"We are not merely reforming India, we are transforming India. We are not merely changing India, we are building a New India."

Narendra Modi
Prime Minister of India

*In partnership with Bain & Company*
India: Leader across diverse sectors

**#1 Attractive investment destination**

**#2 Smartphone market**

**#1 IT/BPM services sourcing market**

**#2 Largest startup ecosystem**

**#1 E-commerce market growth**

**#1 Commercial vehicle market growth**

**#2 Food production**

**#1 Provider of generic drugs**

**#1 Choice for overseas R&D destinations**

**#2 Largest road network**

**#1 Domestic air traffic growth**

**#2 Largest pharma & biotech talent pool**

*No. 1 choice for tech MNCs to set up R&D centers outside their home countries

**Based on total number of startups (including tech startups) sourced from FICCI report

Sources: Make in India achievement report; FICCI; OICA; MOFPI; EY; IBEF; NHAI; IATA; Morgan Stanley; HfS Research
## Strong fundamentals, unprecedented growth

### GDP growth rate
- FY2012-FY2014: 5.9%
- FY2015-FY2017: 7.6%

### Manufacturing, value added
- FY2013-2017:
  - 2013-14: $260B
  - 2014-15: $277B
  - 2015-16: $287B
  - 2016-17: $302B

### Services, value added
- FY2013-2017:
  - 2013-14: $903B
  - 2014-15: $969B
  - 2015-16: $988B
  - 2016-17: $1,032B

### Fiscal deficit (% of GDP)
- FY2012-2013: 4.9%
- FY2013-2014: 4.5%
- FY2014-2015: 4.1%
- FY2015-2016: 3.9%
- FY2016-2017: 3.5%

### Foreign reserves
- FY2002-2017:
  - Mar 2002: $292B
  - Mar 2007: $1,084B
  - Mar 2012: $1,464B

### Exports
- FY2002-2017:
  - 2002-2007: $430B
  - 2007-2012: $1,084B
  - 2012-2017: $1,464B

Notes: The categories for "manufacturing, value added" and "services, value added" are calculated based on constant (2011-12) prices; foreign reserves as at the end of the month.
Sources: Economic Survey; Reserve Bank of India.
USD 209B FDI from 2014-17: accounts for more than one-third of total FDI over last 17 years

Largest democracy
>550M voted in 2014

One of the largest economies
GDP of USD 5T by 2025

Young workforce
480M in 15-34 age group by 2025

Resource rich
Largest area of arable land, Fourth-largest for coal, aluminum and iron ore production

Sources: Ministry of Statistics and Programme Implementation; Election Commission of India; DIPP; World Bank; BP Statistical Review; US Geological Survey
Factors of change

- Strong political will
- Clear national vision
- Focus on execution

Ease of doing business, 2018
42 places since 2015
(100/190)
World Bank

Global Competitiveness Index, 2017-18
31 places since 2014
(40/137)
WEF

Moody’s rating upgrade, Nov 2017
First upgrade in 14 years
outlook changed from stable to positive
Moody’s

Global Innovation Index, 2017
21 places since 2015
(60/127)
Cornell, INSEAD, WIPO

Logistics Performance Index, 2016
19 places since 2014
(35/160)
World Bank

Greenfield FDI ranking, 2016
1st rank for two consecutive years
Financial Times

Growth, Innovation and Leadership ranking, 2015
(1/100)
Frost and Sullivan

Sources: World Bank; WEF; INSEAD; Frost and Sullivan; The Economist; Global Innovation Index; Bloomberg
India by 2025 presents vast opportunities

- **Overall population**: 1.4B
- **GDP**: $5T (125% rise in per capita income)
- **Internet users**: 900M
- **New housing demand**: 110M
- **In 15-34 age group**: 480M
- **National highway road network**: 200k km
- **Mobile connections**: ~1.5B (60% smartphone penetration)
- **Smart cities**: 100
- **Consumer market**: $4T
- **Middle class population**: 550M
- **Infrastructure investment demand**: $1.5-2T
- **Renewable energy to be generated**: 175GW

*Some of these projections/targets are set for before 2025
Sources: Ministry of Statistics and Programme Implementation; Planning Commission; Ministry of Urban Development; National Council of Applied Economic Research; Ministry of New and Renewable energy; IBEF; IFC; Bain analysis; Morgan Stanley; Ericsson; KPMG
Highlights from Budget 2018

**FOOD PROCESSING**
- Two New Funds of USD 1.5B announced for Fisheries and Animal Husbandry sectors
- USD 300M allocated towards development of agricultural markets

**RAILWAYS**
- Highest ever plan size with a capital expenditure of ~ USD 25B
- Redevelopment of 600 major railway stations

**HEALTHCARE**
- World’s largest government funded healthcare program titled National Health Protection Scheme to cover over 100 million families

**RURAL INFRASTRUCTURE**
- Total government spend >USD 200B

**ROAD INFRASTRUCTURE**
- Approved construction of 35,000 km of roads at an estimated cost of USD 80B in Phase-1 under Bharatmala Program

**WATER TREATMENT**
- 187 projects valued at USD 2.5B sanctioned under the Namami Gange program

Sources: India Budget 2018-19
“I am very bullish on India… I am super impressed and optimistic.”

“India is at cusp of great era of reinvention… to lead in areas such as FDI, manufacturing, new-age startups & becoming a large consumer internet market.”

“…we believe that India is for the medium and long-term on a growth track that is much more solid as a result of the structural reforms that have been conducted…”

“So I would be betting on one country in the world… I would bet on India.”

“India is at an interesting inflection point and is a very compelling investment destination for us.”

“…keep investing, keep growing in India.”

Source: Invest India; Press mentions
"Strong support from global leaders"

SAFRA CATZ
CEO, Oracle
2016

"Enthralled by the opportunity in India"

FRANS VAN HOUTEN
CEO, Royal Philips
2017

"Climate for doing business in India is positive"

CHRISTOPHER J NASSETTA
President and CEO, Hilton
2017

"The next decade is a time of major expansion in India"

CARLOS GHOSN
Chairman & CEO, Renault-Nissan-Mitsubishi
2015

"I am a big admirer of engineering in India"

INDRA NOOYI
Chairman & CEO, PepsiCo
2017

"India's economy is making tremendous progress"

DION WEISLER
President & CEO, HP Inc.
2017

"India at the forefront of massive global digital change"

Source: Press mentions
"...Invest India helped us complete that process very smoothly and efficiently and we built our factory in 15 months....fastest construction time for any blade factory for Vestas around the world.”

Clive Turton, President Asia-Pacific, Vestas

"...we have committed $5.5 billion of investment to India.... We are very excited with our partnership of Invest India because Amazon at its core is centred on innovation and an organization such as this is precisely the kind of DNA we look to partner with.”

Amit Agarwal, CEO, Amazon India

"I think in almost any country including India, we need some sort of a one-stop shop, someone who guides us through the administrative and governmental processes. So, we have very positive impressions of Invest India.”

Thomas Appelt, President and GM, Corning International

Source: Invest India
“A New India where there is equal opportunity for all; where modern science and technology play an important role in bringing glory for the nation in the global arena.”

Narendra Modi, Prime Minister of India

New India: Reform, perform and transform

Sources: Bain analysis; 2017 Independence Day speech
Technology-driven, transparent governance

Government acting as an agent of change...

- **1200** redundant laws scrapped
- Prime Minister fast-tracked ~**200** infrastructure projects worth **USD 140B**
- **50%** increase in Indirect taxpayer base post-GST

...backed by bold technology-driven initiatives

- Complete shift toward **digital governance** with minimum human interface
- Move toward **self certification** across various processes
- E-visas to citizens of **162** countries through eased visa procedures

“Seeds of simplification, reduction of administrative barriers, enhanced use of technology, and feedback from end users have resulted in success. What we are seeing is an extraordinary achievement by India.”

Kristalina Georgieva, CEO, World Bank
1. Ensuring financial inclusivity

**Banking for all**
- To ensure financial inclusivity
- 310M+ bank accounts opened in over 3 years
- ~USD 13B savings through direct bank transfers (as of March '18)

**Digital identity for all**
- To tackle transparency and corruption

**Mobile connections**
- To increase access
- Fastest digital platform in World to reach 1B
  - Globally only public sector system to cross 1B user mark
- 28.89M downloads of indigenous platform to transfer money - *Bharat Interface for Money* (as of May 30, 2018)

Sources: Ministry of Finance; Ministry of Communications; Niti Ayog; Harvard Business Review
Unprecedented improvement in ease of doing business

42 rank increase in ease of doing business rankings (2015-18): highest ever for India

“India has achieved remarkable overall success. A jump of this nature is very rare...”

Incorporating a business made quicker: from 15 days to 24 hours

Time taken to obtain environmental clearance reduced: from 600* days to 190 days

Reforms

• More than 7,100 procedural and admin interventions in 2016
• Fostering competitive federalism to improve ease of doing business rank

*Average of 10 years (2006-2016)
** EODB 2016 ranking of 131 was revised to 130 owing to updated calculation methodology
Source: World Bank; DIPP; Ministry of Corporate Affairs; Press Information Bureau - Government of India; press mentions (Quote)
One of the most liberal economies for FDI

Most attractive investment destination according to EY survey

Rank #1 in Greenfield FDI Ranking 2016

USD 60.1B FDI in 2016-17; highest ever annual inflow

90%+ FDI through automatic route

Invest India: #1 ranked Investment Promotion Agency*

The 100% Club: sectors with 100% FDI through automatic route

- Automobile & auto components
- Chemicals
- ESDM
- Textiles
- Tourism & hospitality**
- Renewable energy
- Ports & harbor^
- Roads & highways

*As per UNCTAD report Invest India is ranked #1 globally; **Automatic route may not apply to tourism & hospitality related construction projects; ^100% automatic FDI for port & harbor construction/maintenance however automatic route may not apply to shipping sector

Sources: Invest India; DIPP; Financial Times
“Make in India, together with associated structural reforms such as GST, has clearly become an engine of the India growth story.”

Kamal Bali, President and MD, Volvo India, 2017

**Impact**

1-2 pp* GDP increment expected in medium to long term

12-14% cost reduction expected in capital goods

5% cost reduction expected in retailers’ costs

20% cost reduction expected in logistics owing to seamless interstate transportation

“…truck driver on average saves 30% travel time after GST…this amounts to 30% increase in his efficiency”

Financial Express, 2017

* Percentage point

Sources: Ministry of Finance; GST Council; Retailers Association of India; Invest India; Hindu Business Line; The Economic Times; Financial Express
Thriving financial markets

2nd largest stock market among emerging countries
based on market capitalization of >USD 2T
ranked 8th globally

27%
BSE Sensex growth over CY2017 post-demonetization, 22% y-o-y growth observed
34% of BSE stocks hit an all-time high

World’s fastest international exchange, INX
India’s first international exchange, set up in 2017, executes trade in 4 microseconds

30%
Annual growth in AUM of mutual fund industry
Taking Mutual Fund AUM to USD 356B in Nov 2017

2x
Rise in monthly SIP investments
to USD 925M/month in 2017 from USD 420M/month in 2016

USD 8B
FPP/FII net equity investments in India in 2017
70% compounded growth observed over 2015-17

Note: All figures converted to $ as of December 2017 (₹1=$0.02)
Sources: Association of Mutual Funds India; NSDL; India INX; Bloomberg; The Economic Times
Advancing toward cutting edge technology

- Houses maximum tech R&D centers located outside home countries of MNCs
- More than 1/3rd of top 1,000 global R&D spenders have centres in India
- >150 FDA-approved plants, the highest outside of the US
- ~130% increase in patents granted and ~270% increase in trademarks registered in FY2016-17 vs. FY2013-14
- Remarkable improvement in IP processing time
  - Patents: from 5-7 years to 18 months (2019)
  - Trademarks: from 13 months to one month

"India will be on our company’s radar; Government steps towards healthcare allocation and a protected environment in intellectual property will help attract investments”

Severin Schwan, CEO, Roche Group, 2015

New hub for cutting edge research

Google
Cisco
Ericsson
Siemens
Intel
Samsung
Chaintope
IBM

Artificial Intelligence
Internet of Things
ESDM
Telecom
Machine Learning
Blockchain
Software
Big Data

#1 investment destination in Asia*
#3 in the world
(by number of innovation centers)

USD 170M
Intel’s R&D expenditure

to explore IoT capabilities

113 days patent granted in record time
to Optimus Drugs in 2017

"According to a Capgemini report
Sources: DIPP; Ministry of Commerce; IBEF; Capgemini report; HFS research; Live Mint; Press mentions (Quote)
Booming startup ecosystem

Robust startup ecosystem

- **USD 48B+** unicorn valuation
- **~20,000** startups in India
- **700+ startups** arising from ex-unicorn employees
- **10,000+** DIPP recognized startups
- USD **18B** funding since January 2016
- **190+** active incubators/accelerators
- **36%** annual growth of incubators
- Potential sectors: Agritech, Logistics, Life Sciences

Strong growth in VC investment

Value of deals ($B)

- **2015**: 8 (compounded growth +28%)
- **2017**: 14

Key investors

- Sequoia
- Alibaba
- Soft Bank
- Matrix Partners
- Tiger Global
- Accel Partners

Support through government facilitation

- **Funding**: Equity and credit guarantees
- **Tax exemptions**: To startups and investors
- **Support infrastructure**: Incubation, market access, patent rebates

Sources: Economic survey of India; Startup India; NASSCOM; FICCI; Union Budget; YourStory Research
“India’s infrastructure financing needs will range between $1.5 trillion and $2 trillion over the next seven years, offering the private sector excellent opportunities.”

International Finance Corporation, 2016

Note: All figures converted to $ as of December 2017 (₹1=$0.02)
Sources: Union Budget; Ministry of New and Renewable Energy; Ministry of Shipping; Ministry of Railways; Make in India website; Invest India; International Finance Corporation; The Economic Times
Creating value for human capital

**Three Es**

**Education**
- 20% higher school enrollment to reach 260M between 2005-16

**Employment**
- 18,000+ industrial training institutes set up since 2015

**Entrepreneurship**
- ~90M entrepreneurs granted loans worth ~USD 60B, collateral free

**STEM focus**
- established ~15 new premier engineering institutes and management schools since 2015

**300M**
- to be trained by 2022

**Accessible loans**
- for women and minorities setting up enterprises

Strong participation from private sector with Google, Boeing, Walmart, Airbnb among others supporting skill development and entrepreneurship in country

Sources: Ministry of Statistics & Programme Implementation (MOSPI); Ministry of Human Resource Development; Ministry of Skill Development and Entrepreneurship; Press Information Bureau Government of India; Standup India website
9 Pioneering a digital first economy

#1
“Most evolved” interbank payments system (IMPS) based on FIS study

25B
Digital transactions target for 2017-18

USD 700B
Total digital payments expected by 2022

“...the country’s drive toward digitization may put it on track to be the world's fastest growing economy”

Morgan Stanley

Note: All figures converted to $ as of December 2017 ($1=$0.02)
Sources: Niti Aayog; Union Budget; MeitY; NASSCOM; Ovum data center analysis; Ookla’s Speedtest Global Index 2017; FIS study; Bain analysis; Canalys Research; The Economic Times