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Investing in technology and innovation are key priorities for Indian businesses in the next five years: HSBC survey

~ Highest priority to investment in technology and innovation ~
~ Multiple benefits from digitisation – key to resilience building ~

Businesses in India are focused on investing in technology and innovation as they prepare for uncertainties in the next five years, reveals findings from HSBC's [Navigator](#) report, '**Building Back Better**'.

In fact, more than two-fifths (41%) of Indian businesses surveyed accorded top priority to investment in technology and innovation. This was the highest across all markets covered under the survey and significantly higher than the overall average (28%).

Technology – Impact and benefits

This focus on technology has seen a secular trend over the recent past as businesses have worked towards building and enhancing resilience. Over the past two years, around 77% of Indian businesses have invested in technology and innovation. This is significantly more than the overall average across all markets (65%) and second only to mainland China (79%).

The inclination towards technology and innovation, shown by Indian firms, is understandable given the benefits it has brought about over the past 6 months. The biggest impact, as chosen by 62% of surveyed Indian firms, has been on faster and more secure payments. This is the highest level seen across all markets and also stands as the single largest benefit accrued by technology for Indian firms. In addition, technology has positively impacted and enabled Indian firms to be more customer centric (joint highest at 59% vs. 51% all markets) as well as agile (57% vs. 43% all markets) and innovative (54% vs. 46% all markets).

The survey further reveals that over the next 2 years, Indian businesses foresee that technology will increase the incidence of flexible working arrangements (84%), virtual meetings (62%) and digitisation of processing (56%). The impact of technology on these aspects is significant and some of the highest across all markets covered in the survey.

Commenting on the survey findings, Rajat Verma, Head of Commercial Banking, HSBC India, said: "The current environment has thrown up challenges like never before. However, the survey points towards the impact of technology and how businesses can leverage technology and innovation to enhance and improve the way they work and do business. As a critical element to build resilience, the role of technology has come into sharper focus during the pandemic. It has necessitated a mind-set change as the advantages of adopting digitisation are becoming increasingly evident."

Building Resilience

The survey shows that Indian firms realise that building resilience is not a single aspect, it is about more than a strong balance sheet. Interestingly, valuing customers, maintaining a strong balance sheet and supporting a culture of innovation were the key attributes to building resilience as per the surveyed Indian businesses. In line with their focus on technology and innovation, almost half (44%) of Indian businesses identified supporting a culture of innovation as a key resilience building attribute. This was the second highest across all markets, higher than the overall average (35%) and marginally behind China (45%). Additionally, maintaining a strong balance sheet was chosen by 46% of Indian businesses, a level that again was the second highest across all markets and more than the overall average (41%).

Barriers to Resilience

However, in light of the current environment, maintaining sufficient cash flow and gaining access to advanced technology were identified as key barriers to building resilience over the next six months by the surveyed Indian firms. Gaining access to advanced technology was

chosen by 38% of Indian firms, the highest across all markets surveyed while maintaining sufficient cash flow was voted by 41% Indian firms, marginally behind Malaysia at 42%.

This latest report surveys more than 2600 companies across 14 global markets in the world – including 200 firms from India.

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Note to editors:

HSBC Navigator:

The Navigator survey is conducted on behalf of HSBC by Kantar. It is compiled from responses by decision-makers at 2,604 businesses, ranging from small and mid-market firms to large corporations, across a broad range of sectors. The respondents hold influence over their company's strategic direction and represent a broad range of roles: including c-suite, finance, procurement, supply chain, sales and marketing. A total of 14 markets were surveyed between 28 April and 12 May 2020.

- Americas: Canada, Mexico, USA
- Asia Pacific: Australia, Hong Kong, India, Indonesia, Mainland China, Malaysia, Singapore
- Europe: France, Germany, UK
- MENA: UAE

Results have been weighted to be representative of each market's international trade volume (World Trade Organization data for 2017-2018).

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