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INSPIRING INDIA

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ASIA PACIFIC BUSINESS OUTLOOK
CONFERENCE, LOS ANGELES
APRIL 8-9, 2013

PAST VS. PRESENT

Pre 1990's

- Protectionism
- Non-export orientation
- Lack of private sector participation
- Low investment rates
- Informal Business Management practices
- Few security concerns
- Corruption

Today

- Economic liberalization
- Export diversification
- Private Sector as the key partner
- Sustained investment in Human resources and IT
- Improving Corporate Governance and CSR
- Security issues
- Corruption

INDIA NOW

- 7th largest country
- Union of 28 states and 7 union territories
- 1.21 billion population
- Bicameral Parliament System
- Most Populous Democracy
- Stable Government - UPA
- Expected growth rate of 5.9% in FY 2013-14
- Growing workforce of 250 Million by 2030
- Demographic dividend.....



सत्यमेव जयते

THE PARADOX OF INDIA

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THE CONSUMER STORY

Explosive growth
in the formal
retail sector



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



Strong demand
outside major
cities



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



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

US-INDIA TRADE

- Over \$62.86b in bilateral merchandise trade in 2012
 - \$22.3b in U.S. exports
 - Four-fold increase in the last decade
- India is the U.S.'s:
 - 18th largest export market (1.7% of U.S. exports)
 - 10th largest source of imports (1.8% of U.S. imports)
 - 13th largest partner for total trade (1.6% of U.S. trade)



KEY GROWTH SECTORS & OPPORTUNITIES

Civil Aviation & Defense

- 9th biggest Aviation market and is expected to become the 3rd largest by 2020.
- Presence of major U.S aviation and defense firms in India.
- Cooperation through G2G programs such as the Aviation Cooperation Program to promote Aviation standards in Safety and Security.
- India is the second largest FMS (Foreign Military Sales) customer of U.S.

Healthcare

- Healthcare market - \$77 billion
- Number of physicians - 600,000
- Pharmaceutical market - \$17 billion
- Medical Device Market - \$3.2 billion
- Biotech market - \$3.2 billion
- Diagnostics market: \$2.4 billion
- 74% of Indian healthcare market spending is private compared to 47% in the USA. Only 3.5% of Indians enjoy any kind of health insurance.

KEY GROWTH SECTORS & OPPORTUNITIES



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Infrastructure

- Spending of more than \$1 trillion in Infrastructure sector.
- The sector is expected to grow @ 35% by 2015
- Mega infra-structure project of USD 90 billion to build new Cities & Industrial establishments along Delhi-Mumbai Corridor.
- Proposed High speed rail system to connect Tier1-2 cities.

Renewable Energy

- India's among top 5 countries with current installed capacity of power generation from renewable energy is 26,920 MW.
- Estimated \$1.2 trillion investment required over the next 25 years to provide electricity to consumers at an affordable cost.
- During the last 5 years, India added 61,595 MW of capacity to its energy mix.
- Focus on achieving capacity of generating 75,785 MW of power by 2017.

KEY GROWTH SECTORS & OPPORTUNITIES



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Education

- Indian education market estimated at a potential value of \$28 billion.
- The Government of India (GOI) aims to increase gross enrollment ratio in higher education to 30% by 2020.
- India has a severe shortage of higher education institutions for its booming population where more than 30% of its 1.1 billion people are less than 14 years .
- Though 100% FDI is allowed in the education sector.

Tourism

- In 2011, the United States welcomed over 660,000 visitors from India.
- 15% growth in total spending by Indians traveling to the U.S. was \$4.6 billion in 2011
- Brand USA and the Visit USA Committee's focus to bring one million tourists from India to the U.S. by 2015
- Focus to encourage on MICE (Meetings, Incentives, Conventions and Exhibitions) Travel

CHALLENGES



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- Bureaucracy and red tape
- Government tenders can be onerous
- Selection of a qualified local partner
- Lack of Basic Infrastructure: Warehouse, Cold Chain etc.
- Intellectual property
- Sluggish Judiciary
- Varied Tax Structure
- Expensive credit



AND IF YOU DECIDE TO INVEST...

India provides several avenues for investment in India. U.S firms can set up their operations in India as a :

- Liaison Office/Representative Office
- Project Office
- Branch Office

Foreign Direct Investment (FDI) policy of India has been liberalized and provides an opportunity for U.S companies to invest in most of the leading sectors in India.

Out of 185 Countries, India Ranks:

- Ease of Doing Business -132
- Protecting Investors - 49
- Trading Across Borders -127
- Enforcing Contracts -184



Source: World Bank 2013



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SUCCESS STORIES U.S. FIRMS IN INDIA



THE SUCCESS MANTRA

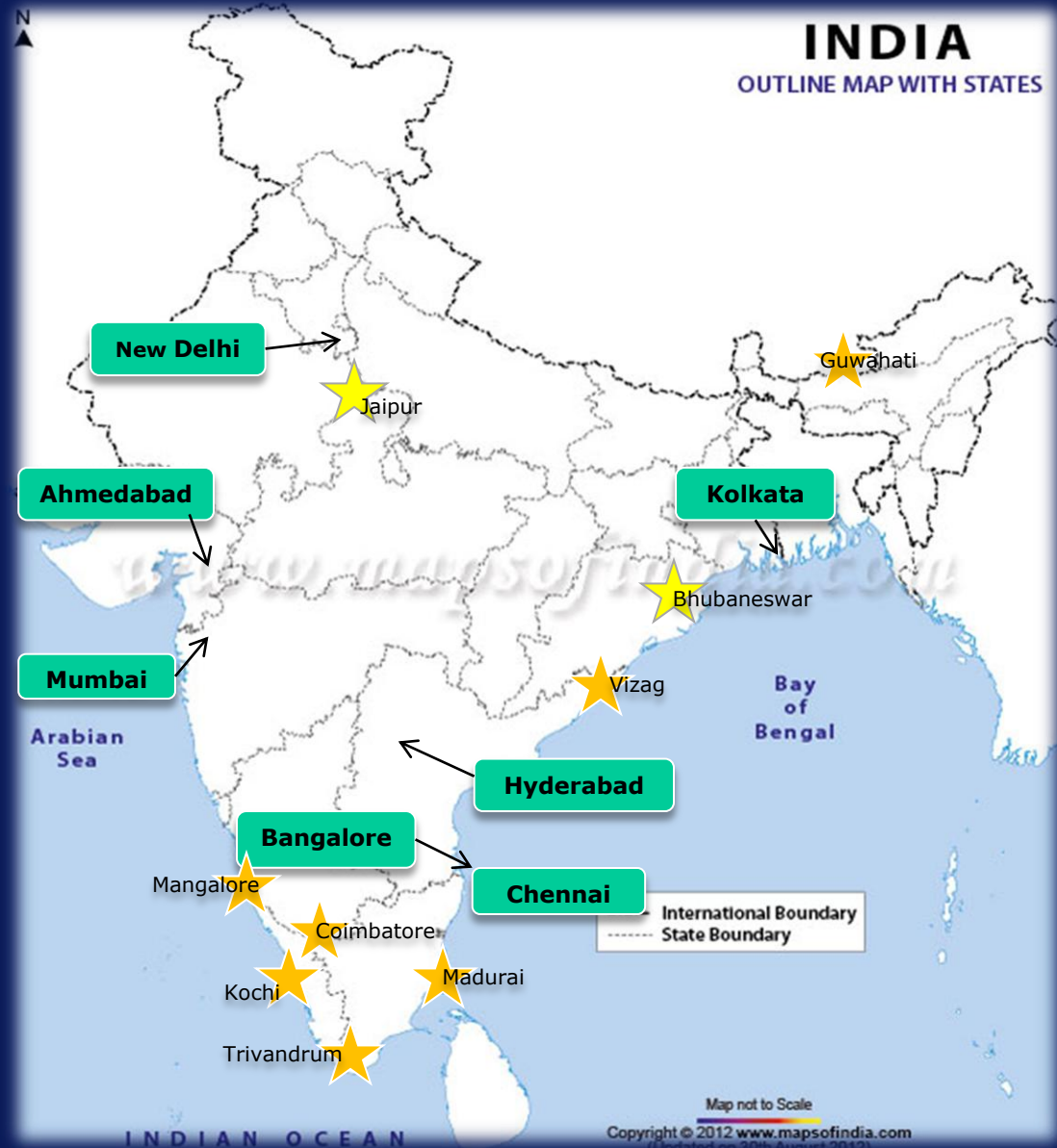
- 3 Ps: Planning, Patience and Partners
- Must focus on the long-term potential
- Identification of key local partner and / or master distributor
- Regional strategies required
- Customization of product / service
- Business opportunities in 2nd/3rd tier cities
- After-sales service a key issue for U.S. companies
- Commercial News USA

PRESENCE OF U.S. COMMERCIAL IN INDIA

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U.S Commercial has its presence in India through 7 key offices.

U.S Commercial also works in tandem with local business associations branded a 'American Business Corners'.





YOU CAN SUCCEED IN INDIA!



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