

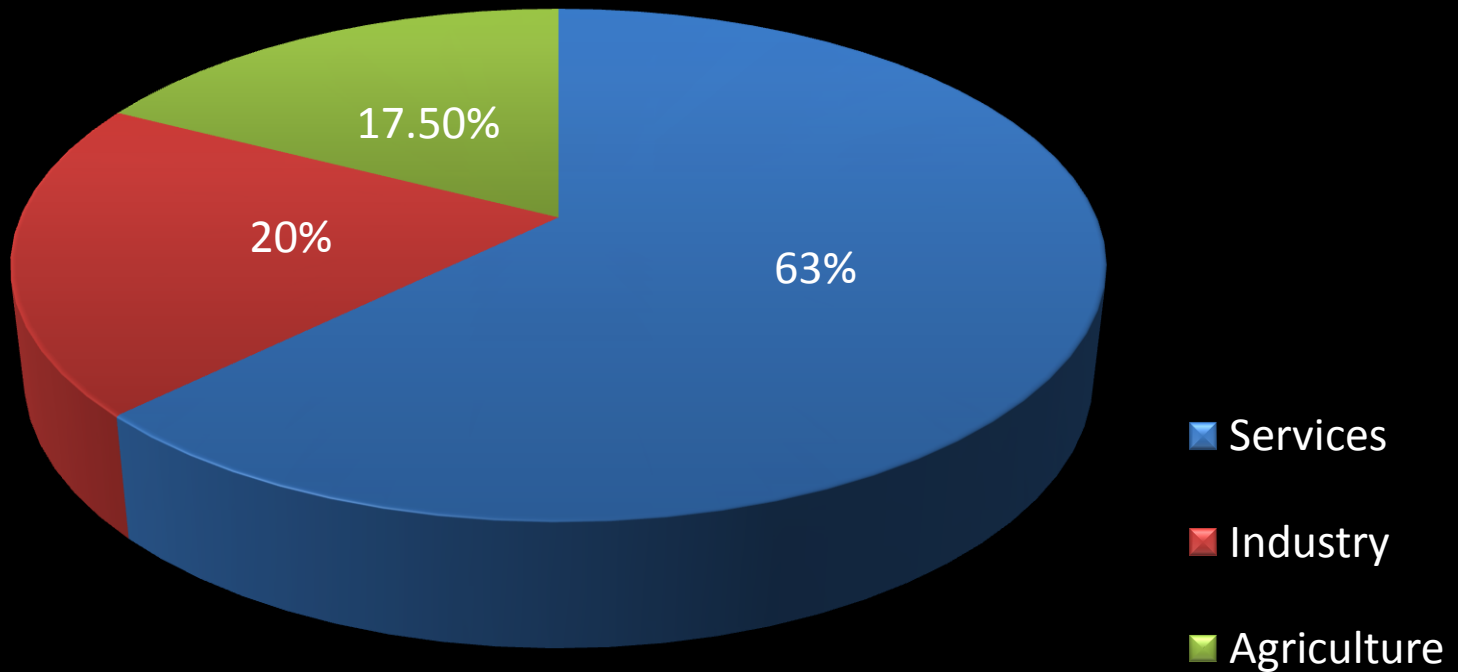
# Doing Business with India: Opportunities & challenges



# Structure of the Presentation

- Story of India's Growth: Existing Trends and Future Plans
- Existing and Emerging Business Opportunities;
- India-U.S. Engagement: Strategic and Convergent.

# Structure of the Indian economy



# India Growth Story– Rapid yet stable



- Exceptional Short and Long-Term Prospects.
- Domestically driven, with large savings rate.
- Second fastest growing economy in the world; A trillion dollar economy since 2007
- Emerging as a Manufacturing, Innovation and R&D Hub

# India's growth story: Principal Drivers

- Vibrant Democracy & Strong institutions.
- Pro-investment government policies.
- Vast pool of technical & scientific manpower.
- Robust production, fast rising industrial and agricultural output.
- Strong Service Sector.
- Revolution in rural-agricultural economy.
- Robustly growing middle class.
- Steady Economic Liberalization Process.
- Major Upgradation of Infrastructure.

# India-2020

- **More numerous, better educated, healthier and more prosperous than at any time in its long history.**
- **Our vision is of a nation bustling with energy, entrepreneurship and innovation.**
- **Information society and knowledge economy built on the edifice of information and communication technology (ICT).**
- **Tripling of installed generation capacity from 101,000 to 292,000 MW by 2020.**
- **Food security for its masses.**
- **Comprehensive Health care and education for its masses.**
- **World Bank estimates that India will become the fourth largest economy in the world by 2020.**
- **targeted annual GDP growth rate of 8.5 to 9 per cent over the next 10 years;**
- **Quadrupling of the real per capita incomes.**

# The Opportunities – Industry and Services



- **Automotive**
- **Pharmaceuticals**
- **Bio-technology**
- **Innovation economy areas**
- **Energy, including renewable**
- **Food processing**
- **Retail**

# Opportunities in High Technology Areas

## IT



- India is among the top 30 countries with regard to parameters supporting IT services.<sup>1</sup>

## Telecommunications



- India is the fastest growing telecommunications market in the world.
- It has the world's lowest call rates (2–3 US cents) and fastest growing subscriber rates (Approximately 15 million per month).
- Leading global telecom equipment manufacturers are present in India.

## Health Care



- The Indian health care sector is valued at USD 34 billion.

<sup>1</sup>Gartner

# Infrastructure---A Challenge and an Opportunity



- **Power**
- **Transportation**
- **Industrial development**

# Our People-our strength

- India ranks first in the availability of qualified engineers in the labour market.\*
- The country adds about 69,000 engineers and science graduates every year.<sup>1</sup>
- India has world-class institutes, such as Indian Institutes of Technology (IITs), Indian Institutes of Management (IIMs) and Indian Institute of Sciences (IISc).

“ India is a developing country but it is a developed country as far as its intellectual infrastructure is concerned. We get the highest intellectual capital per dollar here.”

John Welch, Former CEO  
GE

## Young population – A Demographic Dividend

Population	2001	2006	2011	2016
Total (Million)	1,027	1,114	1,194	1,268
Age Group (Years)	Population Percentage			
0–14	35.6%	32.5%	29.7%	27.1%
<b>15–59</b>	<b>58.2%</b>	<b>60.4%</b>	<b>62.5%</b>	<b>64.0%</b>
60+	6.2%	7.1%	7.8%	8.9%

India's demographic mix is shifting towards the 15–59 years age group

\*Institute for Management Development (IMD) World Competitiveness Year Book 2006

<sup>1</sup>Source: Nasscom

# **UNITED STATES – A PARTNER IN INDIA'S GROWTH STORY**

- **Strategic Partnership: We share common global concerns and face common global threats.**
- **Relationship has impressive Balance Sheet covering a wide range of areas**
- **India – US Civil Nuclear Agreement: A game changer**
- **Substantial High Technology Cooperation**
- **Vibrant Dialogue Mechanisms and High Level Exchanges**
- **Visionary Leadership – Visit of Prime Minister in November 2009**
- **Forthcoming Visit of President Obama**

# BILATERAL TRADE AND COMMERCE

- ✘ **Trade and commerce - a crucial component of bilateral partnership.**
- ✘ **From \$ 5.6 billions in 1990, the bilateral trade in merchandise goods increased to \$ 41.62 billion in 2007 -743% growth in a span of 17 years; \$ 32 billion in 2009.**
- ✘ **Trade in Services sector is another \$ 20 billion.**
- ✘ **In 2007 India emerged as the fastest growing export destination for the United States.**
- ✘ **In the first six months of 2010, trade has been growing at the rate of 33%.**
- ✘ **Investment - in both directions .**
- ✘ **India - second fastest growing investor in the US.**

# INDIA-U.S. Partnership: the way forward

- Potential for mutually beneficial long-term partnership.
- In economic sense, there is a change in the mindset of various U.S. stakeholders – look beyond traditional markets.
- Enabling environment within India and the US.
- Imaginative entrepreneurship and vision to see the opportunities hidden in challenges.

# Incredible India

- Have an India Strategy!
- Thank you.