PwC's 29th Annual Global CEO Survey: India perspective

From potential to performance in the age of AI

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Foreword

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PwC's 29th Annual Global CEO Survey, based on insights from 4,454 respondents, including nearly 50 from India, reveals a sobering reality: India CEOs are increasingly cautious amidst mounting global risks and persistent macroeconomic volatility. This caution persists even as India strives to be self-reliant (Atmanirbhar), underscoring the need for decisive leadership to turn aspiration into action.

Striking the right balance between bold, innovation-led actions and steady resilience is no easy feat. But India CEOs remain upbeat as they navigate the road ahead, buoyed by confidence in the nation's growth and their own companies' revenue prospects, which clearly outshine those of their global peers.

Our survey underlines a clear consensus: The rapid pace of technological disruption leaves no room for complacency. India CEOs cite two pressing concerns that keep them awake at night.

- **First:** whether they will be able to keep pace with AI. In this context, building a robust AI foundation and fostering an AI-powered culture are non-negotiable for leaders determined to turn potential into performance.
- **Second:** strengthening their innovation muscle—where the imperative is clear: pursue innovation-driven diversification strategies through dynamic and collaborative co-innovation partnerships.

Last year's CEO survey focused on the 'sensing-seizing' opportunity loop—identifying issues (sensing) and orchestrating resources to sustain and create new sources of value (seizing).

This year, if there is one clear takeaway, it is this: CEOs who succeed will be those who combine resilience with bold AI-driven innovation, anchoring their strategies in trust to navigate the complexities of an uncertain future.

Our survey also indicated that companies with broader and stronger AI foundations are 2.3 times more likely to report revenue growth and 1.7 times more likely to achieve cost reductions compared to those without such foundations.

The report offers actionable insights drawn from the findings, designed to help you steer confidently through the volatile times ahead. We hope you will be able to apply them to make future-ready decisions; in times of disruption, decisive leadership anchored in trust forms the ultimate differentiator.

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India's time to seize the day

Amidst a subdued global outlook—with just over half of global CEOs expecting growth—India stands out as an exception. A striking 77% of India CEOs anticipate stronger domestic growth, and 57% express high confidence in near-term revenue growth—nearly double the number of their global peers. In a world defined by uncertainty, India's ascent on the global investment map stands out, driven to some extent by a leadership mindset that blends resilience with bold intent.

"India's growth story remains strong, but the road ahead demands resilience. To achieve our aspirations, we must prepare for heightened volatility. Two factors have often worked in our favour—relatively low oil prices despite geopolitical tensions and a reasonably strong monsoon. Yet, we cannot afford complacency. Global markets are becoming harder to access as protectionist walls rise worldwide."

T. V. Narendran
CEO and Managing Director, Tata Steel

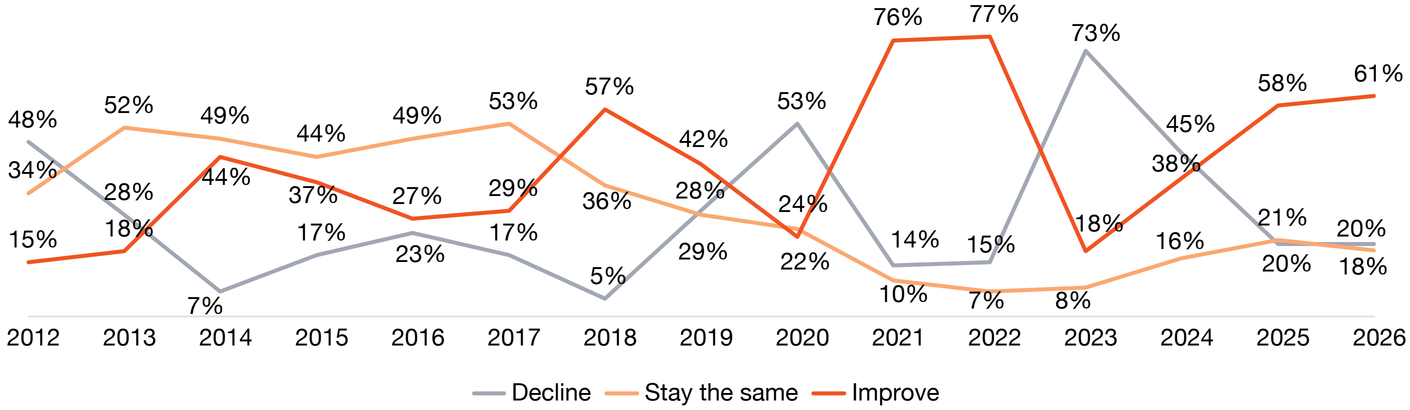
Key findings at a glance

1. **Global sentiment is subdued:** Only 55% of CEOs globally believe growth in their territory will improve as against 77% of India CEOs. The sentiment towards global growth has marginally improved since last year, with 61% of global leaders expressing confidence in global economic growth over the next 12 months compared to 58% in 2025. In contrast, only 45% of CEOs in India (49% in 2025) believe global economic growth will improve over the next 12 months.

   Across most territories and sectors, CEO confidence in the 12-month revenue growth outlook for their respective companies has also declined. Only 30% of global CEOs are very or extremely confident about their company's short-term revenue growth as against 57% of India CEOs.

61% of CEOs worldwide believe global economic growth will improve

What do you believe economic growth (i.e. gross domestic product) will be over the next 12 months in the global economy?

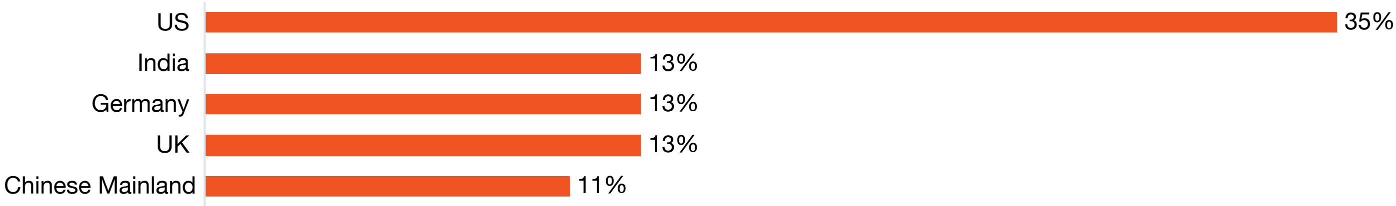


2. **India is now among the top investment destinations:** While 46% of global CEOs are not planning any investments, of those planning to invest beyond borders, 35% would like to invest in the US, while 13% each said they would like to invest in India, Germany, and the UK. Last year, India was in the fifth spot along with France on the list of territories global CEOs would like to invest in.

   For India CEOs, the leading investment destinations are the US, the UAE and the UK—a trend reinforced by trade agreements—the Comprehensive Economic Partnership Agreement (CEPA) with the UAE and the Comprehensive Economic and Trade Agreement (CETA) with the UK.

51% of global CEOs plan to make international investments in the year ahead

Which three countries, excluding the one in which you are based, will receive the greatest proportion of your company's overall investments in the next 12 months?



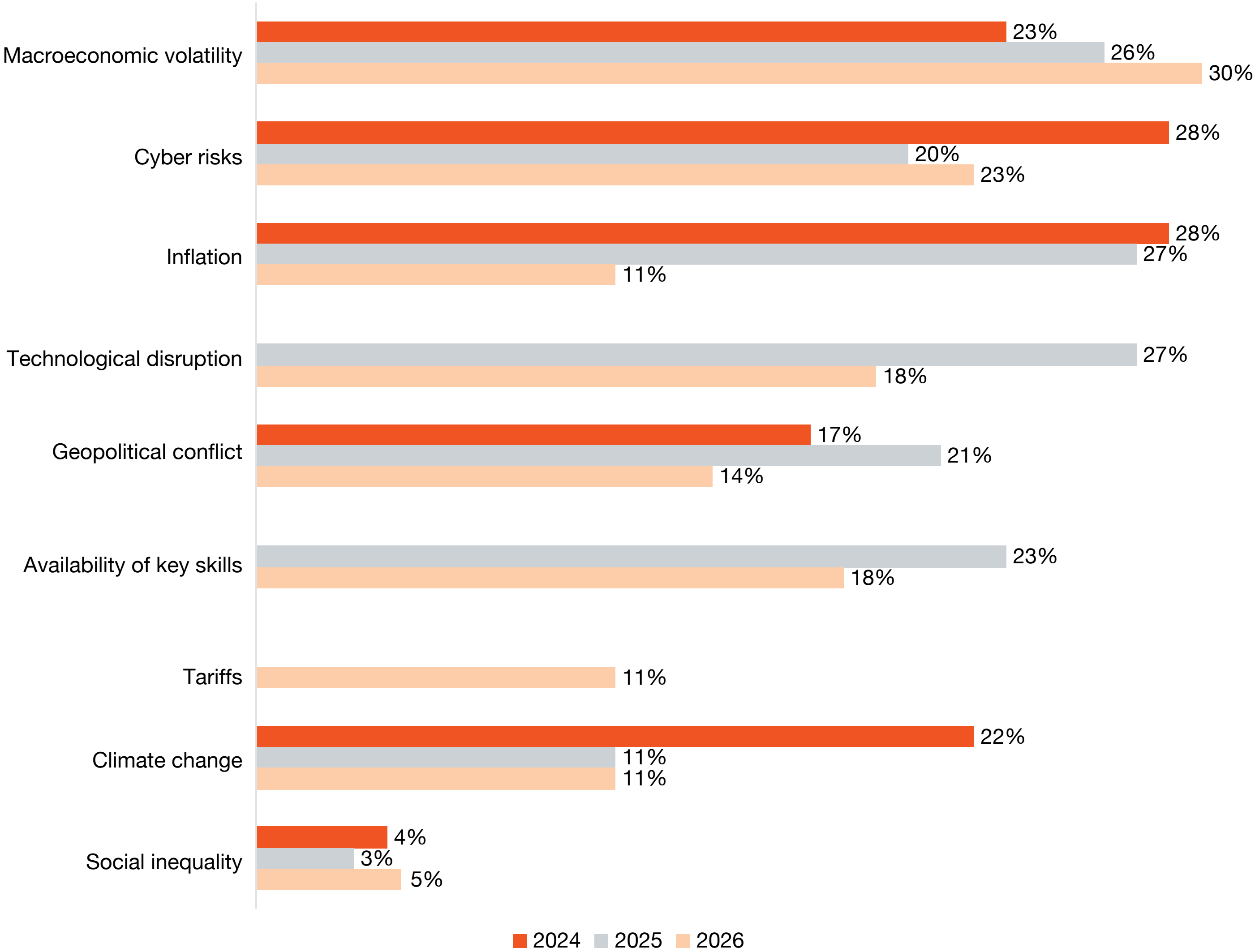
3. **Companies face rising cyberthreats:** Global CEOs identify macroeconomic volatility (31%), cyber risks (31%), and inflation (25%) as the most significant threats over the next 12 months. With cyberattacks escalating in scale and sophistication, cybersecurity has overtaken inflation to become the second-most critical risk for both global and India CEOs.

   Last year, India CEOs ranked tech disruption, macroeconomic volatility, inflation, lower skill availability, and geopolitical conflict as more immediate threats than cyber risks. This year, there has been a shift with macroeconomic volatility (30%) and cyber risks (23%) topping the list, followed by concerns around tech disruption (18%), availability of key skills (18%), and inflation (11%).

   In response to growing cyber risks, nearly half of the CEOs globally (47%) and in India (48%)—plan to strengthen enterprise-wide cybersecurity measures to a large or very large extent.

Cyber risks are the second-biggest threat for India CEOs, following macroeconomic volatility

How exposed do you believe your company will be to the following key threats in the next 12 months?

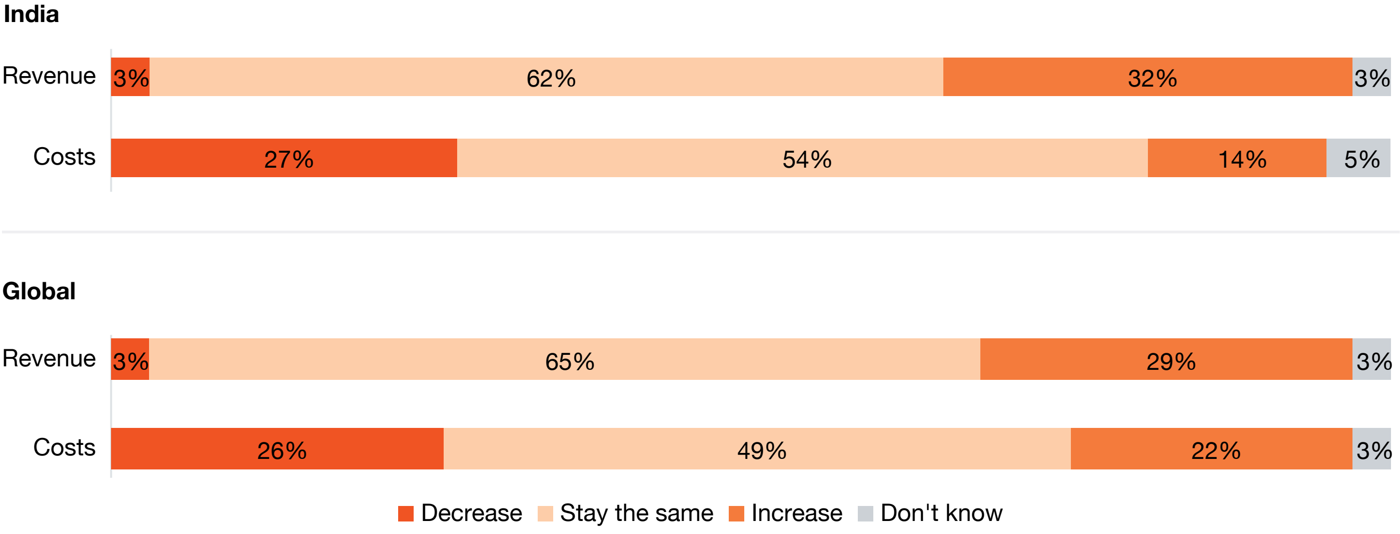


Note: 'Tariffs' is a new option for 2026. 'Technological disruption' and 'Availability of key skills' were not included in 2024.

4. **India CEOs are more concerned about keeping pace with tech/AI:** 66% of India CEOs—compared to 42% globally—are concerned about keeping pace with technology and AI. Moreover, while 54% of global CEOs apply AI for demand generation to a moderate or large extent, 37% of India CEOs say they do so. Additionally, 36% of India CEOs (versus 52% globally) report using AI in products, services, and experiences to at least a moderate extent. Among India CEOs who have applied AI to business functions to at least a moderate extent, 32% say AI has boosted their revenues.

32% of India CEOs, as against 29% of global CEOs, have seen revenues rise due to AI

In the last 12 months, what impact did AI have on the following at your company?



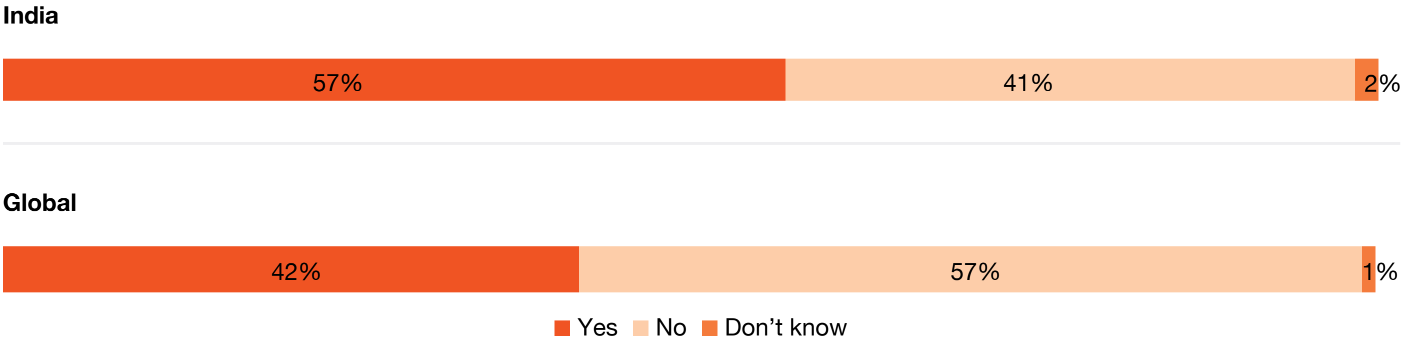
Note:

1. Includes only the respondents who reported applying AI to at least a moderate extent in their businesses.
2. Percentages in the infographics may not add up to 100% due to rounding; multi-selection answer options; and the decision in some cases to exclude certain responses, including 'Other', 'Not applicable', and 'Don't know' answers.

5. **Nearly six in ten India CEOs are competing in new sectors:** This year, 57% of India CEOs, as against 42% of global CEOs, report that their companies began competing in new sectors in the last five years—up sharply from 39% in 2025. Globally, companies entering new sectors are, on an average, generating 20% of their revenue from these fresh avenues. The top industries that India CEOs would like to foray into over the next three years include technology (20%), industrial manufacturing (16%), and aerospace and defence (14%).

57% of India CEOs have begun competing in new sectors in the last five years

In the last five years, has your company begun competing in new sectors or industries in which it hadn't previously competed?



Thriving amidst uncertainty

In a climate of global uncertainty, India CEOs stand out as a distinctive and resilient group, displaying cautious optimism about both their territory's growth and the growth of their own companies. This year, 77% of India CEOs are optimistic about growth within their own territory, significantly higher than the 55% observed globally.

"

We expect growth to remain in the 6.5% to 8% range, which should be steady and sustainable. Continued investments in different areas including infrastructure—roads, warehouses, and logistics—are providing a strong boost to the economy. Recent government reforms such as GST enhancements and Labour Codes are likely to act as catalysts for consumption in the coming years. Positive developments in trade with Europe and improving relations with China could further support momentum.

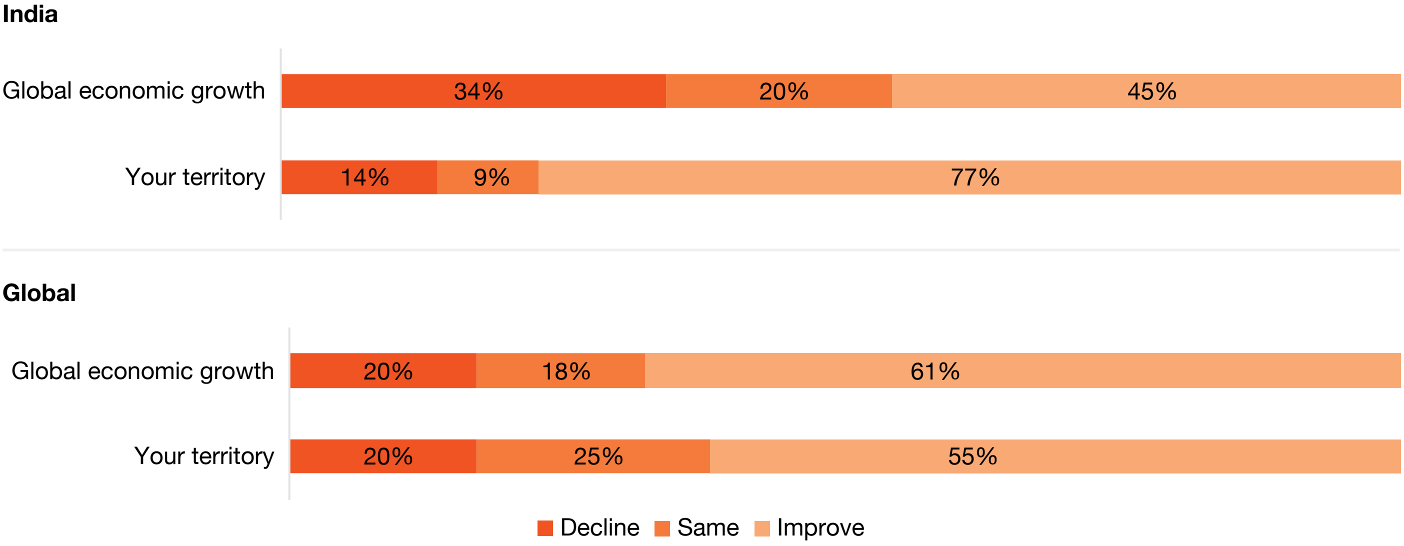
That said, challenges persist. Geopolitical tensions, particularly around border issues, remain an overhang, and uncertainties in the US-India relationship add to the complexity."

Kapil Bharati
Co-Founder and CTO, Delhivery

While the outlook for India is promising, India CEOs recognise the need to be cautious amidst the uncertainty.

77% of India CEOs, compared to 55% globally, believe growth in their territory will improve

What do you believe economic growth (i.e. gross domestic product) will be over the next 12 months globally/in your territory?



A relatively higher confidence level among India CEOs can also be explained given the country's strong macroeconomic fundamentals. According to the latest available government data, India's economy is projected to grow at 7.4% in FY26,[1] fueled by rising investment and a manufacturing boom. Also, for the first time in 18 years, India's long-term sovereign credit rating has improved to 'BBB' from the lowest investment grade of 'BBB-'. [2]

1. https://www.pib.gov.in/PressReleasePage.aspx?PRID=2212087&reg=3&lang=1
2. https://www.pib.gov.in/PressReleasePage.aspx?PRID=2156501

"Our advantage lies in the scale of our domestic market. For many industries, global-scale operations can be built by serving India alone. This is a privilege export-dependent economies lack. However, this is not enough. We must sharpen our competitiveness, not only for domestic consumers but also for the time when global markets regain stability and discipline."

T. V. Narendran
CEO and Managing Director, Tata Steel

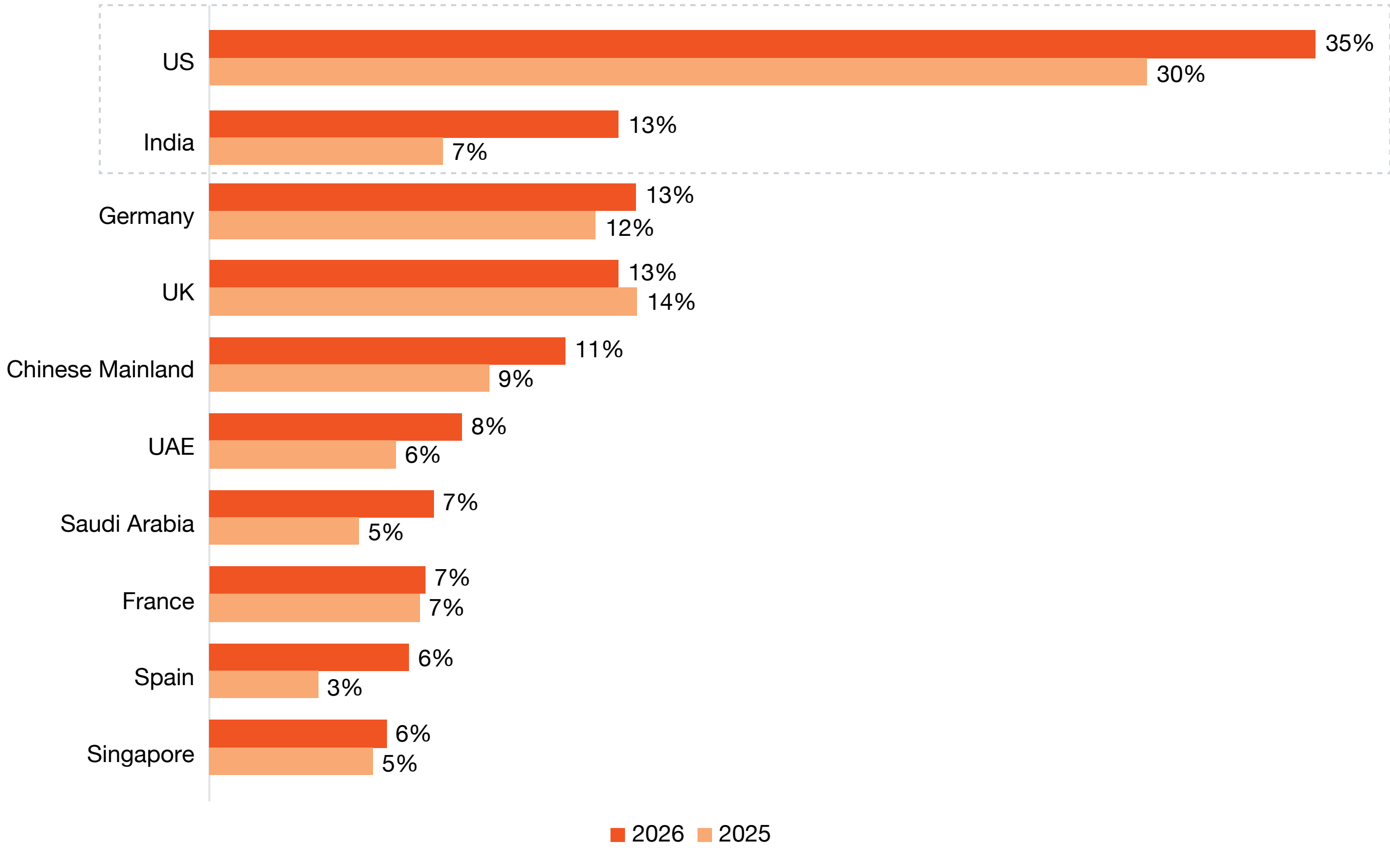
India's rapid GDP growth, improving ease of doing business, and a consumption-driven middle class have positioned it as a magnet for global investors. In recent years, India has cemented its status as Asia-Pacific's second-largest private equity (PE)/venture capital (VC) market, attracting nearly 20% of the region's private capital in 2022.[3] Global allocators are now increasingly pivoting towards India as the 'next big opportunity' in emerging markets—a trend reflected in our survey.

3. The Economic Times, India PE-VC market rebounds in 2024 to $43 bn; VC, growth investment spur momentum

The US and India have increased in popularity among global CEOs as destinations for international investment

Which three countries, excluding the one in which you are based, will receive the greatest proportion of your company's overall investments in the next 12 months?

Top investment destinations, by year

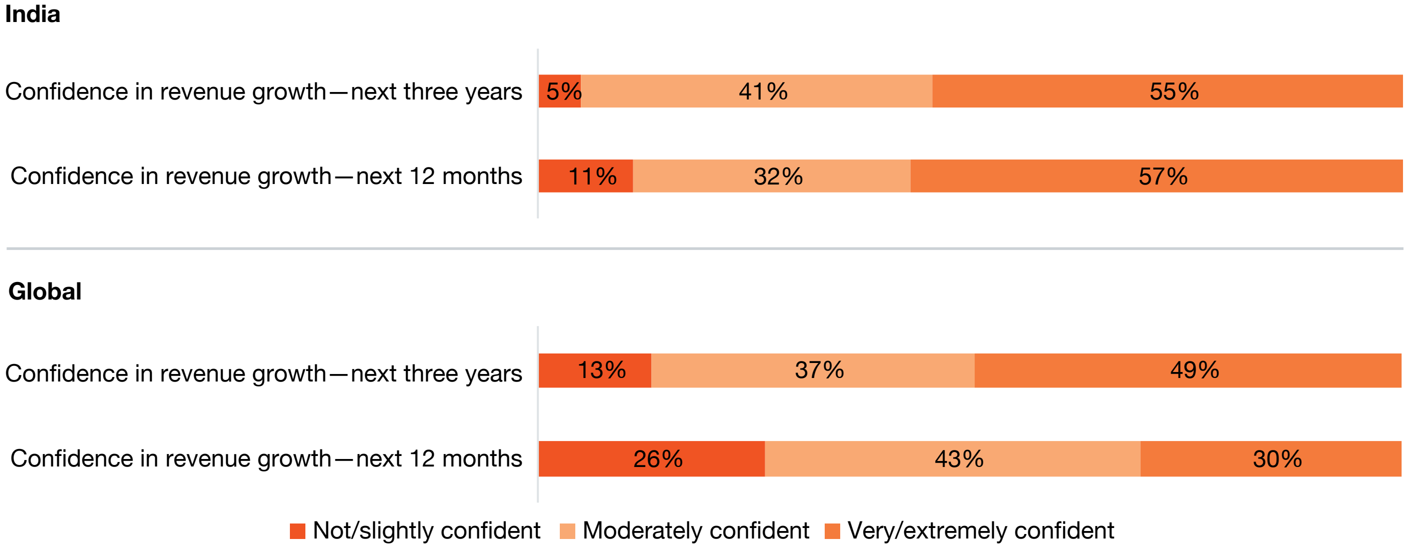


Government reforms—from GST unifying the national market to Production-Linked Incentive (PLI) schemes—are strengthening India's investment climate. The Jan Vishwas (Amendment of Provisions) Bill, 2025, further advances this agenda by proposing amendments to 355 provisions, including decriminalising 288 to promote ease of doing business and proposing amendments to 67 provisions to facilitate ease of living.[4]

Together, these measures create a supportive business environment—reflected in India CEOs showing greater confidence than their global peers in their companies' short- and long-term revenue growth prospects.

More than half of India CEOs are very or extremely confident of their revenue growth over the next three years

How confident are you about your company's prospects for revenue growth over the next three years/next 12 months?



This stands in sharp contrast to global numbers, as global CEO confidence in 12-month revenue growth for their companies has declined across most territories as well as sectors. India remains an exception, holding steady over two years amidst the global dip.

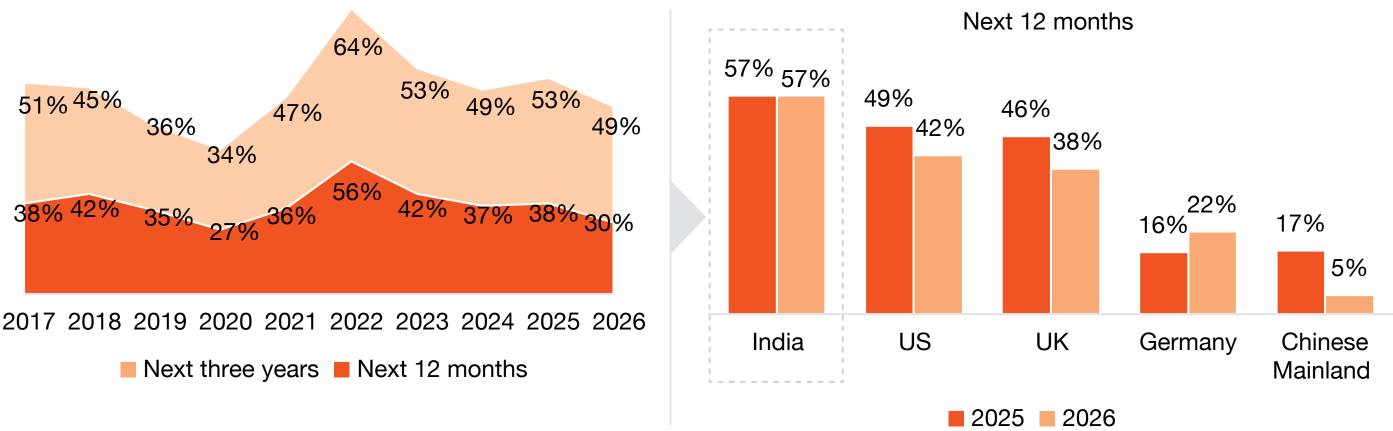
4. https://www.pib.gov.in/PressReleasePage.aspx?PRID=2157460&reg=3&lang=2

CEO confidence in the 12-month revenue growth outlook for their companies has declined across most territories

How confident are you about your company's prospects for revenue growth over the next 12 months and three years?

CEO confidence in their company's prospects for revenue growth: 12-month and three-year outlook
Showing only 'Very confident' and 'Extremely confident' responses

Global **Territorial**

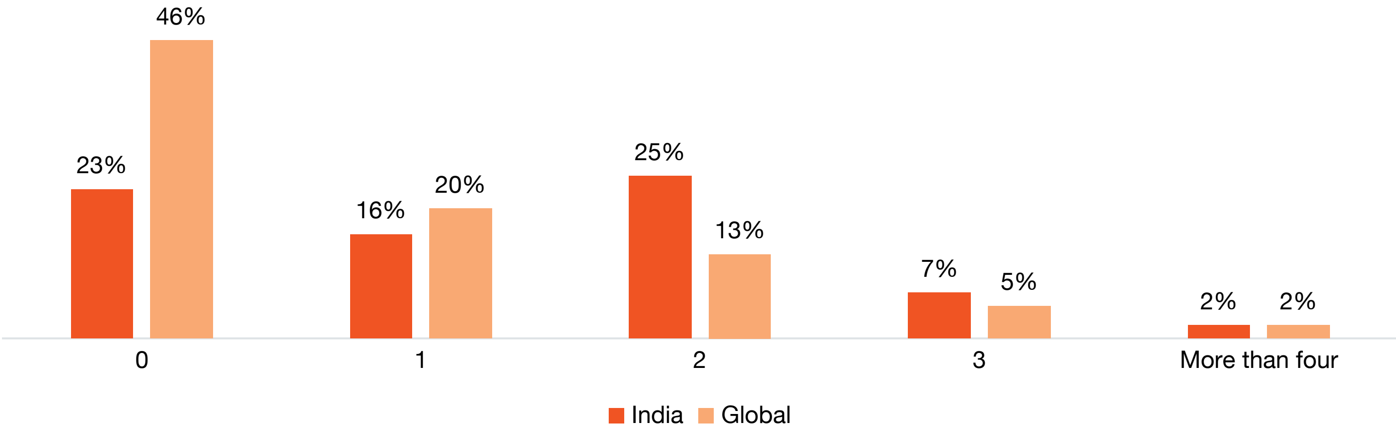


Amidst the prevailing caution, it's no surprise that more companies are stepping back from significant M&A activity this year. Notably, while 46% of global CEOs report no plans for acquisitions, only 23% of India CEOs take that stance.

CEOs around the world say they are less likely to make major acquisitions in the years ahead

How many major acquisitions, worth more than 10% of your company's assets, is your company planning to make in the next three years?

Number of planned major acquisitions



Threats and challenges

A broader range of near-term threats compared to the past two years is also a likely cause for global CEOs feeling increasingly vulnerable.

Their concerns about macroeconomic volatility (31%), cyber risks (31%), and inflation (25%) are grounded in recent events that have already disrupted markets and operations.

"Threats aren't always external; internal risks—often unintentional—can be just as critical. So our focus remains on securing data, deployments, and authentication, backed by sustained investment in cybersecurity."

Kapil Bharati
Co-Founder and CTO, Delhivery

Unpredictable economic shifts over the past months have unsettled supply chains. Notably, 20% of CEOs globally and 11% in India say they are highly or extremely exposed to tariff threats. Meanwhile, persistent inflation has fuelled a cost-of-living crisis, while a surge in cyberattacks in an increasingly digital-first world has exposed vulnerabilities.

Over the past four years, the average weekly number of cyberattacks has more than doubled—from 818 per organisation in the second quarter of 2021 to 1,984 in the same period in 2025.[5] For India CEOs too, the risk landscape has undergone a shift: Unlike last year when technological disruption and macroeconomic volatility dominated, cyber risks have now emerged as the second top threat (23%), following macroeconomic volatility (30%).

5. World Economic Forum, Cybersecurity Awareness Month: 10 things to know in 2025

"Cybersecurity is our non-negotiable priority. In today's world, cyberthreats are real and relentless. Our responsibility is clear—every part of Tata Steel must be secure. I won't claim we have zero vulnerabilities, but we are always on it. In fact, even as we embrace AI, security remains at the core of our approach. For example, our digital assistant is built in-house and runs on our own systems."

T. V. Narendran
CEO and Managing Director, Tata Steel

Upside of technological disruptions

This year, 24% of global CEOs cited technological disruption as a major concern—up four percentage points from last year. For India CEOs, technological disruption remained among the top three threats for the second consecutive year. Notably, 20% of India CEOs and 29% of global CEOs believe their technology-related functions are exceeding expectations.

Delhivery is a case in point. Its journey from manual scanning to AI-driven automation reflects how technology-related functions have succeeded in driving efficiency and scalability, transforming operations end-to-end.

"Our first step was positioning technology as an enabler, not a replacement—an assistant to people rather than a substitute. We began by digitising the basics: scanning every shipment and tagging boxes with barcodes to capture essential data. Once that foundation was in place, we expanded data collection—tracking what we were moving, how it was being handled, and where it was going. Over time, this evolved into actionable insights: guiding teams on the ground on optimal movement patterns rather than just assisting.

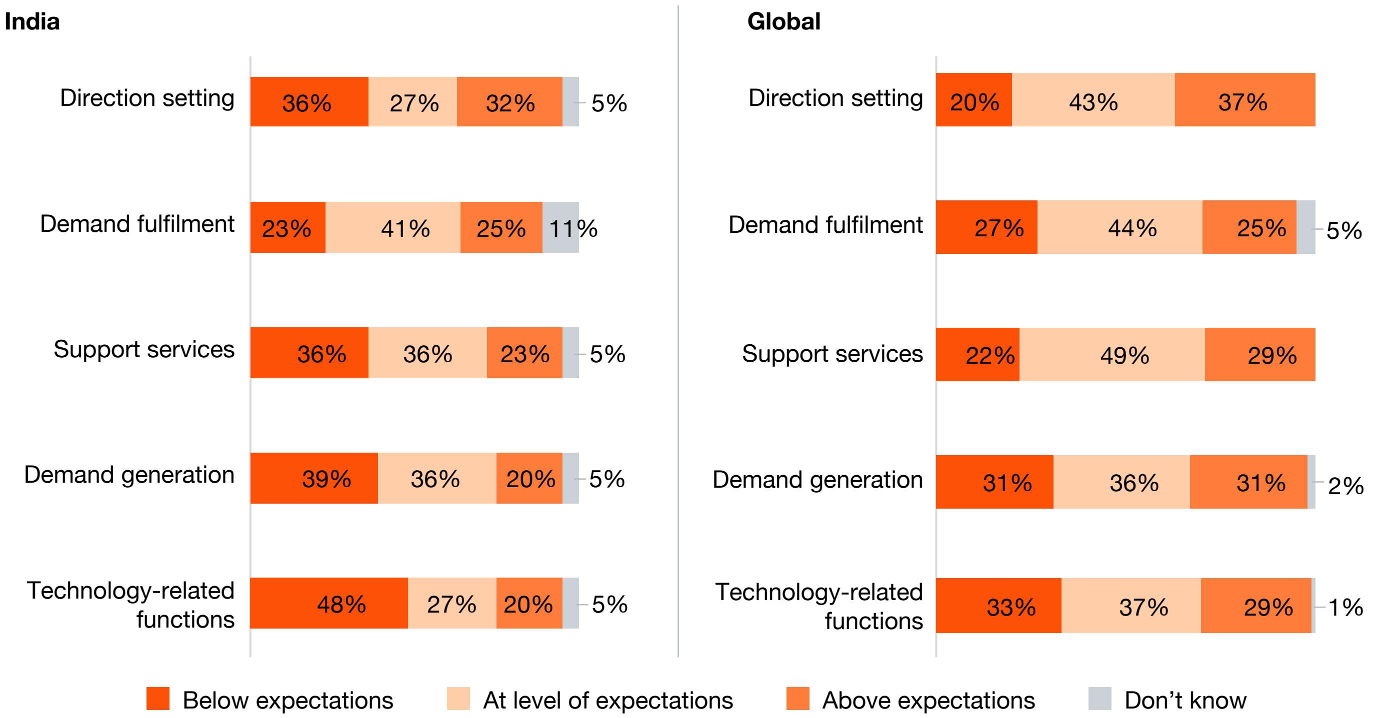
Today, with massive volumes—for instance, we processed 100 million e-commerce and freight shipments in October alone—our systems have advanced to a fully directed model. Boxes placed on a conveyor belt are automatically routed by algorithms, with machines taking over the decision-making."

Kapil Bharati
Co-Founder and CTO, Delhivery

On the flip side, nearly half of India CEOs (48%)—well above the global average of 33%—report that their company's technology-related functions have fallen short of expectations, signalling either implementation challenges or ambitious targets in a fast-evolving tech landscape.

For 48% of India CEOs, their company's current level of performance falls below expectations when it comes to technology-related functions, while for 20% the performance is above expectations

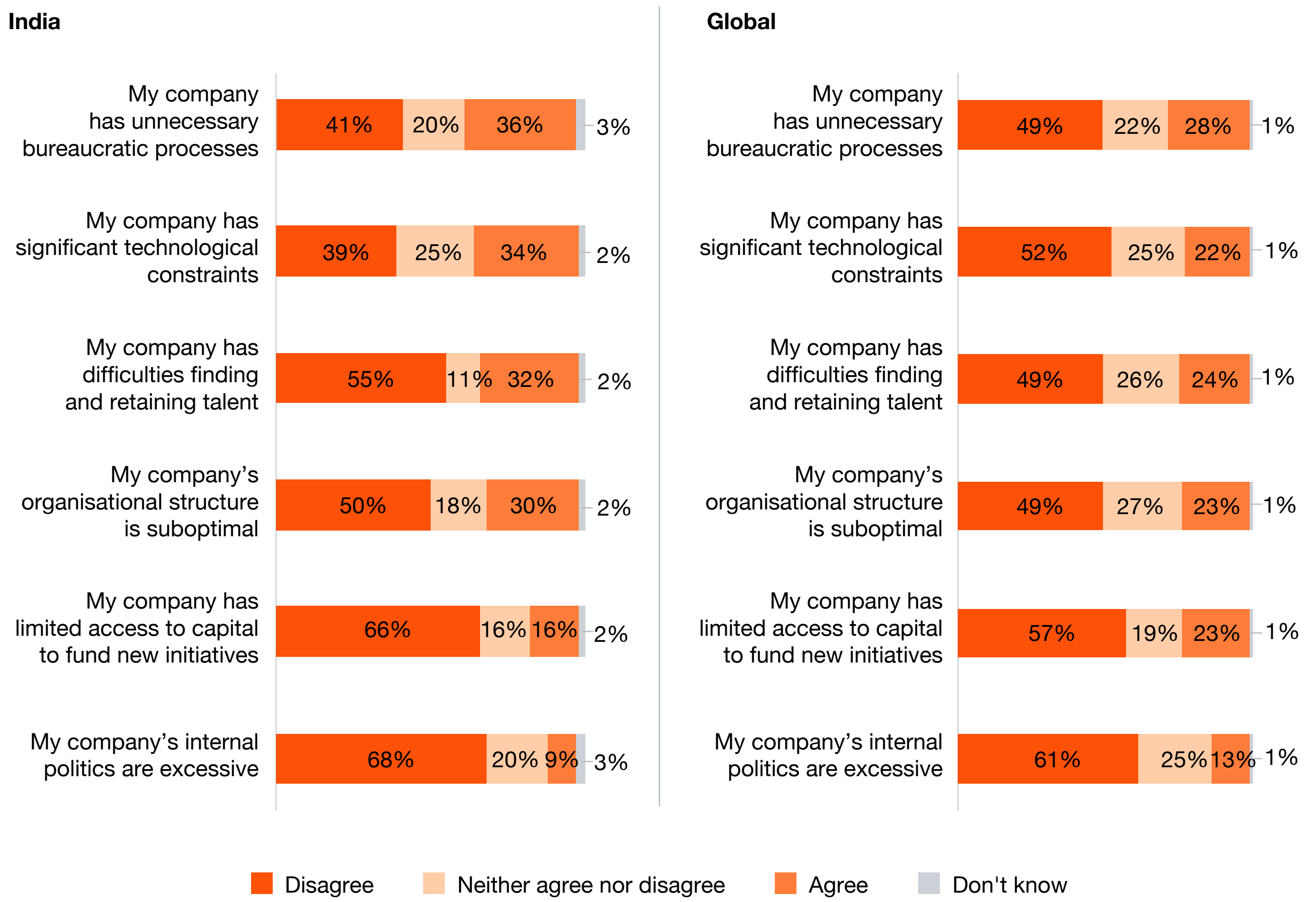
For each of the following areas of your operations, please indicate your company's current level of performance relative to your expectations.



In addition, 34% of India CEOs say that technology constraints are hindering their company's operational performance, ranking it just below unnecessary bureaucratic processes (36%).

34% of India CEOs say technological constraints are hampering their company's operational performance

To what extent do you agree or disagree that the following are inhibiting your company's operational performance?



Over time, these constraints—driven by factors such as fragmented data that limits insights and decision-making, and a shortage of skilled talent (with only one qualified engineer for every ten open GenAI roles[6])—can be gradually overcome.

6. Business Standard, India's digital growth at risk amid skill gap in AI, cloud and cybersecurity

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AI at enterprise scale

The accelerating pace of disruption underscores an urgent need for innovation and seamless technology integration for businesses to remain competitive. Two fundamental questions dominate the minds of CEOs globally—and weigh even more heavily on India leaders:

- Are we transforming fast enough to keep pace with AI?
- Is our innovation capability adequate for an uncertain future?

India CEOs are more concerned than their global peers about keeping pace with tech/AI

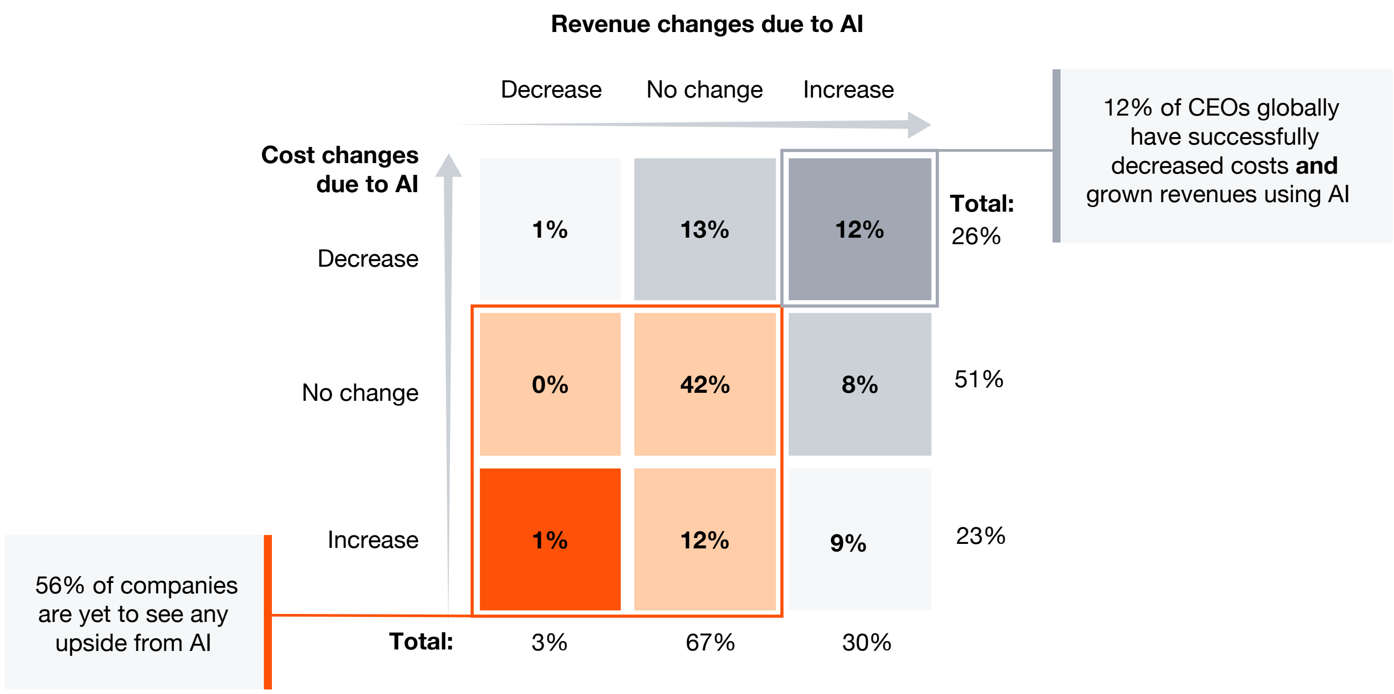
What is the question that concerns you most these days?

Note: Among India respondents, 16% selected 'Other' and 5% selected 'Prefer not to say'.
Among global respondents, 5% selected 'Other' and 4% selected 'Prefer not to say'.

Keeping pace with AI

Unlocking value with AI is an emerging reality. Few companies have fully woven AI into their culture and systems, but momentum is building. Our survey indicates that although 56% of organisations globally haven't yet realised upside with AI, the opportunity ahead is immense. Already, 12% have achieved both cost reductions and revenue growth, proving what's possible. For India, incremental adoption today signals room for exponential progress tomorrow. As leaders move from cautious pilots to scaled use cases, AI is poised to transform operations, accelerate innovation, and create new pathways for value creation.

Most companies globally are yet to realise higher revenues or lower costs from AI, even as a minority achieve both



AI maturity and readiness in Indian organisations

66% of India CEOs, as against 42% globally, are concerned about keeping pace with AI. Our survey revealed that while India CEOs are cautiously applying and implementing AI, the potential to scale up—from pilots to full implementation—is immense.

India is making strides—developing sovereign AI capabilities, boosting compute power with 40,000+ GPUs for researchers and startups, and building foundation models tailored to local languages and nuances. Still, significant ground remains to be covered. Bridging the accessibility gap caused by uneven digital infrastructure and language diversity is critical. This calls for investments in last-mile connectivity, rural broadband expansion, and AI models that embrace India's rich linguistic landscape.[7]

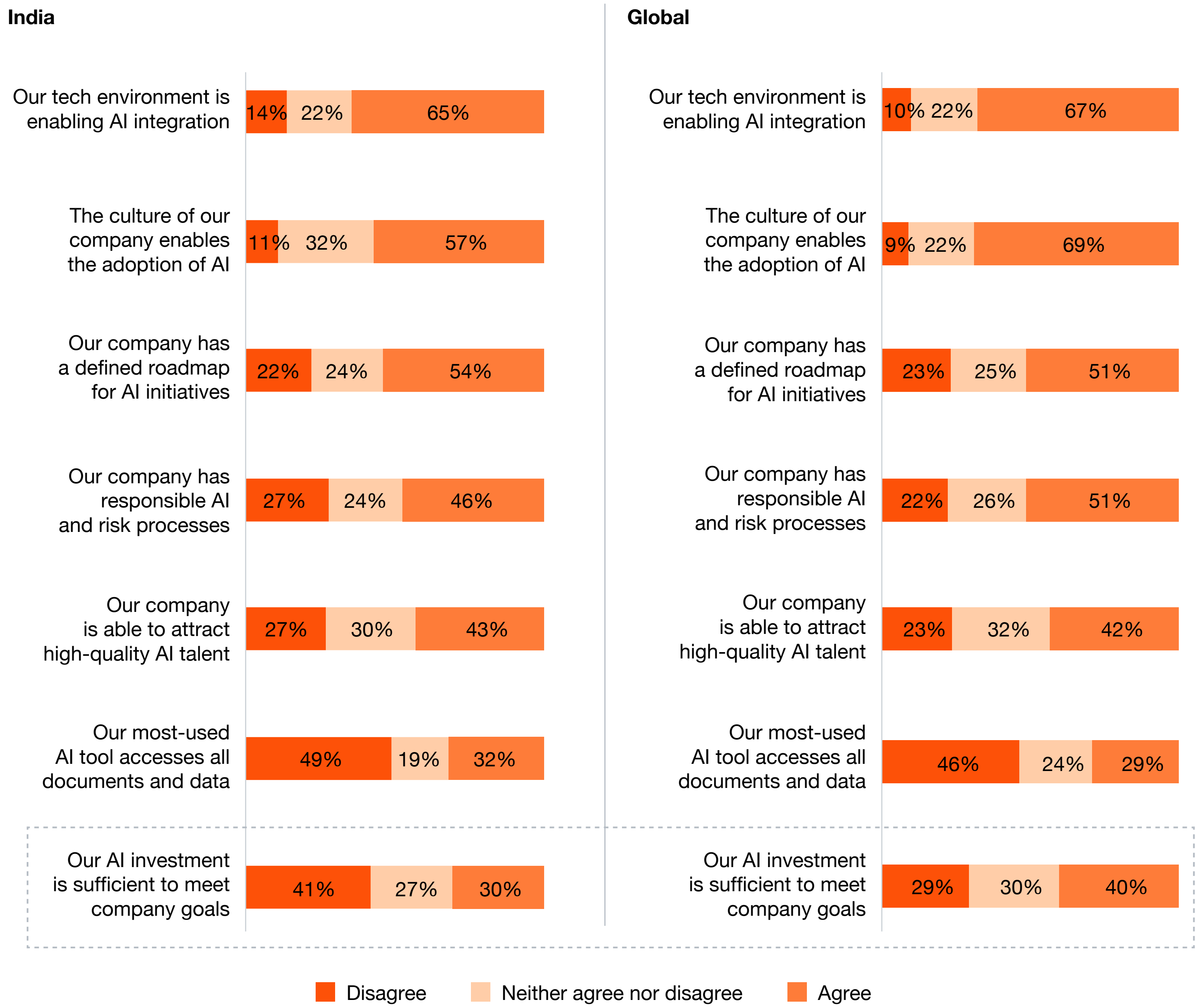
It's important to note that among those who applied AI to business functions to at least a moderate extent, tangible revenue gains have emerged—32% of India CEOs have reported an increase in revenue, while 27% acknowledge a reduction in costs.

That said, 41% of India CEOs compared to 29% globally believe current AI investments are insufficient to achieve company goals. Businesses also have to contend with integration challenges, lack of skilled talent, and gaps in change management strategies. 57% of India CEOs versus 69% globally feel their company culture enables AI adoption, while 43% report success in attracting high-quality AI talent.

7. ET compendium

41% of India CEOs say their AI investment is not enough to meet goals

To what extent do you agree or disagree with the following statements relating to AI use at your company?



Your next moves

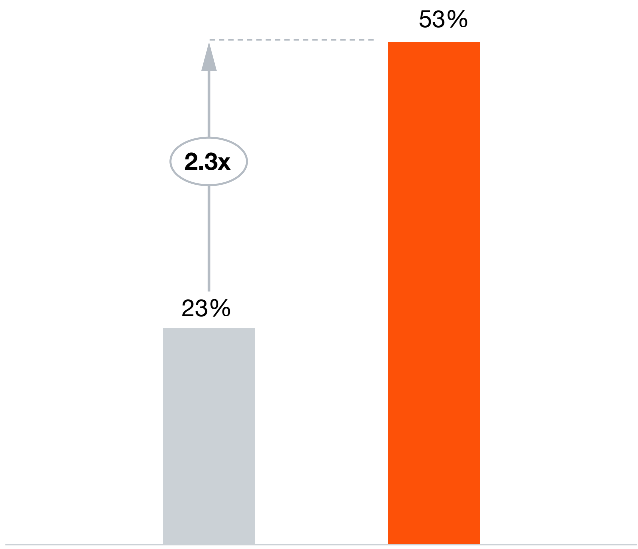
1. Build a solid AI foundation
2. Foster an AI-powered culture

1. Build a solid AI foundation

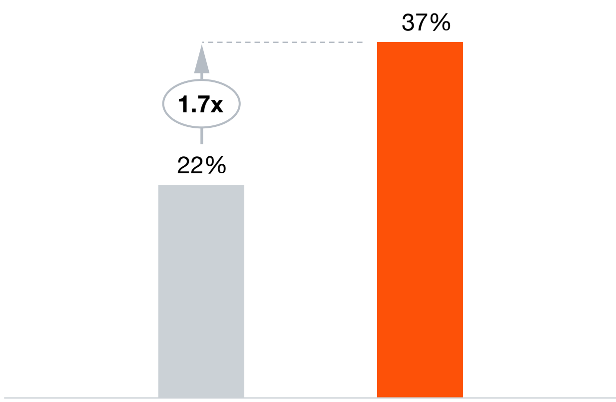
Our research found that fewer than a quarter of companies globally have built solid AI foundations. And yet, a stronger AI foundation can lead to higher revenues. Companies with stronger and broader AI foundations are 2.3 times more likely to report revenue growth and 1.7 times more likely to achieve cost reductions compared to organisations without such a foundation.

CEOs in companies with stronger AI foundations report better AI outcomes

Share of global CEOs reporting revenue increase due to AI, by extent of AI foundation



Share of global CEOs reporting cost decrease due to AI, by extent of AI foundation



Company established AI foundation in less than six areas
Company established AI foundation in at least six areas

Base: All respondents who have applied AI to at least a limited extent for one or more areas.

To unlock the full potential of AI, CEOs must prioritise building a strong and comprehensive AI foundation within their organisations. For many micro, small, and medium enterprises (MSMEs), this foundational element is often missing, limiting their ability to harness AI's full potential. A clearly defined AI strategy is the first step. This involves setting goals, identifying business objectives, and outlining use cases. Having a robust strategy takes a company beyond pilots into creating enterprise-level impact.[8]

Next, it is essential to create a strong governance framework which includes configuring access and identity controls, specifying the persons who can have access to the data and the AI system, as well as the extent of their access.[9] At the same time, strong responsible AI (RAI) practices must be embedded in the AI foundation to mitigate risk, reduce bias, ensure transparency, and promote ethical use of the technology.[10]

An AI strategy is as strong as its underlying data pool. Ensuring an exhaustive and accurate data pool is a key part of building a solid and agile AI foundation[11] that can be constantly refined in alignment with evolving business operations and workflows.[12]

2. Foster an AI-powered culture

Companies that embed AI into their culture and technology stack are reaping benefits through rising revenues and decreasing costs. CEOs who ensure sufficient AI investment, establish a clear roadmap, and foster both technological and cultural readiness for AI integration demonstrate a stronger ability to drive demand generation and deliver better products, services, and experiences.

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8. PwC, Do you have an "early days" generative AI strategy?
9. PwC, AI journey
10. PwC, PwC's 2025 Responsible AI survey: From policy to practice
11. PwC, The critical role of data in powering AI
12. PwC, PwC's 2025 Responsible AI survey: From policy to practice

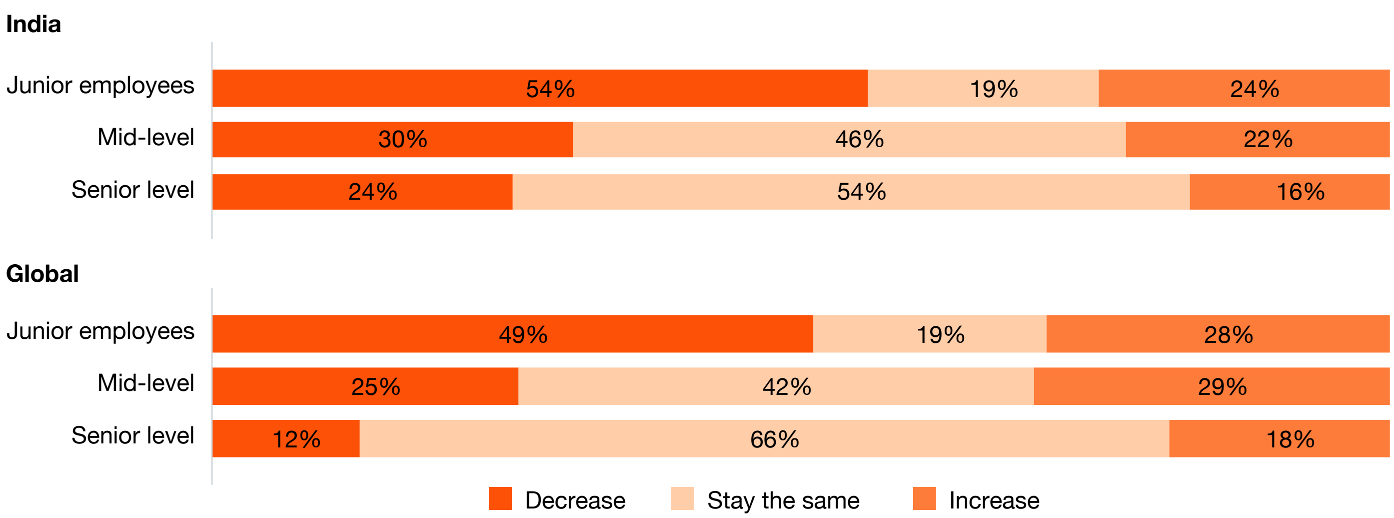
"The question is not if but how we leverage AI and prepare our organisation for the future. So we've started what we did 18 years ago when we embarked on our digital journey—reverse mentoring: youngsters tutoring us leaders on the subject."

T. V. Narendran
CEO and Managing Director, Tata Steel

As AI adoption accelerates, certain junior roles that involve routine tasks are likely to decrease. 54% of India CEOs, as against 49% of global CEOs, believe that employment at junior levels will decrease in the next three years due to AI adoption. However, CEOs who foster an AI-driven culture emphasised that continuous learning and reskilling can enable their workforce to transition into more strategic and value-added roles.

54% of India CEOs and 49% globally say employment at junior levels will decrease in the next three years due to AI adoption

For the following groups, how do you expect your company's AI adoption to change your employment levels in the next three years?

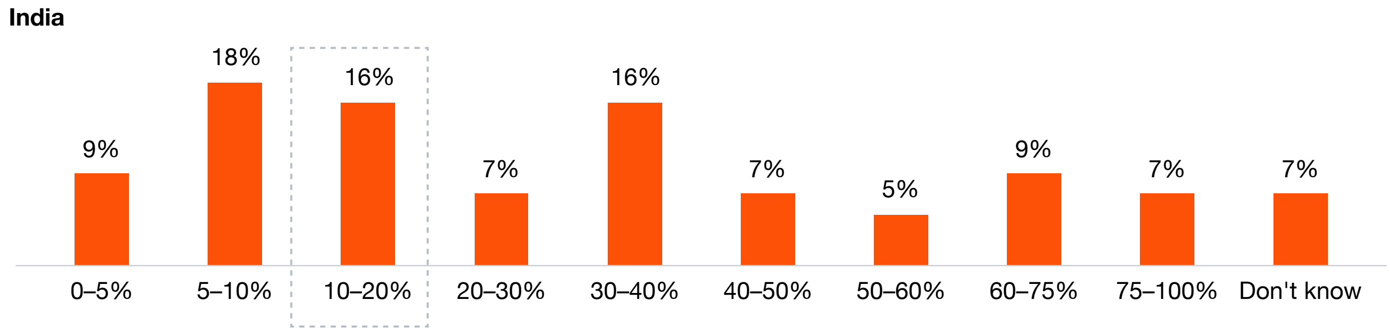


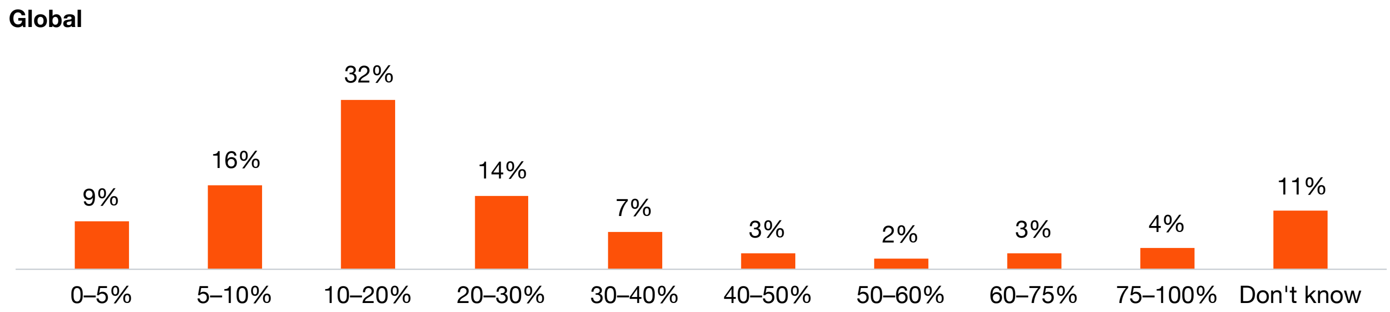
Building innovation muscle

The second most pressing and immediate priority for CEOs is building adequate innovation capabilities for survival and long-term success in an increasingly uncertain world. Half of India CEOs—and an equal proportion globally—recognise innovation as a cornerstone of their business strategy. Notably, for 16% of India CEOs, between 10% and 20% of total sales has come from new products and services launched within the past three years.

18% of India CEOs attribute 5–10% of their total sales this year to new products and services launched in the last three years

What percentage of your company's total sales from this fiscal year are attributable to new products or services introduced in the last three years?

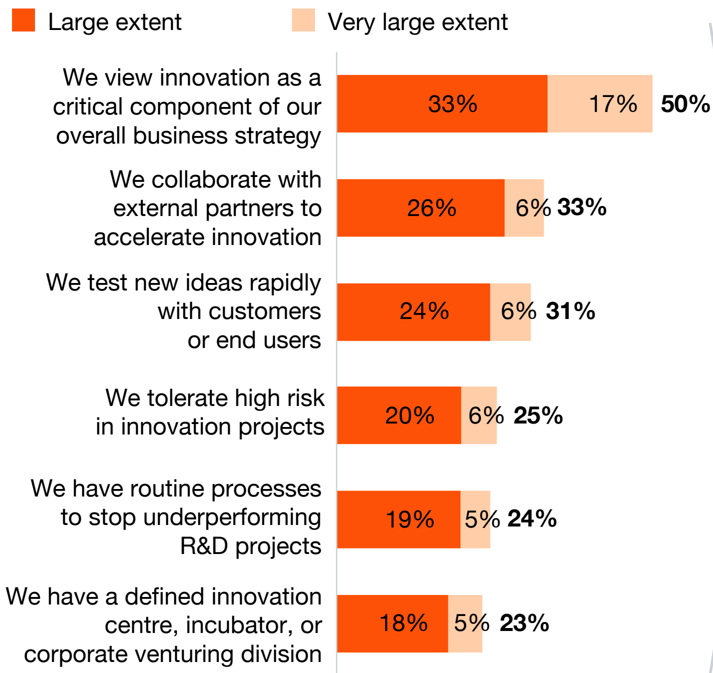




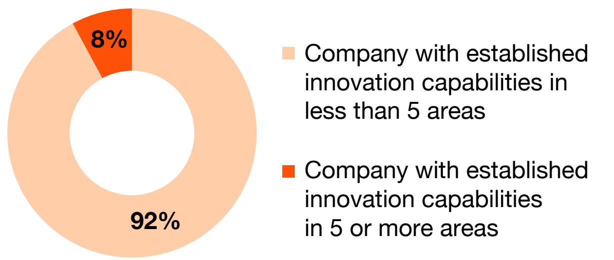
Yet, 36% of India CEOs admit their speed to market for launching new offerings lags behind that of their peers—underscoring a gap between innovation ambitions and the agility required to seize new opportunities. Still, the survey sends a clear message: Innovation is not optional; it’s imperative. Our research reveals that companies with established innovation capabilities generate 1.7 times more revenue from new products and services.

Companies that have established innovation capabilities generate a 1.7x greater proportion of revenues from new products and services

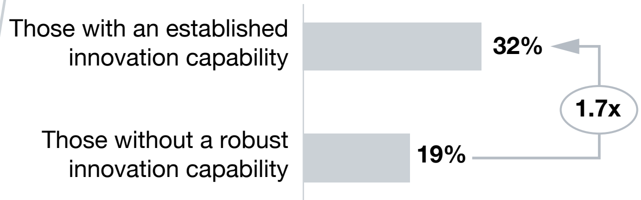
Percentage of global companies agreeing to innovation practices



Proportion of global companies with established innovation capabilities, based on innovation capability



Proportion of total sales attributable to new products or services, based on innovation capability



Innovation-led diversifications

Companies that have built strong innovation capabilities not only generate significantly higher revenues from new products and services, but they are also uniquely positioned to diversify into new sectors with greater agility. Delhivery is a notable example.

"We are exploring opportunities in financial services. Given the wealth of information we have and our strong network of partners—especially in trucking, fleet, and manpower—we see potential to innovate by offering vehicle financing to support them. These are adjacent areas that may not directly impact our core network, but can help our partners or help us get better, enhancing overall efficiency."

Kapil Bharati
Co-Founder and CTO, Delhivery

Other Indian companies too have enhanced their innovation capabilities to successfully diversify into new sectors. For instance, an Indian company largely known for its presence in the SUV and EV sectors entered the AgriTech sector by leveraging innovations through strategic ties with technology companies. It partnered with a company in the Middle East to develop technology which creates controlled environments to allow year-round, high-yield farming. Yet another organisation is providing affordable housing with its prefabricated, modular construction technologies. The company combines innovation with scalable construction methods to deliver homes that are environmentally friendly and more economical compared to traditional construction techniques.

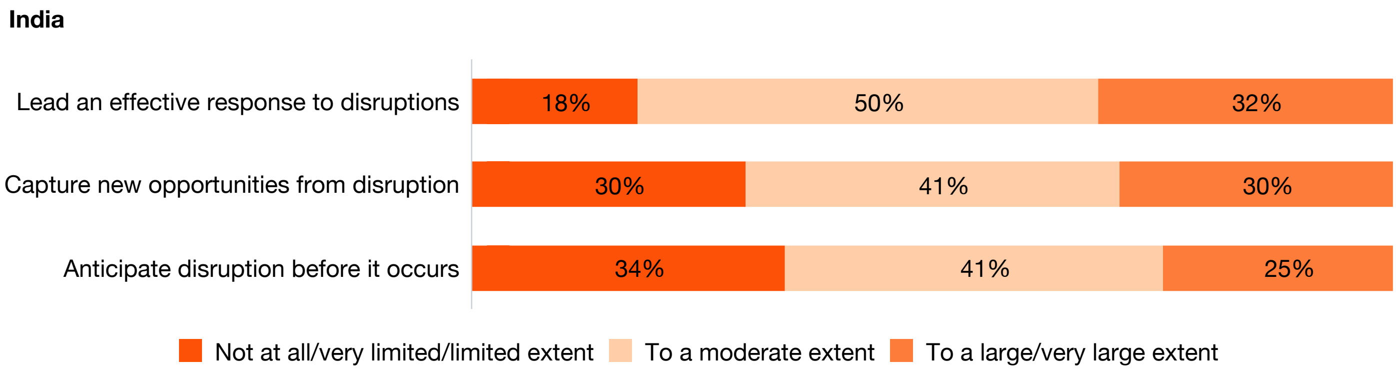
By continuously developing and iterating new ideas, processes, and business models, companies focusing on innovation as a strategic lever can identify and capitalise on emerging opportunities faster than their competitors. Moreover, innovation-led diversification helps mitigate risks by reducing dependence on any single market or product line, building resilience amidst macroeconomic headwinds and technological disruptions.

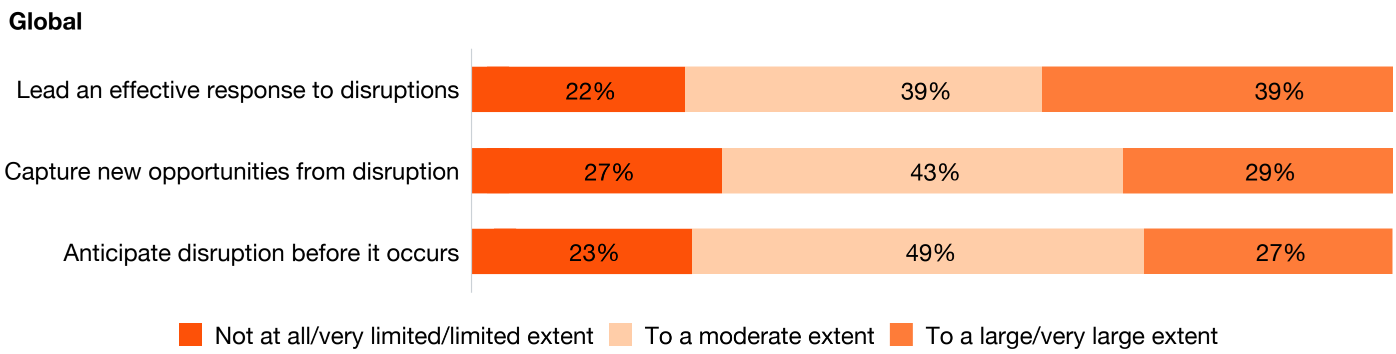
The reinvention opportunity

While disruptions may pose risks, they also create opportunities for companies that are agile and prepared to innovate. And yet, less than one-third of India and global CEOs believe their companies are ready to capture new business opportunities arising from disruptions.

30% of global and India CEOs say they are prepared to capture new opportunities from disruption to a large extent

To what extent has your C-suite's leadership prepared your company to take the following actions while navigating major disruptions?





By exploring new sectors and innovating boldly, companies can better position themselves to navigate uncertainty. As traditional sector boundaries dissolve and industries reconfigure, businesses can rapidly diversify to seize value in motion. According to PwC's recent research, Indian businesses can unlock USD9.82 trillion in gross value added (GVA) by 2035 by tapping into domains of growth—markets where businesses go beyond traditional sector boundaries to address fundamental human and industrial needs such as how we move, feed, connect and compute, build, among others.[13] Collaborating with ecosystem players and external partners is key to generating value within these domains.

"Within Tata Steel, our strength lies in a long and integrated value chain—from mining to steel production, downstream businesses, and now, recycling. We see recycling not just as a responsibility, but as a strategic opportunity. Our first urban mining initiative focuses on recycling printed circuit boards (PCBs) and electronics, unlocking valuable metals like copper, gold, and silver. This could be a game changer because if we can recover these metals efficiently, it would reduce the need for traditional mining of copper, gold, or silver in the future. This is what long-term thinking looks like— anticipating value shifts and deploying capital where the future will be."

T. V. Narendran
CEO and Managing Director, Tata Steel

13. PwC, Value in motion

Your next moves

1. Focus on technology-driven growth

2. Fast-track growth with co-innovation

1. Focus on technology-driven growth

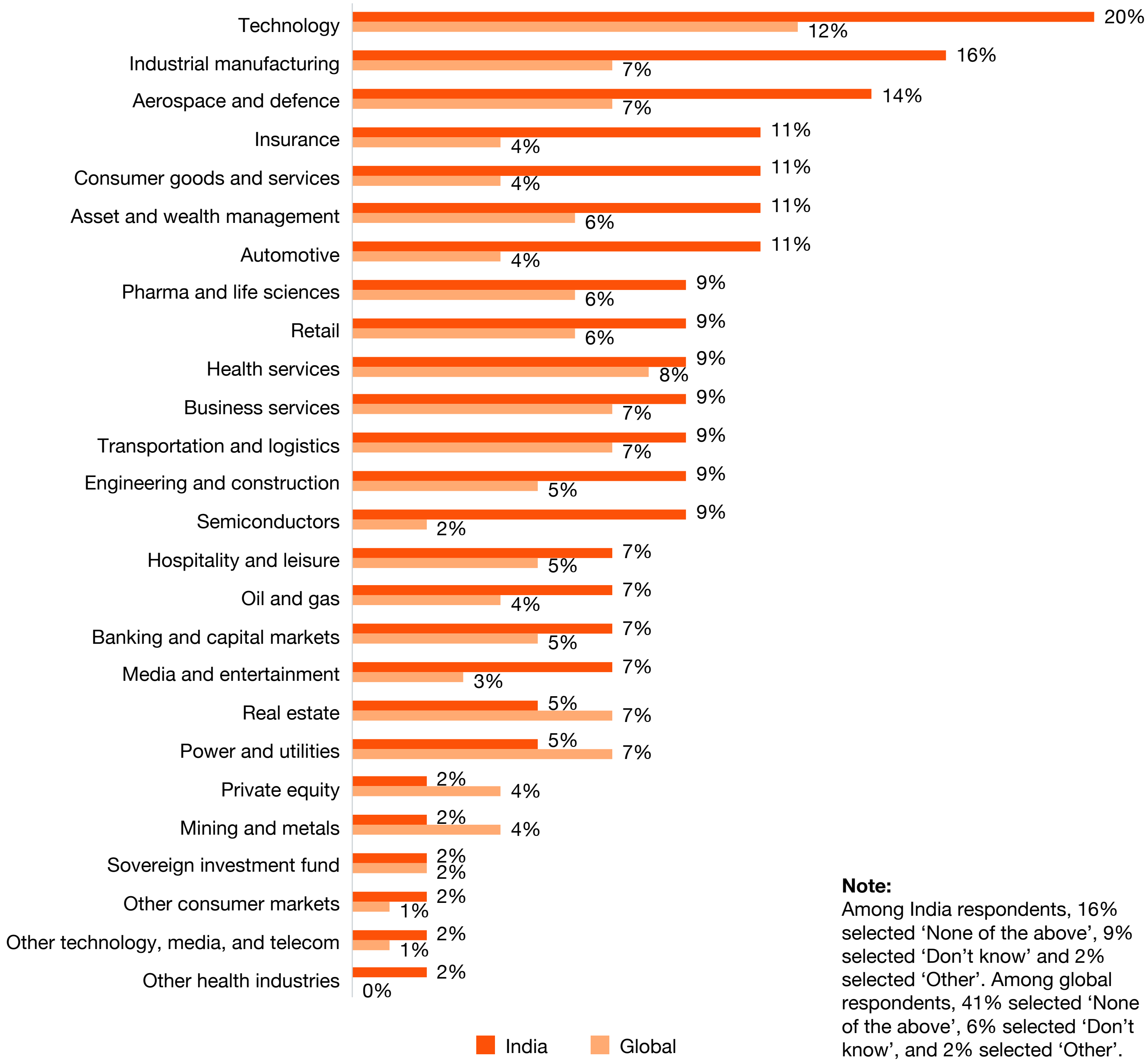
Notably, many organisations pursuing diversification are gravitating towards the technology sector, recognising its potential for growth and disruption. Nearly a quarter of CEOs globally say that outside the industries they operate in currently, they seek to grow their business in the technology sector in the next three years. The top industries that India CEOs would like to venture into over the next three years are technology (20%), followed by industrial manufacturing (16%), and aerospace and defence (14%).

“At the group level, we are shaping the future by entering new sectors that will define tomorrow—electronics and semiconductors being prime examples where significant capital is already being invested. We are also driving innovation in mobility, spanning commercial vehicles, passenger cars, and electric vehicles.”

T. V. Narendran
CEO and Managing Director, Tata Steel

Nearly a quarter of India CEOs say that in the next 3 years their companies seek to grow their businesses in the technology sector

In which of the following industries (if any), outside of your own, will you seek to grow your business (including partnering with others to do so) over the next three years?



Note:
Among India respondents, 16% selected 'None of the above', 9% selected 'Don't know' and 2% selected 'Other'. Among global respondents, 41% selected 'None of the above', 6% selected 'Don't know', and 2% selected 'Other'.

Diversifying into the technology sector unlocks vast opportunities for growth, innovation, and competitive advantage. It enables digital transformation by helping companies transition to digital platforms, improving operational efficiency, customer experience, and competitiveness. It also strengthens regulatory and security compliance as global data protection and cybersecurity standards become more stringent, prompting businesses to invest in technology for adherence and risk mitigation. Additionally, it addresses evolving consumer expectations driven by rapid digital adoption, allowing companies to deliver personalised services, intuitive digital interfaces, and data-driven insights that enhance customer satisfaction.

While organisations are keen to pursue technology-led growth, it's critical to move past the hype and allure of the newest tools. CEOs should prioritise technologies—individually or in combination—that deliver clear ROI and support strategic objectives.

Future-ready companies are already taking decisive steps.

Access to cutting-edge advancements such as AI, cloud computing, and digital platforms, which can transform traditional business models and create new revenue streams, is also prompting investments. An Indian real estate group has launched a subsidiary, offering colocation, cloud, and AI services. With India's data centre capacity projected to increase fivefold by 2030,[14] the subsidiary is building an ultra-scalable, hyper-density data centre ecosystem to meet surging demand.

The key then is to identify areas with untapped potential—white spaces—and pinpoint issues that need solutions.

> "Often, we start with a solution in hand and then search for a problem to fit it. Instead, we need to flip that approach—identify the real problem first, then design the solution. This mindset shift is critical in innovation and technology."

Kapil Bharati
Co-Founder and CTO, Delhivery

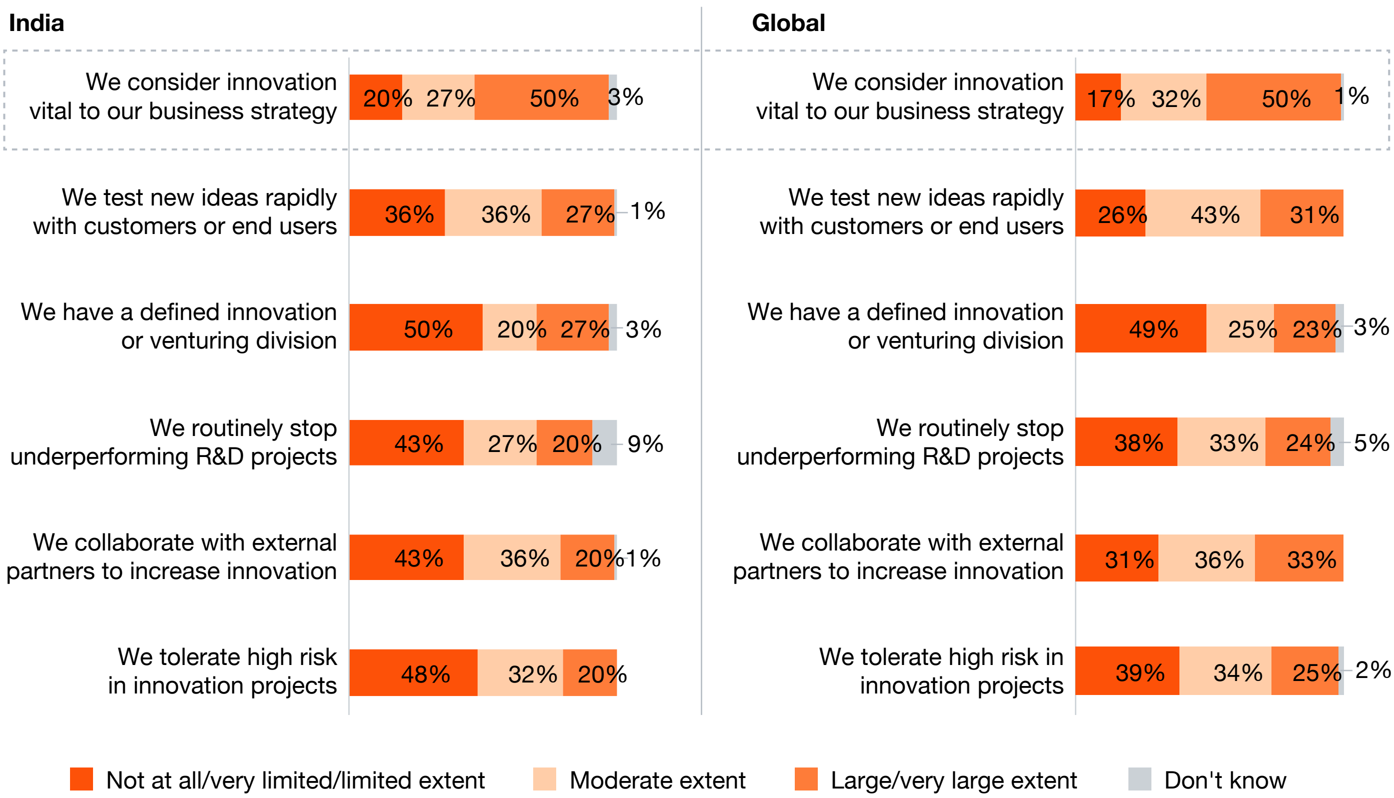
14. The Economic Times, India's data centre capacity set to grow 5x to 8GW by 2030: Jefferies

2. Fast-track growth with co-innovation

Although half of India CEOs acknowledge innovation as critical to their business strategy, 50% admit that they lack a defined innovation or venturing division, and 48% report they do not have high risk tolerance for innovation projects. Additionally, 43% of India CEOs, as against 31% of global CEOs, are not collaborating with external partners to accelerate innovation, potentially missing valuable opportunities.

50% of India CEOs and an equal global percentage acknowledge that innovation is vital to their business strategy to a large/very large extent

To what extent do each of the following statements characterise your company's approach to innovation?



Companies could fast-track their innovation efforts and develop a robust innovation ecosystem by fostering collaboration both within and beyond their immediate network. Organisations could focus on developing co-innovation platforms, rigorously testing them to generate insights, and continuously refining them to deliver measurable business value.

The COVID-19 pandemic highlighted the power of innovation ecosystems in driving rapid breakthroughs. In developing a vaccine, a pharma company integrated its manufacturing and distribution strengths with a biotechnology firm's cutting-edge technology while collaborating with other stakeholders to meet urgent public health needs effectively.

When organisations collaborate within business ecosystems, they generate value beyond what each company can independently achieve. According to PwC's research, leading companies are 1.6 times more likely than others to leverage these ecosystems, gain access to new customers and markets, privileged insights like data on customer needs, and complementary skills and capabilities.[15]

Companies are increasingly partnering with technology firms and cloud service providers to accelerate innovation to leverage advanced expertise to develop new products, streamline operations, and respond faster to market changes. For instance, an Indian power company has collaborated with a cloud computing company to modernise its digital infrastructure and drive intelligent energy management. The partnership harnesses cloud computing, AI, and IoT to build a smarter, more efficient power ecosystem.

Co-innovation is increasingly taking place across countries and industries. For example, the BRICS Startup Knowledge Hub—a first-of-its-kind platform for BRICS nations—aims to strengthen startup ecosystems and foster cross-border collaboration.[16] Industry-academia partnerships are also driving co-innovation. A notable example is NTPC collaborating with IIT Bombay to conduct R&D and feasibility studies on converting CO_2 into useful products.[17]

For companies aiming to accelerate innovation cycles, shorten time to market, and create products and services that meet evolving customer needs, co-innovation is the path forward.

15. PwC, Value in motion
16. ET compendium
17. NTPC press release

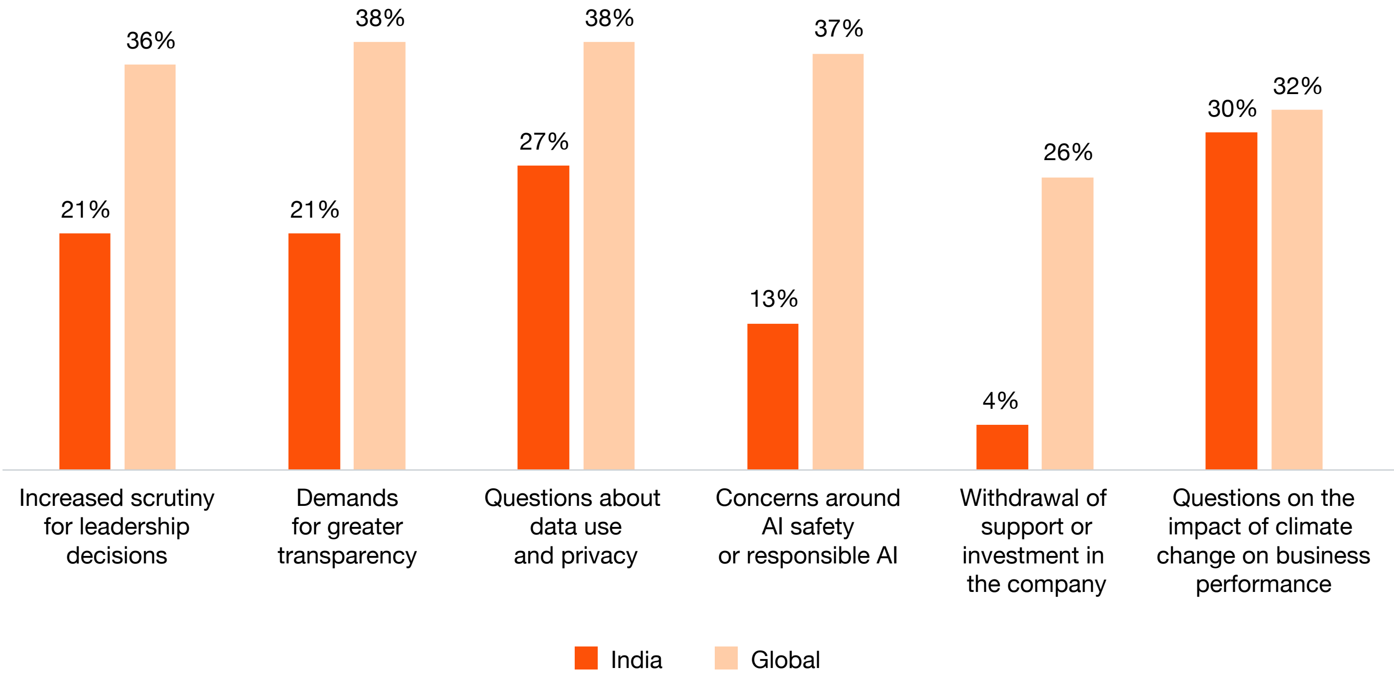
Trust in an AI-led world

Two-thirds of companies worldwide faced stakeholder trust concerns to at least a moderate extent over the past 12 months, centred on issues such as AI safety, data privacy, transparency, and the impact of climate change on business performance. During the same period, 36% of global CEOs—compared to 21% of India CEOs—say that their decisions were scrutinised at least moderately by key stakeholders.

21% of India CEOs have seen their leadership decisions scrutinised at least moderately by key stakeholders in the last 12 months

In the past 12 months, to what extent has your company experienced any of the following trust concerns from your key stakeholder groups (e.g. the board, customers, regulators, investors, employees)?

Trust concerns experienced in the last 12 months, percentage of CEOs responding at least 'to a moderate extent'



Interestingly, 30% of India CEOs say their companies have faced trust concerns related to the impact of climate change on business performance. In response, they are proactively implementing initiatives to mitigate environmental risks, enhance sustainability, and ensure long-term resilience.

Companies are also factoring in climate change considerations into core business areas. 66% of CEOs in India report that their companies have well-established processes in place—either to a moderate, large, or very large extent—for identifying and managing opportunities and risks related to climate change specifically within their supply chain and sourcing activities. Additionally, more than 50% of India CEOs say that their companies have well-defined processes to account for the opportunities and risks associated with climate change in capital allocation, including M&A, and product design and development.

> “We are setting up a scrap-based green steel plant in Ludhiana, powered by renewable energy. This facility will produce steel with one-tenth the CO_2 emissions compared to conventional methods, in line with our net zero by 2045 initiatives.”

T. V. Narendran
CEO and Managing Director, Tata Steel

Proactively building trust is critical, as it directly drives stronger financial performance. Our research shows that companies with the fewest trust concerns delivered total shareholder returns over a 12-month period that were, on average, nine percentage points higher than those experiencing the most trust concerns.

CEOs must therefore treat stakeholder trust as a strategic imperative, given its direct influence on shareholder value. In an AI-driven era, trust must be cultivated and sustained across multiple dimensions—from confidence in the ethical and responsible deployment of AI technologies to trust in corporate actions such as addressing climate change and safeguarding customer data.

"We've implemented strict protocols to safeguard personal information. All data we capture is encrypted both at rest and in transit. Access is granted only when necessary and limited to individuals who need it—for example, an address is shared solely for delivery purposes and only at the point of requirement. This evolution has taken place over the past five to six years. When we started in 2011, the priority was business continuity at any cost, but over time we introduced robust checks and balances, learning some lessons the hard way."

Kapil Bharati,
Co-Founder and CTO, Delhivery

As AI technologies increasingly shape the future, establishing clear governance is essential to ensure that innovation remains ethical and effective. For instance, facial recognition technology represents a significant innovation but also raises important privacy concerns that must be carefully managed.[18]

"Protecting our information is as critical as innovating with it. This is critical to building and leading with trust and that can happen only if we are able to safeguard our digital future."

T. V. Narendran
CEO and Managing Director, Tata Steel

18. PwC, Facial recognition in retail

Embedding trust at the core of business strategy therefore is a leadership mandate and should be prioritised as a boardroom agenda item. Operational trust built on efficient, resilient operations, accountability trust driven by high-quality reporting and communications, and digital trust based on reliable and secure systems and processes are interlocking dimensions that need to be factored in to build stakeholder trust. Investing in frameworks rooted in transparency, ethical AI governance, and rigorous data stewardship in turn demands decisive action from leaders, regardless of industry or scale.

"In large enterprises, everything is well defined and structured. There are different checks and balances. In a startup environment, it's different—leaders must make tough, high-stakes decisions quickly and decisively. Choices like whether to hire a critical resource can feel daunting, yet hesitation can be costly. As a founder, especially in the early stages, you cannot afford indecision. Good, bad, or wrong—decisions must be taken, and you have to move on. People look to you for direction, and leadership in such contexts is defined by the ability to act decisively under uncertainty."

Kapil Bharati,
Co-Founder and CTO, Delhivery

In an era defined by rapid technological shifts and rising stakeholder expectations, leaders who champion trust by design will not only safeguard resilience but also unlock enduring value.

About PwC

We help you build trust so you can boldly reinvent

At PwC, we help clients build trust and reinvent so they can turn complexity into competitive advantage. We're a tech-forward, people-empowered network with more than 364,000 people in 136 countries and 137 territories. Across audit and assurance, tax and legal, deals and consulting, we help clients build, accelerate, and sustain momentum. Find out more at www.pwc.com.

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