India Business Expansion Opportunities | Insights

HSBC · 2026-08-18 · English original

With an economy fast approaching USD4 trillion, India offers high growth and scalable market opportunities for international businesses.

India is firmly established as one of the world's fastest growing major economies. The country's top economic adviser, V Anantha Nageswaran, has forecast annual growth of up to 7.4% for the current fiscal year, a trajectory that would see the country's GDP cross the USD4 trillion threshold as soon as next year.1

India's growth has made it a magnet for foreign direct investment, with annual inflows averaging USD83 billion since 2022.2 Investments along the South-Southeast Asia corridor are especially active: a recent HSBC survey found that international businesses in Thailand and Malaysia were the most likely of 18 markets globally to be eyeing expansion in India.

With a vast, growing domestic market, a dynamic digital economy and a rising profile in global supply chains, India holds huge appeal for international businesses. Capturing these opportunities, however, will require the ability to navigate India's scale, complexity and diversity with precision.

The allure of India's digital transformation

For businesses looking to gain a foothold in the Indian market, the country's accelerating digital transformation stands out as a pathway to new opportunities.

The digital economy is expected to contribute nearly 20% of GDP by 2030, up from around 13% today.3 Around 150 million new consumers will become digital shoppers by 2030, according to a joint report by Google and Deloitte, significantly broadening the addressable market for businesses that can navigate the country's e-commerce landscape.4

Demand for digital infrastructure is also accelerating nationwide, driven by the growth of digital commerce and the adoption of cloud computing, artificial intelligence and other data intensive technologies. The data centre sector is poised for rapid expansion, with installed capacity expected to reach 4-5 gigawatts by 2030.5

Building resilient infrastructure and liveable cities

Infrastructure is another growth engine. Over the past decade, India has nearly doubled its aviation and high-capacity road networks.6 Infrastructure spending for the current fiscal year is set to rise to INR12.2 trillion (USD133 billion), up from INR11.2 trillion (USD122 billion) last year, underscoring a concerted, nationwide effort to strengthen the foundations for more liveable, connected and resilient cities.7

At the same time, demand for power is growing rapidly. India is now the world's third-largest electricity consumer, and power consumption is projected to more than triple by mid century highlighting the need for further investment in generation and distribution.8 Climate change, with increasingly erratic monsoons and more intense floods, is also adding to the need for investment in more resilient and sustainable infrastructure.

International businesses have a role to play in India's infrastructure build-out — from supporting energy transition and large scale urban and transport projects, to helping deploy energy efficient technologies, smart grid solutions and in developing climate resilient supply chains.

The evolution of global trade networks also presents a significant opportunity. India is well-placed to capture a larger share of global manufacturing as multinational companies diversify their production capabilities and emerging trade corridors take shape. Total exports reached a record USD860 billion in the last fiscal year.9

Combining local expertise and global integration

International companies entering or expanding in India must navigate a fragmented, diverse market that is often compared to a collection of individual nations, with stark differences in language, culture and business practices.

Capturing India's potential increasingly requires a broad footprint. Some 93% of new urban consumers over the next 15 years are expected to come from beyond the country's five largest cities.10

Businesses operating in India also need to contend with a complex framework of local, state, and federal laws that are subject to frequent amendments. This includes complex labour laws and sector-specific regulations that add to the time and cost involved in maintaining compliance. High transaction costs and infrastructure inefficiencies — such as congested ports and transportation delays — can also erode competitiveness.

At the same time, suppliers and partners in India have high expectations for speed, thanks to India's world-leading real-time payments ecosystem. The Unified Payments Interface (UPI) has transformed everyday transactions, processing 228.5 billion payments in 2025.11

This means new entrants must be prepared to manage payments in real time, contending with local currency exposure and complex reconciliation demands driven by high transaction volumes. Robust FX and cash management capabilities are an essential enterprise priority.

Integrating Indian operations into global supply chains also calls for sophisticated trade solutions that allow international companies to embed financing seamlessly into their ERP systems, logistics networks and digital platforms.

Compliance with global sustainability goals can also require specialist expertise to help firms track the performance of their local operations. A strategic banking partner can identify green finance opportunities – an area of growing relevance as capital flows are directed towards supporting transition pathways in developing and high-emission economies.

HSBC's Indian leadership has been very well engaged beyond the transaction. They helped us execute the transaction efficiently and seamlessly, something very few banks could have delivered at this scale.

How HSBC can help access opportunities

HSBC has long supported international clients at pivotal moments in their India journey. Our track record in India dates back to the establishment of the Mercantile Bank of India in 1853, and HSBC opened its first branch in Kolkata in 1867. Today we operate 30 branches in 18 cities and employ over 44,000 staff.

We have helped multinational retailers and e-commerce companies navigate India's regulatory landscape and expand their Indian operations. We have supported innovative businesses like Ather Energy, an electric scooter manufacturer, as they go from start-up to IPO, facilitating access to growth capital and establishing the firm as a publicly traded company.

Our acquisition finance and global treasury solutions have also helped companies like KPIT expand across borders with real-time visibility over their cashflows in India and around the world. Today, HSBC's systems help facilitate more than three-fifths of daily payments carried out by two of the country's leading e-commerce platforms.

In India, where vast opportunity comes with high complexity, this combination of global connectivity and local expertise is critical. And it also enables us to support Indian businesses undertaking substantial strategic moves into other markets. When Sudashan Chemicals acquired Germany's Heubach Group in March 202512, HSBC's global liquidity solutions, currency risk management and working capital optimisation offerings offered vital support.

"What sets HSBC apart is their global network, structuring expertise and ability to move quickly across markets," said Rajesh Rathi, Chairman and MD, Sudarshan Chemicals. "HSBC's Indian leadership has been very well engaged beyond the transaction. They helped us execute the transaction efficiently and seamlessly, something very few banks could have delivered at this scale."

HSBC India's Global Network Banking (GNB) division serves nearly half of all multinational companies operating in India. With dedicated China, Taiwan and Korea desks in the country and US and UK desks offshore, we also provide tailored solutions for businesses operating across these important trade corridors.

In GIFT City, India's international financial centre, HSBC is the first foreign bank to launch cash pooling for regional treasury centres and custody services. This leading position was recognised at the GIFT International Banking Forum, where HSBC was named Bank of the Year in 2025.

HSBC was also the first bank to launch sustainable Supply Chain Finance (SCF) solutions in India, helping enterprises manage payment cycles while incentivising sustainable practices.

Whether it's predictive working capital, embedded finance solutions or business advisory, HSBC helps international clients expand in India with confidence, helping them capture opportunities in one of the world's most dynamic growth markets.

Sources

1 https://www.reuters.com/world/asia-pacific/indias-gdp-growth-estimated-78-oct-dec-following-data-revamp-2026-02-27/ 2 https://www.fortuneindia.com/business-news/indias-greenfield-fdi-inflow-announcements-at-83-bn-annually-since-2022-mckinsey/126918 3 https://economictimes.indiatimes.com/small-biz/security-tech/technology/indias-digital-economy-to-account-for-20-of-gdp-by-2030-meity-secy/articleshow/129647858.cms 4 https://www.deloitte.com/in/en/about/press-room/indias-e-commerce-market-set-to-reach--250-billion-by-2030.html 5 https://www.businessworld.in/article/india-s-data-centre-boom-to-push-capacity-to-5-gw-by-2030-vestian-601963 6 https://www.pib.gov.in/PressNoteDetails.aspx?NoteId=154624&ModuleId=3 7 https://www.aljazeera.com/news/2026/2/1/indias-budget-bets-on-infrastructure-manufacturing-amid-global-trade-war 8 https://www.cfr.org/articles/indias-struggle-for-cleaner-power 9 https://www.pib.gov.in/PressReleasePage.aspx?PRID=2252272&reg=3&lang=1 10 https://www.weforum.org/stories/2026/02/massive-urban-shift-in-india-consumer-growth-decentralizing/ 11 https://worldline.com/en-in/home/main-navigation/resources/reports-and-insights/2025/india-digital-payment-report-calendar-year-2025-in-

review 12 https://www.sudarshan.com/newsroom/sudarshan-chemical-completes-acquisition-of-heubach-group/
