

International Business Report – India mid-market survey: Insights and outlook for 2020

Mid-market Indian businesses display cautious optimism while entering 2020

Summary of the Report: Despite the recent turbulence in the global economy, optimism for the Indian economy remains high, on the back of economic reforms, increasing investments, infrastructure development and the country’s unique demographic advantage.

About the Report: The International Business Report (IBR) surveys 10,000 mid-market business leaders bi-annually in 32 economies on their sentiments around economic optimism, growth expectation, investment expectations and constraints to business growth. This report captures the survey findings from 250 business leaders in India and their outlook for the next 12 months.

Key survey highlights

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69% of leaders are optimistic about the outlook of India’s economy, notably higher than APAC’s expectations at 56% and global expectations at 59%
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India ranks 5th and 7th globally in terms of revenue and profit growth expectations respectively
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66% of leaders expect an increase in employment
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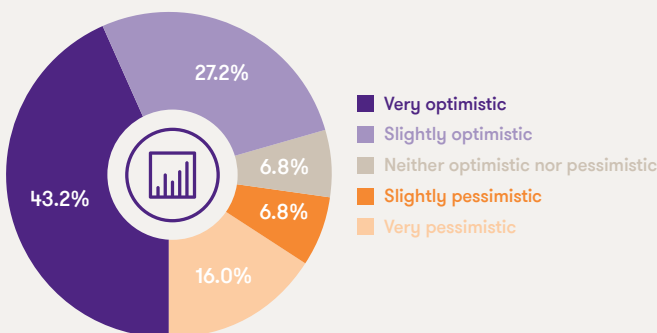
70% of leaders are positive about India’s growth prospects, despite the global economic slowdown

Optimism levels in India remain above global average

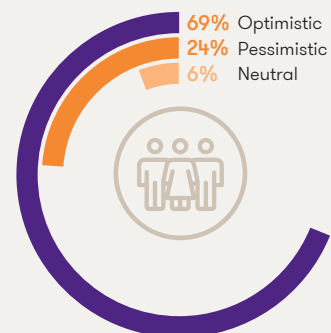
	India	APAC	Emerging APAC	BRIC	Global
H2 2019	69%	56%	72%	71%	59%
H1 2019	79%	53%	65%	62%	56%

Developed APAC: Australia, Japan, Singapore, South Korea
Emerging APAC: China, India, Indonesia, Malaysia, Philippines, Thailand, Vietnam

Business leaders are positive about India’s growth prospects, despite the global economic slowdown



Indian business leaders remain largely optimistic about the outlook for India’s economy



What's unlocking the potential for growth in India

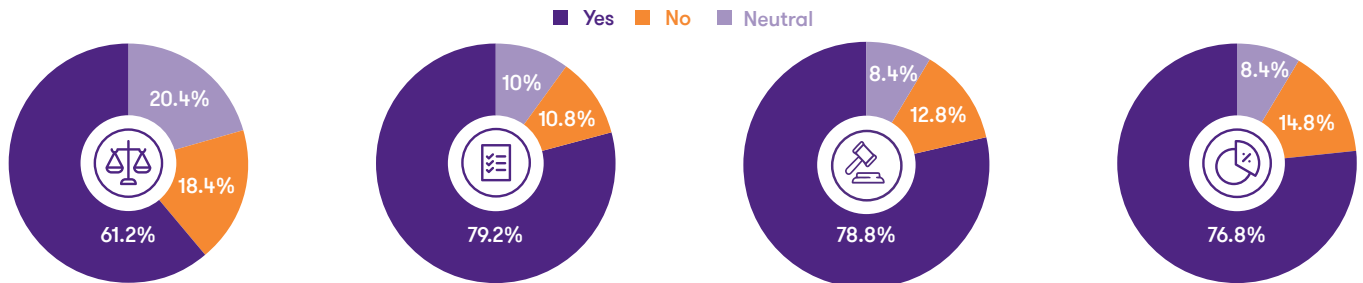
The broad consensus is that the reforms have been successful in addressing challenges as well as clarifying and simplifying regulations for businesses in India.

61% of leaders believe that Insolvency and Bankruptcy Code has achieved its purpose

The majority of business leaders believe that the government has taken enough steps to provide clarity on the tax front for investors in India

Over 78% of leaders believe the government has taken enough policy measures to enhance 'Ease of Doing Business' in India

Business leaders believe the Goods and Services Tax law has achieved its objective of simplifying indirect tax regulations in India



India highlights



Cautious optimism

- **69% of leaders in India are optimistic about outlook of the country's economy** over next 12 months. India ranked joint 6th (with Brazil) globally on optimism levels
- **72% expect to increase in revenue**, while **64% feel profitability** will increase in the coming year
- **66% leaders expect an increase in employment**
- **79% believe that the government has taken enough measures** to enhance 'Ease of Doing Business'



Strong investment expectation

- Business expectations for **investment across tangible and intangible assets are strong**, reflecting the underlying optimism felt by mid-market business leaders
- **72% expect to increase investment in IT** over the coming year
- **57% of Indian business leaders are optimistic** about investment in new buildings, while **66% expect to increase R&D spending**

Global highlights



Improving economic optimism

- **59% of leaders are optimistic** about the economic outlook for the next 12 months, up 3 percentage points from the first half of 2019
- **Mid-market investment expectations** have risen for both tangibles and non-tangibles
- **80% expect an increase in wages** over the next 12 months
- **Nearly half of all firms identify economic uncertainty** as a constraint to business growth in the coming year
- **46% recognise availability of skilled labour** as a key constraint



Contrasting findings between developed and emerging APAC

- In emerging APAC, **businesses show resilience** despite challenging economic conditions in key markets
- **72% of business leaders are optimistic** in emerging APAC about their country's economy, while in developed APAC, optimism levels currently stand at 23%
- **Investment plans in new capacity as well as R&D, staff skills and new technology** are much stronger in emerging APAC compared to developed APAC



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