

45% CXOs see FY25 GDP growth hitting 6-6.5%

Deloitte survey finds growth being driven by shift in consumer preferences

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New Delhi, 23 January

About 45 per cent of India Inc chief experience officers (CXOs) expect a growth rate of 6-6.5 per cent for India in the upcoming financial year, driven by a shift in consumer preferences and an increase in consumer goods and retail spending, especially in Tier-II and Tier-III cities. This marks the third consecutive year of the fastest growth for India among major economies, the latest survey by Deloitte said on Tuesday.

The survey noted, "The anticipated increase in internet penetration and digital consumption, coupled with the government's focus on skill development to boost industrial growth and shift workers' focus from agriculture to manufacturing and services to generate income at the grassroots level in India, will lead to growth above 6 per cent."

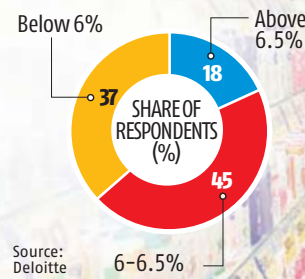
Meanwhile, 37 per cent of business leaders expect growth to remain below 6 per cent, citing rising inflation rates, supply chain challenges, and global headwinds as major obstacles. Only 18 per cent of respondent business leaders expect growth to surpass 6.5 per cent in 2024-25.

The survey by the global consulting agency collated responses from senior leadership at around 230 firms in both large (turnover of ₹250-3,000 crore) and very large (above ₹3,000 crore turnover) categories.

In terms of industry sectors, two of three participants from the consumer and retail sector (66 per cent) expressed hope for a growth rate of more than 6 per cent in the upcoming financial year, followed by the automotive sector (50 per cent), technology, media, and telecommunications (47 per cent), and energy, resources, and industrial (44 per cent).

The survey said, "Government initiatives, increased trade collaborations, lowering of logistics costs, and

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policies to increase industrial production (such as intelligent automation in manufacturing and increased investment towards sustainable technologies) will further this momentum."

About 67 per cent of business leaders also mentioned that collaboration between the public and private sectors can result in innovation within the industry, amplifying synergy between the two, especially in infrastructure development, digitisation, and skill development, promising to bolster the economy.

Sixty-one per cent of respondents highlighted that improved access to financial instruments, particularly in the financial services and technology, media, and telecommunications industry, will also support industry growth.

The survey emphasised that artificial intelligence (AI) has become the basis of modern business, offering extraordinary opportunities for growth. About 99 per cent of businesses expect AI to evolve, with around 70 per cent of consumer and retail businesses urging government support to regulate AI use, stressing strict adherence to ethical practices in data and methods.

"Leaders also anticipate the government to prioritise the implemen-

tation of Industry 4.0 technologies (AI, machine learning, natural language processing, and computer vision), along with continuous efforts in more skill development initiatives, particularly in upskilling and nurturing talent in Tier-II and Tier-III cities," the survey observed.

Moreover, the survey noted that to ensure sustained business expansion and more foreign investments into the country, four of five CXO leaders emphasised the continuity of tax certainty and readiness for addressing geopolitical concerns with well-defined mitigation strategies. They highlighted the importance of global events, such as Group of Twenty and initiatives to streamline the global supply chain.

On the other hand, environmental, social, and governance (ESG) initiatives remain a priority for businesses, with 100 per cent of respondents emphasising the importance of renewable energy. Leaders expect the government to prioritise investing in ESG strategies and initiatives, followed by technological innovations, infrastructure development, and skill enhancement.

About 90 per cent of businesses also want technological innovation in government processes and operations.