India is back on track as the world’s fastest growing economy. We are proud to note that at US$2.6 trillion, we are the world’s sixth largest economy accounting for 15% of global growth. And, we will sustain this momentum and surge ahead to become an US$5 trillion economy by 2025.

One of the factors that work in India’s favour is its demography. Demographics can change the pace and pattern of economic growth in a country. And, India’s sprawling 1.3bn population base offers a significantly large consumer market and a cost-efficient labour force. Moreover, 65% of India’s population fall in the age group of 18 years to 35 years. This young, digitally savvy cohort with rising purchasing power are evoking interest of global corporate giants.

Investors are drawn to India encouraged by government initiatives to transform the way of doing business in India. A number of next generation structural reforms have paved the way for a sustainable high growth. The launch of a unified tax system, the Goods and Services Tax (GST), the Insolvency & Bankruptcy Code and single-point interfaces have pushed India up to the 77th position on the 2019 World Bank Ease of Doing Business index. The emphasis on indigenous manufacturing through ‘Make in India’ program has also sparked investor interest. India has the 3rd highest number of unicorns globally, with our start-ups offering innovative solutions for the country and the world.

For any developing economy, infrastructure is the backbone of development. And, in the last five years, we have focused on bolstering our infrastructure by constructing 40 km of road on a daily basis, modernising railways, enhancing road and air connectivity through our Udaan program and setting up 100 smart cities. Our US$ 14.6 bn Smart Cities program, which will develop 100 urban and semi-urban centres into citizen friendly, sustainable cities powered by state-of-the-art technology, is fast gaining traction. Our flagship Sagarmala project too aims to develop ports along our lengthy coastline for quicker turnaround in handling of import and export cargo.

In the next five years, we expect our policy driven growth to make India emerge as an economic powerhouse across the Asia-Pacific region and beyond.

I hope this India Surging Ahead document will serve as a handbook to understand our vast country better and provide insights and details of all our multiple initiatives, programs and sectors.
## India's Economy

### GDP Growth
- **7.4%** GDP growth projected for 2019-20
- **7.3%** GDP growth projected for 2014-15 to 2017-18

### Indian Economy - 3.1% of Global GDP (2017)
- **US$2.6 trn**
- **US$33.5 bn** FDI inflow (April-Dec 2018)

### Contribution to GDP
- **Agriculture** 31.5%
- **Industry** 54.2%
- **Services** 14.4%

### Other Key Figures
- **7%** GVA growth estimated for (2018-19)
- **7.2%** GDP growth estimated in 2018-19
- **4.6%** IIP growth (April-Dec 2018)
- **29.3%** Rise in per capita net income (2014-15 to 2017-18)
- **14.6%** Rise in overall imports: US$479.5 bn (April-Dec 2018)
- **3.7%** CPI inflation (April-Dec 2018)
- **3.8%** Industrial production growth (2014-15 to 2017-18)
- **12.6%** Rise in merchandise imports (April-Dec 2018)
- **@ US$510.4 bn** External debt at end-Sept 2018
- **7%** GDP growth estimated in 2018-19
- **20%** Rise in forex reserves (14-15 to 17-18)
- **4.8%** Inflation (April-Dec 2018)
- **US$389 bn** Budget outlay (2019-20)
- **@ 3.4% of GDP** Fiscal deficit estimated (2019-20)
- **US$900 bn** Export target by 2020
- **Rise in overall imports**: US$479.5 bn (April-Dec 2018)
- **Rise in forex reserves** (14-15 to 17-18)
- **Inflation** (April-Dec 2018)
- **Budget outlay** (2019-20)
- **Fiscal deficit estimated** (2019-20)
- **Export target by 2020**

### Other Figures
- **Rise in overall imports**: US$479.5 bn (April-Dec 2018)
- **Rise in forex reserves**: US$396.7 bn (April-Dec 2018)
- **Rise in overall exports**: US$396.7 bn (April-Dec 2018)

### Additional Information
- **Agriculture, industry and services sectors grew by 3.8%, 7.8% and 7.3% in 2018-19**
Empowered with unique demographic advantages, India is racing to be among the most developed economies in the next decade. India’s young workforce is gearing up for playing a major role in:

- Driving economic progress
- Improving labour productivity
- Increasing domestic manufacturing
- Enhancing revenue from services
- Bolstering indigenous innovations
- Enhancing India’s purchasing power

**BY 2020**

- 29 years - average age in India
- World’s youngest population
- 47 mn surplus workforce in India

**BY 2030**

- 32 years - average workforce age
- India’s workforce will have an average age of 32 years against that of 43 years in China and 39 years in USA

- 2nd largest population base: 1.3 bn
- Steadily improving literacy rate: +74%
- 8th largest in Science/Engg graduate population: 53.8%
- Labour participation rate (2017): 53.8%
EASE OF DOING BUSINESS

A World Bank ranking credits India with an improved environment for doing business

65 points crossed by India in the last 4 years, to reach 77th rank on World Bank’s Ease of Doing Business 2019 report

25+ leading policy initiatives undertaken by Indian Government since 2014 to facilitate economic growth

20+ Central Government services integrated with the e-Biz Single Window IT Platform

29 Indian states’ and 7 UTs’ ranked by Ease of Doing Business: Launched by Central Government in 2018, along with the World Bank

US$33.5 bn of foreign direct investment (FDI) inflow reported during April to December 2018

US$396.7 bn worth of total exports reported over April-December 2018-19, recording 13.8% growth from the previous year

Top 50 in Ease of Doing Business: India’s target for 2020

Invest India: Investor facilitation cell established to guide, assist and handhold investors during the entire life cycle of a business

7 Ease of Doing Business problems being resolved using technology, under a grand challenge launched by PM Narendra Modi

HIGHLIGHTS OF BUDGET 2019-20

+US$10.5 bn income support to farmers under PM-KISAN policy

100 mn workers in the unorganised sector to receive pension benefits under the PM-SYM policy

US$44.7 bn earmarked for defence and security: Highest ever allocation

A National Artificial Intelligence Portal to be developed as part of a Government initiative on AI

HIGHLIGHTS OF BUDGET 2019-20

+US$10.5 bn income support to farmers under PM-KISAN policy

100 mn workers in the unorganised sector to receive pension benefits under the PM-SYM policy

US$44.7 bn earmarked for defence and security: Highest ever allocation

A National Artificial Intelligence Portal to be developed as part of a Government initiative on AI

Invest India: Investor facilitation cell established to guide, assist and handhold investors during the entire life cycle of a business

7 Ease of Doing Business problems being resolved using technology, under a grand challenge launched by PM Narendra Modi

US$396.7 bn worth of total exports reported over April-December 2018-19, recording 13.8% growth from the previous year

Top 50 in Ease of Doing Business: India’s target for 2020

25+ leading policy initiatives undertaken by Indian Government since 2014 to facilitate economic growth

20+ Central Government services integrated with the e-Biz Single Window IT Platform

65 points crossed by India in the last 4 years, to reach 77th rank on World Bank’s Ease of Doing Business 2019 report

A World Bank ranking credits India with an improved environment for doing business

US$33.5 bn of foreign direct investment (FDI) inflow reported during April to December 2018

7% sectoral growth, with a separate Department of Fisheries to aid 14.5 mn livelihoods

US$980 mn, all-time high, allocation for MSMEs given by the Export Promotion Cell

Single window clearance for ease of shooting films extended to Indian filmmakers
Agriculture
2nd in the world in terms of farm output, agriculture is the backbone of Indian economy, contributing majorly to the country’s GDP.

Auto Components
Original Equipment Manufacturers contribute 2.3% of India’s GDP, employing over 3 mn people.

Aviation
India is currently the world’s fastest growing and 3rd largest domestic civil aviation market.

Biotechnology
India is among the world’s top 12 biotechnology destinations.

Chemicals
India’s chemicals sector covers 80,000 products expected to reach US$ 300 bn by 2025.

Construction
India needs investments of over US$ 700 bn by 2022 in infrastructure construction.

Defence Manufacturing
India plans to spend US$ 130 bn on military modernization over the next 5 years.

Education
India has one of the largest networks of higher education institutions in the world and is focused on improving primary, secondary and higher education.

Electrical Machinery
India’s installed electricity generation capacity is reported at around 350 GW.

Electronic Systems
India, one of the world’s largest electronics markets, to grow to US$ 400 bn by 2025.
Food Processing
Indian food processing industry accounts for 32% of the nation’s total food market

IT-BPM
IT-BPM industry is expected to grow to US$ 350 bn by 2025, from US$ 167 bn in 2017-18

Leather
India’s leather industry has steadily matured from a raw material market to exporter of value-added products

Media & Entertainment
Indian M&E industry is expected to grow to US$ 39.7 bn by 2023 from US$ 22.3 bn in 2018

Mining
Indian mining industry, which produces 95 minerals, is estimated to reach US$ 126 bn by 2025

Oil and Gas
India, the world’s 3rd largest oil market has been steadily opening the sector to FDI

Pharmaceuticals
India, the world’s largest supplier of generic drugs, is a leading drugs R&D centre

Port and Shipping
India has 12 major and 200 notified minor and intermediate ports, with more coming up

Railways
India’s rail network, the 3rd largest in the world, spreads over 115,000 km and moves 23 mn people daily

Renewable Energy
India is ahead of schedule in setting up 175 GW of new renewable energy capacity by 2022

Roadways
Government’s Bharatmala program will set up over 84,000 km of highways by 2022

Space
Indian Space Research Organisation has emerged as a leading satellite launching agency globally

Textile
India has emerged as the only place where handloom fabrics are produced on a commercial scale

Thermal Power
India’s total thermal power capacity of over 223 GW represents 64% of its total capacity

Tourism
India ranks 3rd in WTTC Travel and tourism Power and Performance ranking

Wellness
India’s AYUSH market, valued at over US$ 10 bn, is expected to grow to US$ 21 bn by 2020

Food Processing
Indian food processing industry accounts for 32% of the nation’s total food market

IT-BPM
IT-BPM industry is expected to grow to US$ 350 bn by 2025, from US$ 167 bn in 2017-18

Leather
India’s leather industry has steadily matured from a raw material market to exporter of value-added products

Media & Entertainment
Indian M&E industry is expected to grow to US$ 39.7 bn by 2023 from US$ 22.3 bn in 2018

Mining
Indian mining industry, which produces 95 minerals, is estimated to reach US$ 126 bn by 2025

Oil and Gas
India, the world’s 3rd largest oil market has been steadily opening the sector to FDI

Pharmaceuticals
India, the world’s largest supplier of generic drugs, is a leading drugs R&D centre

Port and Shipping
India has 12 major and 200 notified minor and intermediate ports, with more coming up

Railways
India’s rail network, the 3rd largest in the world, spreads over 115,000 km and moves 23 mn people daily

Renewable Energy
India is ahead of schedule in setting up 175 GW of new renewable energy capacity by 2022

Roadways
Government’s Bharatmala program will set up over 84,000 km of highways by 2022

Space
Indian Space Research Organisation has emerged as a leading satellite launching agency globally

Textile
India has emerged as the only place where handloom fabrics are produced on a commercial scale

Thermal Power
India’s total thermal power capacity of over 223 GW represents 64% of its total capacity

Tourism
India ranks 3rd in WTTC Travel and tourism Power and Performance ranking

Wellness
India’s AYUSH market, valued at over US$ 10 bn, is expected to grow to US$ 21 bn by 2020
POLICY-DRIVEN ECONOMIC GROWTH

The Indian Government has launched a number of path-breaking policies to fuel growth:

- **The Goods and Services Tax (GST)**, an unified nation-wide single tax regime that replaced 17 indirect taxes and a host of cesses, has expanded India’s tax base and strengthened the financial ecosystem, while aiding productivity.

- **The Insolvency and Bankruptcy Code (IBC)**, effective December 2016, has introduced market-determined and time-bound framework for efficient resolution of outstanding debt owed to institutional lenders.

- **National Intellectual Property Rights (IPR) policy** launched in 2016 to create a conducive ecosystem for innovation and creativity not only in terms of IP awareness and creation, but also commercialization and enforcement.

- **The Merchandise Exports from India Scheme (MEIS)**, introduced in September 2018, simplified procedures for traders exporting goods from India to avail export incentives. This promotes Ease of Doing Business in India.

- **Aadhaar biometric system**, an identity mapping tool, for critical economic and government functions, bringing unparalleled transparency and efficiency in the system. This has bolstered state reforms.

- **NITI Aayog** has been set up to drive national growth, involving Central and State Governments. Its many ongoing projects include the National Mission on Artificial Intelligence as well as one on the holistic development of Indian islands.

- **Initiatives**
  - Make in India has empowered indigenous manufacturing
  - Digital India has boosted uptake of e-Government services
  - Skill India has driven skill development in varied sectors
  - Startup India has empowered grassroots entrepreneurship
  - Incredible India promotes India as a must-visit, must-experience country
INFRASTRUCTURE TO PROPEL OPPORTUNITIES

India is putting in place the infrastructure to enable unparalleled development.

Bharatmala Pariyojana aims to build over 84,000 km of new highways across India by 2022 at an investment of over US$110 bn.

Smart Cities Mission aims to set up 100 sustainable urban centres with a budget of over US$30 bn to drive economic development.

Sagarmala Programme aims to build over 600 marine and inland waterway and related projects with a budget of over US$125 bn.

175 GW Installed Renewable Capacity targeted by 2022 to add to the national grid and aid 100% electrification.

+US$14 bn Railway Station Modernisation to involve private entities through Indian Railway Station Development Corp (IRSDC).

Swachh Bharat Mission focuses on sanitation, waste management, water supply and other development projects across India.

Industrial Corridors:
- Amritsar-Delhi-Kolkata Industrial Corridor
- Bengaluru-Mumbai Economic Corridor
- Chennai-Bangalore Industrial Corridor
- Delhi-Mumbai Industrial Corridor
- Visakhapatnam-Chennai Industrial Corridor

UDAN Scheme: Airports Authority of India (AAI) will connect 22 airports under this regional connectivity scheme in the 1st phase.
INDIA’S PROGRESS IN GLOBAL RANKINGS

One of the emerging economies of the future, India is seen as an attractive partner by other nations of the globe who seek to benefit from India’s potential

77th on World Bank’s Ease of Doing Business 2019 ranking, 65 points crossed by India over the last 4 years

5th largest global manufacturer, India was ranked 30th on the World Economic Forum’s Future of Production Report 2018

7.6% GDP growth estimated for India in 2019, according to UN World Economic Situation and Prospects 2019 report

58th in the World Economic Forum’s 2018 Global Competitiveness Index

No.1 recipient of Greenfield Foreign Direct Investment among the Commonwealth block of 53 countries over 2003–2016

No.1 emerging market for global partner investment, as per Emerging Market Private Equity Association (EMPEA)

India’s sovereign bond rating, raised by Moody’s in 2017 after a gap of 13 years, to Baa2 from Baa3

Fastest growing major economy in the world, as per the World Bank and International Monetary Fund (IMF)

126th position in per capita GDP among +200 countries - IMF’s 2017 World Economic Outlook Report

Outlook for India remains largely positive, led by robust consumption, investment and reforms as per UN’s WESP 2018 report
RISING FOREIGN INVESTMENT

India’s FDI inflows were the highest ever in the last calendar year, with a number of new mergers and acquisitions.

Leading FDI destination owing to steady policy amendments

1st rank on the Baseline Profitability Index (BPI)

BPI Ranking:
- India : 1
- USA : 50
- China : 65

US$33.5 bn FDI inflow (Apr-Dec 2018)

- 14.6% rise in overall imports to US$ 479.5 bn (Apr-Dec 2018)
- 100% FDI allowed in 92% of sectors including:
  - Mining – Coal and lignite; metal & non-metal ores; Oil and Gas exploration
  - Industrial parks
  - Airports
  - Construction
  - Telecom
  - Defence manufacturing
  - Non-banking finance and asset management companies
  - Credit agencies
  - Pharmaceutical, Bio-tech, Medical Devices
  - Greenfield & Brownfield projects
  - Trading – B2B and B2C
  - e-commerce Food processing
  - Single-brand retail
  - Real estate broking services
  - Railway infrastructure
  - Broadcasting
  - Civil aviation

Top investing nations
- Mauritius, Singapore, Japan, the UK, the Netherlands, the USA, Germany, Cyprus, France and the United Arab Emirates

Top FDI sectors
- Services, computer software and hardware, telecommunications, infrastructure development, trading, automobile, chemicals, pharmaceuticals, construction and power

Top FDI regions
- Mumbai, New Delhi, Bengaluru, Chennai, Ahmedabad, Hyderabad, Kolkata, Chandigarh, Kochi, Jaipur

Top 10 ODI destinations
- Mauritius, Singapore, USA, UAE, Netherlands, UK, Switzerland, Russia, Jersey, British Virgin Islands

Highest ODI outflows
- Manufacturing, financial services, retail, logistics, agriculture and mining, community services, energy and water, construction and others

India’s Overseas Direct Investment (ODI) cumulative ODI outflows (from April to Dec 2017)

- US$7.3 bn

US$16.6 bn Cumulative ODI (financial commitment)
The Indian economy is driven by 3 main categories, namely Agriculture, Services and Manufacturing. A number of sectors or industries are covered under these 3 main categories.

For the purpose of this document, 25 key sectors have been identified as those which are surging ahead and have the potential to form the pillars of one of the world’s largest economies in the years ahead.
AGRICULTURE

Ranked 2nd in the world in terms of farm output, agriculture is the backbone of Indian economy, contributing majorly to the country’s GDP. Demographically, it is the broadest economic sector, playing a significant role in the socio-economic fabric of the country.

INDIA'S PERFORMANCE

No 1 globally with highest net cropped area
US$ 274 bn Gross Value Add (GVA) for the agriculture sector in 2018
Production base of 285 mn tonnes
US$ 38.21 bn agricultural exports from India in FY18
2nd largest producer of wheat, rice, fruits and vegetables, sugarcane, cotton and oilseeds
2nd in global production of fruits and vegetables
6th largest food and grocery market in the world
9th largest exporter of agricultural products
US$ 3.1 bn of spice exports in 2017-18
No 1 producer of mango and banana
No 1 producer of spices, pulses, milk, tea, cashew and jute
93.8 mn tonnes of rice grown in 2016-17
93.5 mn tonnes of wheat produced in 2016-17
362.3 mn tonnes of sugarcane produced
32.1 mn bales of cotton produced

FOOD CROPS

Maize - 19.3 mn tonnes
Millet - 340 K tonnes
Pulses - 8.7 mn tonnes

PLANTATION CROPS

Coffee - 320 K tonnes
Coconuts - 1.42 mn tonnes
Tea - 1.2 mn kgs
Rubber - 774 K tonnes

CASH CROPS

Tobacco - 778 K tonnes
Jute - 9.9 mn bales

HORTICULTURE *

Fruits - 87 mn tonnes 2017-18
Vegetables - 1.7 mn tonnes 2017-18

** http://pib.nic.in/newsite/PrintRelease.aspx?relid=183145

POTENTIAL

India expects to double farm income by 2022
3 times increase in capacity in food processing sector
Increased investments in infrastructure, such as irrigation, warehousing and cold storages
Food Processing industry is poised for huge growth
Agr infrastructure including farm roads
Agricultural credit sector set for growth
Digital innovations
Storage and warehousing facility
Transport logistics
Agri tech
Seed technology
Agricultural machinery
Organic farming

AGRI-UDAAN programme to mentor start-ups and to connect them with potential investors
100% FDI in marketing food products and food product e-commerce under automatic route

GOVERNMENT SUPPORT

Investment

Agri-tech start-ups set up 500 agri-based processing units with VC funds of US$ 234.3 mn in 2018
GMO signed for cooperation in agriculture and allied sectors between India and the United States
with Uzbekistan

MY MPLOFinvestment Mission being implemented in 25 states

AGRI CLIMATIC REGIONS

20

AGRI INFRASTRUCTURE

15

SOIL TYPES

46

POLICIES

Pradhan Mantri Annadata Aay Sanraksan Yojana (PMAASYA) to ensure fair prices for farmers
Electronic National Agriculture Market (eNAM), to create a unified national market for agricultural commodities
Agriculture Export Policy to increase India’s agricultural exports to US$ 60 bn by 2022

PROGRAMS

Development of mega food parks
Leveraging the Farmer Producer Organisations (FPOs)
Water management initiatives
Development of a start-up ecosystem
India’s auto-components sector is an important pillar of its economy. The sector which accounts for 2.3% of India’s GDP currently is set to become the 3rd largest in the world by 2025. Having backward and forward linkages, the automotive sector is fast turning into a global automotive designing and manufacturing hub. The sector’s trained and highly skilled manpower is one of its main advantages. India’s proximity to markets such as ASEAN, Japan, Europe and Korea are added advantages.

**AUTOMOTIVE COMPONENTS**

India’s automotive components include:
- Drive transmission
- Suspension
- Steering
- Braking
- Rubber components
- Electricals
- Electronic components
- Engine components
- Body/ Chassis
- Interiors
- Consumables
- Cooling systems

**INDIA: A GLOBAL HUB FOR AUTO COMPONENTS**

- 10-25% lower cost advantage compared with Europe and Latin America
- 40% of global engineering and R&D activities undertaken in India
- Imports auto components from China, Germany, Japan, S Korea, USA, Thailand, Italy, UK, Czech Republic and France

**PERFORMANCE**

- US$ 11.2 bn current revenue
- 3 mn technically trained workers
- US$ 9.2 bn revenue from the domestic aftermarket industry comprising tyres, battery and brake parts
- US$ 13.5 bn total value of India’s automotive exports in 2017-18
- 4% share in India’s exports
- US$ 19.29 bn FDI inflows: April 2000 - June 2018

**POTENTIAL**

- 5x growth in next 10 years
- 4th largest component manufacturing industry by 2026
- US$ 100 bn growth expected by 2020
- US$ 80- US$ 100 bn growth in export expected by 2026
- US$ 200 bn turnover expected by 2026

**POLICIES**

- 100% FDI under automatic route and no restrictions on import-export
- National Auto Policy
- FAME (Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles) India Scheme to promote manufacturing of electric and hybrid vehicle technology and to ensure sustainable growth

**PROGRAMS**

- Manufacturing low cost electrical vehicles
- Voluntary fleet modernization program
- Setting up automotive training institutes, auto design centres, special auto parks and virtual SEZs
- Power electronics & motors, Systems integration, Battery management systems
- R&D and testing infrastructure.
- PPP based industry investments in R&D and development of commercially viable technologies
- Government Support
- No restriction on import and export
- R&D incentives for industry and private sponsored research
- 150% weighted tax deduction on scientific research in R&D centres
- Individual state incentives
- Export incentives
- Area based incentives

**INVESTMENTS**

- Sanand Auto Cluster Project - Ahmedabad
- Invention Factory - Maharashtra
- Automotive Manufacturing Unit - Lucknow, UP
- Technology to curb vehicular emissions - Maharashtra
- Automotive Suspensions Project - Pitampur, MP
- Automotive Component Project - Maharashtra

**GROWTH CHARTS**

- Growth in Turnover: 18.3%
- Growth in Exports: 23.8%
- Growth in Imports: 17.8%
- Growth in Aftermarket: 9.8%
India currently accounts for 40% of the automotive sector's total global engineering and R&D spend worth US$ 31bn. It has a 7% share in India's GDP and employs 19 million trained, skilled people.

India’s Automotive Sector enjoys favourable factors, such as availability of skilled labour at low cost, robust R&D centres and low-cost steel production. Global auto majors have been ramping up investments in India to cater to the growing domestic demand, as well as to leverage India’s competitive advantage.

India’s Potential

3rd largest automotive market in terms of volumes, by 2026
No 1 in shared mobility by 2030
15% CAGR growth to reach US$ 135 bn by 2020 and US$ 300 bn by 2026
72 vehicles per 1000 population by 2026
5 auto hubs act as a base for export to South East Asia (SEA), Middle East and North African (MENA) regions
6% hike in exports in the coming years
R&D centres set up at a cost of US$ 388.5 mn to be on par with global standards
Immense opportunities for manufacture of electric and autonomous vehicles

Policies

100% FDI under automatic route
The National Auto Policy envisions India to be No 1 in production and sales of automobiles
National Electric Mobility Mission Plan to encourage reliable, affordable and efficient EVs
Faster Adoption and Manufacturing Of (Hybrid &) Electric Vehicles In India (FAME)
New Green Urban Transport Scheme to promote low carbon sustainable public transport system

Prospects

Manufacturing passenger vehicles, 2 wheelers, 3 wheelers and commercial vehicles
Manufacturing low-cost electric vehicles for safe short-distance urban commutes
Participation in voluntary Fleet modernization program
Setting up automotive training institutes, design centres, parks and virtual SEZs for auto components
Power electronics & motors, Systems integration, Battery Management Systems R&D and testing infrastructure
PPP based investments in R&D of commercially viable technologies through a Hybrid Annuity Mode
Technology development, demand development, pilot projects and EV charging infrastructure

Government Support

R&D incentives for industry and private sponsored research
Weighted Tax deduction of 150% of expenditure incurred on scientific research in R&D centers
Individual state incentives with regards land at concessional rates, power supply and tariff and financial incentives
Export incentives
Area based incentives

Investment

Sanand Auto Cluster Project
Ahmedabad
The Invention Factory
Maharashtra
Automotive Manufacturing Unit
Lucknow

India’s Performance

US$ 74 bn sector
No 1 two-wheeler and three-wheeler manufacturer in the world
No 1 tractor manufacturer in the world
2nd largest bus manufacturer in the world
3rd largest heavy truck manufacturer in the world
4th largest car manufacturer in the world
7th largest commercial vehicle manufacturer in the world
7.08% increase in CAGR in domestic automobile production
25 mn vehicles manufactured in India currently
3.5 mn vehicles exported
4.3% share in exports
US$ 19.29 bn FDI from April 2000 to June 2018

2017-18
16.12%
7% growth
7.01%
Growth in exports
Growth in domestic production
Growth in domestic sales
CAGR: (2013-18)
CAGR: (2013-18)
One of the fastest growing industries in India, the Aviation sector is poised to be the growth engine for future progress. It is a vital sector for linking businesses, bringing people together and promoting tourism worldwide. In the next two decades, the growth of air passenger traffic in India will open up tremendous opportunities for investment in infrastructure development & upgradation and manpower. With its large pool of engineering talent and low labour costs, India also has the potential to become a global aviation hub for MRO (Maintenance Repair and Overhaul).

**AVIATION**

- India has 464 airports and airstrips
- 125 airports owned by Airport Authority of India (AAI)
- 78% of domestic passenger traffic managed by AAI
- 5 Indian carriers and 81 foreign carriers
- 22% of international passenger traffic managed by AAI
- India is connected to most major cities and countries

**INDIA’S PERFORMANCE**

- US$ 1.66 mn FDI between April 2000 and June 2018
- 181.72 mn domestic passengers
- 1.43 mn domestic aircraft flown
- 14.1% growth over the last 5 years in passenger traffic
- 45.08 mn international passengers
- 0.30 mn international flights to and from India
- 2.41 mn tonnes of freight carried
- 226.80 mn passengers travelled to India and in India in 2018
- $ 72 bn contribution to India’s GDP by the aviation sector
- 5 Indian carriers and 81 foreign carriers
- 78% of domestic passenger traffic managed by AAI
- 125 airports owned by Airport Authority of India (AAI)
- 22% of international passenger traffic managed by AAI
- India is connected to most major cities and countries

- No 1 Fastest growing aviation market in the world
- 22% of international passengers
- 0.30 mn international flights to and from India
- 2.41 mn tonnes of freight carried
- 226.80 mn passengers travelled to India and in India in 2018
- $ 72 bn contribution to India’s GDP by the aviation sector
- 5 Indian carriers and 81 foreign carriers
- 78% of domestic passenger traffic managed by AAI
- 125 airports owned by Airport Authority of India (AAI)
- 22% of international passenger traffic managed by AAI
- India is connected to most major cities and countries
INDIA’S POTENTIAL

**US$ 120 bn investment by Government of India**
- Airport infrastructure and aviation navigation
- 9th largest aviation market globally by 2020
- 11.4 MTF freight traffic on Indian airports expected by 2032
- 800 aircraft – India’s expected fleet size by 2020
- 250 brownfield and greenfield airports to be operational by 2020
- M&A activities on the increase
- US$ 2.32 bn investment by GoI for expanding existing terminals and constructing 15 new terminals
- 11.4 MTF freight traffic on Indian airports expected by 2032
- 800 aircraft – India’s expected fleet size by 2020
- 250 brownfield and greenfield airports to be operational by 2020
- M&A activities on the increase
- US$ 2.32 bn investment by GoI for expanding existing terminals and constructing 15 new terminals
- US$ 2.58 bn Navi Mumbai airport
- 6 greenfield airports in Andhra Pradesh under PPP model
- National Policy on Civil Aviation
- Policy on Regional and Remote Area Air Connectivity
- Airport Authority of India Startup Policy
- Regional connectivity scheme of UDAN to connect 56 unserved airports and 31 unserved helipads
- NABH Nirman, announced this year, aims to expand airport capacity by more than five times
- Maintenance Repair and Overhaul Services Policy

**Policies**

**100% FDI** is permitted under the automatic route in Non-scheduled air transport services helicopter services and seaplanes, MRO and Ground Handling Services.
- 49% FDI allowed under automatic route in scheduled air transport service and domestic scheduled passenger airline.
- Indian aircraft Manufacturing, Repair and Overhaul (MRO) service providers are exempted from customs and countervailing duties
- National Policy on Civil Aviation
- Policy on Regional and Remote Area Air Connectivity
- Airport Authority of India Startup Policy
- Regional connectivity scheme of UDAN to connect 56 unserved airports and 31 unserved helipads
- NABH Nirman, announced this year, aims to expand airport capacity by more than five times
- Maintenance Repair and Overhaul Services Policy

**Projects**
- 300 business jets, 300 small aircraft and 250 helicopters to be added to the Indian fleet
- MRO facilities development
- Development of aviation in the North-East:
  - Guwahati as an inter-regional hub and Agartala, Imphal and Dibrugarh as intra-regional hubs

**Programs**

- Air SEWA mobile application launched
- Initiatives like WINGS-2017 allow State Governments to market themselves to Airline Operators
- Special Economic Zone (SEZ) Aerotropolis model to increase revenue from retail, advertising and vehicle parking, security equipment and services

**Investments**

- Airports: Chennai, Tamil Nadu
- MRO Complex Project: Jewar Airport, Uttar Pradesh
- Private Cargo Complex Project: Jewar Airport, Uttar Pradesh
- Airport Project: Dholera, Gujarat

Government Support

Viability gap funding to airline operators operating in unserved and underserved locations, air routes ranging up to 800 km
- Government approved 17 Greenfield airports
- In the country, to be executed and financed by the respective airport operators at an estimated investment of around Rs.30,000 crore

Air SEWA mobile application launched

Initiatives like WINGS-2017 allow State Governments to market themselves to Airline Operators
Department of Biotechnology is shaping the sector into a premier precision tool for the creation of well-being and wealth. India has become a hub of biotech research and production and attracted large global investment in terms of FDI, partnerships and technology transfer. India’s educated talent pool and its abundant resources have been the major drivers of this sector. The country offers cost-effective manufacturing capabilities as compared to other manufacturing economies. World-class engineering, funding, mentoring, hand-holding and infrastructure support are added incentives to partner with India.

Focus Areas

- Basic research
- Medical biotechnology
- Human Resource Development
- Agricultural biotechnology
- International Collaborations
- Bioresources, Environment and Bio-energy
- Bioinformatics
- Food and nutrition
- Animal Biotechnology
- Bioethics

Sector Revenue

- Annual Industrial growth: 57.10%
- Bio-pharma revenue share: 64%
- Bio-agri revenue share: 14%
- Bio-industrial revenue share: 3%
- Bio-services revenue share: 18%

INDIA’S PERFORMANCE

- 3rd largest biotech destination in the Asia Pacific Region
- No 1 supplier of affordable vaccines
- No 1 producer of BT Cotton in the world
- No 1 producer of recombinant Hepatitis B vaccine
- 2nd highest number of US Food & Drug Administration (USFDA)-approved manufacturing plants outside the US
- 3% share in global biotechnology industry
- One of the top 12 destinations for biotechnology in the world
- 20 countries and international philanthropic organizations partner with India
- 30 bio-incubators and biotech parks
- +523 USFDA approved drug manufacturing facilities
- +800 biotechnology companies driving global partnerships
- R&D strengths on par with the global bests
- Top destination for clinical trials, contract research & manufacturing

POLICIES

- 100% FDI under the automatic route for greenfield pharma and under the Government route for brownfield pharma
- 100% FDI under the automatic route for the manufacturing of medical devices
- The Bioenergy Roadmap – Vision 2020: Towards viable green and clean technologies for bioenergy security
- National Biotechnology Development Strategy: To focus on building coherence, connectivity and synergy between disciplines
- National Guidelines for Stem Cell Research
- Biotechnology Industry Research Assistance Council (BIRAC): To empower emerging biotech enterprises
- BioNEST: Providing cutting edge access to the best bio-incubation environs
- National Intellectual Property Rights Policy to expedite critical IPR filings
- Open Access Policy of Dept of Biotechnology & Dept. of Science & Technology

The Bioenergy Roadmap – Vision 2020: Towards viable green and clean technologies for bioenergy security

National Biotechnology Development Strategy: To focus on building coherence, connectivity and synergy between disciplines
POTENTIAL

US$ 354.7 mn worth of investment opportunities
New biotechnology clusters, biotech incubators, TTOs, and bio-connect centres
Preventive, therapeutic and diagnostic tools for major infectious diseases
Can be a major producer of transgenic rice and GM vegetables
175,000 sq. ft. facility planned to support 50 world class bio-incubators
US$ 100 bn target to be achieved by 2025
Biofuel technology development for alternate energy in transportation
Hybrid seeds, including genetically modified seeds
Drug discovery and clinical trials
Medical devices manufacturing
Biosimilars
Secondary agriculture

PROGRAMS

Clinical studies and drug research
Development of medical devices
R&D activity around biosimilars
Secondary agriculture research
Biotech parks and infrastructure
Centres of Excellence and Innovation in Biotechnology
Research Resources, Service Facilities and Platforms
Rapid Grant for Young Investigators
Special Programmes-North East region Women Scientist Scheme

Government Support

150% tax deduction on R&D
US$ 371 mn in Union Budget 2018-19
30 bio-incubators and biotech parks established and supported
100 Intellectual Property Rights
104 new startups, 346 companies, 509 projects including 115 collaborative projects supported through BIRAC
175,000 sq. ft. bio incubation space to support 50 world class bio incubators by 2020
5 University Innovation Clusters and 1 regional innovation center created
15 new biotechnology incubators
3000 start-ups to be incubated

Projects

Biotechnology Park
Bangalore
Synthetic Organic Chemicals Project
Vadra, Gujarat
Drug & Surgical Consumables Unit
Lucknow, Uttar Pradesh
Pharmaceutical Park
Chhayalim, Assam
Active Pharmaceutical Ingredients
Hoskallapattan, Andhra Pradesh
Biotech Parks
Kalmasayari & Kich, Kerala
Horizon 2020 (biggest EU Research and Innovation programme)
Programme of Cooperation with Swedish Governmental Agency for Innovation Systems
Indo-Korea Collaboration in the area of Biotechnology and Bioeconomy
Indo-Japan collaborative research centre called DACENTER

175,000 sq. ft. facility planned to support 50 world class bio-incubators
US$ 100 bn target to be achieved by 2025
Biofuel technology development for alternate energy in transportation
Hybrid seeds, including genetically modified seeds
Drug discovery and clinical trials
Medical devices manufacturing
Biosimilars
Secondary agriculture

Government Support

150% tax deduction on R&D
US$ 371 mn in Union Budget 2018-19
30 bio-incubators and biotech parks established and supported
100 Intellectual Property Rights
104 new startups, 346 companies, 509 projects including 115 collaborative projects supported through BIRAC
175,000 sq. ft. bio incubation space to support 50 world class bio incubators by 2020
5 University Innovation Clusters and 1 regional innovation center created
15 new biotechnology incubators
3000 start-ups to be incubated

Projects

Biotechnology Park
Bangalore
Synthetic Organic Chemicals Project
Vadra, Gujarat
Drug & Surgical Consumables Unit
Lucknow, Uttar Pradesh
Pharmaceutical Park
Chhayalim, Assam
Active Pharmaceutical Ingredients
Hoskallapattan, Andhra Pradesh
Biotech Parks
Kalmasayari & Kich, Kerala
Horizon 2020 (biggest EU Research and Innovation programme)
Programme of Cooperation with Swedish Governmental Agency for Innovation Systems
Indo-Korea Collaboration in the area of Biotechnology and Bioeconomy
Indo-Japan collaborative research centre called DACENTER
The construction industry in India, valued at USD 130 billion is among the 12 champion sectors identified by the Government of India. This key focus sector comprises real estate and urban development segments. Real estate spans residential, office, retail, hotels and leisure parks, while the urban development segment covers areas such as water supply, sanitation, healthcare, urban transport and schools. The sector witnessed implementation of landmark reforms such as GST, RERA and AS115 and IBC, post which there was increased FDI into India.

CONSTRUCTION

INDIA'S PERFORMANCE

2nd largest employment in India
2nd largest FDI in 2018
USD 24.87bn FDI in Construction Development sector from April 2000 to June 2018
9% of India's GDP construction
USD 90bn allotted for infrastructure development in 2018-19
USD 739bn revenue by 2022 and USD 1tn by 2025
100% FDI under automatic route in projects for operations and management of townships, malls/shopping complexes, and business constructions
100% FDI is allowed under the automatic route for urban infrastructures
GST to create uniform tax structure across India
Real Estate Regulatory Authority (RERA) for regulation and transparency
Smart Cities Mission: ‘Smart’ Solutions that enable a good quality of life to its citizens
Industrial Corridors: 5 Industrial Corridors across the of the country
Atal Mission for Rejuvenation & Urban Transformation (AMRUT) for basic services
Pradhan Mantri Awas Yojana (Urban) across India

POLICIES

100% FDI under automatic route in projects for operations and management of townships, malls/shopping complexes, and business constructions
100% FDI is allowed under the automatic route for urban infrastructures
GST to create uniform tax structure across India
Real Estate Regulatory Authority (RERA) for regulation and transparency
Smart Cities Mission: ‘Smart’ Solutions that enable a good quality of life to its citizens
Industrial Corridors: 5 Industrial Corridors across the of the country
Atal Mission for Rejuvenation & Urban Transformation (AMRUT) for basic services
Pradhan Mantri Awas Yojana - To provide a home for every Indian by 2022

POTENTIAL

USD 650bn investments in urban infrastructure over next 20 years
100 smart cities to be developed by 2020
A home for every Indian by 2022
5 industrial corridors planned
6 mega ports planned
25 railway stations re-development
12 cities to be developed under National Heritage City Development and Augmentation Yojana
3rd largest construction market globally by 2025

PROGRAMS

Technologies for low cost housing
Green building solutions
Integrated townships
Warehousing facilities
Co-working spaces powered by advanced IT infrastructure, high speed connectivity and IoT enabled
Sustainable and environmentally friendly building materials
Buildings for retail, commercial, entertainment and hospitality sectors

GOVERNMENT SUPPORT

Govenment Support
99 cities identified, with an outlay of USD 31.38 bn
Smart City Mission to be implemented through Special purpose Vehicles (SPV)
USD 11 bn for 500 cities approved under AMRUT
USD 61.53 mn for twelve heritage cities identified under HRIDAY
USD 5.2 bn allocated under Union Budget 2018-19 to Housing and Urban Development Corporation
Incentives for developing SEZ/EMCs/other industrial estates
Area based incentives

Investment
99 Smart Cities
Residential complexes and townships
Kiran Hydro Electric (KHE) Project (624 MW) by Chenab Valley Power Projects Private Limited (M/s CVPPPL) for Jammu & Kashmir
India and Japan infrastructure development in India’s north-eastern states
Sahaj Bijli Har Ghar Yojana (SBHGY) scheme to achieve 100% household electrification
Green Energy Corridor Project along with other wind and solar power projects
Telecom projects
Pradhan Mantri Awas Yojana (Urban) across India
DEFENCE MANUFACTURING

Host to the 2nd largest armed forces in the world, India offers huge opportunities for reputed Original Equipment Manufacturers (OEM) from around the globe to forge joint venture partnerships. As the world’s 3rd largest defence spender, the country not only offers a captive domestic market, but also has the infrastructure to double as a manufacturing hub, and a base for exports. Through the Make in India initiative, the government has opened the industry for private sector participation to encourage indigenous manufacturing.

India’s Performance

3rd largest defence spender in the world after the US and China
US$ 7.3 bn worth ongoing ORD projects
2.30% GDP spent on defence
US$ 309 mn exports in 2016
10,000 micro, small and medium entrepreneurs who make 80% of the components
US$ 317 mn worth domestically produced defence platforms, equipment, and spares exported to over 26 countries in 2015-16
30% offset requirement for procurement of equipment in excess of US$ 507.69 mn
50% of its total defence budget spent on capital acquisitions
60% of requirements are met through imports
343 Industrial Licences (ILs) covering 206 companies for manufacture of a wide range of defence items issued to private companies
40 FDI proposals/ joint Ventures approved in for manufacture of a wide range of defence equipment
US$ 5.12 mn from Apr 2000 to Sep, 2017
US$ 309 mn exports from Ordinance Factory Board (OFB) & DPSUs and the private sector till December 2017
30% of supplies made by OFB in 2016-17 was for the Indian Army

India’s Potential

US$1tn by 2025: potential of the defence manufacturing sector
US$ 4.53 bn worth contractual obligation to be met in 5-6 years
US$ 0.7 bn allocation for modernisation
US$ 130 bn opportunity in the 7-8 years
Partner with foreign companies for joint ventures, technology transfer arrangements and co-ops
TOT (Transfer of Technology) Maintenance to Indian industry partners
IDDM (Indigenously Designed, Developed and Manufactured) introduced to encourage indigenous design, development and manufacture of defence equipment
Supply chain outsourcing

Indian Defence Products

Armoured vehicles and heavy vehicles
Missiles, ammunition, electronic equipment
Earth moving equipment
Special alloys and special purpose steels

Programs

Government Support

90% funding by Government and preference to Indian firms
US$ 15.4 mn Technology Development Fund
Initial validity of IL extended to 15 years, further extendable up to 18 years for existing and new licensees
Issue of security manual for domestic defence companies

Flexibility

in relation to nomination or change in offset partners post-signing of contract
Reduction in indigenous content requirement to 30% in Buy (global) bids where an Indian firm/jv is bidding for the proposal
Tax incentives for non-residents reduced to 10% from 25%

Investments

US$ 15.4 mn Technology Development Fund.

Innovation for Defence Excellence (iDEX) innovation hubs across the country

Infrastructure Development Manufacturing Clusters (IDM) 5 clusters set up in 5 states

Tamil Nadu and Uttar Pradesh

2 defence industrial corridors in the country

No 1 arms importer in the world
15% of international arms imports is by India

Wassenaar Arrangement membership for exchange of information on transfers of conventional weapons and dual-use goods and technologies

Defence manufacturing in India today includes:
- Arms and ammunition
- Tanks
- Armoured vehicles and heavy vehicles
- Fighter aircraft and helicopters
- Warships, submarines
- Missiles, ammunition, electronic equipment
- Earth moving equipment
- Special alloys and special purpose steels

Defence manufacturing today

US$ 62.8 bn, for defence in Union Budget 2018-19

Special alloys and special purpose steels
Earth moving equipment
Missiles, ammunition, electronic equipment
Warships, submarines
Fighter aircraft and helicopters
Armoured vehicles and heavy vehicles
Tanks
Arms and ammunition

No 1 arms importer in the world
15% of international arms imports is by India

Wassenaar Arrangement membership for exchange of information on transfers of conventional weapons and dual-use goods and technologies

Defence manufacturing in India today includes:
- Arms and ammunition
- Tanks
- Armoured vehicles and heavy vehicles
- Fighter aircraft and helicopters
- Warships, submarines
- Missiles, ammunition, electronic equipment
- Earth moving equipment
- Special alloys and special purpose steels
India’s e-commerce enterprises have rapidly made deep inroads into the country’s consumer market. The growth has been fuelled by a young demographic profile, rising internet and smartphone penetration, innovation in mobile technologies and investor interest. The increase in digital payments is bolstering online sales further.

**INDIA’S PERFORMANCE**

US$38.5bn is estimated value of e-commerce market in 2017-18

Hyperlocal and travel & hospitality segments are attracting PE/VC interest

US$1.7 bn M&A/strategic Investments in the sector

17% growth rate in financial year 2018-19

US$25 bn have been invested by PE/VCs in last 5 years

**POTENTIAL**

US$ 200 bn is projected value of e-commerce market by 2025

627m Internet users are expected in India by end 2019

12% market penetration expected by 2026 compared to 2% in 2019

300m online buyers by 2025. By 2025, digital sales will account for 35% of all retail sales

US$10-$12bn opportunity likely in rural commerce sector in next 4 years

50% of e-commerce sales in India are smartphones

585m internet users will be using local languages in India by 2021

**POLICIES**

100% FDI permitted under automatic route in B2B ecommerce companies and in marketplace model for B2C under automatic route

An entity is permitted to undertake retail trading through e-commerce under certain conditions:

- A manufacturer is permitted to sell its products manufactured in India through e-commerce retail
- A single brand retail trading entity operating through brick and mortar stores is permitted to undertake retail trading through e-commerce
- A food product retail trading entity is allowed to undertake retail trading, including through e-commerce, for food products manufactured and/or produced in India.

**GOVERNMENT SUPPORT**

National Digital Commerce Policy 2018:

- Focuses on ensuring safe digital transactions through the use of ICT, identifying piracy, hacking and enhancing confidence in purchasers and sellers in digital commerce
- US$ 24bn allotted in Union Budget 2018-19 to BharatNet project to provide broadband services to 150,000 gram panchayats
- Udaan, a B2B online trade platform that connects SMB manufacturers and wholesalers with online retailers and provides them logistics, payments and technology support, has sellers in 80 cities and delivers to 500 cities
- The government has introduced BHIM Interface for Money (BHIM), a simple mobile-based platform for digital payments

**INVESTMENTS**

- Walmart invested US$ 16 billion in Flipkart
- US$ 5.5 bn investment committed by Amazon India in India
- Google has invested in Durzo, a hyperlocal delivery start-up
- Alibaba Group invested US$ 680m in Paytm and has also in BigBasket
- Ctrip.com International has invested in India’s biggest online travel portal makemytrip.com

**PRIVATE INITIATIVES**

- 16 million women in India have been influenced by Google and Tata Trust’s joint project Internet Saathi, which aims to push internet penetration among Indian rural women.
India has the world’s largest population in the age bracket of 5-24 years. This is a great opportunity for the education sector. Currently, India has one of the largest networks of higher education institutions in the world.

The country is focused on accelerating existing schemes and quality improvement in primary and secondary education, while in higher education, India aims to raise enrolment in skills development programs. The country is also expanding the scope of distance education. The Government of India has allocated educational grants for research scholars in most government institutions.

### Education & Training

**Potential**

- **World's Largest** population of about 500 million in the age bracket of 5-24 years
- **India Mission** aims at skilling 400 million Indian youths by 2022
- **US$ 101.1 bn** expected value of sector in 2025
- **Training** and **M-learning**
- **Teacher Training Programmes**
- **E-learning and M-learning**
- **Educational software development**
- **Skill enhancement**
- **IT Training** and e-learning
- **Sankalp**, a World Bank loan programme for skills and knowledge acquisition
- **Singapore supported skills development programme in Asia**

**Policies**

- 100% **FDI** allowed in the education sector through the automatic route since 2002
- 100% **FDI** in companies engaged in construction-development
- **Free and compulsory education** for all children
- **New Education Policy** providing quality education, innovation and research, aiming to make India a knowledge superpower

**Programs**

- Development of education infrastructure
- Transformative and innovative approaches
- Higher education
- Distance education
- E-learning and M-learning
- Teacher Training Programmes
- Educational software development
- Skill enhancement
- IT Training and e-learning
- Sankalp, a World Bank loan programme for skills and knowledge acquisition
- Singapore supported skills development programme in Asia

**Program Support**

- **US$ 33 bn** budget allocation in 2019
- **US$ 15.44 bn** up to 2022 for **Project RISE (Revitalising Infrastructure and Systems in Education)**
- The Government aims to raise **US$ 15.52 bn** from private companies and individuals to finance improvement of education infrastructure
- **Samagra Siksha Scheme** for holistic development of school education
- **Skill India**
- **Beti Bachao, Beti Padao**
- **Mid Day Meal scheme in schools**

**Investments**

- **22 AIMS institutes**
- **ITs have been allocated US$ 908 bn**
- **245% increase in the allocation for quality improvement programme in Technical Education (TEQIP-III)**
- **Innovation Cell and Atal Ranking of Institutions on Innovation Achievements launched to assess innovation efforts and encourage a healthy competition among higher educational institutions**
India’s Gems & Jewellery industry is one of the largest in the world. The sector gained international repute because of India’s talented craftsmen, low manufacturing costs and its superior practices in cutting and polishing fine diamonds and precious stones.

**GEMS & JEWELLERY**

India is one of the world’s largest exporters of gems and jewellery. The industry plays a vital role in the Indian economy as it contributes a major chunk to the total foreign reserves of the country. United States of America accounts for half of India’s gem and jewellery export.

**INDIA’S PERFORMANCE**

- **US$ 1.15 bn** FDI in diamond and gold ornaments from Apr 2000 – Jun 2018 (DIPP)
- **US$ 60 bn** market size in 2017
- **15.5%** share in India’s exports
- 7% contribution to India’s GDP
- **13%** share in India’s commodity exports
- **16%** industry CAGR (2014-19)
- **79.84%** of the total gems and jewellery exports in value terms between Jan to Sep, 2018
- **4.5 mn** people employed in this sector
- **12 out of every 14 diamonds sold worldwide passes through India**
- **No 1** consumer of gold in the world
- **523.93** tonnes demand for gold between Jan to Sep, 2018
- **80%** of the total jewellery market in India comprises of gold
- **29%** of the world’s gold consumption in India
- **1 - 2%** of fine jewellery segment to come from online sales by 2022
- **Huge potential in mining of gold, diamonds and precious stones**
- **VR aided buying experiences are popular**
- **Demand for lab-created diamonds**
- **Development of new manufacturing techniques**
- **Commercialisation of traditional jewellery designs and techniques.**

**POTENTIAL**

- **US$ 110 bn** by 2022 - the expected increase in gems and jewellery market size
- **8.23 mn** more jobs by 2022
- **1 – 2%** of fine jewellery segment to come from online sales by 2022
- **Huge potential in mining of gold, diamonds and precious stones**
- **VR aided buying experiences are popular**
- **Demand for lab-created diamonds**
- **Development of new manufacturing techniques**
- **Commercialisation of traditional jewellery designs and techniques.**

**POLICIES**

- **Bureau of Indian Standards (BIS mark), for purity in carat and fitness, as well as the unit’s identification and the jeweller’s identification mark.**
- **Gold Monetisation Scheme** to deposit gold with banks and earn interest.

**Segments in the Gems and Jewellery Sector:**

- Diamonds
- Gemstones
- Pearls
- Gold
- Silver
- Platinum

**46**

**47**
Setting up of Gems & Jewellery Parks
Investment in retail brands
Setting up vocational training institutions for aspiring diamond cutters and jewellery designers
Supply/ manufacture of tools for cutting and processing of stones and jewellery
Establishing Hallmark Centres
Setting up Gemology institutes with testing facilities
Manufacturing and selling of lab created diamonds

**Programs**

**Government Support**
100% FDI in exploration and 74% in mining of diamonds and precious stones
100% for gold, silver and mineral exploration, mining, metallurgy and processing
Special Notified Zones for consignment import and export of rough diamonds
Merchandise Exports from India Scheme (MEIS) for export of specified goods to specified markets
Advance Procurement/ Replenishment of Precious Metals from Nominated Agencies
Relaxation in gold import norms
Regulatory framework and taxation to encourage international mining companies to sell rough diamonds directly in India
Enhancing the Ease of Doing Business by reducing the number of mandatory documents
Nodal authority for scrutinising applications for laboratories for export of cut and polished diamonds for certification/grading and re-export
Exporters of gems and jewellery can import/ procure duty free input for manufacturing products for export
Gems and Jewellery Skill Council of India to train over four million persons till 2022 for skilled manpower
The Small Scale Industry (SSI) eligibility limit has been raised from INR 12 crore to INR 15 crore

**Investment**
2,000 acres Smart City, is being developed close to Surat and will house an International Diamond Trading Hub and a Diamond Bourse
5,000 jewellery units at an overall investment US$ 2.09bn at India’s largest jewellery park at Ghansoli in Navi-Mumbai
4 Common Facility Centres (CFCs) set up in Ahmedabad, Amreli, Visnagar and Palanpur at a cost of 16.15 crore.
Special Notified Zone (SNZ) opened at Bharat Diamond Bourse in Mumbai to ensure direct supply of rough diamond
Healthcare has been one of India’s core sectors, both in terms of revenue and employment. With the government rolling out the biggest publicly funded healthcare plan in the world, India’s has now opened its doors to many more opportunities in the sector. The country offers best-in-class healthcare facilities, at a fraction of the cost in other major markets of the globe. Reduced cost of life-saving drugs and medical devices, the state-of-the-art pharmaceutical industry, world-class specialty hospitals in tier 1 and tier 2 cities and a large pool of well-trained medical professionals are factors that drive the sector.

**Healthcare in India's Performance**

- **US$ 13 bn** - current value of primary care industry in India
- **US$ 6 bn** - medical tourism industry
- **74%** - healthcare expenditure accounted for by the private sector
- **4th largest employer in 2017**
- **Leading destination for high-end diagnostic services**
- **150,000 Health & Wellness centers**
- **US$ 4 bn** - current value of the diagnostics industry in India
- **US$ 5.25 bn** - FDI received between April 2000 and June 2018
- **2.14 crore children and 0.56 mn pregnant women have been immunised**
- **Several diseases including polio, smallpox and guinea worm have been eradicated**

**Policies**

- **National Health Policy** to achieve highest possible level of health and wellbeing for all at all ages, through a preventive and promotive health care
- **Pradhan Mantri Jan Arogya Yojana (PMJAY)**, to provide health insurance worth 500,000 to over 100 million families every year
- **Ayushman Bharat**, the National Health Protection Mission
- **Mission Indradhanush**, to improve coverage of unvaccinated and partially vaccinated children in rural and urban India
- **Central Sector Scheme for Conservation, Development and Sustainable Management of Medicinal Plants**

**Potential**

- **Public spend on health to be raised to 2.5% of GDP by 2025**
- **India’s healthcare market to see a threefold jump in value to reach US$ 372 bn by 2022**
- **22-25% growth expected in medical tourism**
- **Telemedicine** is a fast-emerging trend in India
- **Home-based care services gaining popularity**

**Programs**

- **Hospital infrastructure**
- **Telehealth services**
- **Alternative medicine**
- **Medical devices**
- **Mobile & Wearable Devices**
- **Internet of Things (IoT)-based tracking & management systems**
- **Artificial intelligence (AI) for keeping health records & providing timely treatment**
- **Rise in life expectancy**
- **Government initiatives like e-Health & Ayushman Bharat**
- **Technological advancements**
- **Rising demand for improved access to insurance and affordable healthcare**
- **Increasing expenditure by public and private players**
- **Increased investment in R&D**
- **New medical institutes for producing world class doctors, nurses and paramedics**
- **M&A**

**Government Support**

- **100% FDI is permitted under the automatic route for greenfield projects up to 100% FDI is permitted under the Government route for brown field projects**
- **US$ 935 mn allotted for Ayushman Bharat scheme in interim budget 2019-2020**
- **Pradhan Mantri Surakshit Matritva Abhiyan Network of Laboratories for managing epidemics and Natural Calamities**
- **Model Hospital & Research Units (MH&RU) in the States**
- **Multi-Disciplinary Research Units (MDRU) for strengthening Medical colleges - Research Institutions**

**Investments**

- **Super Specialty Hospital Project, Lucknow**
- **ULIP Projects**
- **Medical Equipment Manufacturing Project, West Sikkim**
- **Medical Centre Project, Guwahati, Assam**
- **Harilal Bhagwati General Hospital Project, Mumbai, Maharashtra**
- **National Health Portal**
India is one of the world’s favourite IT BPM investment destinations. The country’s unique selling proposition continues to be its cost competitiveness in providing services, which are approximately 3-4 times more cost-effective than the US. Indian IT firms have delivery centres across the world and are well-diversified across verticals, such as BFSI, telecom and retail to mention a few. Leading Indian IT firms are spearheading disruptive technologies using innovation hubs and R&D centres and creating differentiated offerings to clients. India’s domestic technology market, including the hardware segment and IT services, is the fastest growing in Asia-Pacific. The IT and BPM industry is the largest contributor to the total exports of the country

** Policies

100% FDI is allowed in Data processing, Software development and Computer consultancy services; Software supply services; Business and management consultancy services. Market research services, Technical testing and Analysis services, under automatic route

100% FDI is permitted in B2B E-commerce National Policy on Information Technology 2012 aims to increase revenues of IT and BPM Industry to US$ 350 billion by 2020.

The government has identified Information Technology as one of 12 champion service sectors for which an action plan is being developed.

** Programs

E-Commerce ventures and mobile application development

AI, Iot, IoT, Social, Mobility, Analytics and Cloud (SMAC) based Start-ups

IT in services, Software product companies, shared service centres

Digital India promotes mobile connectivity throughout the country
e-Governance, e-Health, e-Education & e-Ticketing projects

Re-engineering of government processes and enabling e-delivery of citizen services

Start-up focus on AI, Machine Learning, Artificial Intelligence and healthcare Growing R&D spend in telecom and semiconductors

** Potential

US$ 350 bn by 2025 - expected growth in Information Technology and Business Process Management sector

SMAC (social, mobility, analytics, cloud) market expected to grow to US$ 2.25 bn by 2026.

Initiatives such as Digital India, Smart Cities, Aadhaar, BharatNet and Make in India

The use of IT in verticals such as retail, healthcare and utilities

NOFN (National Optical Fibre Network) to connect 250,000 Gram Panchayats (village councils) in the country with high-speed broadband

US$ 20 bn investment to cover mobile connectivity across India

India is emerging as the hub for “Digital Skills”

** India’s Performance

17,000 IT firms with more than 50 delivery locations in India

640 offshore development centres in over 80 countries

$400 bn revenues in 2017-18

8% share in India’s GDP

54% in global outsourcing market

44% share in services export

11% domestic market growth makes India Asia’s fastest growing tech market

3rd largest tech-based start-up hub in the world

13.5% growth from high value client additions in past 5 years

60% firms use India for testing services before taking software products global

US$ 200 bn cost savings over past 5 years by foreign clients

US 1.6 bn spent annually on training workforce

75% of global digital talent based in India

Leading Indian IT firms are spearheading disruptive technologies using innovation hubs and R&D centres and creating differentiated

** Investments

Coastal Economic Unit Project, Amravati, Andhra Pradesh

IT Park, Gomawadi, Assam

Intelligent Street Pole for 6 Smart Cities, Madhya Pradesh

Setting up a Rural BPO in Assam, Assam

Centre of Excellence for Internet of Things has been set up in Banagolaru
LEATHER

India's leather industry is booming, as leather is one of the most widely traded items in the world. Government of India had identified it as a focus sector because of its immense potential for export, growth and employment generation. Raw hide, processed leather skins, leather goods, leather garments, leather footwear, handbags, wallets, saddlery and harness are the widely traded leather items in India. Buffalo skin and goat skin are used to make leather that is exported to other countries. The Indian leather industry with its skilled and trained manpower and comparative cost advantages is among the top ten foreign exchange earners. The industry is known for its consistency in export earnings.

INDIA’S PERFORMANCE

3 bn sq. ft. of leather produced annually
US$ 12 bn in 2017-18
2nd largest producer of footwear and leather garments in the world
2nd largest exporter of leather garments in the world
5th largest exporter of leather goods & accessories in the world
12.9% of the world’s leather production of hides and skins
20% of the world’s cattle and buffalo population lives in India

2.80 bn footwear exports
519 mn leather garments exports
874 mn finished leather exports
More than 1000 leather exporting companies
Employ 3 mn people
21 ports (including sea, air and land) that export leather
5 leading importers of Indian leather include USA, UK, Germany, Italy and France

POTENTIAL

2.80 bn footwear exports
519 mn leather garments exports
874 mn finished leather exports
More than 1000 leather exporting companies
Employ 3 mn people
21 ports (including sea, air and land) that export leather
5 leading importers of Indian leather include USA, UK, Germany, Italy and France

20% of the world’s cattle and buffalo population lives in India

US$ 5.74 bn export in manufacturing based leather in 2017-18
11% of the world’s goat and sheep population lives in India

POLICIES

100% FDI permitted through the automatic route
The National Manufacturing Policy identifies leather as a special focus sector for growth and employment generation.
The leather product sector is de-licensed, facilitating expansion on modern lines.
India has trade agreements with Japan, Korea, ASEAN, Chile etc. and is negotiating Free Trade Agreements with European Union and Australia.
Central Sector Scheme Indian Leather Development Programme

PROGRAMS

Leather technology and best practices exchange
Training and skill development in the sector
Raw and processed leather and products export
R&D in leather technology

Government Support

30% grant is provided on the cost of plant and machinery for MSME and Small units and 20% for other units.
50% grant with a ceiling of US$ 19.23 mn for the establishment of Mega Leather Clusters.
Up to 50% of the project cost to address environmental pollution caused by leather units.

Schemes for
• Human Resource Development.
• Integrated Development of Leather Sector.
• Leather Technology, Innovation and Environmental Protection.
• Establishment of Institutional Facilities.
• Additional Employment Incentives for Footwear, and Accessories segments.
• Promotion of Indian Brands in Leather, Footwear and Accessories.

Investments

Leather & Footwear Cluster Project, Muzaffarpur, Bihar
Perambur Leather & Footwear Cluster Project, Chennai, Tamil Nadu
Leather & Footwear Cluster Project, Kolkata, West Bengal
Footwear Design and Development Institute – Banur & Ankleshwar.
India’s Media and Entertainment (M&E) industry is witnessing strong growth in all segments including print, radio, films, television, out of home (OOH), animation & visual effects (VFX), digital advertising, music and gaming. The growth drivers of the industry include a rapidly growing young population and higher penetration of media, coupled with increased usage of 3G, 4G and portable devices. A recent industry report shows that the sector is growing at a rate faster than the GDP. While TV has retained its position as the largest segment, digital is expected to overtake filmed entertainment in 2019 and print by 2021. China has emerged as the largest overseas market for Indian content.

India’s Performance

3rd largest film industry in the world
The 5th largest media and entertainment market in the world
570 mn internet subscriptions - 2nd highest in the world
640 mn internet users
2nd largest online population
99,7000 newspapers
197 mn television households
800 TV channels
7 DTH operators & 6,000 multi-system operators
60,000 local cable operators approximately
Digital-only film market came into existence in 2018
2,000 plus multiplexes
9% CAGR in India’s media consumption
16.4% growth in the animation industry
31% growth in VFX industry
US$ 23.9 bn Media & Entertainment Industry in FY18 as per a FICCI-EY Report
US$ 7.17 bn FDI inflows in the i&B sector during April 2000–June 2018
US$2.8 bn worth mergers and acquisitions in 2018

Potential

US$ 33.6 bn anticipated value of the sector by 2021
US$ 18.39 bn advertising revenue by FY23
US$ 394.22 mn digital revenues by 2021
7.60% CAGR of film industry 2018-2023
US$ 33.7 bn media market by 2020
TV and AVG segments expected to lead industry growth
Digital technologies and e-Commerce offer immense growth opportunities
Regional Entertainment channels have large potential
Mobile advertising spends to increase hugely
Teleport hub of Asia
Newspapers and niche publications
Regional print and local news segment
Radio is a growing market

Policies

100% FDI in cable and DTH satellite platforms
26% FDI in FM radio and uplinking of ‘News and Current Affairs’ TV channels under the government route
26% FDI under the government route for uplinking of ‘News and Current Affairs’ TV channels
100% FDI under the government route for ‘Non-news and Current Affairs’ TV channels/ downlinking of TV channels
26% FDI under the government approval route for publishing of newspapers and periodicals dealing with news and current affairs.
26% FDI under the government approval route is allowed in the publication of Indian editions of foreign magazines dealing with news and current affairs.
100% FDI under the government approval route is allowed in publishing/printing of scientific and technical magazines/speciality journals/ periodicals.
26% FDI under the Government approval route is allowed in publication of facsimile editions of foreign newspapers.
100% FDI in case of foreign publishing houses bringing out facsimile editions of their own newspapers through wholly owned subsidiary.
National Communication policy
National Film Heritage Mission
Film Facilitation Office
National Film Heritage Mission
Digitising cable distribution sector to attract greater institutional funding
Film industry given industry status for easy access to institutional finance
Animation and gaming design and production
Television production and television advertisements
Film production and post production work
Community radio stations
Print publications and advertising
Multiplex and entertainment zone development
Joint productions and co-productions of films and serials
3D films and digital screens

Government Support
State incentives depending on number of jobs created and area of investment
Animation and gaming: Incentives for units in SEZ as specified in the Act
Pan-India Digital India Programmes
National Rural Internet and Technology Mission
Training in IT skills
E-kranti for Government Service Delivery and Governance Scheme
US$ 14.6 mn subsidy for setting up community radio stations

Investments
Film facilitation unit for film shooting in India
US$ 730 mn for Digital India
US$ 14.6 mn promoting good governance
Zero basic custom duty on digital still image video camera of certain specifications
Service-tax on services provided to amusement facility, entertainment events or concerts, pageants, non-recognised sporting events
Animation and gaming incentives for units in SEZs
India has large reserves of iron ore, bauxite, chromium, manganese ore, baryte, rare earth and mineral salts. With barely 20% of its reserves mined, India presents considerable opportunities for future discoveries of sub-surface deposits. Besides offering significant production and conversion cost-advantages in steel and alumina, India also benefits from its strategic location that enables convenient exports to be developed to the fast-developing Asian markets.

**MINING INDIA’S PERFORMANCE**

- **2nd largest steel producer in the world**
- **3rd largest global producer of coal in FY18 with 676.51 MMT of coal produced**
- **3rd largest crude steel producer in FY18 with production rising to 102.34 MMT**
- **4th in terms of iron ore production globally with 210 MMT produced**
- **9th largest bauxite reserves in the world**

India’s Mineral Wealth

<table>
<thead>
<tr>
<th>Number</th>
<th>Mineral Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>Atomic minerals</td>
</tr>
<tr>
<td>4</td>
<td>Fuel-related minerals</td>
</tr>
<tr>
<td>10</td>
<td>Metallic minerals</td>
</tr>
<tr>
<td>23</td>
<td>Non-Metallic minerals</td>
</tr>
<tr>
<td>55</td>
<td>Minor minerals (including building and other minerals)</td>
</tr>
</tbody>
</table>

**POTTENTIAL**

- **US$ 126 bn estimated value of the sector in 2025**
- **100 blocks identified by GSI for exploration**
- **GoI’s focus on infrastructure & transportation creates opportunities in steel, zinc, and aluminium**
- **Mining opportunities in gold, silver, platinum, palladium, rhodium and diamond**
- **Growth in power and cement industries**
- **Strong growth in the automotive sector**
- **Plans are on to double steel production capacity by 2030-31**
- **Sustained growth in residential and commercial building industries**

**POLICIES**

- **National Mineral Policy 2019**
- **Mines and Mineral Development and Regulation**
- **National Steel Policy**
- **Mineral Concessions Grant Through Auctions**
- **100% FDI allowed in the mining sector and exploration of metal and non-metal ores under the automatic route**
- **100% FDI allowed in Mining and mineral separation of titanium bearing minerals and ores, its value addition and integrated activities under Government route**

**PROGRAMS**

- **Growing market for mining equipment, vehicles and technology**
- **NALCO, Hindustan Copper and MECL to acquire lithium and cobalt mines abroad**
- **Scope for domestic and foreign companies in upcoming PPP opportunities**
- **Mineral blocks auctioned by the States for Mining or Prospecting cum mining infrastructure projects**

**Goverment Support**

- **US$ 256 mn allocated in the Union Budget for 2018-19**
- **100 blocks by Geological Survey of India for auctioning regional exploration**
- **Monitoring of mining activities using satellite imagery and capacity building**
- **Integrated IT-enabling system - Online Core Business Integrated System**
- **GoI’s focus on infrastructure & transportation creates opportunities in steel, zinc, and aluminium**
- **Mining opportunities in gold, silver, platinum, palladium, rhodium and diamond**
- **Growth in power and cement industries**
- **Strong growth in the automotive sector**
- **Plans are on to double steel production capacity by 2030-31**
- **Sustained growth in residential and commercial building industries**

**Investments**

- **Gevra Open Cast Coal Mining Project, Chhattisgarh**
- **Kisumunda Coal Mining Project, Chhattisgarh**
- **Dudhichua Open Cast Coal Mining Project, M.P, U.P.**
- **Rampur-Batara Open Cast Mining Project, Madhya Pradesh**
India is the world’s third largest energy consumer, a refinery hub and the largest exporter of petroleum products in Asia. The oil & gas sector is among the eight core industries in India and plays a major role in influencing decision making for all the other important sections of the economy. The abundance of raw material in the country and the robust domestic market, backed by favourable policies, combine for a future of reduced oil and gas import dependence and increasing exports.

**OIL & NATURAL GAS**

**INDIA’S PERFORMANCE**

No.1 exporter of petroleum products in Asia
2nd largest refiner in Asia.
3rd largest energy and oil consumer in the world
4th largest importer of liquefied natural gas (LNG)
23 refineries - 18 under public sector, 3 under private sector and 2 in a joint venture.
247.5 MMPTA is India’s current refining capacity
16,771 km gas pipeline infrastructure in the country in September 2018
US$ 7.00 bn FDI attracted by sector between April 2000 and June 2018.

**US$ 300 bn opportunities to invest in India, as the country looks to cut reliance on oil imports by 10 per cent by 2022**

**POTENTIAL**

77% to 67% reduction in oil and gas imports by 2022
90 bn cubic meters of gas to be produced by 2030

**POLICIES**

Favourable policies like NELP, HELP, CBM and OALP to promote investments
Discovered Small Fields Policy
100% FDI in exploration activities of oil and natural gas fields under automatic route.
49% FDI in petroleum refining by Public Sector Undertakings (PSU), without any disinvestment or dilution of domestic equity in the existing PSUs under automatic route

**PROGRAMS**

Monetization of 67 discovered small fields through international competitive bidding
Construction of another 15,000 km of gas pipeline network to bolster national gas grid
Increase in India’s refining capacity
Investment in export-oriented infrastructure, including pipelines and export terminals.

**Government Support**
Fiscal incentives and exemptions on cess, taxes and customs duties on imports, exploration licenses and movement of goods.
State incentives for projects area based incentives for North East India
Revision of Crude Oil Cess
State incentives

**Investments**
Refinery Project, Cuddalore, Tamil Nadu
Ennore Petrochemical Cluster Project, Ennore District, Tamil Nadu
Kakinada Petrochemical Cluster Project, East Godavari, Andhra Pradesh
Mangalore Petrochemical Cluster Project, Dakshin Kannada, Karnataka
PHARMACEUTICALS

India is the largest provider of generic drugs globally. The country is a leading manufacturer of various critical, high-quality, low-cost pharmaceutical products for both, the Indian and global market. India’s strengths include the country’s low cost of production, large biotech workforce, scientists, engineers and managerial talent. India supplies 50 to 60 % of global demand for several vaccines. Affordable anti-retroviral (ARV) drugs from India were a major factor in AIDS patients getting greater access to treatment.

Indian pharma companies are now venturing into more into manufacturing more complex products such as microspheres, liposomes, emulsions and building the country’s capabilities in R&D. North America is India’s largest export market, followed by Africa.

3,000 pharma companies
10,500 manufacturing units
No 1 global provider of generic medicines
2nd highest number of US FDA approved facilities
2nd largest pharmaceutical and biotech workforce in the world
4th largest medical device market in Asia
20% of global exports in generics
60,000 generic brands across 60 therapeutic categories sourced from India

100% FDI is allowed under the automatic route for greenfield pharma
100% FDI is allowed in brownfield pharma – 74% under the automatic route and thereafter through government approval route
National Pharmaceutical Pricing Policy 2012
Pharmaceutical Promotion Development Scheme
TB and Kala azar Scheme
Implementation of Scheme for Schedule M Compliance
New IPR policy

Potential

3rd largest pharmaceutical market by 2020 in terms of incremental growth
US$ 280 bn healthcare market in 2020
US$ 200 bn to be spent on health infrastructure
Aysuhman Bharat: World’s largest healthcare programme launched
Manufacturing Pharmaceuticals, nutraceuticals and biotechnology products
Off-patent drugs: Drugs worth US$ 130 bn will go off-patent by FY22
Medical devices: BP monitors, cardiovascular labs, portable anaesthesia machines
Medical tourism: Cardiac orthopaedic procedures and other specialized areas
Other opportunities: Contract research and manufacturing services industry

Pharma Vision 2020 aimed at making India a global leader in end-to-end drug manufacture
The National Pharmaceutical Pricing Policy
Aysuhman Bharat to provide hospitalization cover coverage of US$ 1,700 to over 100 million poor and vulnerable families
Health and Wellness centres to provide comprehensive treatment, medication, essential drugs and diagnostics services, free of cost

36,000 different Active Pharmaceutical Ingredients (APIs) manufactured in India
US$ 17.27 bn pharma exports in 2018
150 countries import vaccines from India
Top 10 global medical device markets
US$ 37 bn Indian pharmaceuticals sector in 2016
Production of bulk drugs, intermediates, drug formulations, biologicals, Ayush & herbal products and surgicals
Approval time for new facilities has been reduced to boost investments

Policies

Programs

Ayushman Bharat National Health Protection Scheme has opened up new opportunities
Alliances with generic companies for development of drug molecules
Conducting R&D of medicament formulations for global clients
Biosimilars and Specialty drugs manufacturing
Government Support
Weighted tax deduction of 100% on scientific research and development
Reduction in cost of stents and other specific medical devices
Life saving drugs at reduced cost

Investments

Synthetic Organic Chemicals Project, Vatva, Gujarat
Drug & Surgical Consumables Manufacturing Unit, Lucknow/Noida
Pharmaceutical Park, Chaygaon, Assam
Active Pharmaceutical Ingredients Project, Vishakhapatnam

India’s performance

500 different Active Pharmaceutical Ingredients (APIs) manufactured in India
500,000 pharmacies
No 1 global provider of generic medicines
2nd highest number of US FDA approved facilities
2nd largest pharmaceutical and biotech workforce in the world
4th largest medical device market in Asia
20% of global exports in generics
60,000 generic brands across 60 therapeutic categories sourced from India
India, with its 7517 km long coastline and 200 plus ports plays a vital role in global trade. Being strategically located on the world’s shipping route, the Indian ports & shipping industry sustains growth in the country’s trade and commerce. Along with the ambitious Sagarmala Programme launched in March 2017, the Government of India has also introduced various fiscal and non-fiscal incentives for enterprises that develop, maintain and operate ports, inland waterways and shipbuilding in India.

India’s Performance

- 16th largest maritime country in the world
- 70% of India’s trading in value terms handled through maritime transport
- 70% of India’s trading in value terms handled through maritime transport
- 1301 vessels: India’s fleet strength
- 679 MT cargo traffic handled at major ports in 2017-18
- 485 MT cargo traffic handled at minor ports in 2017-18
- 5X growth in traffic in major ports between 2014-18, compared to 2010-14
- 3X increase in net profits of major ports between 2014-18
- 64 hours turnaround time at major ports in 2018

Sagarmala

- US$ 123 bn to be invested across 415 projects, including:
  - Port Modernization and New Port Development
  - Port Connectivity Enhancement
  - Port-Linked Industrialization
  - Coastal Community Development
- Mobilization of over US$ 61.6 billion of infrastructure investment
- Double the share of inland and coastal waterways in the modal mix
- Yield cost savings of US$ 5.3-6.1 bn in logistics annually
- Boost merchandise exports by US$ 110 bn
- Create 4 mn new direct jobs and 6 mn indirect jobs

Programs

- Port projects at an Investment of over US$ 10 bn identified
- Specialist terminal-based ports for cargo requiring special equipment
- 21 dry port projects under development
- Impact of Sagarmala Programme
  - Mobilization of over US$ 61.6 billion of infrastructure investment
  - Double the share of inland and coastal waterways in the modal mix
  - Yield cost savings of US$ 5.3-6.1 bn in logistics annually
  - Boost merchandise exports by US$ 110 bn
- Create 4 mn new direct jobs and 6 mn indirect jobs

Policies

- 100% FDI in the shipping sector
- 100% FDI in the shipping sector
- 100% FDI in the shipping sector
- 10-year tax holiday is extended to enterprises engaged in the business of developing, maintaining, and operating ports, inland waterways, and inland ports
- Incentives for enterprises that develop, maintain and operate ports, inland waterways and shipbuilding in India

Investments

- Sagarmala
  - Port Projects: Colachel, Tamil Nadu
  - Vadhavan Port Project, Thane, Maharashtra
  - Port Development Project, Kanyakumari, Tamil Nadu
- Project UNNATI to identify opportunities for improvements in operations of major ports
- Direct foreign investment
- Foreign flagged ships allowed, to carry containers for transhipment
- Revised Model Concession Agreement approved to make port projects more investor-friendly
- SEZ being built in close proximity to ports

Prizes

- 6766
The Indian railways operates 21,000 passenger and freight trains every day. Indian Railways is the world’s 3rd largest railway network under single management, covering 66,000 route kms. Apart from being an energy efficient and economic mode of conveyance and transport, it is integral for long-distance travel and movement of bulk commodities. Increasing urbanisation and rising urban & rural incomes are driving growth in the passenger segment. There is significant increase in freight traffic owing to rising investments and private sector participation.

### INDIA’S PERFORMANCE

- **3rd largest railway network in the world**
- **High-speed rail freight carrier in the world**
- **8th largest employer in the world**
- **3rd largest employer in the world**
- **23 mn passengers on an average, ferried each day**
- **73,000 railway stations maintained by the sector, across India**
- **US$ 7 bn passenger earnings in 2017-18**
- **1.2 mn people employed directly by Indian Railways**
- **US$ 920.21 mn FDI inflows into Railways Related Components from April 2000 to June 2018**
- **9.66% Increase in revenues of Indian Railways during FY07-FY18**
- **Electric traction of 2367 route kms.**
- **2148 km old rails have been replaced with new rails up to November 2017**
- **6 high-capacity, high-speed dedicated freight coaches**
- **Smart Freight Operation Optimization & Real Time Information to monitor freight operations through Geographic Information System**
- **476,000 hectares of prime land owned by Indian Railways**
- **PPP opportunities in maintenance, redevelopment of stations, building private freight terminals and private container train operations**
- **2 Dedicated Freight Corridors - one on the Western route (Jawaharlal Nehru Port to Dadri) and another on the Eastern route (Ludhiana to Dankuni)**
- **6 tenders worth US$ 1.2 bn, for setting up a country-wide electricity transmission network**
- **Redevelopment of 90 railway stations into world-class transit hubs**
- **3rd largest railway market, making India 10% of the global market**
- **3.3 bn tonnes freight traffic in 2030 from 1.1 bn tonnes in 2017**
- **1 mn new jobs generated by Indian Railways**
- **Harness solar energy by utilizing rooftop spaces of railway stations, other railway buildings and land, through the PPP mode in order to use renewable energy**

### POTENTIAL

- **1.2 mn passenger earnings in 2017-18**
- **1.2 bn tonnes of freight transported during 2017-18**
- **US$ 7 bn passenger earnings in 2017-18**
- **US$ 130 bn investment envisaged by Indian Railways over the next 5 years**
- **6 Dedicated Freight Corridors - one on the Western route (Jawaharlal Nehru Port to Dadri) and another on the Eastern route (Ludhiana to Dankuni)**
- **6 tenders worth US$ 1.2 bn, for setting up a country-wide electricity transmission network**
- **Redevelopment of 90 railway stations into world-class transit hubs**
- **3rd largest railway market, making India 10% of the global market**
- **3.3 bn tonnes freight traffic in 2030 from 1.1 bn tonnes in 2017**
- **1 mn new jobs generated by Indian Railways**
- **Harness solar energy by utilizing rooftop spaces of railway stations, other railway buildings and land, through the PPP mode in order to use renewable energy**

### PROGRAMS

- **Bullet Train and the induction of semi-high speed train-sets**
- **High Speed Trains**
- **Dedicated Freight Corridors**
- **Modernisation of railway stations**
- **E-Ticketing and improved passenger on-board experience**
- **Boosting indigenous manufacturing**
- **New lines, track conversion and doubling**
- **Robotics and Industry 4.0 in production**
- **Transforming Indian Railways to a ‘Green’ Railway Gauge conversion**

### POLICIES

- **National Rail Plan -2030 to provide long-term prospective to planning by integrating the rail network with other modes of transport**
- **Foreign Rail Technology Cooperation Scheme to attract private sector investment**
- **Policy on Participative Models for Rail Connectivity & Capacity Augmentation Projects**
- **New export policy for Railways**
- **100% FDI under automatic route**
- **PPP opportunities in maintenance, redevelopment of stations, building private freight terminals and private container train operations**
- **2 Dedicated Freight Corridors - one on the Western route (Jawaharlal Nehru Port to Dadri) and another on the Eastern route (Ludhiana to Dankuni)**
- **6 tenders worth US$ 1.2 bn, for setting up a country-wide electricity transmission network**
- **Redevelopment of 90 railway stations into world-class transit hubs**
- **3rd largest railway market, making India 10% of the global market**
- **3.3 bn tonnes freight traffic in 2030 from 1.1 bn tonnes in 2017**
- **1 mn new jobs generated by Indian Railways**
- **Harness solar energy by utilizing rooftop spaces of railway stations, other railway buildings and land, through the PPP mode in order to use renewable energy**

### GOVERNMENT SUPPORT

State incentives on land, power, rates of interest on loans, investment subsidies on special incentive packages for mega projects. Various kinds of export incentives on goods.

Area based incentives for Special Economic Zones and special areas, such as the North east, Jammu & Kashmir, Himachal Pradesh & Uttarakhand.

### INVESTMENTS

- **JNPT Rail Connectivity Project**
- **Katghora – Dongargarh New Rail Line**
- **Kharsia – Naya Belur – Dhauli New Rail Line**
- **Dedicated Freight Corridor Project**
- **Diamond Quadrilateral Network of High-Speed Rail**
- **Mass Rapid Transport Systems**
- **62 ongoing projects offering investment opportunities**
RENEWABLE ENERGY

Under the Paris Agreement, India pledged that the greenhouse gas emission intensity of its GDP will be reduced by 33-35% below 2005 levels, by 2030, 40% of India's power would be generated from non-fossil fuel sources; India would create an additional carbon sink of 2.5 to 3 billion tonnes of CO2 equivalent through additional forest and tree cover by 2030. India is working at a super-fast pace to honour its pledge. The country expects to reach its goal of 40% share of renewables 3 years ahead of time. India's potential as a major market for renewable energy, especially solar and wind make this possible. India's renewable energy sector has the potential to create many employment opportunities at all levels, especially in rural areas. With strong push by the government the renewable energy sector has become very attractive, from an investor's perspective.

POLICIES
Amendments in Tariff Policy to promote Renewable Energy
Hydropower policy for 2018-for the growth of hydro projects in the country
National Wind-Solar Hybrid and Off-Shore Wind Energy Policy released
National Mission on advanced ultra-super-critical technologies for cleaner coal utilisation
FDI up to 100% is permitted under the automatic route

PROGRAMS
Development of Solar Parks and Ultra Mega Solar Power Projects
Development of power transmission network through Green Energy Corridor project
100 Smart City projects and 60 solar cities have been approved
US$ 5.8 bn Green Energy Corridor for optimal utilization of wind resources
Off-grid and decentralized renewable energy systems and devices
FDI $ 1.3 bn for setting up 50 Solar parks of 400MW by 2020
US$ 5.8 bn Green Energy Corridor being set up to ensure evacuation of renewable energy
Upgrade of watermills and micro hydro projects
Battery packs for electric vehicles
The Indian Railways to cut down emission levels by 33 per cent by 2030

INDIA'S PERFORMANCE
Largest renewable expansion plan globally
No 1 in ground based solar power and world's largest rooftop solar plant
4th most attractive renewable energy market in the world
4th largest wind power capacity in the world
5th in installed renewable energy capacity, as of October 2018
6th largest solar power capacity in the world
8-fold increase in solar capacity between 2014-18
21% renewable energy capacity as proportion of the country's total energy capacity
7103.28 MW of renewable energy capacity added during 2018-19
76.87 GW cumulative installed renewable energy capacity as of February 2019
35.32 GW from Wind Power - February 2019
27.09 GW from Solar Power - February 2019
9.92 GW from Bio Power- February 2019
4.54 GW from Small Hydro Power- February 2019
101.84 bn: Power generation from renewable energy sources (excluding large hydro) in 2018
+US$ 42 bn: Investments in India's renewable energy sector since 2014
US$ 7.4 bn: Investments in clean energy in the first half of 2018
US$ 3.2 bn FDI between 2015-18

POTENTIAL
Solar 750 GW
Wind 300 GW
Bio-energy 25 GW
Small hydro 20 GW
175 GW target by 2022, as per the Paris Agreement
US$ 42 bn: Investments in India's renewable energy sector since 2014
US$ 7.4 bn: Investments in clean energy in the first half of 2018
US$ 3.2 bn FDI between 2015-18

70

Government Support
Bank loans up to a limit of US$ 2.5 million will be given to borrowers for renewable energy projects.
Making roof top solar as a part of housing loan provided by banks
Supporting R&D on various aspects of renewable energy
Financial incentives for off-grid and decentralized renewable energy systems and devices for meeting energy needs for cooking, lighting and productive purposes
KUSUM scheme for providing 17.5 lakh stand-alone Solar-Pumps with a capacity of 1000MW
Solarization of 10 lakh grid connected pumps and installation of 1000 MW small solar power points up to 2MW capacity by farmers

Investment
Waste to Energy Project – Indore
Waste to Energy Project – Firozabad
Waste to Energy project – Aligarh
Biomass based Power Project

71
India’s retail market is at the cusp of growth. The country’s large population base, an upwardly-mobile affluent middle-class, evolving consumer attitudes, favourable demographics and internet penetration are driving this surge in buying. Consumption power of urban Indians has amplified to the extent that India is billed to be the world’s 3rd largest consumer economy by 2023.

### Retail

**Differentiators in India’s Market**

- 60% of India’s GDP is driven by domestic private consumption
- 1/3rd of India’s consumption market dominated by food and grocery
- India’s Millennials and Gen Z will become a major consumption pool
- 77% of consumers expect an offering of products and offers that appeal to their personal tastes
- Unorganized retail market larger than organized

### India’s Performance

- 5th largest retail destination in the world
- Among top 3 employers in India
- 10% contribution to India’s GDP
- US$ 60 bn current value of organised retail market
- US$ 52.75 bn is the value of FMCG market in India
- Demand for retail space
- US $1.42 bn cumulative FDI inflow between April 2000 to June 2018
- 77th in the World Bank’s Ease of Doing Business Ranking for 2019

### Potential

- US $ 1 tn by 2020 is the expected value of India’s retail market
- US $ 6 tn opportunity by 2030 (World Economic Forum figures)
- One of the most dynamic consumption environments
- Multinationals expected to invest in warehouses, logistics, accounting, customer services etc creating ancillary jobs in the country
- 22-25% projected growth of organised retail market in 2021
- FMCG expected to be US$ 103.7 bn by 2020

### Policies

- 100 % FDI in multi-brand retail for food products
- 100% FDI under automatic route for single brand retail trading
- 100% FDI allowed in duty free shops under automatic route
- 51% FDI in multi-brand product retail (online presence not allowed) under government route
- 100% FDI allowed in cash & carry wholesale trading under automatic route

### Government Support

- GST was introduced as a single unified tax system
- Government has relaxed sourcing and investment rules for supermarkets

### Programs

- Indian retail giant Walmart has plans to open 50 stores by 2020
- Swedish furniture retailer IKEA is expected to invest US$ 1.54 billion in India
- British multinational retailer Marks & Spencer has 71 stores in India
- German sportswear group runs 436 stores and 203 franchise run Reebok stores
- Swedish fashion retailer Hennes & Mauritz will open 50 stores investing US$ 0.99mn by 2020
- British firm Dyson to invest US$ 200 mn into India operations over next 5 years
India has one of the largest road networks in the world. The country also holds the unique distinction of being the fastest developer of highways. Government of India has launched major initiatives to upgrade and strengthen highways and expressways in the country. Private players are entering the business through India’s well-developed Public-Private Partnership (PPP) model.

### INDIA’S PERFORMANCE

- **Roads & Highways**
  - No 1 in speed of highway development in the world
  - 2nd largest road network in the world spanning 5.5 million kms, comprising National and State highways, urban and rural roads
  - US$ 2.8 bn for building rural roads 2019-20
  - +200 national highways in India
  - 15% share of GDP on logistics & transportation
  - 40km highways construction in India between 2018-19

- **Private players are entering the business through India’s well-developed Public-Private Partnership (PPP) model.**

### POTENTIAL

The Government of India aims to complete 200,000 km national highways by 2022

Several opportunities in efficient operations & network management for improving logistics efficiency

- Bharatmala Pariyojana Phase-1 to be implemented at a cost of US$ 82 bn
- Economic corridors development - 9,000 Kms at US$ 18.46 bn
- Inter-corridor & feeder roads - 6,000 Kms at US$ 12.30 bn
- National Corridors Efficiency – 5,000 Kms at US$ 13.38 bn
- Border & international connectivity roads - 2,000 Kms at US$ 3.84 bn

### PROGRAMS

- **100% FDI is allowed under the automatic route subject to laws and regulations**
- Funds to the State Government for development of state roads
- Electronic Toll Collection System
- Value Engineering Programme to promote use of new technologies, materials and equipment in highway projects executed in PPP or public funding mode
- Automation of Regional Transport Offices
- Intelligent Transport Systems (ITS)
- Development of Logistic Hubs enabling seamless inter-state public transportation
- Bidding for National Highways under the Toll-Operate-Transfer Scheme
- Restoration/replacement of bridges
- Replacement of level crossings
- Tunnel projects
- Asset recycling Toll (Toll-operate-Transfer) model

### Government Support

- US$ 10.92 bn allocated to Ministry of Road Transport & Highways.
- US$ 82 bn to be invested by 2022 under Bharatmala Pariyojana

### Investment

- KLM – Talasari NHDP VI Road Upgradation project – Gujarat, Maharastra
- Periphery Ring Road Project – Karnataka
- Vaddodara KLM NHDP VI Road upgradation Project – Gujarat
- Road Improvement Project Nagappattinam-Tuticorin – Tamil Nadu
The history of India's textiles and garments industry dates back several centuries. This sector comprising yarn, fibre, processed fabric and apparel is one of the largest in the world. A vast raw material base and manufacturing strengths across all value chains, India's Textile and Garments industry contributes to 7% of India's industrial output in value terms, 2% of the GDP and 15% of the country's export earnings. The industry's strengths lie both in the hand-woven sector as well as mill sector. Cotton, wool, silk and jute, synthetics and a new array of innovative fabrics including technical textiles form the backbone of the industry and offer a wide variety of products to market within India and around the world. The country also enjoys a competitive advantage in terms of skilled manpower and cost of production.

INDIA'S PERFORMANCE

No 1 cotton producer
No 1 weaving capacity in the world
2nd largest cotton exporter
2nd largest spindle capacity
197775 looms were upgraded and US$ 36.5 mn released
73 Yarn Bank projects approved
21 e-commerce entities engaged for online marketing of handloom products

9% of the world's total consumption of technical textiles
10% expected sector CAGR (2016-2021)

POTENTIAL

10% expected sector CAGR (2016-2021)
US$ 123 bn by 2021: Projection for the Textile and Apparel industry
US$ 300 bn by 2024: Projection for exports
17 mn skilled workers required by 2022
Increase in organised retail
Fashion processing units for all kind of natural, synthetic and specialty textiles
Apparel Retail brands
Innovations in silk production Investment in retail operations Technology transfer Skill Development Commercialisation of Indian handloom Knitwear India as a hub for handloom
Exports of finished products Textile equipment

GOVERNMENT SUPPORT

Technology Upgradation Fund Scheme, a one-time capital subsidy for eligible benchmarked machinery Integrated Skill Development Scheme to enable the textile processing sector in meeting environmental standards through appropriate technology Infrastructure Development Schemes for Integrated Textile Parks, (SITP), Integrated Processing Development and Mega Textile Clusters.
Silk Samagri scheme to promote R&D and enhance brand image of Indian silk globally

PROGRAMS

Mannmade fiber and filament manufacturing Value added and specialty fabrics manufacturing Fabric processing units for all kind of natural, synthetic and specialty textiles Apparel Retail brands Innovations in silk production Investment in retail operations Technology transfer Skill Development Commercialisation of Indian handloom Knitwear India as a hub for handloom
Exports of finished products Textile equipment

POLICIES

100% FDI under automatic route
Scheme for Integrated Textile Parks (SITP) to provide the industry with state-of-art world-class infrastructure facilities
Technology Mission for technical textiles
Budget allocation increased by 14% to US$ 1.1 bn
Amended technology upgrade fund scheme
Free trade with ASEAN

POLICIES

Ministry of Textiles

100% FDI under automatic route
Scheme for Integrated Textile Parks (SITP) to provide the industry with state-of-art world-class infrastructure facilities
Technology Mission for technical textiles
Budget allocation increased by 14% to US$ 1.1 bn
Amended technology upgrade fund scheme
Free trade with ASEAN

INVESTMENTS

Textile Processing Project, Periyapatna, Tumkur development of Garment Park, Bhadrak, Odisha, Malappur, India
Cotton Yarn Project, Sindhudurg, Maharashtra
SIL Fibre Project, Nashik, Maharashtra
New Mega Clusters, Bareilly, Lucknow and Kutch and J&K
65 textile parks

76
TOURISM & HOSPITALITY

India is a 365-day tourist destination which attracts tourists through its numerous curated experiences, resorts, homestays, hotels, world heritage sites, national parks, shrines for worship, fairs and festivals, beaches, mountains, hill stations, deserts, palaces, traditional cuisine and myriad shopping experiences. The World Travel & Tourism Council expects India to become the 4th largest travel and tourism economy in less than a decade. That the average tourist to India spends one of the highest figures in the world of tourism is a matter of much interest to investors in this sector.

India offers the following types of e-visas to 167 countries:
- e-Tourist Visa
- e-Business Visa
- e-Conference Visa.
- e-Medical Visa
- e-Film Visa
- e-Medical Attendant Visa

INDIA'S PERFORMANCES

1st in the world in terms of direct contribution to employment (2016)
2nd in WTTC Travel & Tourism Power and Performance
3rd largest tourism economy in the world
9th largest in cultural resources and business travel in the world
14.6 mm jobs created by the tourism industry between 2014-18
9.4 mn foreign tourist arrivals between Jan-Nov, 2018 registering a growth of 5.6%
US$ 22.3 bn Foreign Exchange Earnings (FEEs) between Jan-Oct, 2018

GROWTH PARAMETERS

2.3% Domestic tourist visits
13.4% Foreign tourist arrivals
12% GDP from int'l tourism
10.2% Forex earnings
41.5% e-Visas

POWERS

India’s National Tourism Policy to promote India as a 365 day tourism destination
FDI Policy allows 100% FDI in tourism and allied businesses
VISA Policy is conducive to investments in this sector

PROGRAMS

Prospects
- 73 theme-based circuits covering 30 States and Union Territories
- Integrated development of iconic tourist sites and pilgrimage destinations

Destinations
- Udaan Scheme to include tourism infrastructure development
- Destination circuits and restoration of heritage sites
- Public-Private-Partnership programs for Infrastructure improvements
- Improved support functions such as packaged tour services, cab services and recreational facilities at tourist locations

INDIA'S NICHE TOURISM OFFERINGS

- Cruise tourism
- Eco-tourism
- Adventure tourism
- Rural tourism
- Golf tourism
- Polo tourism
- Wellness tourism
- Film tourism
- Medical tourism
- MICE (Meetings, Incentives Conferences & Exhibitions)

POTENTIAL

250 tourism infrastructure related projects worth US$ 5.8 bn
5 mega economic tourism zones to attract global tourism players
Udaan Scheme to include tourism infrastructure development
Destination circuits and restoration of heritage sites
Public-Private-Partnership programs for Infrastructure improvements
Improved support functions such as packaged tour services, cab services and recreational facilities at tourist locations

78 79