

India Business Outlook 2012: The Growth Story

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India Today

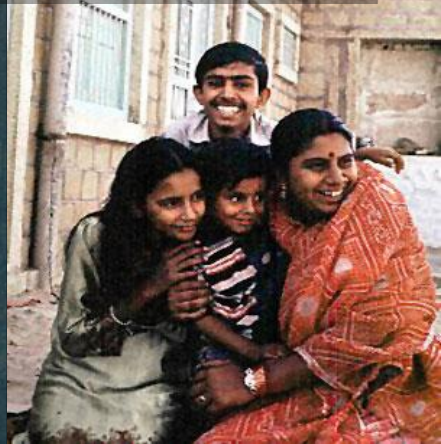
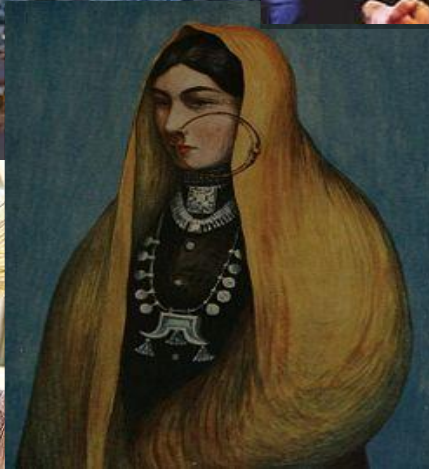
- ❖ 7th largest country in the world
- ❖ Most populous democracy in the world
- ❖ 30% of the population is under the age 15 – fastest growing market for Facebook



*Source: Based on 2011 India Fact Sheet / CIA Fact File;
Company*

The Faces of India

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Why You Should Consider India

- ❖ Large and Growing Domestic Market
- ❖ Stable Government
- ❖ Sound Economic Fundamentals
- ❖ Sustained Projected Growth Trends

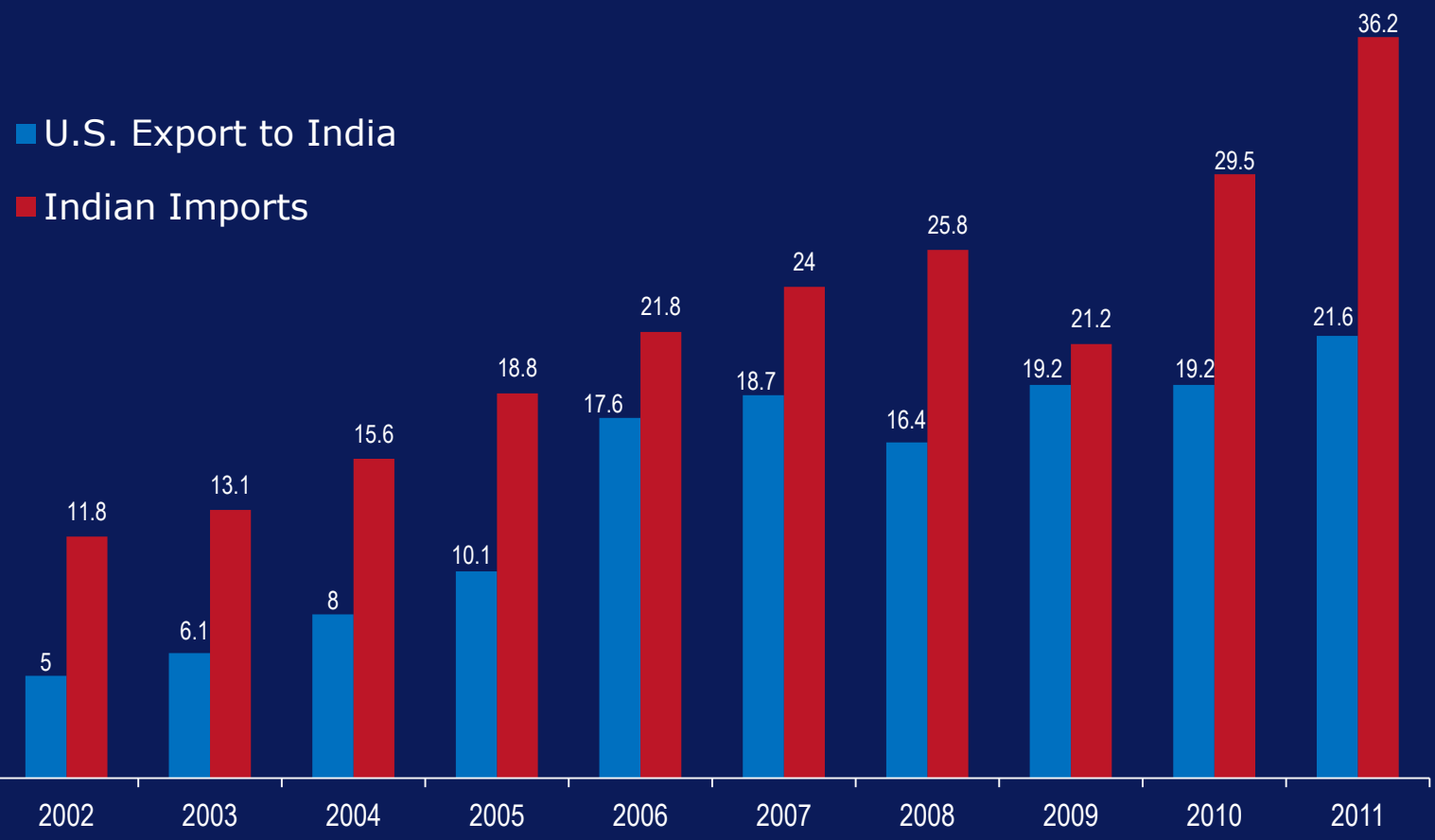


Economic Environment

- ❖ **5.8% GDP growth (slower than previous years)**
- ❖ **Per Capital GDP is \$3700**
- ❖ **Inflation 7% (down from 11%)**
- ❖ **Weaker rupee/stronger dollar**
- ❖ **Rise of the middle class**



US-India Trade (\$ Billions)





The Consumer Story

Explosive growth
in the formal
retail sector



Young adults tend to live
at home with higher
levels of disposable
income than their U.S. peers

Strong demand
outside major
cities



Name-brand recognition,
sophisticated preferences and
potential for luxury brands

Private savings
equals 34% of
GDP, second only
to China





Key Growth Sectors

- ❖ Energy
- ❖ Civil Aviation
- ❖ Defense
- ❖ Healthcare
- ❖ Telecommunications
- ❖ Infrastructure
- ❖ Services





Robust Opportunities Across Myriad Industries

- ❖ Consumer goods
- ❖ Snack foods
- ❖ Franchises
- ❖ Safety/Security
- ❖ Education
- ❖ Biotech
- ❖ Scrap metal
- ❖ Many more...





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CHALLENGES



Ease of Doing Business



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Out of 183 Countries, India Ranks:

| | |
|--------------------------|-----|
| ❖ Ease of Doing Business | 132 |
| ❖ Protecting Investors | 46 |
| ❖ Trading Across Borders | 109 |
| ❖ Enforcing Contracts | 182 |

Source: World Bank 2012





The Paradox of India



Sustainable India

- Victim of own success – millions lifted from poverty with a concurrent depletion of resources and increased environmental problems
- India ranked #127 on Human Development Index
- Lack of resources: 18% of world's population with 2.4% of world's landmass, 4% of global water resources and less than 1% of world's forests
- High energy costs, perennial shortages, coal predominant energy source



Source: CII-ITC Centre
for Sustainable
Development

Sustainable Business Opportunities

- Solar
- Clean Tech
- Energy Efficiency
- Green Building
- Water resource management





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SUCCESS STORIES



How to Succeed in India Without Really Trying

- 3-4 Ps: presence, perseverance/patience, price
- Other countries have been more aggressive
- Must focus on the long-term potential
- Regional strategies may be required
- Look at opportunities in 2nd/3rd tier cities
- Government tenders can be onerous
- After-sales service a key issue for U.S. companies



You Can Succeed in India!



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