

# India to lead in global ER&D offshoring by '20

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NASSCOM predicted that India would account for 35 per cent share in the global engineering research and development (ER&D) offshoring business by 2020.

A Nasscom-Booz report estimated that the global ER&D offshoring business would be about \$118 billion by 2020. The new study pegs about \$12 billion more to the estimates made by the Nasscom 2010 report. The Global ER&D report 2012, says, "compared to other offshore services like Information Technology and Business Process Outsourcing, ER&D services are much more conducive to vertical specialisation. Building deep domain expertise in specific verticals help build credibility and transition to high value ER&D services."

The report added, "Established incumbent engineer-

ing service providers (ESPs) too are building focused vertical practices while continuing to have common delivery teams. But the challenges in building vertical specialisation are access to hyper specialised talent and balancing specialisation with ensuring high utilisation of resources for cost competitiveness".

Chairman, Nasscom engineering forum, Pune, Ravi Pandit, said, "The IT-BPO industry has enjoyed rapid growth. The next phase of growth will be innovation led, the industry will have to target new growth engines, drive globalisation of the ER&D structure across verticals and gain a foothold in ER&D services offshoring. It is important for major stakeholders of the industry to take a focused and clear approach to sustain India's competitiveness in the ER&D services industry."

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