

COMPETITIVE INDUSTRY



India is on the cusp of a new economic paradigm.

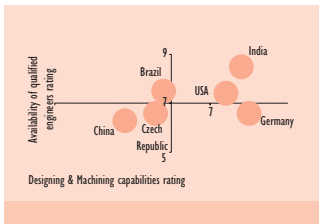
From the established “default-choice” as the world’s back-office, India has evolved into a low-cost base for a range of goods and services from steel to R&D.

Knowledge Industries

India is now established as an advanced research and development hub.

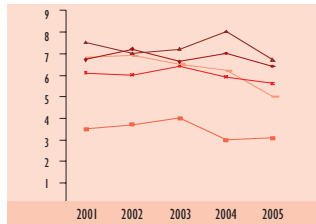
- Motorola’s two research and development facilities in India helped produce the sub - US\$ 40 cellular phone for emerging markets.
- Microsoft in January 2005 launched its third international research centre in India.
- Intel has 800 India-based engineers working on software and hardware designs for its communication and semiconductor product lines.

India’s competitiveness compared to other countries



Source: IMD, KPMG Analysis

Competency levels of senior managers



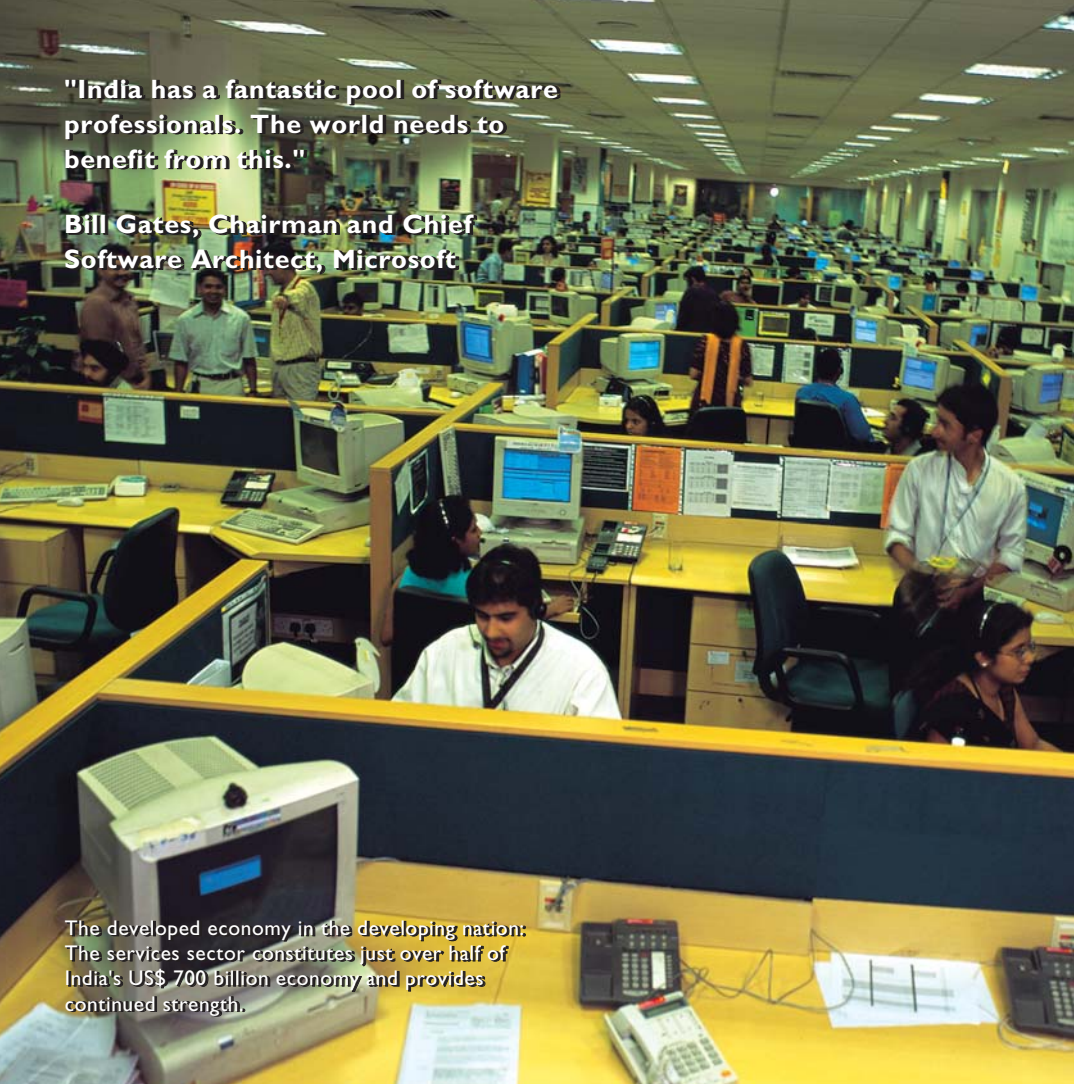
Source: World Competitiveness Yearbook, IMD, 2005



"India has a fantastic pool of software professionals. The world needs to benefit from this."

Bill Gates, Chairman and Chief Software Architect, Microsoft

The developed economy in the developing nation: The services sector constitutes just over half of India's US\$ 700 billion economy and provides continued strength.



New low-cost airlines and more international flights have opened air travel to greater business and tourist demand while financial services are benefiting from a stock market boom. Outsourcing to Indian back offices continues to grow robustly.

Trade, hotels, transport and communication grew 12 per cent in July - Sep. 2005.

Financing, real estate and insurance expanded nearly 10 per cent.

The emerging Knowledge Process Outsourcing (KPO) industry in India is catering to client needs in areas of equity research, finance and insurance processes, data search, human resource development, engineering and design and medical content development.

According to an estimate, India's KPO market will grow to US\$ 12 billion by fiscal 2010 from the existing US\$ 720 million.

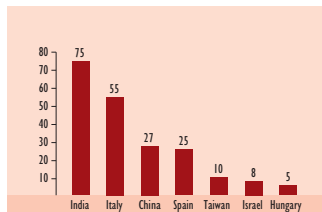
Manufacturing

The resurgence of India's manufacturing sector is now established.

Manufacturing grew 8 per cent in the April to June quarter, FY 2005.

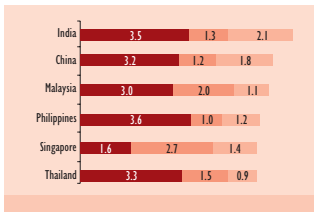
- According to a CII-McKinsey report, manufacturing exports from India are likely to grow to US\$ 300 billion in 2015.
- Of the total US\$ 300 billion, US\$ 70 - 90 billion is expected to come from just four sectors - apparel, auto components, speciality chemicals and electrical and electronic products.

India has the most US FDA - approved manufacturing sites outside the USA



Source: US FDA

India: Most preferred IT destination



■ Financial structure
■ Business environment
■ People and skills availability

Source: AT Kearney Offshore Location Attractiveness study 2005





"India has evolved into one of the world's leading technology centres."

**Craig Barrett, Chairman
Intel Corporation**

Tata Motors developed the Indica for US\$ 350 million.
An equivalent project in the U.S. or Europe would
have cost at least three times as much.

India is fast developing into a manufacturing hub for global corporations wanting to leverage India's proven skills in product design, reconfiguration and customisation with creativity, assured quality and value addition.

While some MNCs have entered into OEM deals to source components, others have Indian arms to supply to global markets.

- GE has entered into an OEM deal with Thermax India to supply chillers for the latter's power systems.
- South Korean two-wheeler major Hyosung is making India the manufacturing hub for its 250cc cruiser bike, Aquila through a technical tie-up with Pune-based Kinetic Engineering.



Thrust on Infrastructure

The Prime Minister of India launched the National Urban Renewal Mission in 2005.

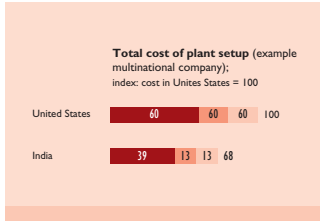
The most ambitious programme ever launched for urban development in India, it has a combined investment by Central and State Governments of US\$ 20 billion to be spent over 2006-12. The programme will cover 60 cities with a 1 million+ population. It aims to focus on integrated development of urban infrastructure and services.

Roads & Highways

Under the National Highways Development Project (NHDP) - the largest highway project ever undertaken by the country and with the shortest timespan for completion - 14,279 kilometres of National Highways are being converted to 4/6-lanes, at a total estimated cost of US\$ 13 billion (at 2004 prices).

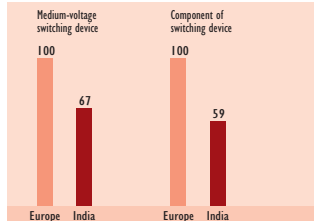


The India Advantage: Capital Engineering



Source: McKinsey & Co.

The India Advantage: Making it for less



Source: McKinsey & Co.



"FDI will continue to be encouraged and actively sought, particularly in the areas of infrastructure, high technology and exports."

P. Chidambaram, Finance Minister
Government of India



WRINKLES
GOOD FOR DOGS.
BAD FOR KHAKIS.

INTRODUCING
THE WORLD'S FIRST
NEVER-IRON
PANTS.

DOCKERS

ONNAUGHT PLACE. SHOPPERS STOP. LIFESTYLE.



Advertisement for a clothing brand featuring a woman in a bikini top and jeans.



Discover the Spirit of Tucson

TUCSON



Mobile ownership will pass 100 million in 2007 as 'the largest middle class in the world' continues to spur demand.

Ports

India has around 6,000 km of natural peninsular coastline and ports are a crucial part of the transportation infrastructure of the country.

Recently, 13 private or captive projects with an annual capacity addition of about 47.40 MMT and an investment of about US\$ 577 million have been completed or operationalised, while 23 others with an annual capacity addition of around 89.29 MMT and an investment of US\$ 1.6 billion are at various stages of implementation.

Power

India is the sixth largest power generator in the world.

In order to meet the growing needs of its rapidly growing economy, 108000 MW of additional power generating capacity will be added over the next decade.

Telecom

In December 2005, 4.92 million subscribers were added as compared to 3.79 million subscribers in November 2005; 32 million subscribers were added during all of 2005.

India's tele-density touched 11.43 per cent taking the total telecom subscriber base to 125 million.

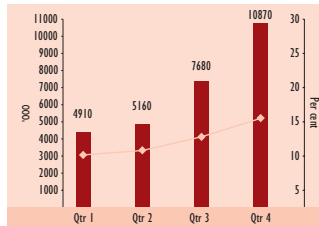


India: Global investors' favourite destination

Rank	Country
1	India
2	USA
3	UK
4	Poland
5	Russia

Source: AT Kearney FDI Confidence 2005

Growth in mobile phone subscriber base 2005



Source: TRAI

