

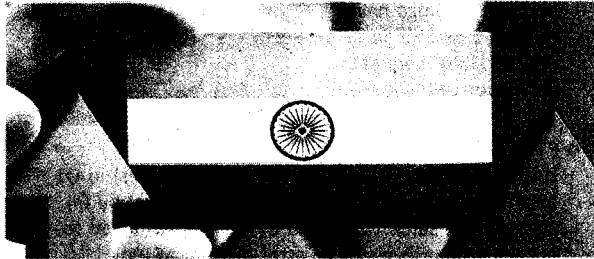
# Global companies home in on Indian market for expansion

**HEDGING BETS.** India is the primary growth vector while the US is a market to defend

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Global companies are looking to expand their base in India while many plan to reduce their presence in the US, according to data by Gartner.

The study showed that 14 per cent of CEOs are looking to expand into the Indian market, whereas 30 per cent want to reduce their presence in the US region. The firm stated that 58 per cent of CEOs found US policies were negatively impacting supply chain strategies and are now looking at alternatives. "They understand that new trading blocks are forming and use that to both mitigate supply chain disruption and potentially exploit new markets where they can grow their top line," said David Furlonger, Vice-President Analyst, Gartner.



**BETTER OPTION.** Growing US-India tech and economic alignment makes long-term investment in India safer than in jurisdictions prone to sanctions or sudden crackdowns

Greyhound Research also observed that many companies are rewriting their expansion plans with India as the primary growth vector while the US becomes a market to defend rather than to extend. More multi-year capex is earmarked for Indian data centres, factories, logistics hubs, and retail infrastructure. Senior executives are also spending more time in India. Indian Global Capability Centres are absorbing

core functions in engineering, risk, product, and analytics that once were confined to the US or Western Europe.

## SECTOR TRENDS

"India is emerging as the preferred new market not because it is friction-free, but because it is the only geography that combines four ingredients: size, growth, youth, and digital readiness," said Sanchit Vir Gogia, Chief

Analyst and Founder of Greyhound Research.

With US and India moving towards deeper economic and technology alignment, long term investments in India feel safer than in jurisdictions where sanctions, export controls, or sudden crackdowns are part of the background risk.

Meanwhile, Forrester pointed out that no company will completely exit the US as a market for their products and services, considering it is the world's biggest economy and often the parent headquarters of the company.

"We are seeing that companies are interested in setting up their centres in India because of the talent availability at scale which may not be available in some of the more mature markets," said Ashutosh Sharma, Vice-President and Research Director at Forrester.