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## **News release**

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## **CEOs in India more confident about growth than global peers: PwC survey**

- *Positive sentiment on short-term growth increases to 62% in 2015 from 49% in 2014*
- *59% see an improvement in global economic growth over the next one year as against 37% CEOs across the globe*
- *84% CEOs in India see more growth opportunities now as against three years ago*
- *Availability of key skills is a key threat common to both CEOs in India and global CEOs*

**Mumbai, 19 March 2015:** CEOs in India continue to be more confident about the growth prospects of their business than their global peers. CEOs in other growth markets, unlike that in India, are much less confident now as against last year's survey. **According to PwC's 18<sup>th</sup> Annual Global CEO Survey (India report), 62% CEOs are very confident of their growth prospects in the short term (12 months) as compared to 49% last year.** Further, 71% of CEOs are very confident of growth in the next three years (*Chart 1*).

### ***CEOs in India see more opportunities than threats***

The optimism in India may be more than just the euphoria following a majority growth-oriented government being voted to power at the Centre. This optimism is reflected in the fact that 84% of CEOs in India see more opportunities while only 41 % see more threats as against what they perceived three years ago (*Chart 2*).

### ***CEOs increasingly becoming concerned about multiple potential threats***

The focal point of concern for CEOs in India continues to be inadequate basic infrastructure. The global CEO is more concerned about over-regulation, increasing tax burden, geopolitical uncertainty and government response to fiscal deficit and debt burden.

The only threat common to both global as well as CEOs in India is the unavailability of key skills. An interesting point, however, is that threat perception in China is much higher than in India across various parameters—from increasing tax burden to pandemics to supply chain disruption.



**Deepak Kapoor, Chairman, PwC India said,** “While the world economy rebalances post-recession, we see demographics and technology reshaping the market. CEOs in India seem to be benefitting on both counts - developments within and outside the country. Our survey reflects this exuberance of CEOs about growth of their businesses as also of the economy.”

### ***CEOs in India are less concerned about disruption***

Fewer CEOs in India believe that trends such as changes in industry regulation, customer behaviour, competition, distribution channels or core technologies will disrupt their industry over the next five years. While CEOs in China and Africa seem most sensitive to the disruptive nature of these trends, CEOs in India are below the global average across all these parameters. This raises a pertinent question, whether this indicates a lower degree of preparedness among CEOs in India.

### ***Which businesses are you in?***

Over the last few years, business focus of corporations seems to be shifting to what customers want. In India, 50% of the CEOs surveyed think it is likely that companies will increasingly compete in new industries over the next three years. Thirty-eight percent have already entered a new industry, while 11% have considered doing it within the previous three years.

Expectedly, technology stands out as the industry from which CEOs, across the board, expect significant competition.

### ***Mobile technologies are strategically important for customer engagement***

As the number of mobile users in India jumped from 261 million in 2007-2008 to 910 million in 2013-2014, it is befitting for CEOs to see mobile technologies for customer engagement as strategically most important for their organisation; more than any other digital tool. Eighty-four percent (84%) say a clear vision of how digital technologies can help achieve competitive advantage will help a firm make the most of digital investments. Seventy-five percent (75%) say that a well thought-out plan that includes concrete measures for successful digital investment will help.

It is interesting that while the cyber threat perception is lower in India (53%) than it is globally (61%), cyber security has come out as the **third** most strategically important area among digital technologies.

### ***Collaborate for access to new geographic markets, technologies and customers***

CEOs are increasingly looking to partner for new capabilities. Sixty-three percent (63%) plan to enter into new strategic alliances or joint ventures over the next year, which is the highest percentage since PwC began asking the question in 2010. However, CEOs are not only partnering to enter new or emerging technologies and geographic markets, but are also striving to access new customers.



**Strategy to promote diversity and inclusion**

Eighty-two percent (82%) of the CEOs surveyed in India say they have a strategy to promote diversity and inclusion as against the global 64%. CEOs who have the strategy in place also stated that it helped them enhance business performance. They noted that these strategies benefit other aspects such as brand and reputation, innovation, etc.

**India figures in the plans of global companies**

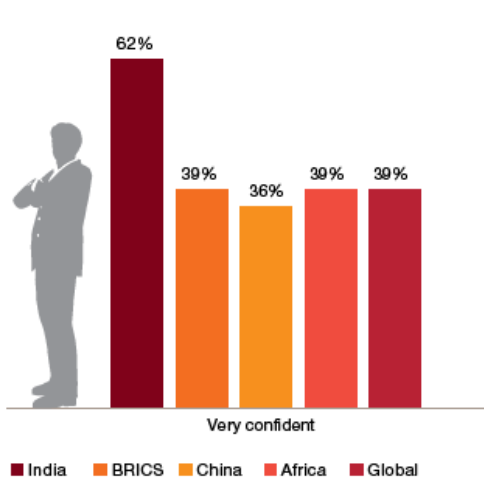
Global CEOs rate India as the sixth most important place for their growth prospect. For the first time since PwC starting asking this question, the US has overtaken China as CEOs’ most important overseas growth market.

For CEOs in India, the US, China and UK followed by Japan and Indonesia are important markets.

**Chart 1**

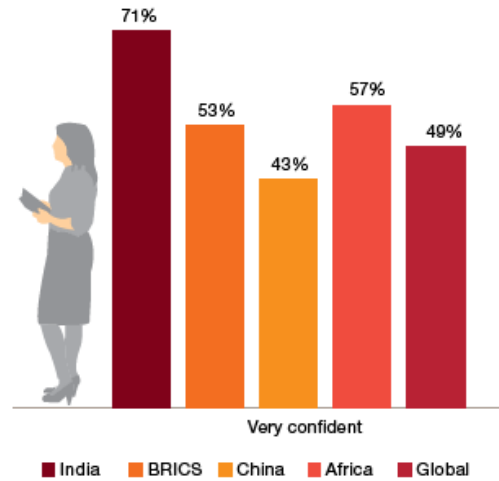
**How confident are you about your company’s prospects for revenue growth?**

Over the next 12 months



Source: 18th Annual Global CEO Survey  
 Base: All respondents (India=73, BRICS=278, China=136, Africa=149, Global=1322)

Over the next three years



Source: 18th Annual Global CEO Survey  
 Base: All respondents (India=73, BRICS=278, China=136, Africa=149, Global=1322)

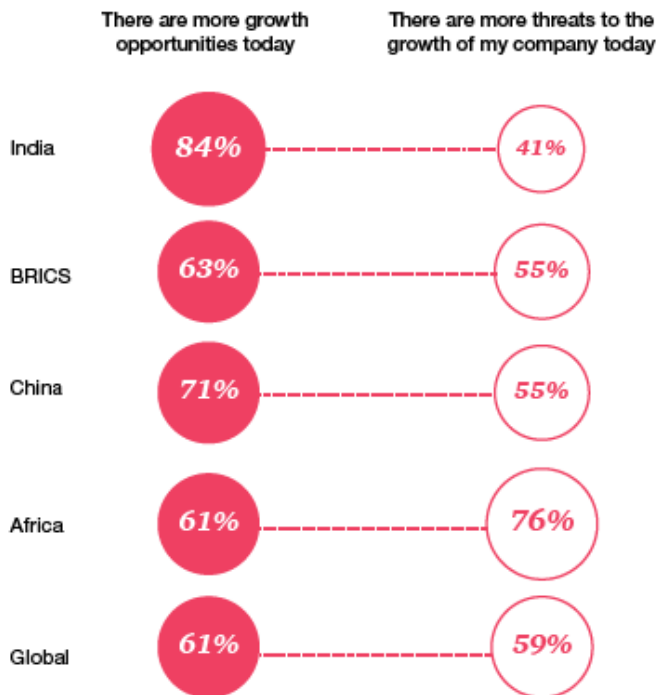


## **Chart 2**

### ***How much do you agree with the following statements about threats and opportunities facing your business?***

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**Respondents who stated ‘agree’ or ‘strongly agree’**



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