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TRADE AND INVESTMENT PARTNERSHIP SUMMIT

INDIA 3.0 AND ITS INVESTMENT OPPORTUNITIES

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India : A Robust Macro-economic Performance

Slide 2

	<u>2005-06</u>	<u>2011-12</u>	<u>Change</u>
Real GDP (INR bn)	32,542	52,220	60%
Real Per Capita GDP (INR)	33,548	46,221	38%
Investment/GDP (%)	35.8	37.6	5%
Exports (US\$ bn)	103	303	194%
General government gross debt (% GDP)	77.4	64.9	-16%
Workers Remittances (US\$ bn)	28	63.7	128%
Gross International Reserves (US\$ bn)	151	294	95%
FDI Inflow (US\$ bn)	9.1	46.8	414%
FDI Outflow (US\$ bn)	6.1	25.8	323%

Strong fundamentals :

- Domestic consumption driven economy
- Broadbased investment growth
- Demographic dividend
- Favourable tax regime & conducive regulatory environment
- High savings rate
- Stable political & policy regime

Current Investment in Infrastructure

- Gross Capital Formation in infrastructure as percentage of GDP is 4.6% in the recent Plan period
- If growth in GDP to be sustained, GCF in infrastructure must keep pace
- Total estimated investment of USD 320 – 350 billion has been effected in infrastructure upto 2012

Infrastructure Opportunities in India

- **Transport**
 - Roads (\$ 48 bn) : BOT preferred mode : NHDP – 40,000 kms
 - Airports (\$ 9 bn) : 4 Metro, 33 Non-metro airports
 - Ports (\$ 12 bn) : All new berths through BOT
 - Railways (\$ 12 bn) : Container trains, DFC, Stations
- **Power Generation (\$ 130 bn)** : Transmission, Distribution
- **Other Sectors** :
 - Gas Pipelines : Cross Country, Intra-city pipelines
 - Telecom
 - Health and Education Infrastructure
 - Urban Mass Transport
 - Urban Water Supply, Solid Waste Management

The European Union & India

	<u>EUROPEAN UNION</u>	<u>INDIA</u>
<u>Area</u>	10,180,000 km ²	3,287,263 km ²
<u>Population</u> (% of global population)	500 mn (7%)	1,241 mn (18%)
<u>Migration patterns</u>	From : Eastern Europe To : Western Europe	From : Bihar, Uttar Pradesh To : Maharashtra, Delhi, Gujarat, Haryana
<u>Religion</u>		
	%	%
	Christianity 35	Hindus 80
	Orthodox 27	Islam 14
	Others 37	Others 6
<u>Languages Spoken</u>	23	29
<u>Number of countries / states</u>	27 member states	28 states, 7 Union Territories
<u>Lowest GDP per Capita</u>	Bulgaria Latvia Lithuania	Bihar Uttar Pradesh Manipur
<u>Nominal GDP</u>	US\$ 16.5 tn	US\$ 1.5 tn
<u>GDP composition</u>		
	%	%
	Services 71	Services 65
	Industry 27	Industry 18
	Agriculture 2	Agriculture 17
<u>GDP Growth rate</u>	2001-2011 : 1.3%	2002-2012 : 7.7%

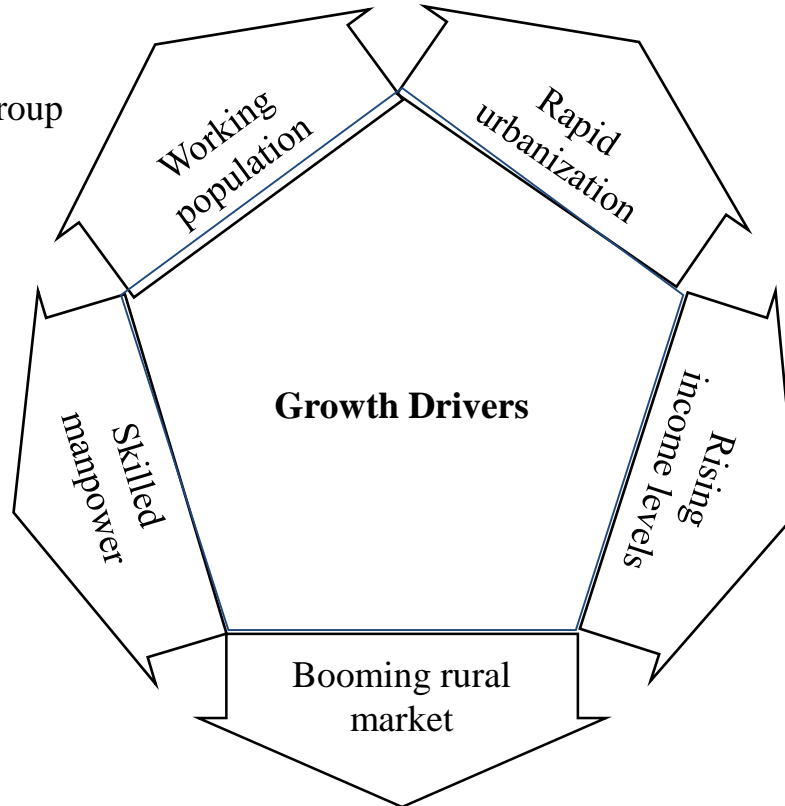
India 1.0

- Public Sector Dominance
- Licence Raj
- Shortages
- Shoddy quality products
- 2 % rate of growth

India 2.0

- Structural Economic Reforms
- Changes in Legislation
- Modern Financial System
- Liberalisation of Trade and Ownership
- Competitive domestic manufacturing base

Key Drivers For India 3.0



- 60% in the working-age group (15 to 64 yrs)

- 2nd largest pool of certified professionals
- Highest no. of engineers in the world

- Urbanization to increase to 35% by 2025
- 140 mln rural population estimated to move to urban areas by 2020

- 8.5% annual growth in personal disposable income till 2015

- 720 mn consumers across 627,000 villages