

1 mn Engg R&D jobs by 2020: Nasscom

New Delhi, Sept. 27: Indian offshore engineering research and development (ER&D) services market is expected to reach \$37-45 billion by 2020 and create over one million jobs, software industry body Nasscom said on Thursday.

This exponential growth is a result of flexible business models, short product life cycles and decreasing time to market, Nasscom president Som Mittal said at the two-day Engineering

Summit 2012 at Pune.

"Indian ER&D service has played a pivotal role in accelerating innovation and is establishing India as a design and innovation hub," Mittal said, adding that incremental growth will be driven by newer verticals and markets.

ER&D exports are estimated to be \$10.2 billion, growing year-on-year at 14 per cent and comprising 15 per cent share of the IT-BPO exports.

Mittal said the domestic

Indian ER&D market is expected to add to future growth with infrastructure, automotive, aerospace and energy as well as increasing focus on promoting local manufacturing.

"To further build on this leadership position, the industry needs to pursue continued efforts to build a high-calibre R&D pool by instilling relevant research aptitudes and capabilities, both from educational and training

perspective," Mittal added.

While the ER&D services industry has been growing by leaps and bounds, certain challenges exist and require immediate redressal.

"India needs to sustain its cost competitiveness and fill its absence of linkages to manufacturing capabilities. Also, lack of a formal innovation policy and supporting ecosystem will pose a threat to the budding ecosystem.

—PTI