

India and the India-U.S. Opportunity



India's growth story: Principal Drivers

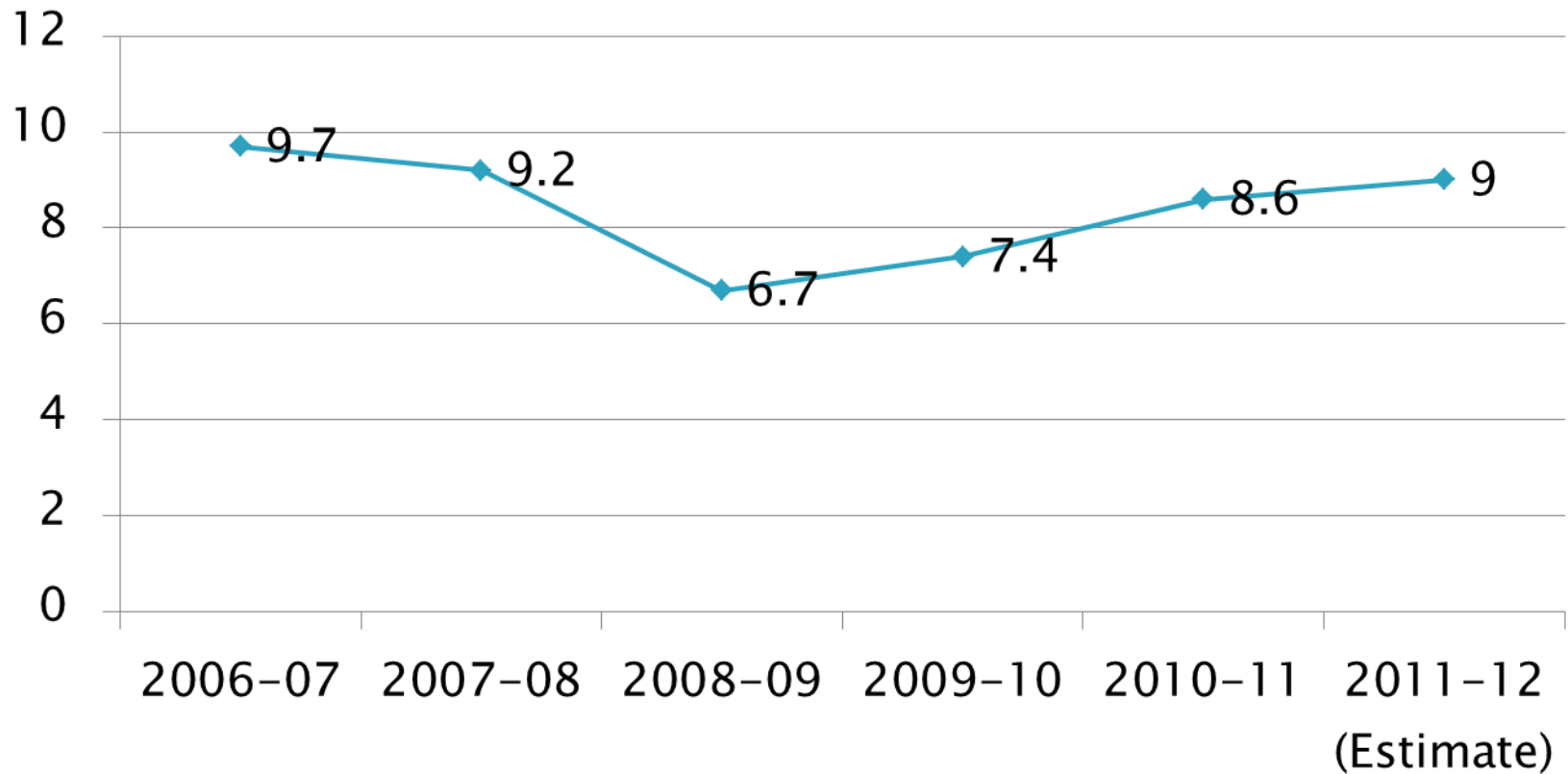
Policy Drivers

- **Vibrant Democracy & Strong institutions.**
- **Steady Economic Liberalization Process.**
- Interventions to develop rural-agricultural economy.
- Pro-investment government policies.
- Major Up-gradation of Infrastructure

Private sector and Civil Society factors

- **Culture of Entrepreneurship**
- Vibrant private sector.
- Robust Industrial and Agricultural production.
- **Strong Service Sector.**
- **Vast pool of technical & scientific manpower.**
- Robustly growing middle class.
- Private spending is 60% of GDP; growth is fuelling middle class spending.

GDP Growth



Composition of GDP (at Factor Cost)

(as % of Total)

Year	Agriculture & allied activities	Industry	Services
1950-51	55.3%	10.6%	34.1%
1960-61	50.8%	13.2%	36.0%
1970-71	44.3%	15.5%	40.2%
1980-81	37.8%	17.4%	44.6%
1990-91	31.4%	19.8%	48.8%
2000-01	23.9%	20.0%	56.1%
2009-10	14.6%	28.5%	56.9%

Rapid Globalization

- **Trade**

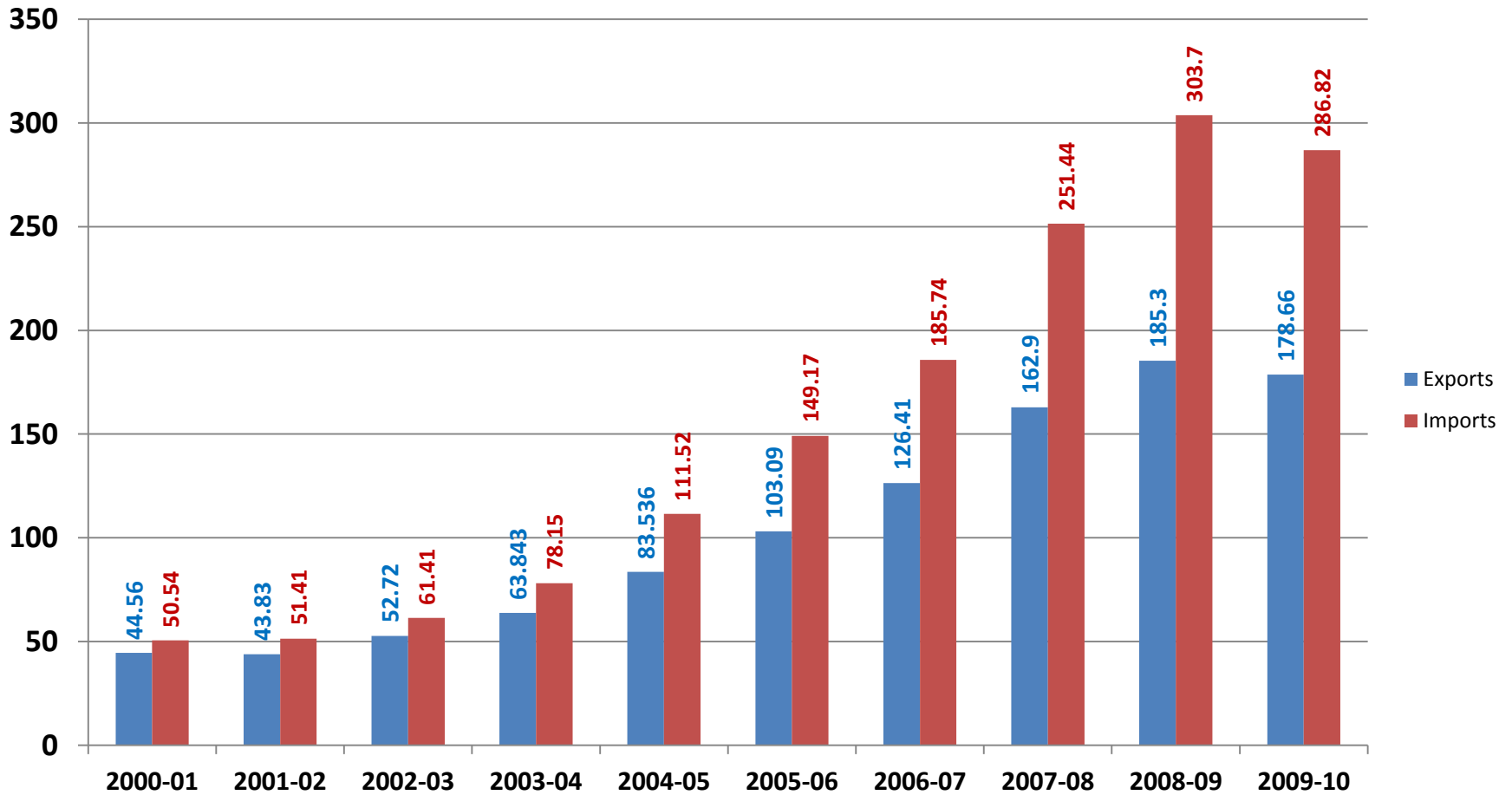
- Merchandize exports + imports (as % of GDP)
 - 3% in 1980-81
 - 7% in 1990-91
 - 21% in 1997-98
 - 23% in 2000-01
 - 48% in 2009-10

India's Foreign Trade Policy

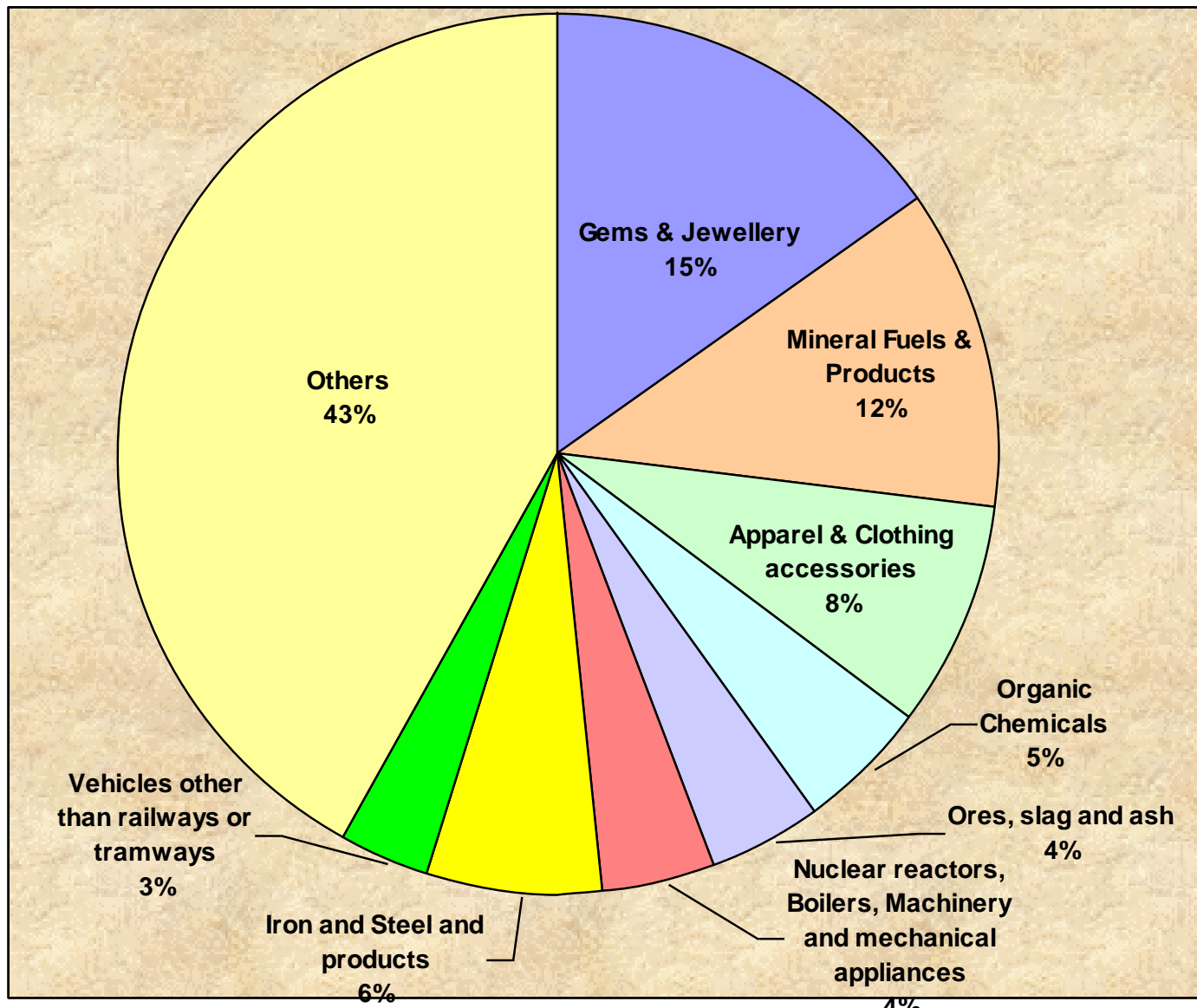
Annual export growth of 15 per cent . The new Foreign Trade policy provides for duty-free import of capital goods, extension of the duty refund scheme, and lower transaction costs for exporters, with a view to boost exports and double outbound sales of goods and services in five years.

Exports and Imports

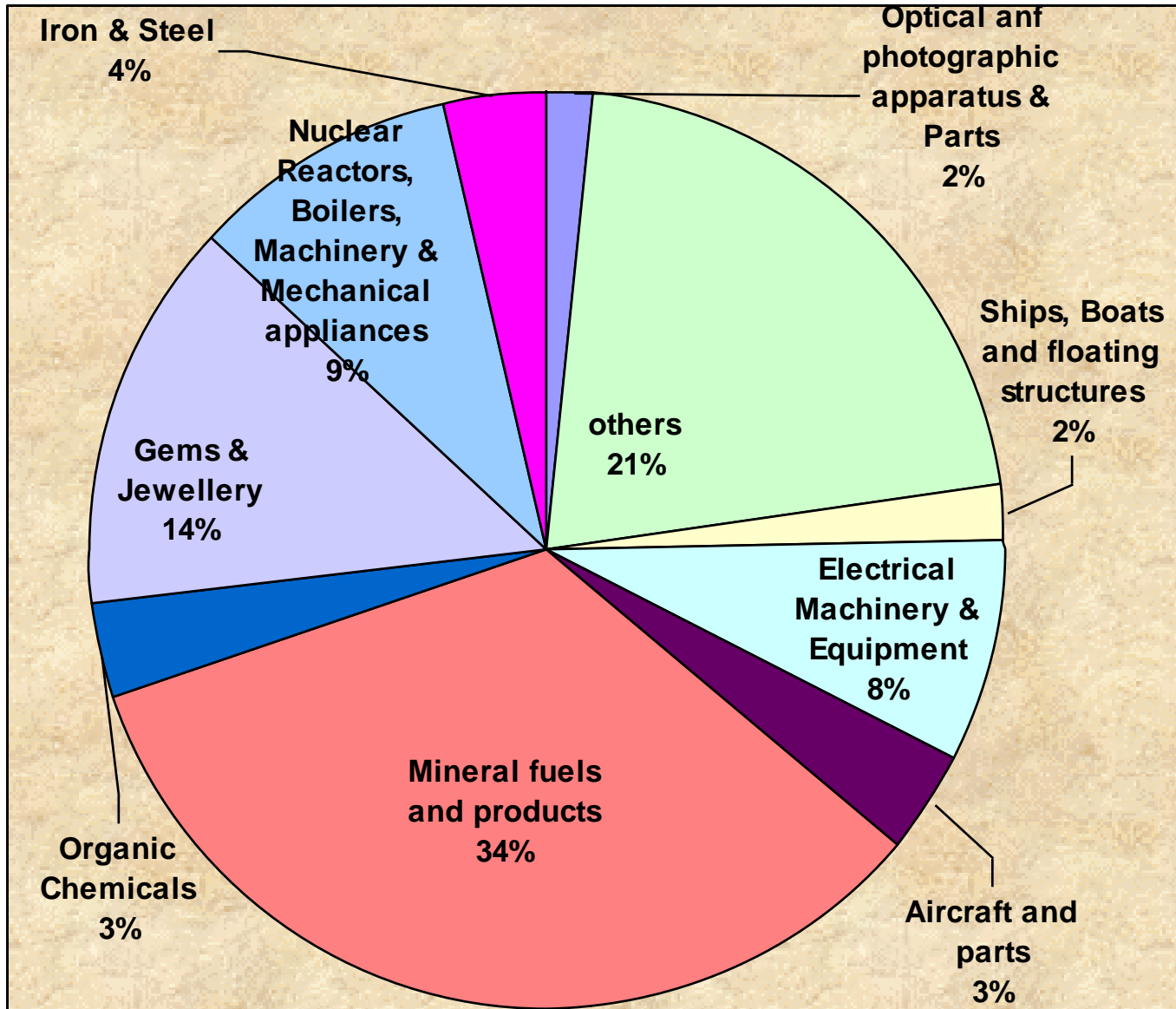
(\$ billion)



Composition of Indian Exports



Composition of Indian Imports



India-U.S. Relationship



INDIA AND THE UNITED STATES – PARTNERSHIP OF 21ST CENTURY

- **Strategic Partnership:** Shared values; fostered on common global concerns and common global threats.

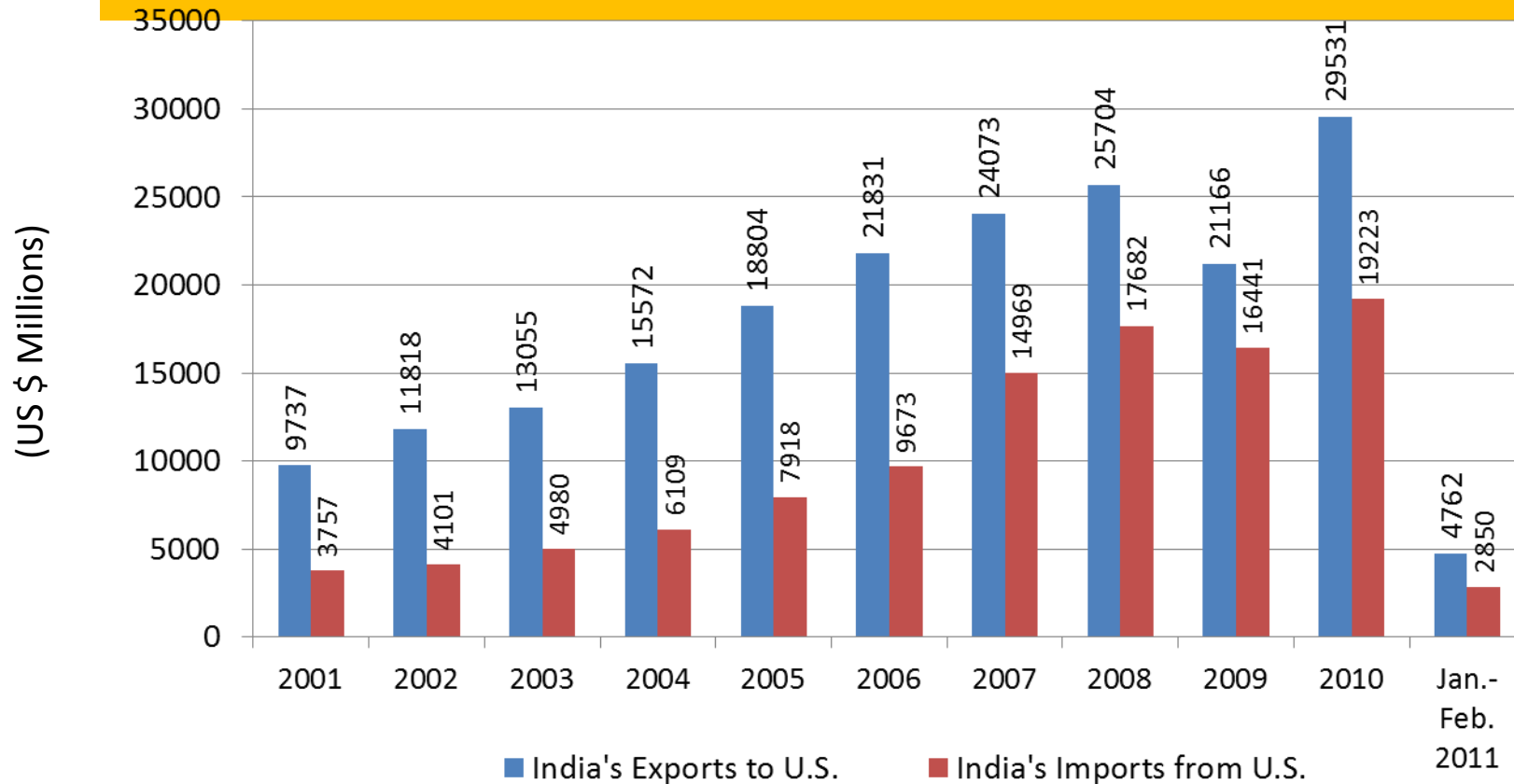
- **Visionary Leadership**

Major markers:

- **Impressive Balance Sheet under Security; Political; Economic; Commercial; Development and Innovation templates.**
- **India – US Civil Nuclear Agreement: A game changer.**
- **High Technology Cooperation.**
- **Strong trade, investment and people to people linkages. and**
- **Vibrant Dialogue Mechanisms: Health, Education, Open Government, Energy, S&T domains.**



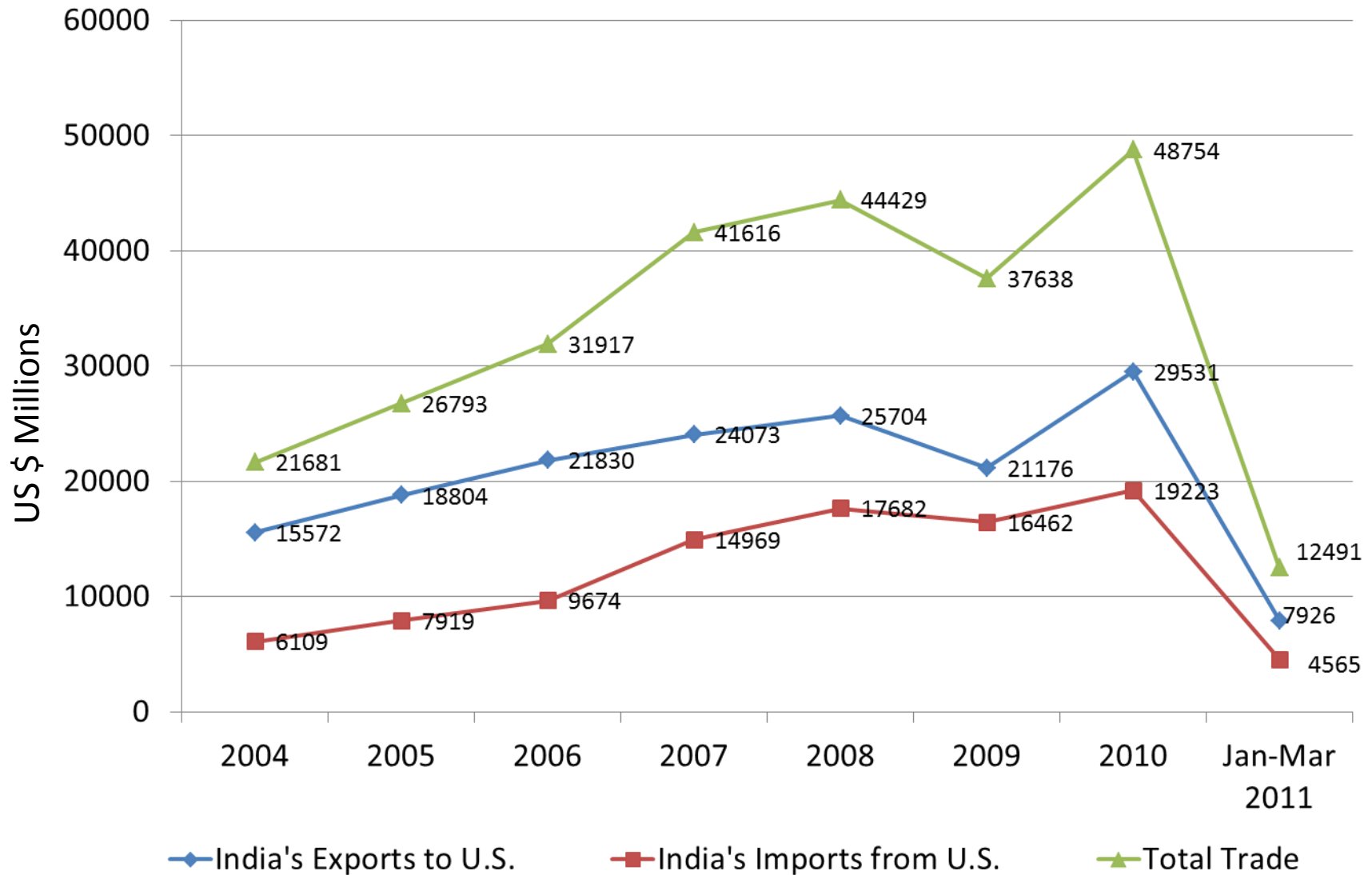
India-US Bilateral Merchandise Trade



	2008	2009	2010	Jan. – Feb. 2011
India's Exports to US	25704 (6.78)	21166 (-17.62)	29531 (39.5)	4762 (18)
India's Imports from US	17682 (18.13)	16441 (-6.90)	19223 (16.9)	2850 (12.6)
Total Trade	44429 (11.12)	37638 (-13.32)	48754 (29.6)	7612 (15.9)

Percentage change over previous period, mentioned in parenthesis

India – U.S. Bilateral Merchandise Trade



Source: US Department of Commerce, Bureau of Census

KEY MANIFESTATIONS IN BILATERAL ECONOMIC TIES



- Rapidly growing Bilateral trade: Goods trade (2010):US\$48.75 billion (Strong growth in US Exports).
- Two way Trade in Services(2008): US\$ 38 billion (broadly balanced).
- Strong two way investment flows, both as Foreign Direct Investments and in M&A space.
- Value creation and job creation by Indian companies in the U.S. Economy.
- Expanding and deepening B-to-B and Tech-to-Tech linkages

US Imports from India

HS Code	Description	Millions United States Dollars	% Share	% Change
		2010	2010	2010/2009
_Total	All Commodity Chapters	29531	100	39.52
71	Precious Stones	6850	23.2	50.27
30	Pharmaceutical Products	2388	8.09	43.79
27	Mineral Fuel, Oil	2324	7.87	436.55
62	Woven Apparel	1741	5.9	5.61
29	Organic Chemicals	1716	5.81	30.56
63	Miscellaneous Textile Articles	1544	5.23	30.08
85	Electrical Machinery, Etc.	1445	4.89	27.81
61	Knit Apparel	1417	4.8	14.58
84	Machinery; Reactors, Boilers	1297	4.39	20.32
73	Iron and Steel Products	1172	3.97	5.13

Imports from India during Jan. - Mar. 2011 (Top 20 US States)

(in US \$ Millions)



Top 5 States

New York	- 2058
New Jersey	813
California	- 706
Texas	- 617
Tennessee	370

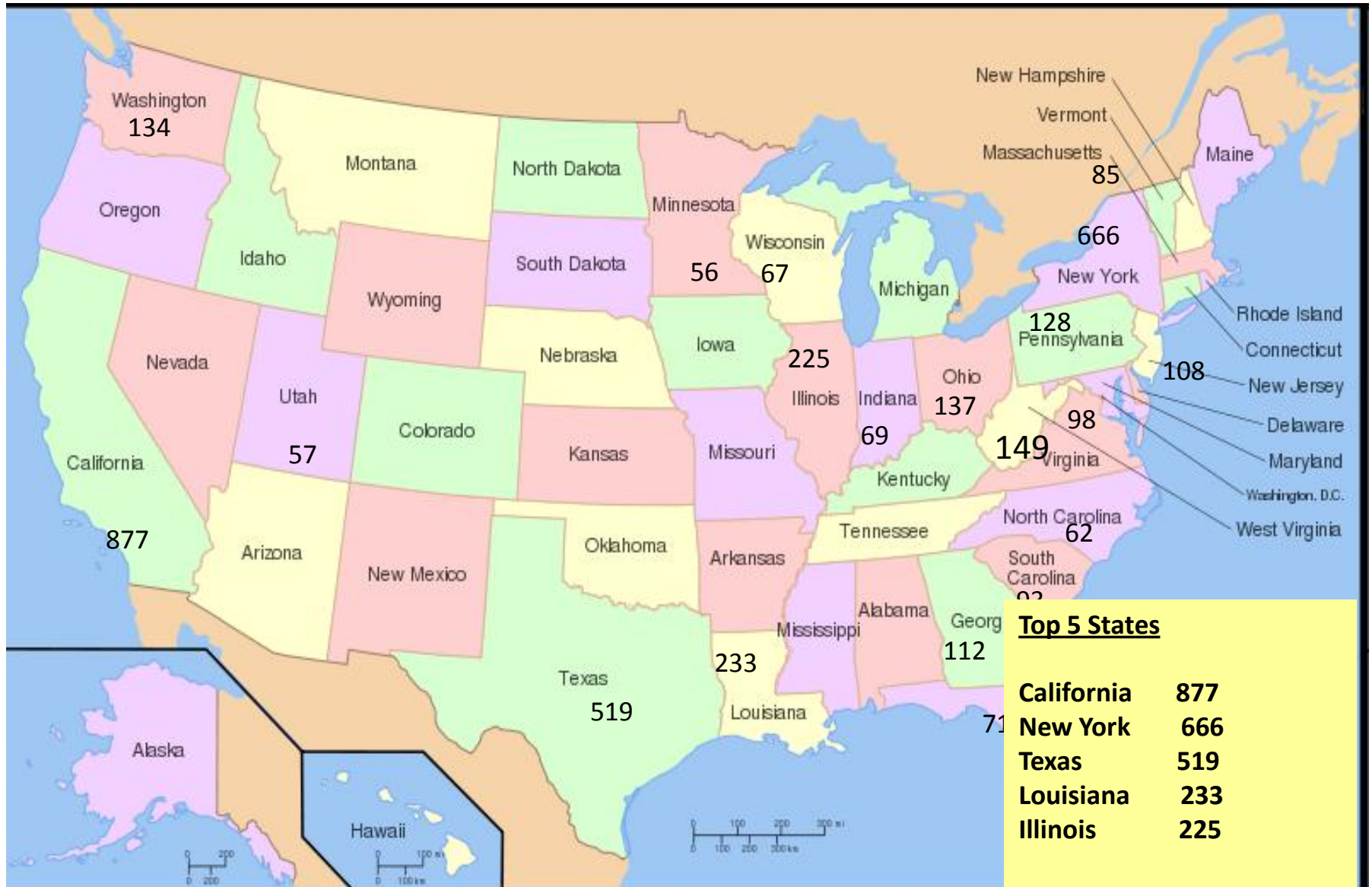
Source of data: U.S. Dept. of Commerce, Bureau of Cens

US Export to India

HS Code	Description	Millions Dollars	% Share	% Change
		2010	2010	2010/2009
_Total	All Commodity Chapters	19223	100	16.92
71	Precious Stones	4206	21.88	79.98
84	Machinery; Reactors, Boilers	2670	13.89	14.9
85	Electrical Machinery, Etc.	1367	7.11	5.23
88	Aircraft, Spacecraft	1277	6.65	-43.33
31	Fertilizers	1123	5.84	-2.28
27	Mineral Fuel, Oil	1094	5.69	13.77
90	Optical, Medical Instruments	1084	5.64	17.88
29	Organic Chemicals	849	4.42	32.76
39	Plastic	749	3.9	18.15
72	Iron and Steel	556	2.89	-13.61

Exports to India during Jan. - Mar. 2011 (Top 20 US States)

(in US \$ Millions)



Source of data: U.S. Dept. of Commerce, Bureau of Census

U.S. Presence in India



Fremont Group



India manufacturing advantage

- **Key driver : the large skilled labour pool**
- **Factors behind successful manufacturing**
- **Productivity Growth**
- **Intelligent manufacturing**
- **Hard & Soft integration**
- **High technology adoption & adaptation**
- **Opportunities in multiple sectors**
 - **Textiles , ITES, BPO, Pharmaceuticals**
 - Auto components etc**

INDIA-U.S. Partnership: the way forward

- Potential for mutually beneficial long-term partnership.
- In economic sense, there is a change in the mindset of various U.S. stakeholders – look beyond “buy-sell” paradigm.
- Enabling environment within India and the US.
- Imaginative entrepreneurship and vision to see the opportunities hidden in challenges.

How we could help?

- One stop shop for your import queries.
- Facilitation for developing institutional linkages with export associations in India.
- Queries relating to import and FDI policies.
- Contact development at Federal and State level.



Thank you

- Questions
- Also at:

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