

India

HSBC Navigator: the voice of business 2021

Even though businesses in India anticipate major supply chain disruptions and have concerns about the resurgence of COVID-19, they are much more optimistic on average than their international peers about their return to profitability and future growth prospects.

Business leaders are overwhelmingly optimistic about the next 12 months. **Nearly four in five (78%) are anticipating growth** compared with 66% of their global peers. They expect revenue to grow by 15% on average and two in five Indian businesses have already or expect to return to pre-COVID levels of profitability by the end of 2021. **Expanding into new markets is cited as a strong driver of growth by 54% of Indian businesses** (vs. 46% globally).

Despite this positive outlook, businesses in the region list some concerns. A decrease in demand or customers and consumers becoming more conservative in their spending (33%), difficulty entering new markets (30%) and potentially higher tariffs and a tougher regulatory/tax environment (29%) are all top of mind. Most notably, **40% of**

Indian businesses expect a big disruption to their supply chain over the next 12 months (a significant 18 points above the global average).

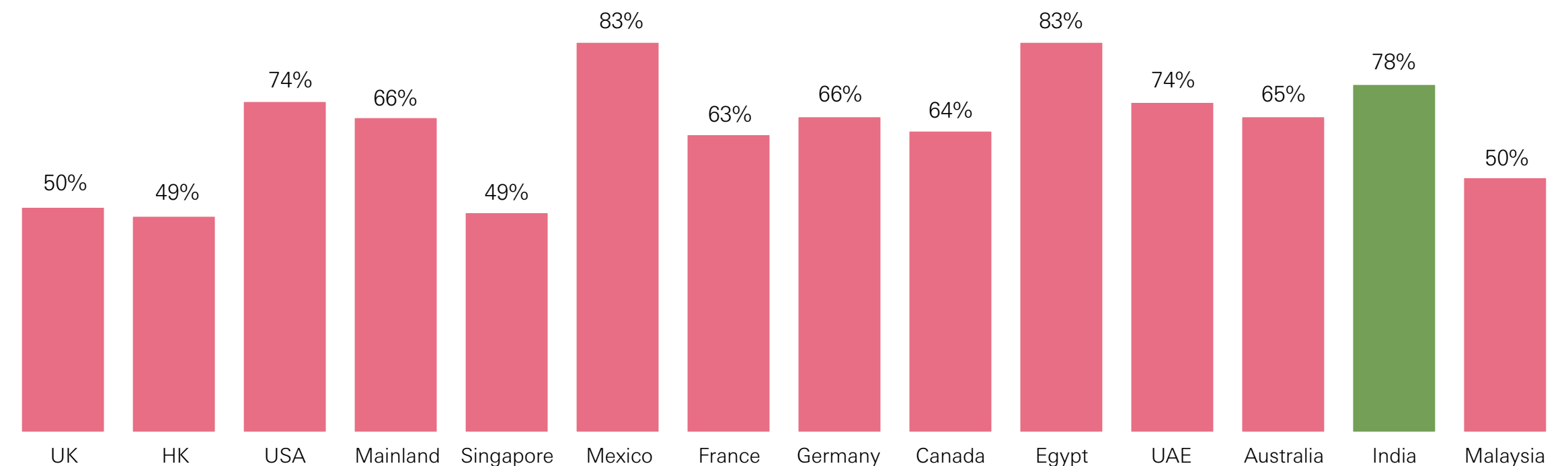
In response, **businesses in India are prioritising revenue growth (42%)** more than every other region surveyed except Mexico and investing in new technology or digital tools (41%), also second only to Mexico. Their most considerable deviation from other markets was their **prioritisation of risk management, including cybersecurity**, mentioned by 39% of Indian businesses (12 points above the global average).

As far as lessons learned from the global pandemic, Indian business leaders cited a **greater focus on their workforce and employee well-being 40% of the time**. 34% considered climate change and other ESG factors to be a major threat and 33% pointed to a greater focus on these factors going forward.

While businesses in India are remarkably optimistic about the coming year, they are also quick to list notable threats to that growth. Still, they expect to increase revenue significantly by investing in new technology, managing risks like cyber-attacks.

Businesses are confident about growth prospects

(% of businesses that are more optimistic than they were 12 months ago)

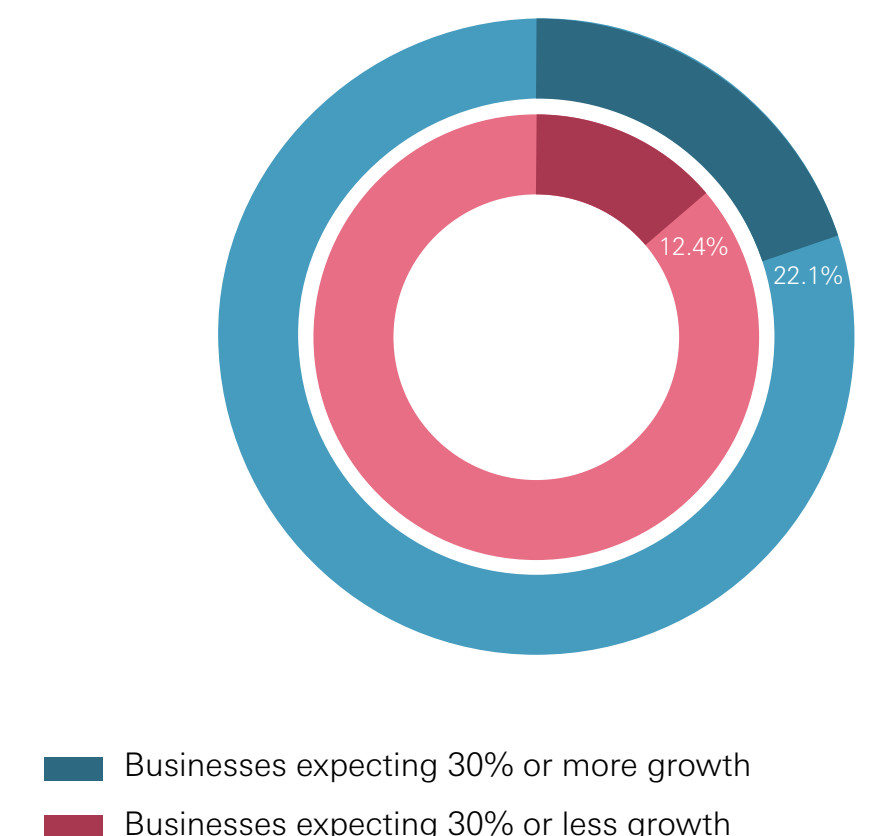


Top 3 measures businesses are taking to build resilience



Anticipated average revenue increase from greater focus on sustainability

(India)



India

Key findings:

- Indian business leaders are more optimistic than most of their global peers about the next 12 months and anticipate significant revenue growth.
- Despite this optimism, they expect considerable disruptions to their supply chain and are more concerned with a resurgence of COVID-19 than their international peers.
- Indian businesses were more likely to claim growing revenue, investing in new technology, and risk management, including cybersecurity, as priorities.

Buoyant about growth

78%

of businesses are optimistic about their future growth prospects over the next 12 months (as opposed to 66% of businesses globally).

Harnessing the power of technology

41%

of businesses are investing in technology and digital tools.

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Despite headwinds, internationalisation will be the engine of growth over the next 12 months."

Barry O'Byrne

CEO of HSBC Global Commercial Banking