

India 5.0

Presentation by

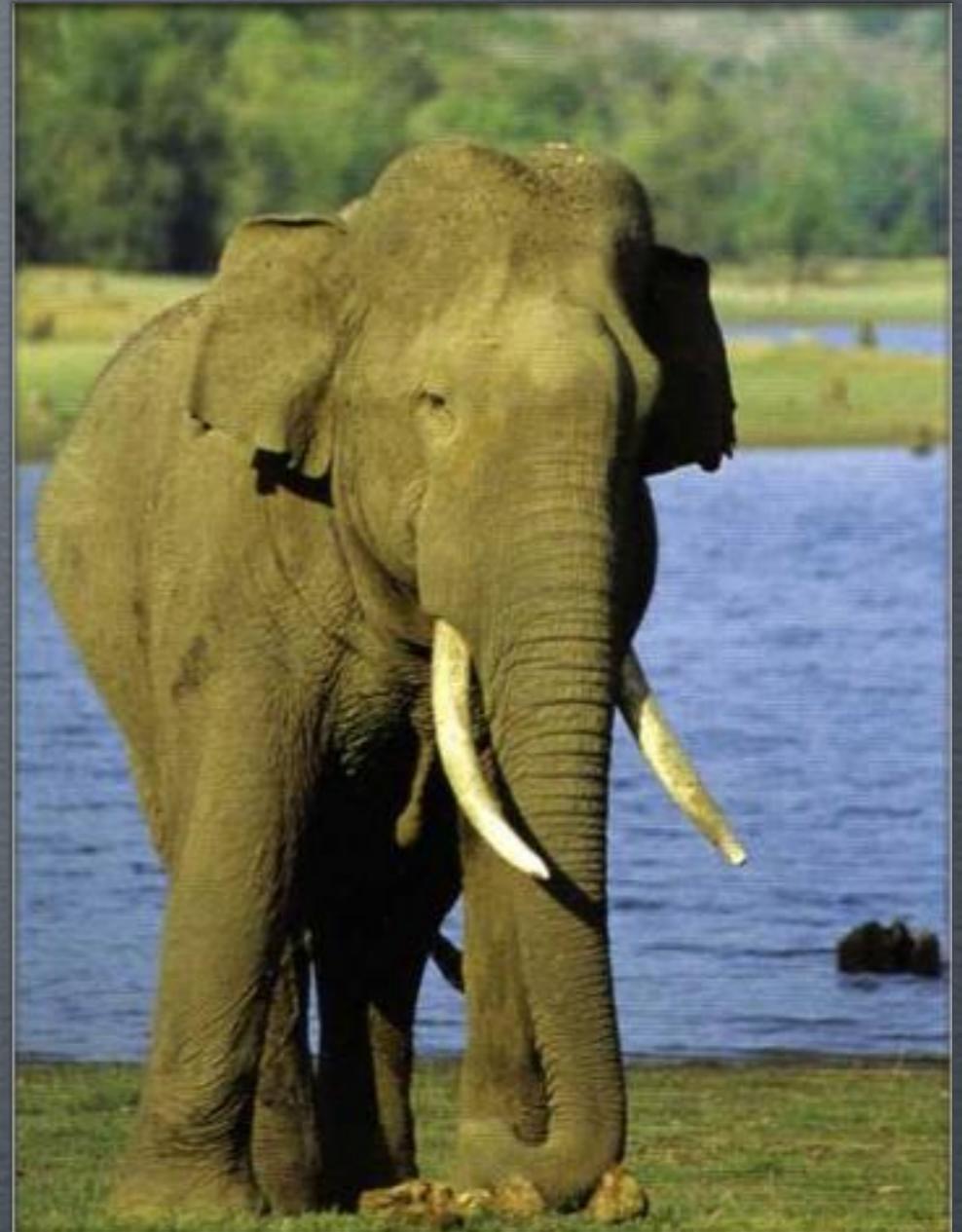
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Why 5.0?

- ✻ 1.0: Until 1500 AD; Rich, Modern, Advanced, Product/Idea/Technology Exporter
- ✻ 2.0: 1500 AD to 1950 AD -- European Discovery, Enslavement, Labor and Raw Material source and Independence
- ✻ 3.0: 1950s to 1990s -- Socialistic Policies, Closed Markets, Economic Isolation
- ✻ 4.0: 1991 to 2011 -- Liberalization, BRIC, G20, IT, Vibrant Open Markets
- ✻ 5.0: The Future

Like an Elephant

- In USA, the Understanding about India is Like Blind Men Describing an Elephant
- Depends on Perspective
 - Large
 - Slow
 - Unique
 - Strange
 - Strong
 - Smooth
 - Rough & Hairy?



-- but with a twist!



It's an Indian Elephant!

India!

- ✻ Chaotic
- ✻ Colorful
- ✻ Interesting
- ✻ Exciting
- ✻ Growing
- ✻ Young
- ✻ Frustrating
- ✻ Intriguing
- ✻ Loud
- ✻ Diverse

Today's Goal is to give you an insider's Perspective for
Doing Business in India

And yet, Westernized

- ✻ English widely spoken
- ✻ Laws based on very familiar British and US legal system
- ✻ Education System Similar 10+2+4 years of Schooling
- ✻ Similar Capital Markets, Oldest in Asia
- ✻ Overall Values, Ethics, Ethos similar to the Judeo-Christian culture

Economy

- ✿ GDP -- \$1.53 trillion (Global Rank: 10th)
 - ✿ PPP Based -- \$4+ trillion (GR: 4th)
 - ✿ GDP growth -- 6%
 - ✿ Currency -- Indian Rupee “INR”
 - ✿ Currency Symbol ₹
 - ✿ Labour Force 478 million
- ✿ Agriculture (52%)
 - ✿ Industry (14%)
 - ✿ Services (34%)





Opportunities

Indian Companies

- ✻ Well Established Entrepreneurial Spirit
- ✻ Well Recognized Local Brands (Tata, Dabur, Reliance)   
- ✻ Well Recognized International Brands (Nestle, McDonald, Citigroup)

Major Areas Of Opportunities

- ☼ Power and Infrastructure
- ☼ Retail
- ☼ Consumer Goods
- ☼ Pharmaceuticals
- ☼ Textiles
- ☼ Defense
- ☼ Education
- ☼ Mining
- ☼ IT/BPO
- ☼ R&D
- ☼ Engineering



India Vs China

Why Compare?

- ✻ Provides Context -- China is Better Known to US Businesses
- ✻ Similarities Allow Leveraging Existing Infrastructure and Using A Familiar Path
- ✻ Contrasts Allow Identifying New Opportunities and Perhaps, “First-to-Market” Advantages

Similarities

- ✻ Part of BRIC -- Can't ignore either
- ✻ Populous -- together about 40% of the Global Population
- ✻ Fast Growing
- ✻ Both in top 3 of World Economy during our Careers (US, China and India)
- ✻ Long Histories, Distinct Cultures & Established Traditions
- ✻ Strong National Identities
- ✻ Clear Sense of National Destiny
- ✻ Institutionalized Corruption

Differences

China

- ✿ Communist Dictatorship
- ✿ One Party Rule
- ✿ Relatively Homogeneous Majority with many small Minorities
- ✿ One Main Local Language, Mandarin, English is understood by very few
- ✿ Business Culture is Still Evolving
- ✿ Fast, Cheap and High Volume Manufacturing, Rapid Scale up Capability -- World Leader
- ✿ High Level of Strategic Government Support
- ✿ Fast Approvals, but Opaque Regulation
- ✿ Little Software or BPO Capability

India

- ✿ Capitalistic Democracy
- ✿ Numerous Political Parties
- ✿ Very Diverse, with large groups of Minorities
- ✿ Many Local Languages, Hindi is most common, but English is understood by most Businessmen
- ✿ Well Established Business Culture
- ✿ Slow, Cheap, Low Volume Manufacturing, but Rapidly Changing -- Selective Leadership
- ✿ No Subsidies, Most Projects need to compete on pure Economics
- ✿ Slow Approvals, transparent but Confusing Regulation
- ✿ World Leader in Software and BPO

Some ideas for Getting Started

- ✻ Long Term, Have to Have a Presence
- ✻ In the Short Term, Establish a Base
- ✻ Options
 - ✻ Direct Launch
 - ✻ Joint Venture
 - ✻ Multi Company/Multi Brand
 - ✻ M&A
 - ✻ Online
 - ✻ Diaspora Leverage