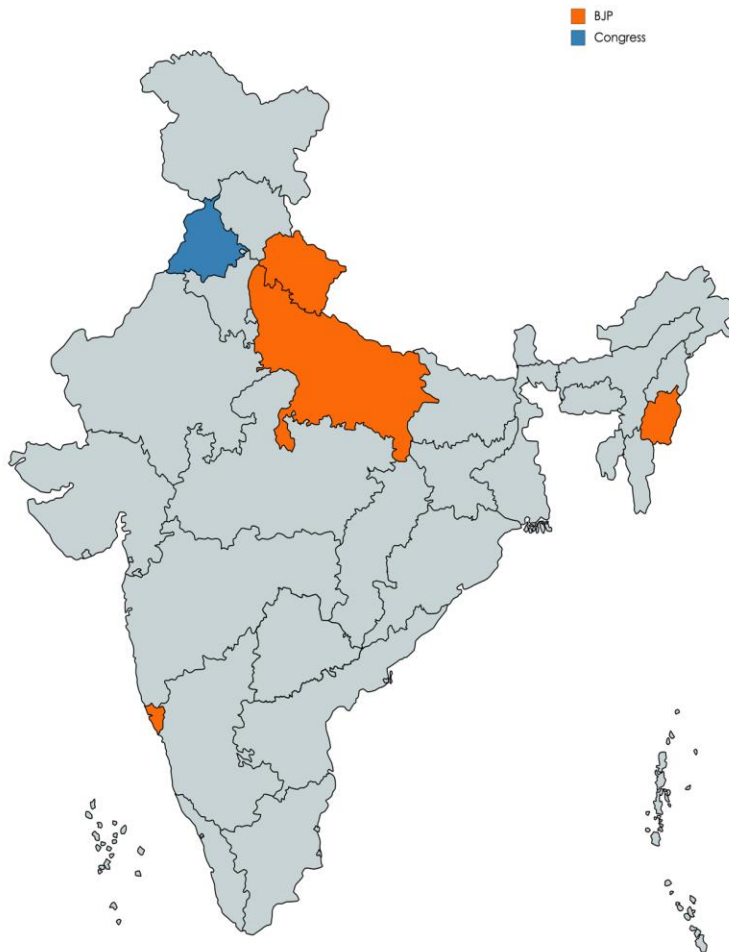


Why India?



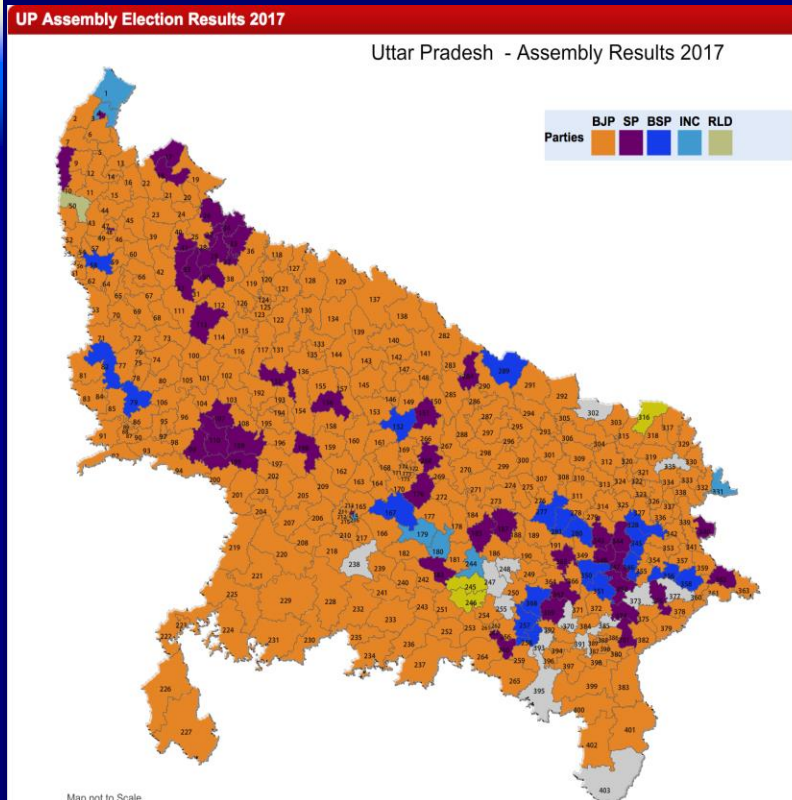
Reform Scorecard: Impressive

TsuNaMo



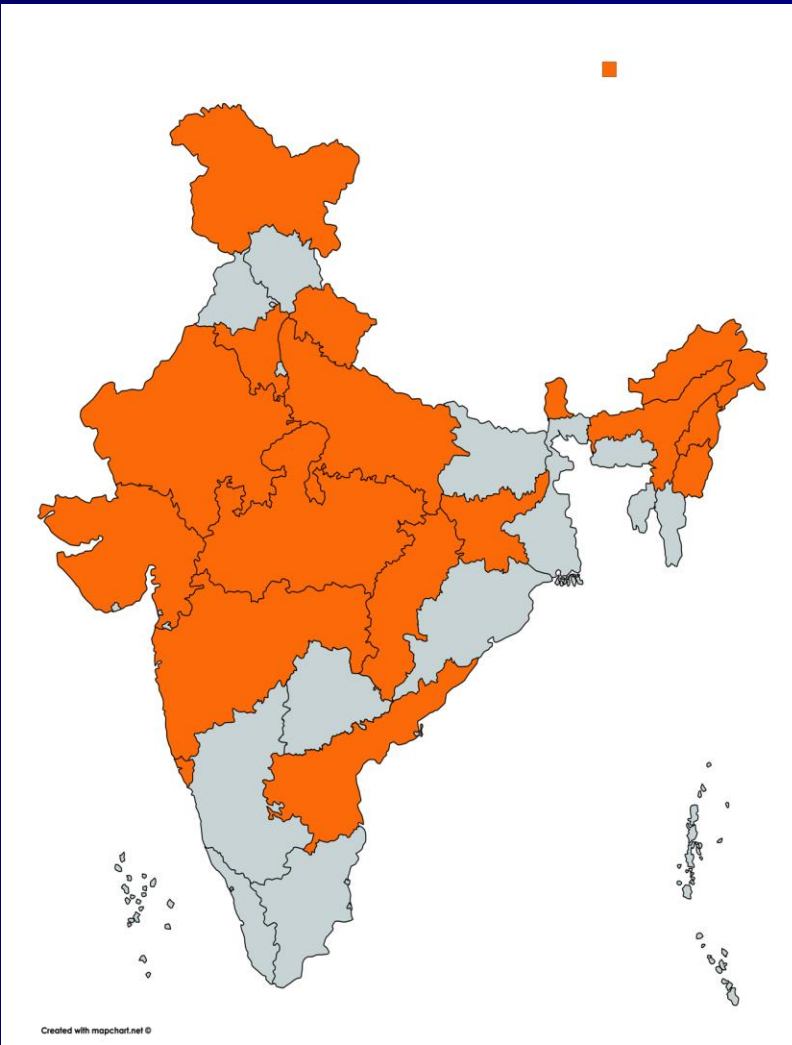
- **BJP sweep 4 of 5 states**
- **Magnifies electoral victory of 2014**
- **Charismatic Prime Minister – elevating India's international profile and taking a strong anti-corruption stand**

Uttar Pradesh



- 210 mn population
- BJP and Modi sweep of 312 of 403 Seats
- 80 parliamentary seats

What it means?



- **17 states ruled by BJP**
- **Improved numbers in the Upper House**
- **Choice of the next president**
- **Advance of key reforms**
- **Prime Minister for 7 more years**

Global Outlook

- **China's economic outlook will be slowest in 25 years**
- **Deep recessions have occurred in Russia and Brazil**
- **Major conflicts persist: Ukraine, South China Sea, Middle East, Korea**
- **TPP, Iran Nuclear Deal, Climate Change Accord under threat**
- **IMF predicts global economic growth will be “disappointing”**
- **West will reel under divergent policies; US leadership will be in transition through mid 2017**
- **Europe faces social unrest; BREXIT looms over UK**
- **India's economy is the bright spot**

Snapshot of India

- **World's largest free-market democracy**
- **1.3 billion people**
- **Largest Producer of Milk globally; Advanced Manufacturing prowess; Information Technology powerhouse**
- **7.3% Growth in 2017 (OECD); Infrastructure is key**
- **Extremely young and capable workforce, insisting on development**
- **Stable politics at the Center – an understatement!**
- **29 Indian States; Competitive Federalism driving progress**
- **Strong U.S.-India bilateral ties underpinning opportunity for investment**

The Modi Administration – First 1000 Days

- **Insurance FDI increased to 49% - strongest signal for investors**
- **Unique Identity – JAM Trio: enhancing Targeted Delivery of Services**
- **Bankruptcy Law passed, enabling banks to manage NPAs**
- **Nuclear Energy Insurance Pool created; Target of 20,000 MWs in 10 yrs**
- **Delhi-Mumbai Industrial Corridor serves as replicable model**
- **Mars Orbital Spacecraft launched successfully – a 1st for Asia!**
- **Defense FDI increased to 49%; 100 Smart Cities program launched**
- **Demonetization – focused on cleaning up elections, tax evasion, terror**

Goal: To Generate One Million Jobs Every Month



\$500 Billion in Infrastructure will be the Key Driver of Economy Over Next 5 Years



350,000 MW of new power plants



Upgrade of 25 existing airports



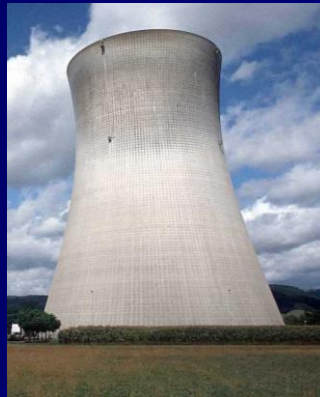
A new air force



20,000 Km of road projects



12 new port/container projects



20,000 MW of nuclear power



Greenfield development of 25 new airports



A deep water navy



Afghanistan

POK

China

Pakistan

Nepal

Bhutan

Bangladesh

India – a Tough Neighborhood

Myanmar

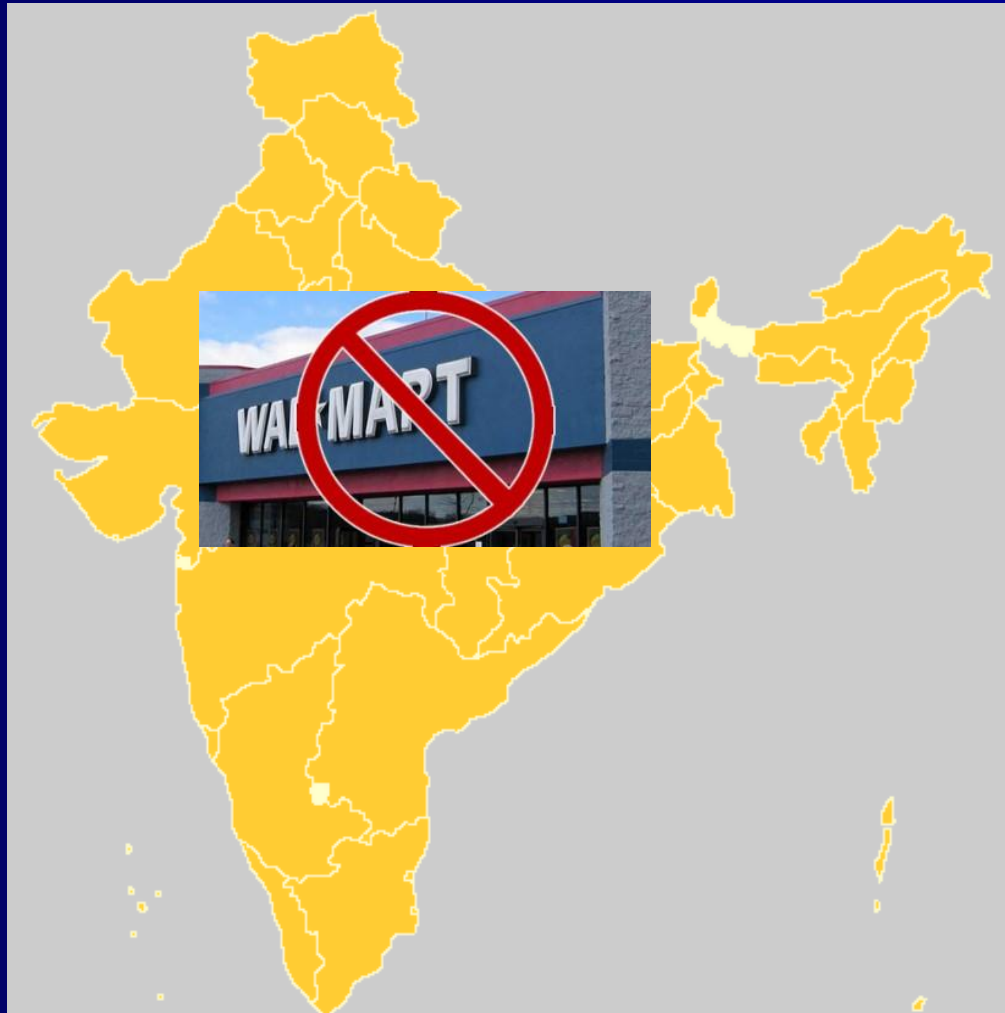
26/11 Terrorist Attack on Mumbai

Security Becomes Highest Priority

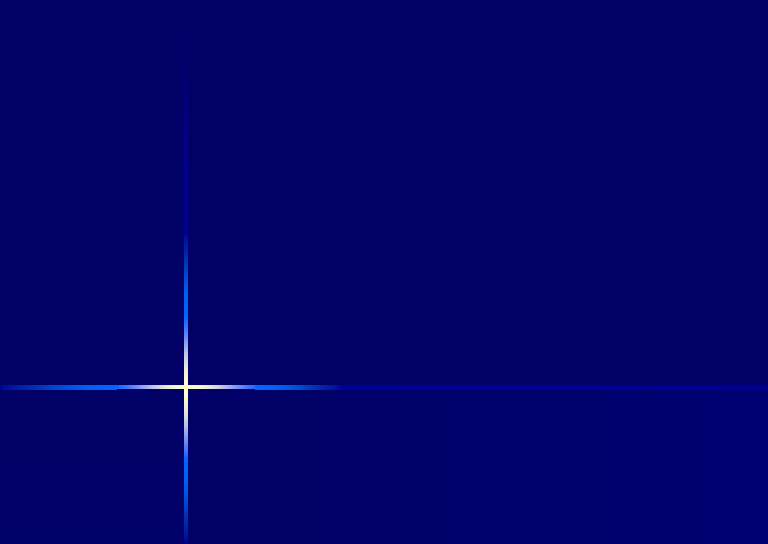


Reform Misfire for Organized Retail

Allows 100% FDI in Food Sourced/Processed Locally but Falls Short

















300 Million Middle Class

Manufacturing Hub of South Asia

Skilled Manpower and a Massive Domestic Market





India Corporates' Debt Burden = Opportunity



- Pan India \$74 Bn of NPAs
- GVK-owned Mumbai Airport; Bengaluru; Bali
- GVK to deleverage \$500 Mn
- Numerous similar examples

\$4.2 Bn Supply by GE of 1000 Locomotives



- **\$200 Mn Factory to be built in Marhowra in Bihar**
- **Maintenance Facilities to be constructed at Bhatinda in Punjab and Gandhidham in Gujarat**
- **Dynamic Railways Minister Suresh Prabhu**

Cold Chain Storage

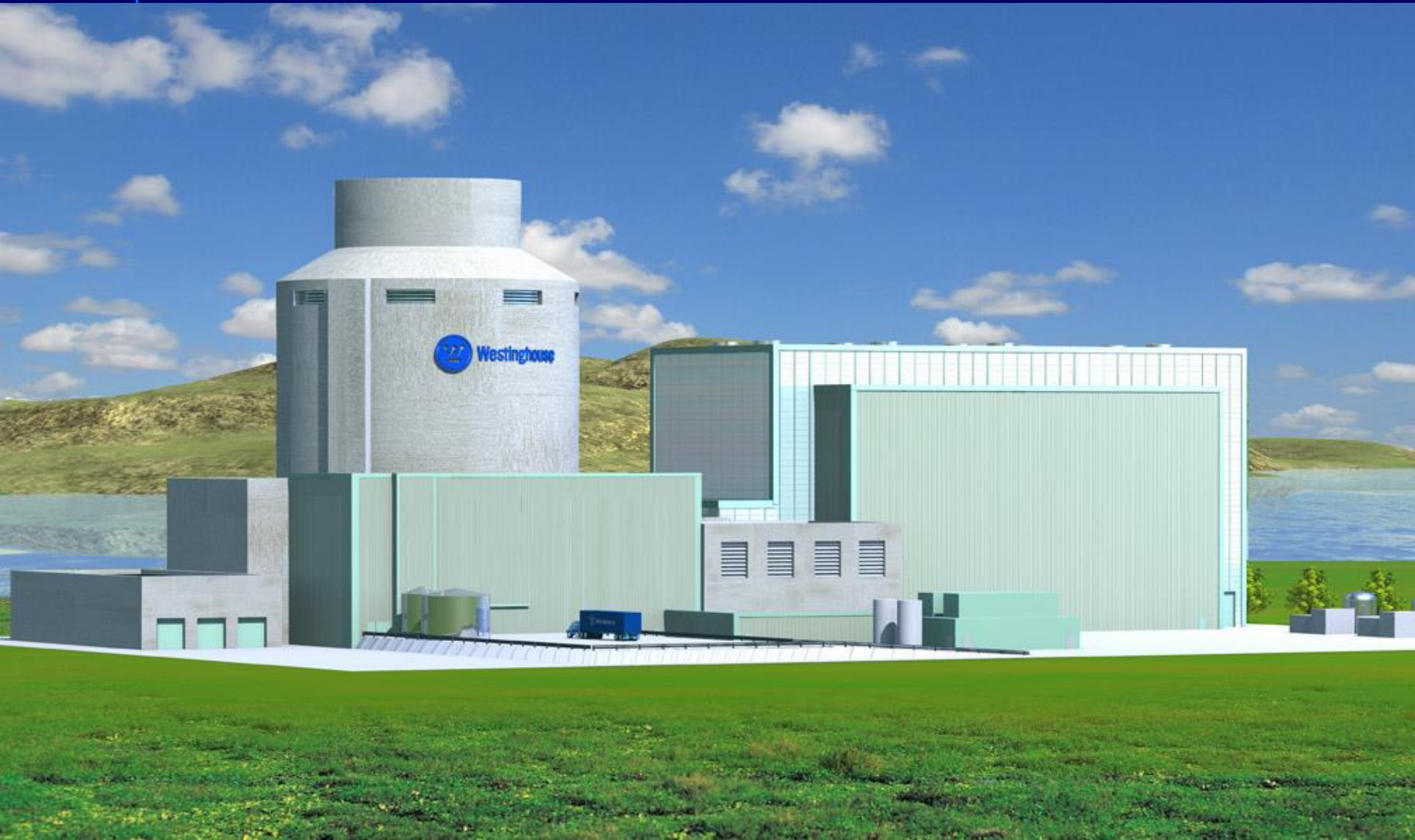


- **USD 13 Bn by 2018**
- **Existing cold chain storage facilities, 95% under private management**
- **Bharti and Reliance to become biggest players; both groups are accessible**

Crystal Ball - Reforms Coming in 2017-2018

- **Rationalization of Taxation – Pan-India Implementation of GST**
- **Subsidy Reforms: Cooking Gas, Kerosene, and Petrol have seen progress – Fertilizer & Natural Gas still to come**
- **Fiscal Federalism: Continue to transfer authority to States**
- **Labor Reform is necessary to unshackle companies and attract investment**
- **Land Reform – Scrap UPA Law, Return Authority to States**
- **Opening of Retail Sector**
- **Deepening of High Tech Collaboration in Defense, Homeland Security, Energy**

India's Century



WHY INDIA?

- **Coherent Democracy; Pluralist/Secular**
- **1/5th World's Population; 2nd Largest Military in the World**
- **Common Values: Against Terrorism, Trafficking, Narcotics**
- **Ideological Partner re: Nepal, Sri Lanka, Bangladesh, China**
- **Common Law Judicial System**
- **2nd Largest Number of Doctors, Engineers, PhDs in the World**
- **165,000 Students to U.S. Each Year**
- **3 Million Americans of Indian Origin**
- **Politically Significant; Politically Integrated**
- **54% of Indian Population is under the Age of 25**

Indo-U.S. Relations will Shape the Destiny of the 21st Century