INDIA — SURGING AHEAD

Indian Business Landscape at a glance
Indian Economy Snapshot

- Economy grew by 7.6%
- Population: 1.25 billion
- $2 Trillion economy
- FDI: $29 Billion
- Moderate inflation: 5~6%
- Trade: Exports $262Bn; Imports $380Bn
- Unemployment: Rate 4.9%
- Forex: $367 Billion
- Sectoral contribution to GDP:
  - Agriculture: 17.5%
  - Industry: 31.8%
    - Manufacturing: 17.4%
  - Services: 50.7%
World Bank: India’s growth for 2016-17 fiscal “still robust” @ 7% despite demonetisation.
India will regain momentum with 7.6% growth in 2018 and 7.8% growth in 2019.
India: The Most Attractive Global Investment Destination
Young Demography

- Young Demography: A window of opportunity
- World’s youngest country by 2020 with an average age of 29 years
- Surplus workforce of 47 million
- By 2030: India’s workforce will have an average age of 32 years
Ease of doing business

- **Single-window clearance**, 14 central government services are integrated with e-Biz portal.

- **Goods and Services Tax approved**
  - In place by Jul 2017
  - GST is a destination based tax on goods and services
  - Levied at all stages: Manufacturing to Consumption
  - Only the value addition will be taxed

- **New Bankruptcy Law Passed**
  - Vital reform that will make it much easier to do business in India
  - Quicker resolution of cases and unlock value of assets

- **New IPR policy** announced
  - Policy aims to push IPRs as a marketable financial asset to promote innovation and entrepreneurship

- **Road map to reduce corporate tax** from 30% to 25% laid down.

Investor Facilitation Cell — **INVEST INDIA** established to guide, assist and handhold investors during the entire life cycle of a business.
Make-in-India program

The Make-in-India (MII) program was launched on 25 Sept 2014.

- MII focuses on:
  - Attracting investment into manufacturing
  - Increase manufacturing share in GDP from 16% to 25% by 2022.
  - Create 100 Mn additional jobs by 2022.
  - Completely overhaul the FDI regime.
FDI

No. 1 FDI Destination in the World.

Most open economy in the world for FDI

BPI Ranking (2015)

<table>
<thead>
<tr>
<th>Country</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>1</td>
</tr>
<tr>
<td>U.S.</td>
<td>50</td>
</tr>
<tr>
<td>China</td>
<td>65</td>
</tr>
<tr>
<td>Brazil</td>
<td>99</td>
</tr>
<tr>
<td>Russia</td>
<td>108</td>
</tr>
</tbody>
</table>

Factors on which success of FDI depends on:

- Growth of Asset Value
- Preservation of Value while the asset is owned
- Ease of repatriating profits

“As per BPI Index, India is the Best Bet for Investors”

No. 1 Rank out of 110 countries on the Baseline Profitability Index (BPI) – 2015

Yes, most open economy in the world for FDI

Most attractive FDI destinations:

Greenfield investment 2015 (Bn$)

- India: 63
- China: 56.6
- Brazil: 17.3
- Mexico: 24.3
- Indonesia: 38.5

Source: FDI Intelligence
100% FDI allowed in 92% of sectors, including:

- Industrial Parks, and Construction Development
- Railways, Telecom, Defence and Petroleum & Natural Gas Exploration
- Airports
- Mining
- Credit Information Companies, Non-banking Finance Companies, and Asset Reconstruction Companies
- Pharma, Bio-tech, Medical devices
- Trading

INDIA FDI FLOWS (US$ billion)

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount (US$ billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011-12</td>
<td>46.84</td>
</tr>
<tr>
<td>2012-13</td>
<td>36.86</td>
</tr>
<tr>
<td>2013-14</td>
<td>36.39</td>
</tr>
<tr>
<td>2014-15</td>
<td>44.87</td>
</tr>
<tr>
<td>2015-16</td>
<td>55.46</td>
</tr>
</tbody>
</table>
Growth drivers of the Indian Economy at a glance- Top sectors in focus
IT-Business Process Management (IT-BPM) industry constitutes 8.1% of India’s GDP.

Global IT firms setting up innovation centres in India.

Cost competitive—3 to 4 times cheaper than the US.

TOP SECTORS IN FOCUS

ELECTRONICS
One of the fastest growing sectors
Electronics imports- 3rd highest, next to crude and gold

IT

PHARMACEUTICALS
Recognized globally for high quality medicines at affordable prices
VISION- To catapult India to top five pharmaceutical innovation hubs by 2020

PHARMACEUTICALS

E&RD
E&RD market is expected to reach US$ 38 Bn
Contributed 40%, of the total of $31 billion of globalized engineering and R&D in 2015

MEDICAL EQUIPMENTS
Market size @ US$ 5.5Bn
Expected to be a USD 25-30Bn industry by 2025

BIOTECHNOLOGY
India @ Top12 biotech destinations in the world
100% FDI is allowed

BIOTECHNOLOGY

ITALY
AUTOMOTIVE

• Most **competitive** industry in the world.
• Produced **19.84 million vehicles**
• Attracted **FDI worth US$ 15.07 billion**
• **Fast paced** growth
• Turnover **@ US$ 40 billion**
• Exports **@ US$ 11 billion**

100% FDI allowed in auto sector via the automatic route

Auto sector contributes 7% of India’s GDP

3rd largest market globally
Annual turnover **@ USD 145 billion**
100% FDI by automatic route allowed for developing:

- Townships
- Roads & Bridges
- Residential & Commercial premises
- Hotels & resorts
- Hospitals
- Educational institutions
- Recreational facilities
- City and regional level infrastructure

- **Foreign investors** permitted to **exit and repatriate foreign investment** before the completion of project under automatic route, subject to a lock-in-period of three years.

- **Lock-in period will not apply for FDI** into hotels and resorts, hospitals, SEZs, educational institutions, old age homes and NRI investments.
Textiles & Garments

Current market size @ $127 Billion

100% FDI allowed in Textiles

2nd largest producer of textiles in the world

60% textile & garments exported to U.S. and EU

Textiles contribute 5% to GDP

- GOI approved a Rs 6,000 crore (US$900 million) package for textiles sector
- Technology Upgradation Fund Scheme (TUSF): budget provision of Rs.17,822 crores; generate 3 million jobs.
- Apparel and Garment Centres set up promote entrepreneurship in apparel sector
E-commerce

- E-commerce business valued @ US$ 38 Bn, 2016
- 70 Mn online shoppers
- 63% of e-commerce is travel-related
- E-tail business @ 29%
- Mobile/DTH recharge >1 Mn transactions/day
- India's Internet economy to reach a value of US$200 billion by 2017.
- 100% FDI via automatic route is permitted in B2B e-commerce
## Renewable Energy

### Grid-connected Capacity (Sept. 2016):

<table>
<thead>
<tr>
<th>Renewable Source</th>
<th>GW</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wind</td>
<td>28.08</td>
</tr>
<tr>
<td>Solar</td>
<td>8.51</td>
</tr>
<tr>
<td>Bio-Power</td>
<td>4.99</td>
</tr>
<tr>
<td>Small Hydro</td>
<td>4.32</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>45.91</strong></td>
</tr>
</tbody>
</table>

### Off-Grid /Captive Power (Sept. 2016):

<table>
<thead>
<tr>
<th>Renewable Source</th>
<th>GW</th>
</tr>
</thead>
<tbody>
<tr>
<td>Waste-to-Energy, Biomass cogeneration, Biomass Gasifiers,</td>
<td>1.38</td>
</tr>
<tr>
<td>Aero-generators, Solar Photovoltaic Systems, Water Mills</td>
<td></td>
</tr>
</tbody>
</table>

### India’s Intended Nationally Determined Contribution (INDC)

- **Reduce** the emissions intensity per unit GDP by 33 to 35% below 2005 by 2030
- **Increase** the share of non-fossil-based power capacity from 30% today to about 40% by 2030
- Create an **additional carbon sink** of 2.5 to 3 billion tons of CO2 through additional forest and tree cover

India needs as much as $200 billion to meet its new target of installing 100 GW of solar power capacity and 60 GW of wind power capacity by 2022.
**Retail**

Market size @ US$ 600 Bn.

Expected to reach @ US$ 1 Trillion by 2020.

100% FDI permitted under automatic route

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**Food Processing**

Market size @ US$ 191 Bn.

Processed Food Market @ US$ 100 Bn.

No 1 producer of milk in the world

2nd largest producer of fruits and vegetables

3rd largest producer of food grains & fish

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**Tourism & Hospitality**

India ranks 40th globally in terms of international tourist arrivals

Tourism contributes 12.36% of total employment.

Wellness Tourism @3 Billion market

Quality and affordable surgeries for heart bypass, heart valve replacement, angioplasty, knee replacement, spinal fusion

Policy Support:

100% FDI allowed

E-Visa scheme extended to 150 countries.
Big Ticket Urban Renewal Projects – Getting future ready
AMRUT Atal Mission for Rejuvenation and Urban Transformation

AMRUT FOCUS

- Water supply
- Sewerage facilities
- Parking spaces
- Upgrading green spaces

Transforming Cities into Efficient Urban Living Spaces

500 cities selected

Total estimated outlay @ USD7.5 billion till 2019

BUSINESS OPPORTUNITIES

- Water treatment plants
- Waste management
- Urban transportation
- Green zone components
Urban development

- **100 Smart Cities** — Retrofit/Redevelop or build Greenfield cities planned.

- **Growing Urbanization** ~75% of GDP by 2030.

- **Smart City Mission**: Drive economic growth and improve the quality of life

- **100% FDI**

- **Easy exit option for foreign investors.**

Investment Outlay:

- Smart Cities Mission from FY2015-16 to FY2019-20 is more than **US$15 billion.**

- Atal Mission for Rejuvenation and Urban Transformation (AMRUT) from FY2015-16 to FY2019-20 is appx. **US$7.5 billion**
Power for All (PFA)

- **24x7 power** to all Households, Industry, Commercial Businesses, Agriculture Farm Holdings

- PFA covers the *entire spectrum of the power sector* including Generation, Transmission, Distribution, Renewables, Energy Conservation and Customer Initiatives

- Setting up **5 new coal–based Ultra Mega Power Projects**

**International Solar Alliance (ISA)**

- Coalition of **121 prospective member countries**, Treaty-based organization, headquartered in India.

- **27 Countries** already signed up.

![Energy Sources Pie Chart]

- **Thermal** 70%
- **Nuclear** 2%
- **Hydro** 14%
- **Renewables** 14%
START-UP INDIA

- No. 3 globally in terms of the number of start-ups.
- 19,000 technology-enabled start-ups.
- World's youngest start-up nation
- Bengaluru ranks 15th globally in Start-up Ecosystem Ranking for 2015.
- Total Start Up investment $ 7.2 billion in 2015.

Features:
- Simple Compliance Regime
- Legal support & fast-tracking patent examination at reduced costs.
- Faster Exit
- Fund support through a corpus of US$ 1.5Bn.
- Credit guarantee support
- Tax exemption for 3 years.
VISION

- Digital infrastructure for every citizen - it includes internet availability, digital identity, mobile phones etc
- Governance and services on demand - it includes real-time availability of services on mobile phones and online platforms
- Digital empowerment of citizens - it encompasses universal digital literacy

DIGITAL INDIA: A VISION FORWARD

- High Speed Wi-Fi Connectivity
- Digital Literacy
- Digital Technology enabled Farming
- IT Jobs
- Smart Phones & applications
- Telemedicine
- Broadband Highways
- Information for all
- e-Kranti
DIGITAL INDIA

ACTION PLAN:

- Setting up of a **pan-India fibre-optic network**.
- **Wi-Fi services** in cities with a population of more than 1 million.
- **Broadband access** to 250,000 village clusters by 2019
- Universal **mobile phone connectivity**
- Achievement of a **leadership position in IT** toward betterment of health, education and banking services

BUSINESS OPPORTUNITIES:

- Electronics manufacturing
- Telecom sector
- On-line education
- Healthcare
- Broadband sector

A **DigiGaon** (Digital Village) initiative to provide tele-medicine, education and skills to villages through **digital technology**

"Reform, Perform, Transform is the mantra of our Government"

– Prime Minister Narendra Modi.
India- positioned favourably for future
India Ranking

- **World Bank** ~ India will be the world’s **fastest growing** major economy in 2017.

- **UNCTAD World Investment Report (2015)** ~ India climbs 6 places to reach 9th rank, joining the league of the world’s top 10 countries by FDI inflows.

- **World Economic Forum 2015** ~ Up 16 places to reach 39th on the **Global Competitiveness Index**.

- **World Bank’s 2016 Logistics Performance Index**. ~ Moved up 19 ranks to reach 35th position.

- **Global Innovation Index** ~ India moved up 16 ranks to reach 66th position.
THANK YOU