



Domestic market continues to drive confidence of Indian CFOs: Ninth Annual American Express Survey of Global Finance Leaders

~CFOs look at optimizing cash flow to secure and grow the business~

New Delhi, March 10, 2016: India continues to lead the world in economic confidence as Indian CFOs expect moderate growth during the year, driven largely by investments in expanding the domestic markets and exports, according to the ninth annual Global Business and Spending Monitor conducted by American Express in partnership with CFO Research.

Indian CFOs continue to be optimistic about Indian economy

Indian executives are most confident on growth plans when compared with their international peers. The 2016 American Express/CFO Research Global Business and Spending Monitor, an annual survey of global finance Leaders, found that 86% of Indian respondents are expecting the economy to grow next year. Additionally, 90% of Indian executives polled say company's growth will depend more on exports over the next year as compared to the previous year.

It is noteworthy that 80% of the Indian respondents cited that they may increase their focus on domestic market given the economic and political uncertainty in other countries. This may be the reason that, 77% of the Indian leaders are looking to expand business activities locally including sourcing, distribution, production and/or outsourcing.

Saru Kaushal, Country Business Head, Global Corporate Payments, American Express India, said, *"India is leading the way in terms of both business confidence and investments. As expected, owing to the prevailing uncertain economic environment globally, most companies are cautious about spending and investments. The focus is on optimizing cash flow and using it judiciously to grow and protect the business. Broadly, the game plan seems to be focused on reducing the risk exposure by focusing more on domestic markets, along with increased investment in sales and marketing activities, risk management and security, and adding*

The economic outlook in India remains the strongest in the world at 86% expecting economic expansion compared to United States (73%), Canada (63%), Mexico (79%), Argentina (73%), United Kingdom (75%), China (58%), Singapore (60%) and Australia (64%)

100 per cent of respondents in India expect their companies to increase total spending and investment with 80% expect increase of 10% or more against global average of 87% and 49% respectively

The global average increase in spending and investment levels has risen to 12%, compared to last year's 11% - India leading with 18% followed by Mexico (16%) and the US (14%)

Security of business (47%) and growth opportunities (43%) are clear priorities for obtaining funding for India finance leaders like their global peers for optimizing cash flow

capacity for production or service delivery. Corporations worldwide see technology as an important aspect for their businesses, thereby spending on information security is among their top priorities.”

Indian CFOs buoyant on investments and expansion

All of the Indian executives polled, i.e. 100% of them, look at increasing their spending and investment to drive their top line and bottom line. 80% of the Indian respondents are looking at increasing their spends and investments by 10% more. Interestingly, half of the respondents, or 50%, are expecting spending and investment to go up by 15% or more. However, there is a decline in the number of executives as compared to last year who are planning for aggressive spending. Some of them have subdued their investment ambitions and have opted to be moderate in their outlook.

Providing insight on Indian leaders' commitment and plans for stepped up spending and investment, the *American Express/CFO Research Global Business and Spending Monitor 2016* found that 80% of the Indian executives are looking at fresh spending and investments to improve their company's market capitalization or stock price. Seven out of every ten Indian respondents said that fresh spending and investments would help their company to better serve the needs of its customers. Seventy per cent of Indian executives look at new investments to pursue business transformation and innovation. An equal number of respondents feel that new spending and investment would help them remain competitive with other companies.

Increased spending on information technology to secure business and enhance customer service

In a global business environment that is now knit together with technology, executives are more keenly aware of the business risks that come from inadequate information security, and they are particularly reluctant to skimp on technology spending.

Safeguarding against data breaches, increasing business intelligence/data analysis capabilities and investing in mobile technology are the top three reasons for executives across the globe to increase their IT spending in 2016. Spending on infrastructure—both on premises (enterprise IT, hardware) and in the cloud—receives nearly as much attention.

In India, more than half of the respondents (52%) feel that a data breach has led to business disruption or loss in the past. In line, 43% of executives in India plan to increase their IT spending in order to build on their company's business intelligence and data analysis capabilities, 37% towards adhering financial reporting and compliance, and 30% in enhancing mobile technology. Additionally, protection against data breaches, as well as cloud computing, in-house IT staffing and hardware and infrastructure receive nearly as much attention.

A mobile-first mindset among Indian finance leaders was also evident as 43% of them said that the use of mobile technologies could significantly enhance customer service. 40% of the Indian executives feel it

helps in allowing employees to work remotely, while 37% said that such an investment could have a positive impact on sales.

"CFO's key focus is in improving their cash flows through optimization of account receivables, improve visibility over cash conversion cycles through investment in technology for e.g., - electronic invoicing, inventory management systems. American Express products for corporate bring opportunities to put expenses on the card, create greater visibility and data insights to enable cost saving opportunities. This results in better budget planning, besides cost policy and process adherence, directly impacting better expense management and profitability," added Ms. Kaushal.

Note to editors

The *Global Business and Spending Monitor*, released annually, is based on a sampling of senior finance and corporate executives from large companies around the world. The 2016 survey received 651 responses. Survey responses were collected in November 2015.

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