

# Executive Summary

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Given the recent “Make in India” campaign and the commitments made by various MNCs to set up R&D centres in India, this study has focused on understanding and suggesting ways to improve the ecosystem of research & development in India being performed by multinational companies. The study, through a primary survey as well as a series of roundtable discussions, has attempted to capture the current context of MNC R&D in India and concludes by suggesting necessary policies that have the potential to effect positive spillovers on the economy for long-term sustainable economic growth.

According to our primary survey, the priority for MNC R&D centres appears to be product development. The factors that make India a preferred destination for MNC R&D are the availability of R&D talent pool at a low cost, cost of operations, and the opportunity to address India and similar markets. In terms of qualification levels of R&D manpower, a majority of respondents indicated that at least 60% of their R&D personnel have a Bachelor’s degree.

For a majority of the respondents, the Indian R&D centre contributes less than 10% of the total patents filed by the parent company, with a few outliers reporting higher figures. In terms of research collaborations, 45% of the respondents indicated that collaboration is on single project basis, while only one-fourth engage in continuous collaboration through MoUs.

Based on our survey responses and coupled with key takeaways from the MNC and R&D landscape in China, our report concludes with recommendations that the government could consider putting in place to capitalize on the presence of MNC R&D centres in India. The policy recommendations include:

- Developing Human Capital for R&D work
- Improving Contract Enforcement
- Better linkages between MNCs and local entities
- Improving Land and Infrastructure
- Incentives based on expectations of MNCs