

30 New Facts on India

Source: News Reports between Feb-April 2006

1. Semi Conductor Industry

- The entire industry (semiconductor and embedded design, electronic equipment manufacturing and semiconductor manufacturing) is expected to generate revenues of US\$ 73.92 billion by 2010, and generate employment for 1.85 million employees.
- In 2015, the industry revenues are expected to increase to US\$ 202.57 billion, which is expected to generate employment for 3.58 million workers.

Source: http://www.ibef.org/artdisplay.aspx?cat_id=60&art_id=9651

2. Video Conferencing

- The widespread popularity of distance learning, coupled with stronger thrust on e-governance and administration of justice, makes India a promising market for video conferencing equipment.
- The video conferencing equipment market is currently estimated at US\$ 10.8 million and expected to grow at a compounded annual growth rate of 24.9 per cent to reach the US\$ 50 million mark by 2011.
- Conferencing solutions are a business need in almost all verticals, government, education, corporate or health care.
- The government is the largest spender on these solutions, accounting for 38 per cent, followed by corporate at 37 per cent, healthcare at 14 per cent and education at 11 per cent.
- While the utility of the equipment was obvious for the corporate sector, it is more relevant for speedy, efficient and low-cost administration of official systems

Source: http://www.ibef.org/artdisplay.aspx?cat_id=60&art_id=9652

3. Consumer Spending

- “Socially and economically, India continues to develop at a galloping rate compared to the rest of the world. With estimated compounded economic growth rates of over 8%, Indian consumers are enjoying greater spending power today than at any time in their recent history. Life continues to get better for the Indians and consumer confidence is all at time high.”

Frank Martell, CEO ACNielsen Europe

Source: http://www.ibef.org/artdisplay.aspx?cat_id=60&art_id=9673

4. Hi-end manufacturing

- US-based Northrop Grumman Corporation has outsourced components manufacturing for the E-2C Hawkeye aircraft to Hindustan Aeronautics Ltd (HAL). HAL was chosen for its expertise in aerospace design and manufacturing.

Source: http://www.ibef.org/artdisplay.aspx?cat_id=60&art_id=9648

5. Surgery

- Over 50,000 patients undergo heart surgery in India annually while the number in China is about 38,000. While 50 per cent of heart surgeries in India are in the area of coronary bypass surgery, the number in China is 15-20 per cent.

Source: http://www.ibef.org/artdisplay.aspx?cat_id=60&art_id=9702

6. Remote Sensing Satellite Technology

- The number of satellite-based village resource centres - which give villagers information on weather, agriculture and drought management, among others - in India was about 100 in Feb 2006.
- India has set itself a target to double its business in the global remote sensing domain in three years
- 15 per cent of the (remote sensing) market is with India with Resourcesat and Cartosat and expected to atleast double within the next three years
- The size of the global remote sensing market is estimated to be US\$ 30 million-US\$ 40 million.

Source: http://www.ibef.org/artdisplay.aspx?cat_id=60&art_id=9704

7. Medical Tourism

- India's medical tourism industry touched the 100,000 mark in 2005 as against 10,000 patients in 2000 thanks to the bouquet of quality healthcare services fraught with cost advantage..

Source: http://www.ibef.org/artdisplay.aspx?cat_id=60&art_id=9713

8. Indian MNCs

- 33 Indian companies, mostly in banking and software sectors, found a place on Forbes magazine's coveted list of top 2000 corporate titans across the world.

Source: http://ibef.org/artdisplay.aspx?cat_id=60&art_id=10658&in=26

9. Indian Automobile Industry

- Largest three wheeler market in the world
- 2nd largest two wheeler market in the world
- 4th largest passenger vehicle market in Asia
- 4th largest tractor market in the world
- 5th largest commercial vehicle market in the world

Source: <http://ibef.org/download/Automotivesr.pdf>

10. Technology Adoption / Open Source

(this is a weakness according to WEF's Competitiveness Report)

- India's technology adoption is gaining super momentum and expects a growth of 20.8 percent for the next four years in business spending on computer hardware, software and communication products
- Indian business enterprises are expected to spend \$ 25.12 billion on information technology in 2006
- The spending would be more than 23.7 percent over 2005. Of this the Open Source market can look for at least 40-50 percent share as the opportunity
- The main drivers spearheading adoption of OS are industry, enterprise and large verticals and educational institutes who are enamored by the tremendous cost saving and hassle free environment in the Open Source Platforms.
- Open Source has made a breakthrough in India, where less than 5 percent population are comfortable with English, by demonstrating the scope of power of local language computing as enabler for percolation of benefits of IT to the grassroots.

Source: http://www.ibef.org/artdisplay.aspx?cat_id=60&art_id=9746

11. Indian Markets

- India is among the best in emerging markets that give higher returns on equity.
- Among the global emerging markets (GEMs), India has given the fourth highest and in Asia, the third highest RoE, at 22%
- Indian equities are resilient. Even after being the most expensive market since October 2005, the FII flows have continued incessantly. It is because of attractive Return on Equity (RoE).
- In 2005, FIIs invested \$10.2 billion into India.

Source: http://www.ibef.org/artdisplay.aspx?cat_id=60&art_id=9797

12. India V/s China

- A BBC World survey in association with AC Nielson on global Indians reveals that India will overtake China in terms of economy growth in the next 10 years.
 - 57 per cent respondents said India will become the next Asian superpower in the next 10 years
 - 55 per cent believed India can win a bid to host the Olympics during the same period, and
 - 60 per cent believed that the poor in India will benefit from future economic growth.
- "India is today the world's most vibrant debating chamber. It has the most exciting and open news media, with a growing passion for international news. We believe that these unique characteristics make Global Indians of value not only to those in India, who are living through the change, but also to international decision-makers looking to understand it."

- Jeremy Nye, BBC World head of research and planning

Source: http://www.ibef.org/artdisplay.aspx?cat_id=60&art_id=9773

- A private study by PricewaterhouseCoopers sees India surpassing China's economic growth rate by 2013, and Brazil will do likewise by 2023.
- The analysis, known as 'The World in 2050' and written by John Hawksworth, assumes that gross domestic product growth stems from growth in physical capital stock, growth in the labor force, growth in quality of labor or human capital and technological progress

Source: http://www.ibef.org/artdisplay.aspx?cat_id=60&art_id=10304

13. India Everywhere at Davos 2006

- Some 110 Indian business leaders and government officials attended WEF's Annual Meeting in Davos in Jan 2006, participating in more than 200 meetings and speaking in 60 sessions. In contrast, India had 50 delegates who participated in just 60 meetings in 2005, and it had 40 delegates who took part in 10 meetings in 2004.
- The total Indian force at Davos in 2006 was about 300, including some 20 print and broadcast media representatives, a dozen chefs, support staff, artisans and musicians.

Source: http://www.ibef.org/artdisplay.aspx?cat_id=60&art_id=9762

14. India Inc M&A Activity

- India has recorded 343 mergers and acquisition (M&A) deals, totalling US\$ 18.2 billion in 2005, of which US\$ 16.2 billion was through acquisitions and US\$ 2 billion via private equity investments.
- The country has witnessed 192 cross-border transactions valued at around \$10 billion, with the telecom industry leading the pack with 14 M&A deals valued at \$5.4 billion.
- The deals with higher valuation multiples were Vodafone's investment of \$1,500 million in Bharti Tele-Ventures, Maxis' acquisition of Aircel for \$1,080 million and Essar Group's takeover of a controlling stake in BPL Communications for \$1,155 million.
- Singapore Telecom's acquisition of a 5.85 per cent stake in Bharti Telecom for \$252 million, VSNL's takeover of Teleglobe International Holdings for \$239 million, Indian Rayon's buyout of a 16 per cent stake in Idea Cellular for \$150 million and Essar Group's purchasing a 3 per cent stake in Hutchison Essar Telecom for \$146 million were the other top deals.
- The year 2006 is also expected to be good for M&A activities in the country, as the first two months of the year clocked deals worth \$3.5 billion.
- Following last years trend, cross-border deals constituted 78 per cent of the total M&A. Outbound deals were valued at over \$2.2 billion and was 63 per cent of the total deal value.
- Some of the major outbound deals included ONGC Videsh's acquisition of a Brazilian oil field for \$1.4 billion, Dr Reddy's takeover of Betapharm, Germany, for \$570 million and United Phosphorous' buy of Advanta Netherlands for \$119 million.

Source: http://www.ibef.org/artdisplay.aspx?cat_id=60&art_id=10213

15. Rural Markets

- FMCG growth (in value terms) in rural markets has far outpaced the sector's growth in urban markets during the first nine months of 2005-06 fiscal.
- Products that have seen significant growth in rural markets include toothpaste, hair oils and shampoos. Shampoo sales in rural India, for instance, went up by 30.8 per cent compared with just 11 per cent in urban areas.

Source: http://www.ibef.org/artdisplay.aspx?cat_id=60&art_id=9776

16. India V/s China: Cellular Market

- After catching up with China in mobile subscriber growth in December '05, India is set to surpass the dragon to become the world's fastest growing cellular market.
- India will add a whopping 358 million mobile subscribers between '06 and '11, compared to China's 354 mn during the same period.

Source: http://www.ibef.org/artdisplay.aspx?cat_id=60&art_id=9781

17. R&D

- Leading Indian MNC, Tata Consultancy Services (TCS) will invest US\$ 1 million and join a five-year transnational research and development (R&D) collaboration with Stanford University for research in the critical area of data privacy.

Source: http://www.ibef.org/artdisplay.aspx?cat_id=60&art_id=9814

18. Investor Confidence

- Among the investors in the four fastest growing emerging economies - Brazil, Russia, India and China - those in India were the most optimistic about their home investment market.
- According to a survey of investment professionals, more than half of the respondents in India were highly optimistic about the prospects for the domestic market.
- As many as 55 per cent from India said they were "highly optimistic" and 39 per cent "somewhat optimistic".

Source: http://www.ibef.org/artdisplay.aspx?cat_id=60&art_id=9820

19. Telecom

- Over 32 million new telephones were added during April-January of the current financial year, with five million additions occurring in January alone, taking the total number of phones in the country to 130.8 million.

Source: http://www.ibef.org/artdisplay.aspx?cat_id=60&art_id=9836

20. Indian MNCs Global Acquisitions

- Dr Reddy's Laboratories, in the largest purchase of an overseas firm by an Indian company, beat back a determined challenge from Ranbaxy Labs to buy Germany's betapharm group for about US\$ 570 million
- Tata Steel purchased Millennium Steel of Thailand for over \$400m.
- ONGC, India's largest oil company, paid about \$1.7bn to secure a 20% stake in a giant oilfield in Sakhalin-1 oil and gas field.

Source: http://www.ibef.org/artdisplay.aspx?cat_id=60&art_id=9885

- Wipro has signed a definitive agreement to acquire cMango Inc, a California-based company in an all-cash deal for US\$ 20 million

Source: http://www.ibef.org/artdisplay.aspx?cat_id=60&art_id=9927

21. India V/s India on Free Market

- The market economy is working much more efficiently and clearly in India than in China. The market in China is not as clear as in India.
- Jean Louis Beffa , Group chairman & CEO, Saint-Gobain

Source: http://www.ibef.org/artdisplay.aspx?cat_id=60&art_id=9902

22. MNCs in India

- MNCs led by Siemens, MICO, ABB, Wartsila India, Denso Corporation are stepping up investments in India, buoyed by increased infrastructure spending and higher consumption from the rural sector.
- Engine maker Cummins India (where Cummins Inc of the US holds 51 per cent) is setting up an additional manufacturing facility in Pune at an investment of Rs 15 crore,
- Auto parts maker Bosch Chassis Systems (formerly Kalyani Brakes) has formed a joint venture with Brembo SpA of Italy for two-wheeler brakes.
- Ciba Specialty Chemicals has announced a Rs 50-crore manufacturing plant at Goa and another Rs 70 crore investment in Gujarat through its fully-owned subsidiary Diamond Dye-Chem Ltd.
- Wartsila India, promoted by Wartsila Corporation of Finland, has also announced fresh investments in India.
- On the FMCG front, Nestle India's new factory at Pantnagar is expected to start commercial production in the second half of 2006.
- Hindustan Lever is increasing its rural focus further.
- Procter & Gamble is also expanding in the country, though all the fresh investments are being done through its wholly-owned arm P&G Home Products

Source: http://www.ibef.org/artdisplay.aspx?cat_id=60&art_id=9926

23. Civil Aviation

- Jet Airways Ltd bought GE Aviation's engines for its 10 Airbus A330-200 aircraft in a deal worth more than US\$ 300 million in Oct 2005

Source: http://www.ibef.org/artdisplay.aspx?cat_id=60&art_id=9962

- A total of 40 million domestic passenger movements were recorded last year. The traffic is rising rapidly as low-cost carriers are luring some 15 million daily passengers to shun trains
- in India may buy US\$ 4 billion worth of small planes in the next 20 years to meet rising demand for air travel, according to Brazilian manufacturer Embraer

Source: http://www.ibef.org/artdisplay.aspx?cat_id=60&art_id=10365

24. India Rising

- India's economy is growing at a vigorous 8 percent. It graduates 400,000 engineers every year, and half of its population is younger than 25.

Source: http://www.ibef.org/artdisplay.aspx?cat_id=60&art_id=10055

25. TV Industry

- India is set to become Asia's leading cable market by 2010, the largest satellite market by 2008, and the most lucrative pay television market by 2015, according to estimates by Hong Kong's Media Partners Asia (MPA)
- Turnover for multichannel video--including cable, satellite and Internet protocol television (IPTV)--will jump to \$7.2 billion from \$3.6 billion by the end of the decade

Source: http://www.ibef.org/artdisplay.aspx?cat_id=60&art_id=10134

Animation

- Walt Disney has launched two channels in India - Disney and Toon Disney.
- There are seven channels targeting the kids segment in India
- Hanuman, the popular Indian animated film released in 2005, has been picked up by Disney and will be shown in eight parts on the Disney channel.

Source: http://www.ibef.org/artdisplay.aspx?cat_id=60&art_id=10357

26. Indian Overseas Investment

- Indian companies account for 30 per cent of all foreign investment in London, making it the second largest overseas investor in the city after the US
- In 2005, 22 Indian companies set up businesses in London; this is likely to generate around 400 new jobs.

Source: http://www.ibef.org/artdisplay.aspx?cat_id=60&art_id=10188

27. India's Wealth Holders

- According Forbes magazine, India's rich are richer than China's and have much higher net worth
- The collective net worth of 40 richest persons in India is \$106 bn compared with China's \$26 bn.
- India has 27 billionaires compared with ten of China
- India is home to 10 new billionaires, more than any other country besides the United States

Source: http://www.ibef.org/artdisplay.aspx?cat_id=60&art_id=10279

28. Harvard in India

- Harvard University, the world's richest centre of learning whose annual budget is estimated to be close to \$20 billion, has set up an India Research Center and the first South Asia Initiative office in Mumbai, which is pegged as Harvard's front office for the entire region.

Source: http://www.ibef.org/artdisplay.aspx?cat_id=60&art_id=10531

29. Hi-End Outsourcing

- With a large pool of well-trained doctors and high-tech infrastructure India has emerged as a tele-radiology hub, providing offshore X-Ray reporting services to the US, Europe, Singapore and Middle East.

Source: http://www.ibef.org/artdisplay.aspx?cat_id=60&art_id=10561

30. Innovation Hub

- According to Texas Instruments, the Indian market holds high promise in the communication segment given that there will be around 250 million telephone subscribers by 2007, and the entertainment industry is expected to be around \$10 billion.
- "The enormous consumer population here, combined with the intellectual capacity available in this country, will impact markets all over the globe for years to come. All of us at TI recognise India not only as a strong and growing market for semiconductors, but also as a place where new ideas are helping shape the direction of technology."

- Richard K Templeton, president and CEO, Texas Instruments

Source: http://www.ibef.org/artdisplay.aspx?cat_id=60&art_id=10591