2030, alongside a global leadership population rising from about 6,500 to over 30,000. Volume can be recruited; seniority must be designed.

6.1 What Labour Markets Actually Compete On

Comparative wage benchmarks are deliberately excluded: the reliable ones are produced by subscription research and consulting firms. That exclusion is itself instructive, because wage arbitrage is the most widely quoted and least durable basis for a location decision. It erodes as a market matures, and it is invisible to the metrics that matter once a centre holds a strategic mandate.

Table 7 | Talent economics, the dimensions that decide outcomes

Dimension	Why it decides outcomes	What to test before committing
Depth at seniority	Global roles require people who have made enterprise-level decisions, not only executed them	Number of candidates with prior ownership of a global or P&L-adjacent mandate
Pipeline breadth	Sustained hiring at scale needs a renewable graduate and mid-career supply	Graduate output in relevant disciplines; university and research links
AI and data skills	Determines whether the centre can hold level 4 and 5 mandates under the maturity ladder	Availability of model, data-engineering and evaluation skills, not just analytics
Attrition and mobility	Replacement cost and knowledge loss rise sharply above mid-single-digit attrition in specialised roles	Observed tenure in comparable centres; internal mobility pathways
Language and time-zone fit	Determines the viable operating model: follow-the-sun, overlap or hand-off	Proficiency required by the specific function, not the country average
Workforce participation	Broader participation widens the pool and improves retention, and is increasingly a client expectation	Women's share of centre employment and of technical and leadership roles
Cost trajectory, not cost level	A low-cost market rising fast can cost more over a decade than a mature market rising slowly	Wage inflation direction and skills scarcity signals

Source: ***TechSci Research.***

6.2 Participation, and the Skills That Separate 2026 From 2022

Costa Rica provides the clearest published example of participation designed into a capability ecosystem: services companies under its free-trade-zone regime employed 119,982 people directly in 2024, with women holding 43% of those positions, and knowledge-intensive activities accounted for 58% of services exports and grew at an average of 10% a year over five years. In the Philippines, the industry association for IT and business process management reports the sector heading toward approximately US$42 billion in revenue and about 1.97 million full-time employees by the end of 2026, self-reported sector data included because the association is the sector's own reporting body.

- **Model and evaluation engineering.** Building, testing and retiring models, including the ability to prove a model's failure modes.
- **Data governance and residency.** Designing controls that satisfy several jurisdictions simultaneously as centres serve multiple regulatory perimeters.
- **Product management.** Owning an outcome rather than a backlog, the scarcest non-technical skill in the market.
- **Cyber resilience and financial-crime operations.** Adversarial, regulated and increasingly automated work that cannot sit in a location without audit credibility.
- **Domain depth and commercial fluency.** Clinical, actuarial, semiconductor and energy engineering credentials, plus the ability to negotiate with headquarters as a peer.

KEY TAKEAWAY: talent is the only input in this model that cannot be bought at short notice, and seniority is the only part of it that cannot be scaled by volume, so availability of decision-makers, not graduates, is the binding location criterion.

CHAPTER SEVEN

Emerging GCC Functions: What Enterprises Build Next

Each expansion cycle of the capability centre model has been defined by the functions enterprises were newly willing to place inside it. The current cycle is defined by work that is regulated, adversarial, data-intensive or commercially sensitive, the categories enterprises historically kept close to headquarters.

Table 8 | Emerging functions inside capability centres

Function	What the centre owns	Why it is moving, and the governing constraint
Cyber defence and resilience	Security operations, threat detection, identity and access management, incident response, vulnerability management	Adversarial work needs continuous coverage that a single headquarters time zone cannot deliver. Constraint: jurisdiction-specific log and data handling.
AI enablement and model operations	Model development, evaluation, monitoring and retirement; AI platform engineering; responsible-AI controls	Engineering R&D centres are growing 1.3x faster than centre formation overall. Constraint: model governance and data provenance.
Data and analytics platforms	Data products, pipelines, governance, quality and self-service analytics	Data work scales only with proximity to the business. Constraint: residency and cross-border transfer rules.
Product management and platform ownership	Roadmaps, prioritisation, lifecycle ownership, commercial trade-offs	Owning an outcome requires decision rights in the centre. Constraint: seniority availability, not technology.
Financial crime and regulatory operations	Customer due diligence, transaction monitoring, sanctions screening, surveillance, regulatory reporting	Volume-intensive, audit-sensitive work now delivered with analytics. Constraint: audit credibility and local supervisory expectations.
Clinical development and regulatory affairs	Clinical data management, biostatistics, medical writing, pharmacovigilance, regulatory submissions	Long-cycle regulated work requiring deep scientific pipelines. Constraint: scientific talent depth.
Climate, ESG and sustainability analytics	Emissions accounting, supply-chain traceability, climate risk modelling, disclosure data	Disclosure obligations create a reporting pipeline that must be produced continuously. Constraint: methodology consistency across jurisdictions.
Engineering R&D and advanced manufacturing support	Design, simulation, testing, industrial engineering, semiconductor and aerospace engineering	National industrial priorities make these mandates sticky. Constraint: doctoral pipelines and laboratory infrastructure.

Source: ***IIMB Management Review; Press Information Bureau, Government of India; TechSci Research.***

THE PATTERN BEHIND THE LIST

Every function here shares three properties: it is continuous rather than episodic, it generates evidence that must withstand inspection, and its quality depends on accumulated domain knowledge rather than individual effort. Those are the characteristics that make a function worth placing in an owned, permanent centre instead of contracting it, and they are also what makes the centre difficult to relocate once established.

KEY TAKEAWAY: the emerging-function list is a portfolio question, not a wish list, and each addition carries a governance obligation, so enterprises that add functions without adding controls acquire risk at the same rate as capability.

CHAPTER EIGHT

Tier-2 and Beyond: The Decentralised Capability Map



More than 90% of India's capability centres sit in six metropolitan clusters, according to Software Technology Parks of India. That concentration delivered the industry's first phase and now constrains its second: it is the reason talent costs rise, attrition persists and policy has turned to dispersal.

8.1 Why Policy Is Pushing Outward

Three instruments define the shift. Karnataka, which published India's first dedicated capability centre policy for 2024 to 2029, created a distinct track for small nano-centres located beyond Bengaluru. Telangana is drafting a policy that reserves incentives for frontier domains and explicitly aims to move centres into tier-2 locations including Warangal, Karimnagar, Nizamabad and Adilabad. At national level, MeitY's GENESIS programme carries a ₹490 crore budget focused on start-up ecosystems in tier-2 and tier-3 cities, an attempt to build the feeder capability centres need before they arrive.

8.2 A Readiness Framework, Not a Ranking

Published city rankings rely on commercial data this report excludes. TechSci Research therefore assesses tier-2 readiness against the seven conditions that decide whether a centre survives past its first contract renewal. The framework is diagnostic: a city failing any single condition can still host a centre, but not the mandate the enterprise may be promising.

Table 9 | Tier-2 city readiness, the seven conditions

Condition	What the enterprise must be able to verify	Typical failure mode
1. Talent renewability	A graduate and mid-career pipeline that can replace attrition annually without importing staff	Hiring succeeds in year one, stalls in year three
2. Seniority availability	Resident candidates able to hold a global or regional mandate	Every senior decision routes to the metro hub
3. Digital and physical connectivity	International broadband resilience, air links and reliable power	Business-continuity plans that assume the metro
4. Office-grade real estate	Compliant, expansion-capable floor plates with credible local facility management	Fit-out delays that put the mandate at risk
5. Institutional ecosystem	Universities, research institutes and start-ups in the relevant domain	Delivery-only centre with no path to higher-value work
6. Policy certainty	Incentives with published rules, disbursement timelines and multi-year continuity	Announced incentives that are neither claimed nor renewed
7. Regulatory and data readiness	Clarity on data handling and supervisory familiarity with capability centre operations	Compliance friction that excludes regulated mandates

Source: ***TechSci Research.***

8.3 The Pattern Is Global, Not Indian

Every mature capability market has an equivalent second tier. Galderma's Kraków site is a secondary-city decision that cites the city's university and technology system and its international talent pool, with the centre located in a 27-storey, 17,500 square metre complex designed to allow continued expansion. Mexico's federal trade and investment agency records that, according to the Mexican Association of Industrial Parks, 477 industrial parks will operate across 28 states by 2026, an infrastructure base that makes interior-city delivery viable rather than exceptional.

DATA SPOTLIGHT

Concentration is the sector's structural exposure. More than 90% of India's capability centres operate in six metropolitan clusters, against a policy target of dispersal across tier-2 and tier-3 cities. The gap between those two facts is the largest single source of location risk, and of location opportunity, in the market today.

KEY TAKEAWAY: tier-2 is not a cost strategy but a talent-renewability strategy, so enterprises should test the seven conditions before committing a mandate, and governments should treat renewability and ecosystem depth as the metrics incentives actually purchase.

CHAPTER NINE

Industry-Wise GCC Trends: Sector Playbooks

Sector determines mandate. A bank's centre and a pharmaceutical company's centre differ less in their technology stacks than in what they may decide, what evidence they must produce and how much of their output is regulated.

Table 10 | Industry playbooks: mandate, priority functions and location logic

Sector	Priority functions moving into centres	Location logic that dominates	What changes to 2030
Banking and capital markets	Risk analytics, financial-crime operations, regulatory reporting, payments engineering, model governance, cyber	Regulated-data readiness and audit credibility outweigh wage arbitrage	Supervisory scrutiny of offshore data handling rises; centres need named accountable executives
Insurance	Actuarial modelling, claims analytics, underwriting support, policy administration, fraud detection	Follows banking with lower regulatory intensity	Actuarial depth becomes the scarce skill; secondary cities can host support functions
Healthcare and life sciences	Clinical data management, biostatistics, medical writing, pharmacovigilance, regulatory affairs, health informatics	Scientific talent pipelines and clinical ecosystems	Regulatory-evidence generation moves offshore; scientific seniority gates the mandate
Technology, software and telecom	Product engineering, platform ownership, AI model development, cloud engineering, site reliability	Ecosystem depth, start-up proximity, university links	Product ownership replaces delivery; centres become the enterprise engineering base
Manufacturing and automotive	Design and simulation, industrial engineering, quality analytics, supply-chain planning, connected-vehicle software	Proximity to plants plus digital capability	Engineering R&D expands; semiconductor and advanced-manufacturing ecosystems become anchors
Retail and consumer	Digital commerce engineering, pricing and assortment analytics, supply-chain analytics, customer operations	Talent cost efficiency and consumer-market proximity	AI-driven personalisation concentrates where data engineering is strong
Energy, utilities and industrial goods	Asset analytics, grid and network modelling, emissions data, project engineering support	Engineering depth and domain specialists	Climate and emissions reporting creates a permanent new capability requirement
Travel, transport and hospitality	Revenue management analytics, distribution engineering, service operations, loyalty platforms	Time-zone coverage and multilingual capability	Automation pressure is highest; centres must move up the value chain faster than peers
Professional services	Research, data operations, compliance support, knowledge management, valuation support	Regulatory clarity and data-handling maturity	Consolidation of small centres into multi-client hubs
Public sector	Service digitalisation, data platforms, citizen analytics, cyber	Domestic capability and sovereignty requirements	Becomes a viable public-sector delivery model in emerging markets

Source: ***TechSci Research, drawing on published academic and official sources.***

KEY TAKEAWAY: sector mandates are diverging, so benchmark against your own regulatory perimeter, science base and product roadmap, not against the market.

CHAPTER TEN

Emerging Global GCC Destinations: A Multi-Polar Map

The capability centre map is no longer a map of India with a few alternatives appended. It is a competitive, multi-polar landscape in which each market is differentiated by the class of work it can hold, and in which government analysis rather than vendor marketing provides the most reliable way to compare them.

10.1 What Official Comparative Analysis Says

Software Technology Parks of India, a government body under the Ministry of Electronics and Information Technology, has published a comparative assessment of India against five international locations, with observations on three more. Its conclusions are unusually direct for a government document: **India** competes on cost efficiency and the size of its skilled workforce; **the United States** leads on infrastructure and supportive policy but is not a cost-arbitrage location; **Poland** offers strong language capability for European operations at higher labour cost; **Costa Rica** shows promise through a growing technology talent pool and pro-business policy; **Mexico** is constrained principally by skill shortages; and **Malaysia** combines competitive labour costs with a strategic Asia Pacific position. The Philippines, China and Brazil are also assessed, with distinct strengths and constraints.

10.2 The Destination Matrix

Table 11 | Twelve markets compared on documented strengths and constraints

Market	Documented evidence	Distinctive advantage	Principal constraint
India	1,700+ centres, over 1.9m professionals, $64.6bn revenue in FY24, toward 2,400 centres and 2.8m professionals by 2030	Depth of skilled workforce and cost efficiency; 28% of global STEM workforce	Metropolitan concentration; rising competition for senior talent
Poland	Galderma opened an AI-focused centre in Kraków in February 2026, its second after Barcelona	Language capability for European operations, EU market access, university ecosystem	Labour costs higher than Asian alternatives
Costa Rica	Services exports $16.1bn in 2024, 17% of GDP; 58% of services exports knowledge-intensive; 119,982 direct services jobs in free zones, 43% held by women	Growing technology talent pool and pro-business policy; regional leadership in per-capita services exports	Scale ceiling: small labour market relative to enterprise demand
Mexico	477 industrial parks expected across 28 states by 2026, per the Mexican Association of Industrial Parks	Nearshore proximity to the United States and USMCA access	Skill shortages
Philippines	Industry association projects about $42bn revenue and roughly 1.97m full-time employees by end-2026	Time-zone alignment with North America; depth in service operations and healthcare support	Capital-region concentration; exposure to automation in transactional work
Malaysia	Assessed comparatively alongside India and other locations	Competitive labour costs and a strategic Asia Pacific position	Workforce scale relative to large-enterprise demand
United States	Assessed comparatively	Infrastructure and supportive government policy	Cost structure incompatible with arbitrage-based models
China	Assessed comparatively	Domestic market scale and manufacturing integration	Geopolitical and data-transfer frictions for Western enterprises
Brazil	Assessed comparatively	Latin American scale and domestic market depth	Language and time-zone fit vary by function
Saudi Arabia and the Gulf	The Regional Headquarters Programme, a joint initiative of the Royal Commission for Riyadh City and the Ministry of Investment, has attracted hundreds of companies	Policy-led conversion of regional headquarters into capability presence; zero corporate tax for qualifying regional headquarters	Capability depth outside commercial and regional leadership functions still developing
Central and Eastern Europe beyond Poland	Part of the assessed European operating landscape	EU regulatory certainty, language depth, engineering talent	Cost inflation and demographic constraints
Africa beyond South Africa	No comparable official capability centre data series was retrievable for this report	Long-term frontier potential in services delivery and digital public infrastructure	Data gap: no reliable official benchmark for enterprises to plan against

Source: ***Software Technology Parks of India; Press Information Bureau, Government of India; PROCOMER; IBPAP; Galderma; ProMéxico; TechSci Research.***

WHERE THE DATA IS THIN, AND WHY IT MATTERS

Capability centre activity is well documented where governments publish it, where trade agencies measure services exports, or where companies announce their own decisions. It is poorly documented across most of Africa, much of Latin America outside the largest markets, and parts of South East Asia. Enterprises evaluating those markets rely on incomplete evidence, and governments that publish credible capability centre data will find it easier to attract the centres they want.

KEY TAKEAWAY: location competition has moved from one axis to four, talent depth, regulatory certainty, AI readiness and ecosystem stickiness, and because no market leads on all four, portfolios beat single-site strategies.

CHAPTER ELEVEN

Risks and Frictions: The Cost of Getting It Wrong

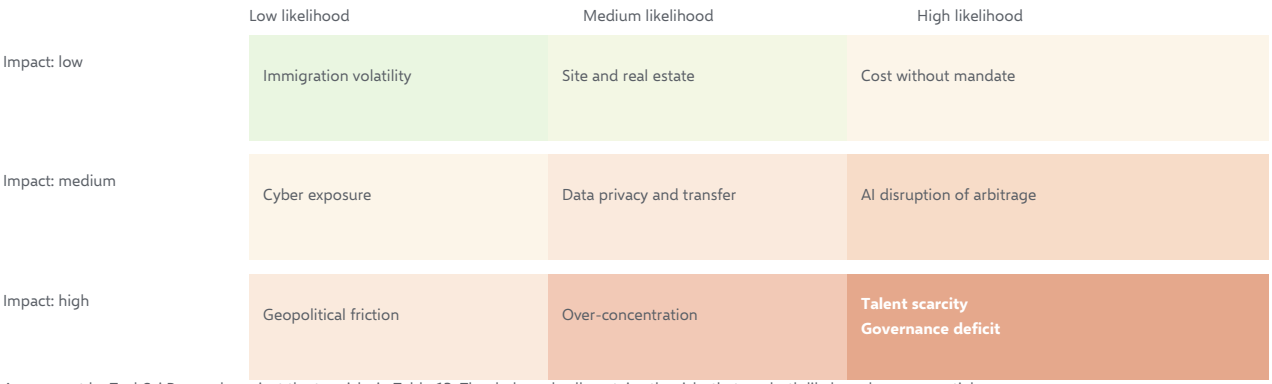
The capability centre model has an unusually good record and an unusually short institutional memory. Most serious failures were not technology failures; they were failures of mandate, governance, location and leadership.

Table 12 | Risk register for capability centre programmes

Risk	Why it matters now	Early warning signal	Mitigation direction
Talent scarcity and attrition	The volume target implies adding roughly 900,000 professionals by 2030, with a five-fold rise in global leadership roles	Time-to-fill lengthens for senior roles; regretted attrition concentrates in scarce skills	Design career architecture; qualify alternative cities; invest in internal academies
Cost inflation without mandate progression	A centre whose costs rise while its mandate stays static loses its internal business case	Cost per transaction rises with no change in scope	Move up the innovation ladder faster than the wage curve rises
AI disruption of the arbitrage case	Automation reduces the headcount attached to a given output, weakening headcount-based justifications	Volume metrics fall while value metrics are absent	Re-base performance on outcomes before the cost advantage erodes
Data privacy and cross-border transfer	Centres serve several regulatory perimeters at once, and rules are diverging rather than converging	New mandates require bespoke legal work to begin	Design residency, lineage and entitlement into the centre, not around it
Geopolitical and trade friction	Trade policy is reshaping flows, and global integration in most manufacturing sectors has declined since 2019	Client or regulator questions about data location	Multi-centre portfolios with jurisdictional redundancy
Cyber exposure	Centres hold sensitive data and run continuous operations, making them high-value targets	Security findings recurring in the same control families	Treat security operations as a centre-owned function with regional coverage
Immigration and mobility volatility	Policy changes in destination markets shift the cost and availability of moving talent	Project teams unable to deploy for knowledge transfer	Build capability locally rather than through rotation dependence
Over-concentration	More than 90% of the leading market's centres sit in six clusters	Single-city continuity exposure; local wage spirals	Distribute functions deliberately across primary and secondary cities
Governance and leadership deficit	A centre without decision-makers on site cannot hold a strategic mandate	Escalation rates to headquarters unchanged year on year	Place global roles physically in the centre with real decision rights
Site and real estate risk	Long leases and bespoke fit-outs create exit costs that discourage portfolio correction	Occupancy drifts below planning assumptions	Prefer expansion-capable, multi-floor, standards-compliant space

Source: ***UNCTAD; Press Information Bureau, Government of India; Software Technology Parks of India; TechSci Research.***

Risk concentration: likelihood against impact



Assessment by TechSci Research against the ten risks in Table 12. The darkened cell contains the risks that are both likely and consequential.

Figure 7 | Risk heat matrix. The upper right quadrant holds the risks that are both likely and consequential: talent scarcity and governance deficit, alongside over-concentration and cost inflation without mandate progression. All four are decisions rather than shocks, which is why they are addressed in the playbooks in Chapter thirteen.

Source: TechSci Research.

THE ASYMMETRY WORTH REMEMBERING

Opening a capability centre is a decision that can be made in a quarter. Closing one takes years, carries severance and reputational cost, and is frequently postponed past the point of strategic sense. That asymmetry, not the cost of technology, is why location and mandate discipline in the first year determines the return over ten.

CHAPTER TWELVE

Outlook 2027 to 2030: Scenarios and Ten Predictions



Forecasting this market is unusually tractable, because the commitments have largely been made: centres announced, policies legislated and workforce targets published. The uncertainty is not about direction but about pace, seniority and the distribution of work between centres, headquarters and machines.

Table 13 | Scenario framework to 2030

Scenario	Defining condition	Capability centre implication	Signals to monitor
Managed expansion Base case	Policy commitments hold, AI productivity gains are absorbed gradually, enterprises continue to expand mandates	Volume targets are broadly met; seniority grows more slowly than headcount; tier-2 dispersal advances unevenly	Announced centres converting on schedule; leadership-role counts published
AI acceleration	Agentic systems move into production faster than governance matures	Output rises while headcount growth decelerates; centres compete on governance and evaluation rather than size	Centres publishing model-governance frameworks; headcount per unit of output falling
Fragmentation	Data-transfer rules, trade measures and geopolitical constraints multiply	Portfolios multiply and shrink; centres specialise by jurisdiction; compliance cost rises materially	New residency requirements; enterprises adding sites without adding headcount

Source: ***TechSci Research.***

Pace of headcount growth against pace of capability growth, 2027 to 2030

Managed expansion	Headcount and capability grow together; value metrics lag behind volume
AI acceleration	Headcount growth slows while capability grows sharply; value metrics lead
Fragmentation	Headcount flat to falling; capability spreads across more jurisdictions

The three scenarios differ primarily in whether capability growth decouples from headcount growth, the single most consequential variable for every stakeholder in this market. Scenarios describe direction of travel, not a quantified forecast.

Base case assumption: policy commitments hold and AI productivity gains are absorbed at the pace enterprises can govern them.

Figure 8 | Scenario framework. A compact view of the three trajectories and the signals that distinguish them.

Source: TechSci Research.

12.1 Ten Predictions

1. **Seniority becomes the headline metric.** Global leadership roles hosted in centres will be reported and scrutinised as closely as headcount, displacing employment totals as the market's quality indicator.
2. **Capability growth decouples from headcount growth.** AI-enabled productivity lets centres expand mandate faster than staffing, forcing performance frameworks to be rebuilt around value.
3. **Agent operations become a named function with an accountable owner.** Most large centres will run a governed function for deploying, monitoring and retiring AI agents, with escalation and rollback authority.
4. **Tier-2 dispersal succeeds selectively, not generally.** Cities with renewable talent pipelines and domain institutions build durable centres; those competing only on incentives host single-function sites.
5. **Engineering R&D retains the growth premium.** The 1.3x advantage is supported by national industrial priorities in semiconductors, aerospace and advanced manufacturing, which are multi-decade commitments.
6. **Policy competition shifts from incentives to frameworks.** As packages converge, differentiation moves to regulatory predictability, data-transfer clarity, skills policy and ecosystem depth.
7. **Regulatory-evidence generation moves offshore at scale.** Life sciences, banking and insurance will keep placing work whose output is inspected by regulators, subject to named accountability and residency controls.
8. **Portfolio thinking replaces site selection.** Enterprises will routinely operate three or more centres for the same function across jurisdictions, sized for resilience rather than cost.
9. **Sustainability reporting becomes a permanent centre function.** Emissions accounting, traceability and disclosure data move from project work to a standing mandate.
10. **The label itself fragments.** GCC will increasingly give way to specific designations such as AI hub, engineering R&D centre, regulated operations centre and regional headquarters, each with its own governance and policy treatment.

CHAPTER THIRTEEN

What To Do Next: Three Playbooks

The analysis in this report converges on a small number of actions that determine whether a capability centre programme compounds in value or plateaus. They are set out below for the three groups that carry most of the decision weight.

13.1 For Enterprises

1. **Write the mandate before the location brief.** Define the decisions the centre will own, the evidence it must produce and the outcomes it will be measured on. Location follows from that, not the reverse.
2. **Place decision-makers physically in the centre.** Every strategic failure in this market traces back to a centre that could not decide. Move global or regional roles into the site with real authority.
3. **Re-base the scorecard.** Replace cost per transaction with cycle time, quality, risk reduction and revenue enabled. Cost stays a constraint; it should not be the objective.
4. **Design the AI mandate at level 4 or 5 deliberately.** Publish what the centre may decide autonomously, what must escalate, and how models are evaluated and retired.
5. **Build a three-site portfolio, not a single campus.** Use primary hubs for depth, secondary cities for renewability and a jurisdictionally distinct site for resilience.
6. **Settle IP and data questions in advance.** Ambiguity about ownership of models, methods and findings suppresses the innovation mandates that justify the centre's existence.

13.2 For Governments and Investment Promotion Agencies

1. **Publish capability centre data.** The markets that measure centres attract them; the data gaps identified in Chapter ten are a competitive disadvantage as much as an analytical one.
2. **Tie incentives to the class of work, not headcount.** Rewarding complexity, ecosystem contribution and domain depth produces durable capability; rewarding seats produces footloose operations.
3. **Invest in the feeder system.** Graduate pipelines, research links and digital public infrastructure determine whether tier-2 centres can renew their talent base.
4. **Make the regulatory position unambiguous.** Data handling, residency and supervisory familiarity with capability centre operations are now location-selection criteria, not legal detail.
5. **Measure quality over quantity.** Track seniority of roles hosted, R&D intensity and export value, not only centre counts and job totals.

13.3 For Capability Centre Leaders

1. **Own the narrative upward.** Report in the language of the enterprise, risk, growth and customer outcomes, rather than in the language of delivery.
2. **Convert savings into investment.** Reinvest a share of realised efficiency in the centre's own capability, or the gains will be repatriated without capability being retained.
3. **Build a visible seniority ladder.** Publish the path from entry level to global mandate; it is the strongest retention instrument available.
4. **Instrument the centre's AI estate.** Know which models are in production, who owns them, how they are evaluated and how they are switched off.
5. **Anchor the centre in its ecosystem.** University partnerships, standards participation and start-up engagement are what turn a location into a capability base.

KEY TAKEAWAY: the decisions that matter most are made in the first year and reviewed too rarely afterwards, namely mandate, seniority, metrics and governance. Everything else in this report is a consequence of those four.

TECHSCI RESEARCH

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TechSci Research is a research and advisory firm working across industry, technology and public policy. Our work helps enterprises, investors and governments understand how markets, capabilities and technology intersect, and what to do about it. *From NOW to NEXT.*

About GCC Pulse

GCC Pulse is TechSci Research's recurring view of the global capability centre economy: the scale and composition of the market, the forces reshaping it, and the decisions that will define the next five years. It is published as a downloadable asset for corporate websites, professional networks, client communications and media reference.

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