

Family controlled listed companies - India leads in Asia

A study conducted by the global financial services provider Credit Suisse, found that 67 percent of all listed companies in India were family-controlled firms. Having two out of every three listed companies being family-controlled, India emerged with the largest block of family businesses within Asia.

The study was done across ten largest economies of Asia that included prominent ones like - China, India, Indonesia, Hong Kong, Singapore and South Korea among others. China having a state owned economic structure had the lowest percentage of family businesses (13 percent).

The study observed that family businesses in India make substantial contributions to investments and account for half of all corporate hirings. The study also found that compared to non-family businesses, Indian family businesses have consistently grown stronger since 2006 and posted a healthy 15.8 percent total annual return during the period 2000-2010.

Across Asia, family firms were more into consumer sector followed by financial and industrial sectors. However in India, family controlled firms had a stronger presence in technology-related businesses.

During the decade spanning from the year 2000 to 2010, Asian family businesses outperformed their local benchmarks in seven of the top 10 Asia markets studied. This was despite two strong economic downturns – the internet bubble burst (at the start of the decade) and the global financial crisis in 2008-2009. The study covered 3568 publicly listed family businesses, each with market value of more than USD 50 million.

Source: Press Trust of India, November 3, 2011