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WTC Mumbai Presents
India's Diversity
A Unique Business Opportunity



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Preface - India's Diversity – A Unique Business Opportunity



India's diversity in geography, ethnicity, culture, language and religion has remained the bedrock of its dynamic and resilient economy. Diversity in geographical regions has supported occupations as diverse as agriculture, forestry, weaving, jewellery, travel and tourism, healthcare and so on. The country is the second largest producer of silk in the world as different varieties of silk - Mulberry, Eri, Tasar, Muga are grown here.

Diversity is the underlying theme of the Indian agriculture sector as the country has 15 agro-climatic regions which differ from each other in terms of soil type, temperature, rainfall, water demand and supply and so on. The vast fertile land in Punjab, Haryana, Uttar Pradesh enabled the country to be the second largest foodgrain producer in the world. Besides farm resources, India is endowed with rich mineral resources that supports diverse industries, ranging from heavy iron and steel manufacturing to cement, electrical and electronic goods. The country produces as many as 87 different minerals, which include fuel minerals, metallic minerals, non-metallic minerals, atomic minerals and minor minerals.

India has also demonstrated its leadership instinct in modern sectors such as Information Technology and Business Process Outsourcing. Global giants in the Information Technology sector such as Google, Microsoft, Cisco have operations in India, while Apple, Foxconn, Amazon are establishing presence in India. India ranks third in the number of technology start-up companies after USA and Israel owing to the emergence of young entrepreneurs in sectors such as mobile gaming, payment solutions, big data and analytics, cloud computing, education technology and so on.

This booklet traces the cultural and economic eminence of this country of 1.3 billion people and what it means for foreign investors and Indian companies. Considering that World Trade Centre Mumbai is located in the state of Maharashtra, the booklet starts with a brief overview of the socio-economic landscape in this state. The web of information presented in this booklet is woven through meticulous reference to over 50 sources, mostly from the government and non-government sources. However, comprehensive information on a large country like India cannot be accommodated in a small booklet and so the booklet is made to serve as an appetizer that would stimulate your appetite to learn more about the tradition, culture and economic life of the country.

We wish you a happy reading..

Y.R. Wazarkar

**Y.R. Wazarkar,
Executive Director,
World Trade Centre Mumbai**

Maharashtra

– A State Where Business and Culture Thrive



Excellence in Infrastructure

Roads and Highways	299,368 kilometre
Railways	6,103 kilometre
Airports	3 International Airports; 8 Domestic Airports
Ports	2 major ports, 53 minor ports JNPT handles over 50% of container cargo in India

Proposed / Ongoing Infrastructure Projects

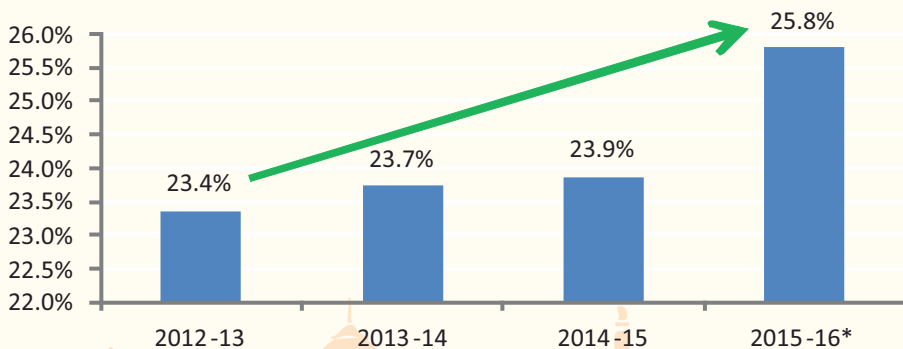
Delhi Mumbai Industrial Corridor (Mega Infrastructure project covering six states)	Covers 8 districts or 29% of Maharashtra's total area
Mumbai-Nagpur Expressway	710-KM six-lane road project to connect Mumbai and Nagpur. This expressway would connect all major cities of the state.ect expected to be completed by 2019
Projects in Mumbai	Maharashtra government allocated Rs 733 billion (USD 10.9 billion) for various infrastructure projects in Mumbai
Multi-modal International Hub Airport at Nagpur (MIHAN)	This is an airport-cum-special economic zone project spread over 4300 Hectare land in Nagpur.

Exports from Maharashtra



Rising Share of Maharashtra in Indian Exports

Share (%) of Maharashtra in India's total exports

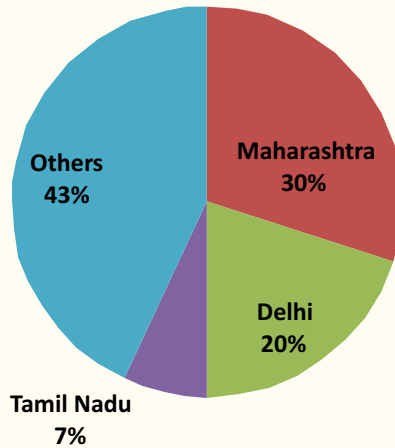


Data for 2015-16 is upto November

FDI in Maharashtra

Share of Maharashtra in total FDI into India between 2001-2014

Share (in %) of states in Foreign Direct Investment

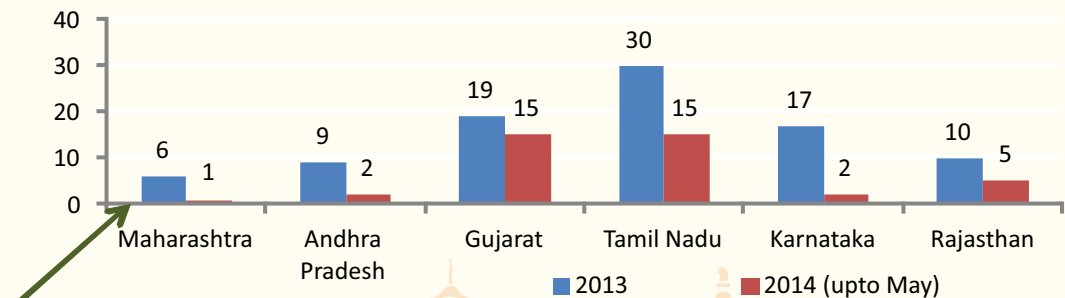


Ease of Doing Business in Maharashtra

Investor Guide

- Government of Maharashtra has set up an online portal known as MAITRI (Maharashtra Industry, Trade and Industry Facilitation Cell) to assist investors in securing approvals for 31 services across 8 departments
- Maharashtra Industrial Development Corporation offers 8 services online for setting up industrial units in its land.
- Maharashtra has retained premier position in investor confidence because of improving ease of doing business, sound infrastructure facilities, and less industrial disputes.

Number of Industrial Disputes



Lowest industrial disputes among all leading states

Source: Maharashtra Industrial Development Corporation

Dominant Sectors in Maharashtra

Automobile

- Accounts for 38% of India's automobile output by value
- Witnessed CAGR of 21.08% from 2009-2013
- Pune, Nashik, Mumbai, Aurangabad, Nagpur are major automobile centres

Biotechnology

- Maharashtra contributes over 35% to overall revenue across India in this sector
- Mumbai and Pune are the leading biotechnology hub in the state
- There are around 16 large biotechnology enterprises and 50 MSMEs in this sector in Maharashtra

Chemical

- Accounts for nearly 17 percent of chemical production and 16% of chemical factories in the country
- Maharashtra has 13 chemical zones

Electronics Systems Design and Manufacturing (ESDM)

- Maharashtra contributes 30.49% to the total output in this sector in India
- Maharashtra government identified 3 brownfield electronic manufacturing clusters with common facilities in Pune, Aurangabad and Navi Mumbai

Food Processing

- Maharashtra has around 16,512 small and medium and 322 large scale food processing units
- The food processing sector in the state has attracted USD 17.31 billion worth of Foreign Direct Investment through 173 projects since 1991

Information Technology (IT) and IT enabled services

- Maharashtra accounts for more than 20% of the country's software exports
- The state has 465 approved IT private parks and 37 public IT parks (which are developed by state agencies)

Gems and Jewellery

- Mumbai is the world's biggest diamond cutting and polishing centre with over 50 big diamond companies.
- The Special Economic Zone in SEEPZ (Mumbai) has 7 standard design factories and 3 gems and jewellery factories
- Kolhapur in Maharashtra is famous for a specialized silver zone at Hupri

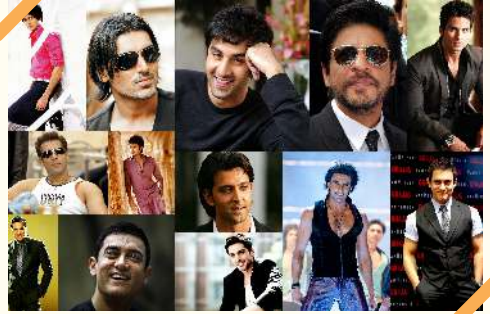
Pharmaceuticals

- Maharashtra contributes 20% to India's pharmaceutical output
- Maharashtra has the highest number of US FDA-approved plants in India
- Pune, Nashik, Aurangabad, Mumbai and Thane are the key pharmaceutical hubs in the state

Source: Maharashtra Industrial Development Corporation



World's largest cutting and polishing centre (Surat) for diamond



Largest producer of films every year



Has oldest stock exchange (Bombay Stock Exchange) in Asia



Baily Bridge (Ladakh) World's highest bridge



World's highest cricket ground – Chail (Himachal Pradesh)



Over 860 languages

The Known and Unknown of India

India, a land of rich cultural and economic heritage, has demonstrated its pre-eminence in sectors as diverse as films, sports, gems and jewellery. India is the world's largest cutting and polishing centre for diamonds and it exports 95 per cent of the world's diamonds¹. India is the largest producer of films in the world with the annual production of over 1,600 feature films compared to 700 films produced in the US, which ranks second on this count².

While the Constitution of India recognizes 22 Indian languages, around 860 languages have been identified in different parts of the country³ with Arunachal Pradesh having the maximum number of dialects (around 50). As in any other field, diversity marks India's sporting culture with people playing cricket, badminton, football along with traditional sports like Kabaddi, Kho-kho, Kite-flying and so on.

However, cricket is the most popular sport in India and India has the fame of housing the world's highest cricket ground at Chail, Himachal Pradesh at an altitude of 2,444 m above sea level. The mountain range of Himalayas is the nature's special gift to India and it is home to nine of the ten highest peaks on this planet, including the highest above sea level, Mount Everest. The Indian Army has demonstrated its ingenuity by building a 30 meter long bridge, known as Baily Bridge, in the Ladakh Valley of Jammu and Kashmir, at an altitude of 5,602 meters above sea level. This is the bridge constructed at the greatest elevation in the world in 1982.

Another interesting fact is that one of the seven wonders of the world, Taj Mahal, is located in India. Taj Mahal is built on the bank of River Yamuna, at Agra in Uttar Pradesh by the fifth Mughal emperor, Shah Jahan in 1631. Shah Jahan built Taj Mahal, with a white marble tomb, in memory of his third and the most favourite wife, Mumtaz Mahal, a Muslim Persian princess. This historic monument symbolises the Islamic architecture that flourished during Mughal empire in India.

India has the largest Postal Network in the world with over 154,882 Post Offices, of which 139,182 (89.86%) are in the rural areas. The postal network has expanded seven-fold since India's independence in 1947 when there were 23,344 Post Offices, which were primarily in urban areas. In order to offer postal service to the people of Srinagar in Kashmir and to tourists, the government set up a floating post office in Dal Lake in August 2011. Dal Lake is the second largest lake in Jammu and Kashmir and it is a major tourist attraction. The lake is also called 'Jewel in the crown of Kashmir'. India has the largest diaspora with an estimated 13.88 million Indian migrants in foreign countries, followed by Mexico's 13.22 million, Russia's 10.91 million and China's 9.65 million^a. Consequently, India attracts the largest amount of remittance every year among all nations. Indians living abroad remitted about \$69 billion to their home country in 2015 compared to Chinese remittance of \$64 billion, the Philipinos' \$28 billion, Mexicans' \$25 billion, Nigerians' \$21 billion^b.

Another noteworthy fact is that the United Nations certified the Delhi Metro Rail Corporation as the First Metro Rail and Rail based system in the world to get carbon credits for reducing Green House Gas Emissions. The project helps reduce pollution levels in the city by 6.3 lakh ton every year thus reducing global warming*.

¹Source: Gems and Jewellery Export promotion Council (GJEPC)

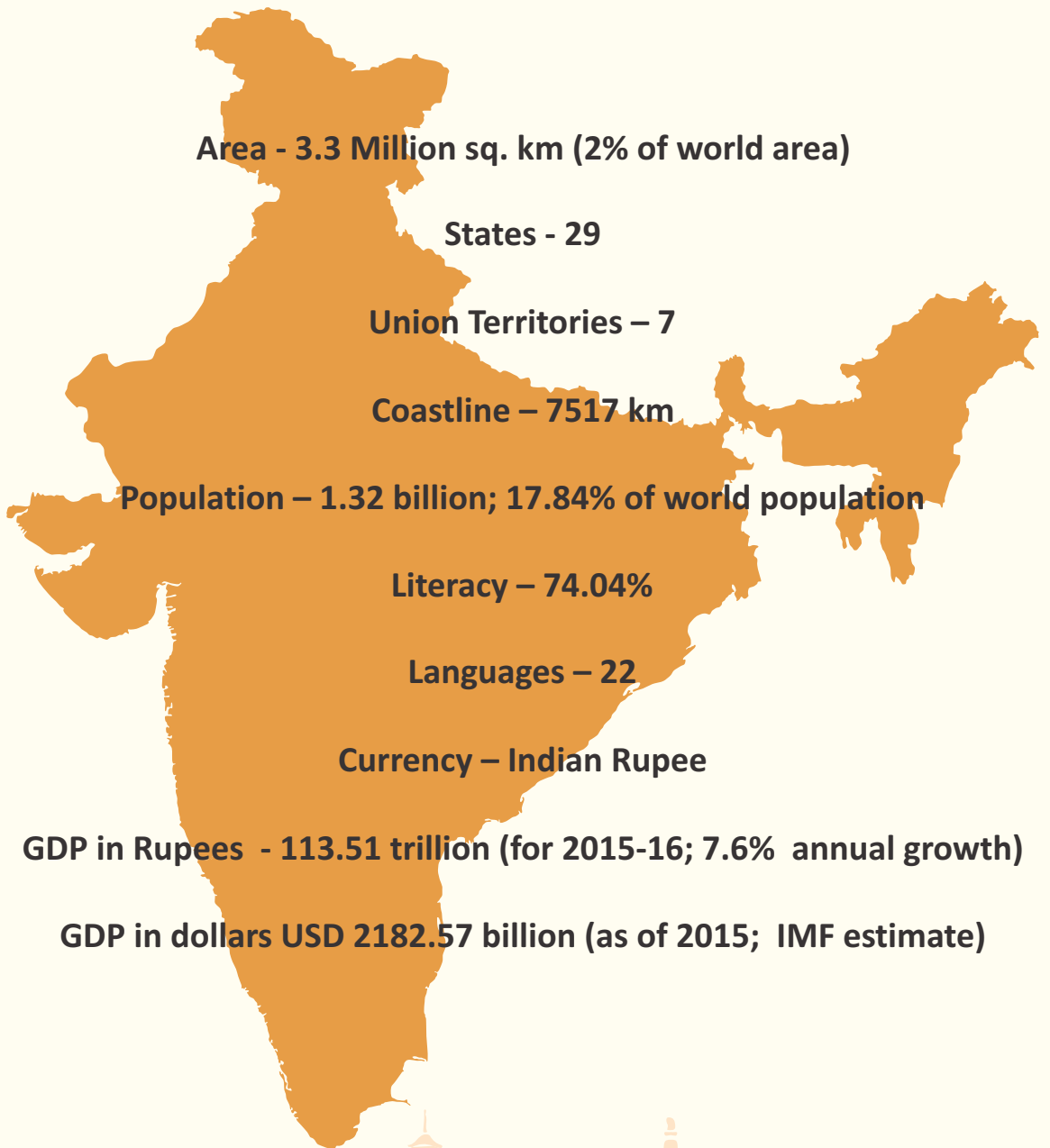
² UNESCO Institute for Statistics

³According to a survey conducted by Bhasha Research and Publication Centre (BPRC)

^a World Bank's Bilateral Migration Matrix 2013

^b World Bank's latest edition of the Migration and Development Brief April 2016

* Source: Delhi Metro Rail Corporation



Area - 3.3 Million sq. km (2% of world area)

States - 29

Union Territories – 7

Coastline – 7517 km

Population – 1.32 billion; 17.84% of world population

Literacy – 74.04%

Languages – 22

Currency – Indian Rupee

GDP in Rupees - 113.51 trillion (for 2015-16; 7.6% annual growth)

GDP in dollars USD 2182.57 billion (as of 2015; IMF estimate)

India – A Brief Overview

The total geographical area of the country is 3.29 million sq.km or 2.4 percent of the world surface. Human resource is the key source of economic progress for any nation. India is the second most populous country in the world, with a population of 1.32 billion⁴, representing more than 17% of the world population. India is set to overtake China to be the world's most populous country by 2022⁵.

With the population growth rate at 1.2%, India is predicted to have more than 1.53 billion people by the end of 2030⁶.

Uttar Pradesh has the highest population in the country with 199 million people, followed by Maharashtra (112 million), Bihar (104 million), West Bengal (91 million), Andhra Pradesh (84 million), Madhya Pradesh (73 million), Tamil Nadu (72 million), Rajasthan (68 million) and Karnataka (61 million).

These states together account for over 70 percent of the total population of the country⁷. Around 74% of the people in the country are literates. In India, the percentage of illiterate population has been declining on a rapid pace. It may be noted that the number of illiterates has fallen 31.19 million between 2001 and 2011.

The Federal Political Structure of India consists of 29 states and seven union territories with the administrative power divided between the central government and state governments of the respective states. The legislative powers of the central government and state governments are clearly defined and demarcated by the Constitution of India.

Proximity to sea route is a key enabler to international trade. India is gifted with 7516.6 km coastline (with 5422.6 km of mainland coastline and 2094 km island territories coastline) that facilitates international trade in the country. Approximately 95% of the country's trade by volume and 68% by value is moved through maritime transport⁸.

The currency of India is Rupee and as of July 2016, one dollar is worth 67.44 rupees. In 2015-16, India's GDP at constant prices was Rs 113.50 trillion, which is 7.6% higher than the GDP of last year⁹. In terms of dollar, size of the Indian economy is USD 2,182.57 billion and the country is the seventh largest economy in the world after the USA, China, Japan, Germany, UK, and France. The annual income of an average Indian is Rs 6,209.47 in 2015¹⁰.

Majority of Indians or 80.5% of the total population follow Hinduism^c as their religion. According to the Hindu calendar, there are six seasons in the country viz. Vasant Ritu (Spring), Grishma Ritu (Summer), Varsha Ritu (Monsoon), Sharad Ritu (Autumn), Hemant Ritu (Pre-Winter) and Shishir Ritu (Winter).

Every season has its own cultural, religious and economic significance in the lives of Indians. Shravana is considered a holy month in the Hindu calendar and it falls in Varsha Ritu. During this month, hindus observe fast. The full moon day of this month is considered the beginning of fishing season for people who depend on fishing for their livelihood.

Makar Sankranti, the harvest festival observed in mid January, is celebrated in Shishir Ritu and it marks the beginning of spring season and the end of winter harvest for farmers. Farmers across the country celebrate this festival by cooking food from the newly harvested crops and in some parts of India farmers adorn and worship their cattle.

^c Census 2011

A large orange silhouette of the map of India is centered on the page. Text is overlaid on the map in various positions. At the bottom of the page, there is a decorative border featuring white silhouettes of various Indian architectural landmarks, including domes, minarets, and arches.

GDP Per Capita (in PPP terms): USD 6,209.47 (2015; IMF estimate)

Exports: USD 310.34 (2014-15) (1.69% of world exports)

Main Exports: Engineering goods, petroleum products, gems and jewellery, pharmaceutical goods, agricultural and processed food products

Imports: USD 448.03 (2014-15) (2.43% of world imports)

Main Imports: Crude oil, Gold and other precious metals, electronic equipments, machinery, organic chemicals

Natural Resources: Coal, iron ore, manganese ore, mica, bauxite, petroleum, titanium ore, chromite, natural gas, limestone etc

Unemployment Rate: 4.0%-5.2%*

Middle Class Population: 400 to 500 million (Including aspiring middle class)

**Source: National portal of India, World Bank, WTO, Labour Ministry;
*Source: According to 3rd Employment-Unemployment Survey 2012-13;**

India – A Brief Overview

India was the 19th largest exporter in the world with an export of USD 310 billion worth of goods in 2014-15, which is 1.69% of total world exports, while it was the 12th largest importer with an import of USD 448.03 billion worth of goods during the year or 2.43% of total world imports¹¹. In commercial services exports, India is the 8th largest exporter in 2014 (with a share of 3.2%). In imports of commercial services India ranks 10th (with a share of 2.6%)¹¹.

Top five commodities exported by India are petroleum products, precious metals and stones, pharmaceuticals, apparels and others. Among imports, crude oil, gold, other precious metals and stones, petroleum products, telecom instruments and other electronic goods are prominent. India is endowed with considerable amount of natural resources, especially minerals, and this enabled the country to be largely self-sufficient in primary mineral raw materials used in power generation, iron & steel, aluminium, cement, and so on.

India is, by and large, self-sufficient in coal (with the exception of very low ash coking coal required by the steel plants) and lignite among mineral fuels; bauxite, chromite, iron and manganese. India is the 4th largest producer of coal and lignite, iron ore and steel. India is the fifth largest producer of bauxite and zinc. It ranks 6th in production of manganese ore and 7th in aluminium¹².

India is also rich in human resources, which is the key driver of economic development in a country. According to the labour force survey of 2011-12 (conducted by National Sample Survey Office), the country has a workforce of 474.1 million people. Of this, 82.7% is employed in unorganized sector.

India's ever growing size of the middle class population offers immense opportunity for businesses across consumer goods, technology, food processing, financial services and others. Around 65% of population in the country is below 35 years of age. This young population represents the aspiring middle class of the country as they are expected to drive the consumption boom in the coming years. The country has 250-300 million active internet users¹³ and it is expected to rise significantly with the government's Digital India programme.

India has the world's second largest mobile subscriber base after China with total wireless telecom connection of 1.03 billion⁴. According to a research report on global technology and telecom released by the world's leading financial services firm Morgan Stanley in April 2016, India may overtake the US as the second-largest smartphone market in 2017 and the country would account for 30 per cent of the global growth in smartphone during 2017 and 2018. As of 2016, India has 225 million smartphone subscribers, accounting for 18 per cent of the total population.

⁴ *World Population Prospects: The 2015 Revision, United Nations*

⁵ *United Nations World Population Prospects 2015*

⁶ *World Population Prospects: The 2015 Revision, United Nations*

⁷ *Indian Census 2011*

⁸ *Annual Report 2015-16, Ministry of Shipping, Government of India*

⁹ *Ministry of Statistics and Programme Implementation*

¹⁰ *IMF estimate according to purchasing power parity terms*

¹¹ *Annual Report 2015-16, Ministry of Commerce, Government of India*

¹² *Indian Minerals Yearbook 2014, Indian Bureau of Mines*

¹³ *Prime Minister's Office Press Release dated July 1, 2015*

⁴ *Department of Telecom, Network Status for the Month of July 2016*

Overview	Assam	Nagaland	Meghalaya	Manipur	Tripura	Arunachal pradesh	Sikkim	Mizoram
								
Capital	● Dispur	● Kohima	● Shillong	● Imphal	● Agartala	● Itanagar	● Gangtok	● Aizawl
Tourist Attractions	Kaziranga National Park, Agnigarh Hill, Kamakhya Temple, Dibru Saikhowa National Park	Shilloi Lake, Mount. Saramati, Ghosu Bird Sanctuary, Veda Peak	Umiam Lake, Nartiang Monoliths, Thadlaskein Lake, Nongknum Island	Shre Shre Govindajee Temple, Mutua Museum, Manipur State Museum, Zoological Garden at Iroisemba, Sadu Chiru Waterfalls	Gomati Wild Life Sanctuary, Trishna Wild Life Sanctuary, Kamala Sagar Lake, Ujjayanta Palace (Agartala)	Pankang Teng Tso Lake, Parasuram Kund Lake, Namdapha National Park, Jawaharlal Nehru Memorial Museum (Itanagar)	Tsomgo Lake, Kirateshwar Mahadev Temple, Four Great Holy Caves ('Phug Chen Zhi'), Kanchendzonga National Park (KNP)	Lamsial Puk (Cave), Hmuifang Mountain, Rih Lake, Far Puk (Pine Cave), Khawnglung Wildl Life Sanctuary
Language	Assamese, Bodo, Bengali	English, Nagamese	English, Khasi, Pnar and Garo	Manipuri	Bengali	Nyishi, Dafla, Miji, Adi, Gallong, Wancho	Nepali, Sikkimese (Bhutia), Lepcha	Mezo
Culture	Classical Dance: Satriya Nritya Folk Dance: Bihu, Jhumur - Weaving is a traditional craft in Assam Must Buy: Muga Silk, Assam Tea, handicrafts	Dance Forms: Zeliang dance, Cock dance, fly dance, cricket dance, bear dance - Most Festivals are based on agriculture	Dance Forms: Nongkrem, Lahoo - Annual spring dance performed to celebrate harvesting and sowing	Classical Dance: Manipuri Folk Dance: Khamba Thoibi Must Buy: Manipuri handloom clothes and handicrafts	Dance Forms: 'Hoza Giri', Garia, Damail Devotional Song: Manasa Mangal	Dance Forms: Chaam, Pang-Toed Linguistically most diverse state in India. People speak over 50 dialects. State has 26 major tribes	Dance Forms: Lepcha, Bhutia, Nepali Harvest Festival: Pawl Kut 90% of Mizos are cultivators.	

North Eastern States - Cultural Overview

The eight states of North Eastern region of India, which comprise 8% of India's land area and 3.1% of the country's population, offers enchanting view of hills and forests and possesses a wide variety of rare and exotic flora and fauna. This region is connected to the rest of India by the Siliguri Corridor in West Bengal, with a width of 21 to 40 kilometres.

The region shares more than 4,500 kilometres of international border (about 90 per cent of its entire border area) with China (southern Tibet) in the north, Myanmar in the east, Bangladesh in the southwest, and Bhutan to the northwest.

Many of these states have different tribal groups with distinct language, culture and occupation. For instance, Arunachal Pradesh has 26 major tribes and 50 different linguistic dialects. Agriculture and forestry are the major occupations in this region and in fact the festivals, folk dances and songs are themed on their occupation. For instance, the songs and dances of many of these tribes are related to the harvest season.

In Assam, the harvesting festival of Bhogali Bihu is celebrated by offering feasts to relatives and friends. Apart from agriculture, people of these states also practice a variety of crafts such as weaving, painting, pottery, smithy work, basketry, woodcarving. Notably, Assam is the largest and only producer of the world famous golden colour Muga silk. Tripura is famous for handicrafts and handlooms, cane and bamboo craft. Tourism is a major industry in these states because of scenic beauties and rich art and culture of the people.

The eight north eastern states are the hotspots of biodiversity and global conservation agencies such as World Wide Fund for Nature (WWF) and Conservation International have recognized the need to protect the natural habitat in these states. The north eastern region has seven of India's major national parks.

The Gurudongmar lake, located at an altitude of 17,800 feet in Sikkim, is a sacred site for Buddhists, Hindus and Sikhs. Assam is home to the largest river island in the world, Mājuli, which is formed in the Brahmaputra River. The island has an area of 352 square kilometer and it can be reached through ferry from the city of Jorhat. Guwahati, which is a major city in Assam, is about 200 km away from the island.

Meghalaya, which is one of the eight north eastern states, houses the Mawlynnong village. This village was conferred the prestigious 'Cleanest Village in Asia' award in 2003 by Discover India Magazine. Mawsynram in Meghalaya holds the Guinness World Record of being the wettest place on Earth as it receives an annual average rainfall of 11,873 mm per annum. The economy of these North Eastern states would benefit from Government of India's ambitious 'Act East Policy'. This policy provides an interface between North East India including the state of Arunachal Pradesh and the Association of South East Asian Nations (ASEAN) region.

Under this policy, the Indian government plans to develop and strengthen connectivity of Northeastern states with the ASEAN region through trade, culture, people-to-people contacts and physical infrastructure (road, airport, telecommunication, power, etc.). Some of the major projects include Kaladan Multi-modal Transit Transport Project, the India-Myanmar-Thailand Trilateral Highway Project, Rhi-Tiddim Road Project, Border Haats, etc.^a

Besides the Act East Policy, the government offers various fiscal incentives and concessions for the North East Region under the "North East Industrial and Investment Promotion Policy (NEIIPP), 2007.

^a Ministry of External Affairs Press Release Dated 23-December-2015

	West Bengal	Odisha	Jharkhand	Bihar
Overview				
Capital	Kolkata	Bhubaneswar	Ranchi	Patna
Tourist Attractions	Howrah Bridge Kanchenjunga Cooch Behar Palace Dakshineswar Kali Temple	Sun temple at Konark Chilika Lake Bhitarkanika National Park Jagannath Temple	Hundru Falls Dalma Hills Bokaro Steel City Upper Ghaghri Waterfalls	Bodhi Tree (Bodh Gaya), Muchalinda Lake (Bodh Gaya), Griddhakuta Peak (Rajgir) Navlakha Palace (Rajnagar), Jalmandir Temple (Pawapuri)
Language	Bengali	Oriya (Odia)	Hindi, Bhojpuri, Khortha, Oriya, Urdu, Sadri, Bengali and Angika	Hindi, Maithili and Urdu
Culture	Folk Dances: Brita, Gambhira, Purulia Chhau Popular Festivals: Durga Puja, Poush mela- Shantiniketan Folk Literature: Charyapada, Mangalkavya, Shreekrishna Kirtana	Classical Dance Forms: Odissi, Chhau, Mahari, Gotipua Folk Music: Yogi Gita, Kendara Gita, Dhuduki Badya, Prahallad	Folk Dances: Paika, Chaw, Jadur, Karma, Nachni, Natua, Agni, Choukara, Santhal, Jamda, Ghatwari, Matha, Sohrai, Lurisayro Folk Music: Akhariya Domkach, Dohari Domkach, Janani Jhumar,	Folk Dance: Jat-Jatin Festivals: Chaath, Sama-Chakeva, Shravani Mela, Teej, Chitragupta Pooja, Diwali and others Songs: Phagua Arts: Madhubani Paintings, Manjusha Arts Best Buy: Bhagalpur silk, bamboo articles, beadworks

Eastern India – Cultural Overview

Eastern India has contributed immensely to the social development of the country as West Bengal is considered the Land of Renaissance where prominent social and religious thinkers such as Swami Vivekananda, Raja Ram Mohan Roy, Ishwar Chandra Vidyasagar spearheaded progressive change in society. Kolkata is the main financial centre in Eastern India. Kolkata (earlier called Calcutta) was India's capital till British government made Delhi the capital of India in 1911. West Bengal is the largest producer of rice in India and it contributes more than 10% to total rice production in the country.

The contribution of West Bengal to the Indian film industry is immense. The state produced notable film directors such as Satyajit Ray, Ritwik Ghatak, Mrinal Sen, Aparna Sen, Rituparna Ghosh and so on. Bengal is also famous for various folk dances and festivities. Durga Puja is a famous festival in the state celebrated every year in October or November and Bengalis wait all year round for the arrival of Devi Ma (Goddess Durga).

Odisha is known as the Land of Lord Jagannath owing to the historic Jagannath Temple at the coastal town of Puri. Jharkhand is famous for waterfalls, wildlife sanctuaries and national parks. The state has a rich forest and mineral resource and it is inhabited by 32 tribes who represent different culture and tradition.

The states of Odisha and Jharkhand are rich in mineral resources. Jharkhand accounts for about 36% of rock phosphate, 26% iron ore (hematite), 18% copper ore and 5% silver ore resources of the country¹³. In terms of rank, Jharkhand is the second largest producer of graphite, coal and gold, third largest producer of iron ore, bauxite and copper ore & concentrates in the country. Arts and architecture in Odisha dates back to 261 B.C., when Ashok, the then King of Magadha conquered Odisha, then known as Kalinga. The existing ancient monuments in the state cover a period of about two thousand years and present a varied and interesting study. The 15 caves in Khandagiri and 18 caves in Udayagiri are famous for their architectural significance as they were cut out in solid rock and decorated with sculptural motifs. Arts and architecture in Odisha were inspired by Jainism and Buddhism. The state government collected several artistic images of Buddha and Bodhisattvas from the hills of Lalitgiri, Olashuni, Landa and Parabhadi hills.

The state of Jharkhand has about 30 tribal communities, of which nine are considered primitive who maintain their separate and independent cultural identity. Existence of hills, hillocks dense forests and many rivers add scenic beauty and attracts tourists to this state. In fact, the word 'Jharkhand' means forest area. The physical area of this state is characterized by unevenness owing to succession of plateaus, hills and valleys with large rivers such as Damodar, Subarnrekha, Barakar, Brahmani and Mahanadi.

In ancient times, Bihar was the centre of knowledge, power and commerce. The city of Pataliputra, now known as Patna, was home to the world's oldest university- Nalanda University. This University was revived in 2007 with the support of the 16 Member States of the East Asia Summit (EAS). The university was destroyed eight hundred years ago in 12th Century AD. Bihar is also famous for Madhubani art, which is a form of painting done in paper, cloth and other medium. Bihar has one of the oldest Hindu temples, which is the Mundeshwari Devi temple located on the Mundeshwari Hill in Kaimur district. The Tomb of Sher Shah Suri, built in the town of Sasaram in the 16th century is included in UNESCO World Heritage List. Other tourist attractions in the state are Mahavir (Lord Hanuman) temple, Golghar, Patna Museum, Gautam Buddha Wildlife Sanctuary, Agam Kuan, Bodhi tree and so on. The state is famous for baskets, cups, and saucers made from bamboo strips or cane reed and painted in vivid colors, tussah or tussar silk, Khatwa (appliqué) works on clothes and so on.

¹³ *Indian Minerals Yearbook 2014*

	Tamil Nadu	Kerala	Karnataka
Overview			
Capital	● Chennai	● Thiruvananthapuram	● Bengaluru
Tourist Attractions	<p>Brihadeeshwara Temple Vivekananda Rock Memorial Kodaikanal hill station Botanical Gardens- Ooty</p>	<p>Alleppey Backwaters Munnar Hill Station Periyar Wildlife sanctuary Sri Padmanabhaswamy Temple</p>	<p>Chennakesava Temple (Belur) Mysore Maharajah's Palace (Amba Vilas) Ranganathittu Bird Sanctuary Jog Falls</p>
Language	Tamil	Malayalam	Kannada
Culture	<p>Dance Forms: Bharatanatyam, Karakattam, Koothu, Thappattam, Kavadiattam, Kummiyattam</p> <p>Tamil Painting: Tanjore Painting</p> <p>Martial Arts: Kuttu Varisai, Varma Kalai, Silambam, Adithada, Malyutham and Kalaripayattu</p> <p>Festivals: Pongal (a festival of Tamil Nadu) and Deppavali (festival of lights)</p>	<p>Dance Forms : Kathakali, Mohiniyattom, Kootiyattam, Krishnanattom, Kakkarishi Natakam</p> <p>Festivals : Vishu, Onam, Thrissur Pooram</p> <p>Known as God's own country, Land of Ayurveda</p>	<p>Dance Forms: Veeragase, Kamsale and Dollu Kunitha, Yakshagana</p> <p>Festivals: Ugadi, Kambala, Bangalore Habba, Dussehra</p> <p>Arts and Crafts: Mysore Style Paintings, Wood Carvings in Channapatna and Kinhal, Bidriware in Bidar.</p>

South India - Cultural Overview

South India is the home of beautiful temples with historical significance. The World's first granite temple (Brihadeswara Temple) was built at Tanjavur in Tamil Nadu. The Rameshwaram temple at Rameshwaram in Tamil Nadu has the longest corridor among all Hindu temples in India. The Tirumala Tirupati temple in Andhra Pradesh is said to be the most visited holy place in the world, while the Padmanabhaswamy temple in Kerala is said to be the world's richest Hindu temple.

Besides temples, South India is also famous for Carnatic music, classical dance forms such as Bharatnatyam, Kathakali and Kuchupudi. Karnataka is the place where Carnatic music developed and it is famous for Mysore Silk and Sandalwood. Karnataka is also the birth place of Sir M Visvesvaraya (1860-1955), the promoter of MVRDC World Trade Centre Mumbai.

The mountainous place of Coorg in Southwestern Karnataka is a famous tourist spot. Andhra Pradesh is famous for Kalamkari, which is an art work done on clothes. It is also famous for the world's biggest banyan tree in Anantapur district and India's 2nd largest fresh water lake, Kolleru.

The state of Karnataka has a vibrant theatre culture which projects its folk dance, folk music and other aspects of culture. The coastal region of Karnataka is popular for the classical folk play Yakshagana, which is a blend of dance, music, songs, witty dialogue and colourful costumes. People throng in thousands to watch the play which is performed at night during winter season. Many organizations such as Ninasam, Ranga Shankara, Rangayana promote theater culture in Karnataka.

Kerala, also known as God's Own Country, has various tourist attractions such as backwaters, thick forests, waterfalls, beaches, wildlife sanctuaries, temples, mountains, Ayurvedic (traditional Indian medicine) centres and so on.

The state of Kerala is also rich in folk arts, including various dance forms. The name Kerala is derived from the word Keralam, which means "The Land Of Coconut Trees". The classical theatre art of Koodiyattam is a Sanskrit drama played generally in temples of Kerala and it acquired UNESCO's Heritage status. Its origin dates back to thousands of years and it is said to be the only surviving ancient Sanskrit theatre in India. Classical dance forms in Kerala are Kathakali and Mohiniattam. Kathakali is a 300-year-old dance form which combines the performing art forms of opera, ballet, masque, and pantomime. Other dance forms in the state are Krishnanattom, Thullal, Kolkali, Thiruvathirakali, Kakkarithi Natakam, Oppanna and so on.

Kerala is also famous for Kalarippayattu, which is considered one of the oldest martial arts in existence. This martial art borrows some of the movements and postures of the ancient Indian science of yoga and some classical dance forms.

Tamil Nadu is a major state in south India and Tamil is one of the oldest classical languages in the world. Pongal is a major festival in this state and one of the main features of this festival is the playing of bull fight or Jallikattu, which underlines the valour of Tamilians. While Bharat Natyam is the classical dance in this state, folk dances such as Kolattam, Karagam, and Mayilattam are also popular.

Rameswaram is a pilgrimage centre and island in the Indian ocean which is connected to the mainland of Tamil Nadu by the Pamban railway bridge on the Palk Strait. Some other scenic beauties in the state are the sunrise in Kanyakumari, sculptures of Mahabalipuram and flower garden in Ooty. Marina beach in Chennai is considered the world's second longest urban beach with a length of 13 km, including a 6 km promenade.

	Andhra Pradesh	Telangana	Andaman and Nicobar	Lakshadweep
Overview				
Capital	Amaravati	Hyderabad	Port Blair	Kavaratti
Tourist Attractions	The Charminar monument Tirupati – Spiritual Capital Nagarjuna Sagar Dam Hussain Sagar lake	Monuments- Golconda Fort, Qutb Shahi Tombs, Chowmahalla Palace, Falaknuma Palace, Birla Mandir, Thousand Pillar Temple, Kuntala Waterfall, Nelakondapallyis – Budhha Stupa	Narcondum Hornbill Sanctuary Radhanagar beach at Havelock Island, Mahatma Gandhi Marine National Park, Ross Island	Kalpeni, Minicoy, Bangaram, Kavaratti, Agatti Islands, Light House in Minicoy Marine Museum
Language	Telugu	Telugu	Bengali, Hindi, English, Nicobarese	Malayalam, Jeseri (Dweep Bhasha) and Mahl
Culture	Classical Dance Forms: Kuchipudi, Andhra Natyam, Bhamakalapam, Veeranyam Textile Art Forms: Machilipatnam and Srikalahasti Kalamkari Must Buy: Kalamkari, Bidri, Nirmal Paintings	Dance Forms: Perini Sivatandavam, Thandavam, Gusadi Dance, Kolatam Folk Arts: Burra katha, shadow puppet show Must Buy: Pochampally Saree - Geographical Indication (GI) status, Gadwal sari	Dance Form: Nicobari Dance Island Tourism Festival Annual Film Festival Must Buy: shell jewellery, pearl jewellery, cane and bamboo works	Dance Forms: Kolkali and Parichakali Must Buy: Ornaments or handicrafts made of oysters, corals and seashells

South India - Cultural Overview

The erst-while undivided state of Andhra Pradesh was bifurcated into two - Andhra Pradesh and Telangana in 2014. The new Andhra Pradesh is also called Seemandhra as it has two major regions – coastal Andhra Pradesh and Rayalseema.

Andhra Pradesh has the second largest coastline in India after Gujarat. Kuchupudi is the classical dance form that originated in this state. Popular folk dances in this state are Ghatna Mardala, Natakam, Burrakatha and so on. The Kollur Mine in Guntur district of Andhra Pradesh was once famous for diamond mining. World renowned Kohinoor Diamond, the Regent Diamond were mined from Kollur mine.

India's youngest state of Telangana has a blend of Persian and South Indian culture and tradition. The Persian culture is widespread in this state as it was ruled by Moghuls, Qutub Shahis and Nizams in ancient times. Kuchipudi is the classical dance of this state. Other dance forms found in this state are tribal Dhimsa dance, Gusadi dance and Lambadi dance.

Telangana is famous for Pochampally Sarees and Gadwal Sarees. Pochampally Sarees, which are made in a cluster of 80 villages in Pochampally town of Nalgonda district, have been popular since early 1800s. The brand of Pochampally Sarees has been protected by assigning Geographical Indication (GI) status in 2005. Some of the tourist attractions in Telangana are Char Minar, Golconda Fort, thousand pillar temple of Warangal, Kuntala waterfalls, Hussain Sagar lake and so on.

People of Telangana celebrate Sadar festival on the second day after Diwali by decorating buffaloes with turmeric paste, bells and other articles. Making fine handicrafts is a livelihood for different sections of the population in this state. Banjara needle craft, Bidri craft, Dhokra and Nirmal crafts are some of the styles of handicrafts made in this state. Besides these five major states, south India also comprises the Andaman and Nicobar island and Lakshadweep island. Andaman and Nicobar is a set of 572 islands in Bay of Bengal and it is a popular tourist destination. These islands are noteworthy for world's biggest turtles, crabs and other marine creatures. Of the 572 islands, only 34 are inhabited.

The Andaman Nicobar island was first colonized by Danish in 1755. In 1868, Danish rulers sold their rights to rule the island to British. Mahatma Gandhi Marine National Park was set up in this island in 1983 to preserve marine species such as turtles, coral reefs. Besides the indigenous tribes, most of the inhabitants of Andhaman Nicobar islands are descendants of migrants during British rule. Around 70% of inhabitants belong to Bengali community.

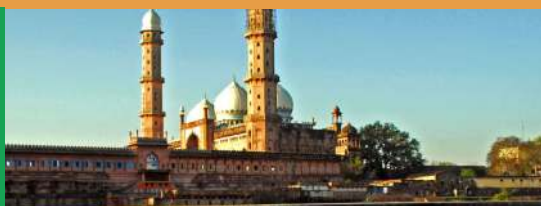
Lakshadweep is a set of 39 islands of which only 10 are inhabited. The island is famous for scenic beauty, coconut trees, water sports, diverse flora and fauna, and splendid mosques.

Islam is the main religion of inhabitants in Lakshadweep island. People in different islands of Lakshadweep have different cultural affiliations. While people from Amindivi and Laccadive islands have cultural similarity with Malayalis of Kerala, People of Minicoy have affiliation to the culture of Maldives. Tourism, fishing, boat building are the sources of livelihood for inhabitants in Lakshadweep.

South India is also economically well developed with Bangalore being called India's Silicon Valley owing to the existence of several information technology companies and Chennai known as the Detroit of South Asia because of the presence of world-renowned automobile manufacturers. Andhra Pradesh and Telangana are also industrialized states with the prevalence of information technology, pharmaceuticals and others.

Madhya Pradesh

Overview



Capital

 Bhopal

Tourist Attractions

MP World Heritage Sites : Khajuraho temples, Devi Jagadambi temple, Rewa, Sanchi Stupas and the Rock Shelters of Bhimbetka
Van Vihar National Park, Gwalior Fort, Shri Mahakaleshwar Temple, Hindola Mahal, Dhuandhar Waterfalls, Orchha Fort

Language

Hindi

Culture

Folk Dances:

Badhai, Rai, Saira, Jawara, Sher, Akhara, Shaitan, baredi, karma, kathi, Sua, Saila, Mauni, Dhimrai, kanara, Bhagoria

Folk Songs:

Faga, Bhartahari, Sanja geet, Bhopa, Kalbelia

Chhattisgarh



 Raipur

Chitrakot Waterfalls, Achanakumar Wildlife Sanctuary, Boramdeo Temple, Kailash and Kotumsar Caves

Hindi, English, Chhattisgarhi

Folk Dances:

Raut Nacha, folk dance of cowherds, Panthi 'Karma' and Soowa dance , Pandavani, Panthi Dance, Nacha, Gond, and Muria

Chhattisgarh is known for Kosa silk and loss wax art.

Central India – Cultural Overview

Central India is known for its various national parks, forests, waterfalls, wildlife sanctuaries and other tourist attractions. In fact, the Kanha National Park in Madhya Pradesh served as an inspiration for Rudyard Kipling's famous novel 'Jungle Book'.

Madhya Pradesh is also known for temples in Khajuraho, Kumbh Mela in Ujjain, huge tribal population and their folk dances. Indore is the emerging IT hub in India as leading companies such as TCS, Infosys have their offices in this city. Madhya Pradesh has a well developed automotive cluster with around 30 auto component and ancillary units.

The state produces 26 major and minor minerals. It ranks 4th in mineral production. The state has the highest diamond and copper reserves in India. Madhya Pradesh is the 3rd largest manufacturer of cement in India¹⁴. Geographical central point of India lies in Karondi village of Madhya Pradesh near by Katni District.

Two out of 12 Jyotirlingas of Lord Shiva are located in Madhya Pradesh and they are Omkareshwar and Mahakaleshwar. Architectural beauties of Kandariya Mahadev and Dulhadeo temples in Khajuraho are worth mentioning here. Chhattisgarh is named after 36 princely houses in this region. Around 45% of the state is covered with forest. A considerable proportion of the population in the state is scheduled tribes. Some of the folk dances of the people are Panthi, Rawat Nacha, Saila. The three big rivers – Mahanadi, Godavari, and Sone flow through this state. The state has 3 national parks - Indravati National Park, Kanger Valley National Park and Guru Ghasidas National Park and 11 wild life sanctuaries.

Chhattisgarh is endowed with considerable amount of mineral resources. It accounts for about 17 per cent of India's coal reserves and it is the only state in India to produce tin concentrates. The state is one of the leading producers of Tussar and Kosa silks in India. The Government of Chhattisgarh plans to develop India's largest herbal and medicinal park on around 250 acre land in the district of Dhamtari.

World renowned marble rock mountains can be found at Bhedaghat on the banks of river Narmada. The place is also famous for Dhuadhar falls. The Great Stupa of Sanchi, which is located in Raisen District is the oldest stone structure in India and was originally commissioned by emperor Ashoka the Great in the 3rd century BCE.

Chhattisgarh is famous for many temples, dams, wildlife sanctuaries, waterfalls and so on. The town of Rajim in Gariaband district is famous for rich cultural heritage and beautiful ancient temples. The three rivers Mahanadi (Chitrotapala), Pairi and Sondur converge in this town.

Another tourist attraction in Chhattisgarh is the island of Madku Dweep, which is surrounded by the river Shivnath. This island, which is 79 km from the state capital Raipur, is 24 hectare in size and is famous for temples. Archeologists have made significant excavations of idols of Hindu deities from this island.

Another tourist attraction in Chhattisgarh is the Tala, which is located in Bilaspur district. The remains of ancient temples, hindu sculptures of Hindu deities, banks of Maniyari river are notable sites in this place. The state is also rich in folk dance and music. Some of the folk dances are Raut Nacha, Panthi 'Karma', Soowa dance forms. People in the state make wonderful wood carvings, bamboo work, handicrafts, tribal jewelry, paintings, and clay pieces.

¹⁴ India Brand Equity Foundation

	Maharashtra	Gujarat	Goa	Dadra Nagar Haveli	Daman and Diu
Overview					
Capital	Mumbai	Gandhinagar	Panaji	Silvassa	Daman
Tourist Attractions	The Ajanta Caves and Ellora Caves, Gateway of India, Tadoba National Park, Sinhagad, Purandar, Shaniwar Wada	Kankaria Lake, Great Rann of Kutch, Porbandar Beach, Marine National Park	Bom Jesus Basilica, Goa State Museum, Dudhsagar Waterfalls, Goa Beaches-Baga, Calangute, Anjuna and Colva	Vanganga Lake Garden, Dudhni Lake, Tribal Cultural Museum, Madhuban Dam	Fort Jerome, Bom Jesus Church, Zampa Gateway, Jampore Beach, Kadaiya Lake Garden, Mirasol Water Park, Jetty Garden
Language	Marathi	Gujarati	Konkani	Warli, Agri	English, Gujarati, Hindi, Marathi
Culture	<p>Dance Forms: Powada, Lavani, Koli</p> <p>Popular Folk Music: Gondhal Lavani, Bharud and Powada</p> <p>Popular Festivals: Ganeshotsav, Gudi Padwa, Diwali, Rangapanchami, Gokulashtami</p>	<p>Dance Forms: Dandiya Raas, Garba Garbi, Padhar</p> <p>Textile Specialities: extremely fine Ikat, Panetar, Tanchoi or Brocade, Mashru, Patola and hand woven Gharchola Silk Sarees</p>	<p>Dance Forms: Dekhnni, Fugdi, Corridinho and Dashavatara. Natak, Bhajan and Kirtan, Western social dancing</p> <p>Art Forms: Dekhnni, Fugdi, Corridinho, Mando, Dulpod and Fado</p> <p>Musical Forms: Mando and Dulpod</p>	<p>Dance Forms: Bhavada, Tarpa, Bohada, Tur and Thali, Dhol, Gherria</p> <p>Major Fairs & Festivals: Akhatrij, Divasol, Nariyal Poornima, Tarpa Festival & Craft Mela, Monsoon Magic, Children's Film Festival</p>	<p>Dance and Music: Mando Music and Dance, Verdigao Dance, Vera Dance, Garba Dance, Gujarat folk dance</p>

Western India - Cultural Overview

Western India is highly industrialized region of India. Mumbai, which is a city of seven islands, is the financial nerve centre of the country and it is the capital of Maharashtra. The King of Portugal gifted the islands to King Charles II of England when he married the Portuguese princess, Catherine of Braganza in 1661. Mumbai is also known as Maximum City, a city that never sleeps, after the much acclaimed author Suketu Mehta wrote a book on Mumbai in 2004.

The first train in India moved from Bombay to Thane in 1852. Most importantly, the Hindi Film industry, better known as Bollywood, is located in Mumbai. Maharashtra is famous for the temple town of Shani Shingnapur where houses are built without doors. People don't have doors in their houses in this village because it is believed that robbers who steal from homes would be punished by the Hindu Lord Shani.

Maharashtra is the richest state in India and it is also rich in culture and tradition. Lavani and Dhangari Gaja are the traditional dance forms in this state. Maharashtrians are lovers of festival as they celebrate all festivals, especially Ganeshotsav, Diwali, Navratri, Gudi Padwa, with grandeur. Maharashtra is the largest cotton producer in India with largest area under cultivation for cotton. Jawaharlal Nehru Port (JNPT) is the leading port in India and it handles around 56% of the total container traffic in the country¹⁵.

Gujarat is another industrial state in western region of India. It has the longest coastline in India, the highest number of airports and the largest number of vegetarian people among any state in the country. The world's first pure vegetarian Pizza-Hut, Subway, Domino's Pizza are located in Gujarat. Gandhinagar is said to be the greenest capital city in Asia (as it has large number of trees). Gujarat is the only state where Asiatic Lions are found.

The world's largest shipbreaking yard is located in Alang, Gujarat. Gujarat is a leading maritime state in the country and it accounts for 40.7% of the total cargo handled at Indian ports. The state is the birthplace of some of the world-renowned personalities such as Mahatma Gandhi, Father of India and Muhammad Ali Jinnah, Founder of Pakistan.

Goa, the smallest state in India, is one of the most attractive tourist destinations in the country. Some of the fascinating tourist attractions in the state are beaches, churches, boating, forests, casinos, bars and other entertainment centres. Besides tourism, other leading sectors in the state are iron ore mining and pharmaceuticals. Pharmaceutical clusters in the state contribute around 12% to the country's total pharma output¹⁶.

Dadra Nagar Haveli hosts Vanganga Lake Garden which is a popular spot for film shoots. The union territory of Daman and Diu is known for its untouched natural beauty and unrivaled serenity. In ancient times, the place was often gifted to victorious kings because of its matchless beauty.

Majority of population in Dadra and Nagar Haveli are tribals and every tribe has distinct customs and rituals. Major livelihood of people in Dadra and Nagar Haveli are leather crafts, basketry, mat weaving, bamboo works and so on.

People in Damand and Diu have cultural similarity with those in Gujarat. Famous occupations in Daman and Diu are fishing, ship breaking, carpentry, mat weaving and so on.

¹⁵ *Basic Ports Statistics of India 2014-15*

¹⁶ *India Brand Equity Foundation*

Overview	Rajasthan	Uttar Pradesh	Uttarakhand
Capital	 <p>● Jaipur</p>	 <p>● Lucknow</p>	 <p>● Dehradun</p>
Tourist Attractions	<p>Hawa Mahal, Jaipur, Jaisalmer Fort, Deserts of Jaisalmer, Chittorgarh Fort, Udaipur's Lake Palace, Mount Abu (Sirohi), Temples in Pushkar</p>	<p>Agra Fort, Taj Mahal, Ghats and temples in Varanasi, Archaeological Museum in Varanasi, Forts, Museums, temples in Mathura, Temples of Vrindavan, Temples, Stupas, museums of Sarnath and Kushinagar</p>	<p>Hill resort of Mussoorie, Pilgrim centres of Haridwar, Rishikesh, Auli winter resort, Mountain peaks of Chopta Hills of Kausani, Nainital, Jim Corbett National Park</p>
Language	Hindi and Rajasthani	Hindi and Urdu	Hindi, Garhwali, Kumaoni
Culture	<p>Folk Dances: Ghoomar, Gair, Chari, Fire Dance</p> <p>Music: Maand</p> <p>Must Buy: Bandhani textile, Meenakari jewellery, Blue Pottery, Marble crafts</p> <p>Paintings: Miniature, Kajali, Bani Thani</p>	<p>Folk Songs and Dances: Kajari, Alha Udal</p> <p>Fairs and Festivals: Taj Mahaotsav, Ganga Festival, Ramlila, Kumbh Mela (once in 12 years)</p> <p>Must Buy: Minakari ornaments, Muradabad brassware, chikan embroidery, brocades of Banaras</p>	<p>Folk Dances: Bhotia, Chamfuli, Chholia</p> <p>Music: Nyauli, Phag, Bair, Baramasa, Saiddhali</p> <p>Art Forms: Garhwal painting, Aipan or Alpana drawings</p> <p>Fairs and Festivals: Kumbh Mela (once in 12 years) Bissu Mela, Magh Mela, Nanda Devi Raj Jat, Nanda Devi</p> <p>Must Buy: Rambaans crafts, Ringaal Handicrafts, woollen shawls, woolen carpets</p>

North India - Cultural Overview

Rajasthan is the largest state in India and a major portion of this state is covered with Thar Desert which is also known as The Great Indian Desert. The state is popularly known as the 'Place of Rajputs' or 'Son of Kings' as it was ruled by Rajputs in ancient times.

The state is a major tourist attraction as it is filled with forts, palaces, fairs, festivals and so on. People celebrate festivals such as Teej, Holi, Gangaur, Diwali, Makar Sakranti, and Janmashtami. The state has 2 National Tiger Reserves - Ranthambore and Sariska Tiger Reserve. Guru Shikhar, in Mount Abu, is the highest peak in the state at an altitude of 1,722 m. Every district in the state has its unique fairs and festivals. Camel festival in Bikaner, Nagaur Fair in Nagaur, Mewar festival in Udaipur, Kaila Devi Fair in Karauli, and Ramdevra Fair in Jaisalmer are noteworthy.

The Bala Qila (young fort) and City Palace in Alwar, Rani Padmini Palace in Chittorgarh, Garh Palace in Jhalawar, Jaigarh fort in Jaipur are some of the famous forts in the state. Rajasthan is also home to several museums such as Ahar Museum in Udaipur, Ajmer Government Museum in Ajmer, Albert Hall Museum in Jaipur, Government Archeological Museum in Dungarpur etc. The Bikaner district of Rajasthan houses the National Research Centre on Camel, which is said to be the only research and breeding centre for camel in Asia. This centre is managed by the Government of India and it spans over 2000 acre of semi-arid land.

Uttar Pradesh, the most populous state in the country, has immense political and cultural significance. The state is home to Varanasi, the cultural capital of India and Taj Mahal, one of the seven wonders of the world. Uttar Pradesh is also a major food producing state as it contributes 16.81% to the total foodgrain output of the country.

The contribution of this state to the religious, literary and spiritual evolution of the country is immense. Great Hindu epics of Ramayana and Mahabharata were said to have originated in this land. Lord Gautam Buddha gave his first sermon in Sarnath, Uttar Pradesh. The state is also the birth place of several Hindi writers and poets such as Prem Chand, Harivansh Rai Bachhan, Jaishankar Prasad, Kabirdas, Tulsidas and so on. Uttar Pradesh is gifted with fertile land and ample water resources as many rivers such as Ganga, Yamuna, Gomti, and Ghagra flow through this state.

Uttar Pradesh hosts the famous Hindu religious event of Kumbh Mela at Allahabad once in every 12 years. Millions of Hindu devotees gather to take dip in the Holy river water of Allahabad at this event.

Let us turn our eye to another mountainous state in north India, Uttarakhand, which has earned the sobriquet 'the Switzerland of India' from the Father of India Mahatma Gandhi. The state is also commonly called as the Devbhumi or "Land of the Gods" as it has many temples and places of religious significance. Uttarakhand is the only state to have Sanskrit as the official language.

The holy rivers, Ganga and Yamuna, originate from this state. The state is home to several rare species of plants, birds and animals and so the government has set up more than several national parks and sanctuaries. Jim Corbett National Park, the oldest national park in the country, is located in this state. Uttarakhand is also famous for hill stations such as Mussoorie, Nainital, Dhanaulti, Lansdowne, Pauri. Agriculture is a major livelihood for the people and the state grows cereals, pulses, and oil seeds. Food processing and agricultural export zones have developed in the state as farmers grow fruits such as apples, oranges, pears, peaches, litchis, and plums, herbs, medicinal plants, and basmati rice. The economy of the state also depends on tourism and hydropower sectors.

Delhi



Chandigarh



Punjab



Capital

● Delhi

● Chandigarh

● Chandigarh

Tourist Attractions

The Red Fort, India Gate, Qutb Minar, Humayun's Tomb, Jama Masjid, Jantar Mantar

Rock Garden, Sukhna Lake, Zakir Hussain Rose Garden, ChattBir Zoo, Elante mall

Golden Temple, Jallianwala Bagh (Amritsar), Attari Border of Pakistan, Forts and palaces of Patiala, Anandpur Sahib, Sanghol Museum

Language

Hindi, Punjabi, Urdu & English

Hindi, Punjabi, English

Punjabi

Culture

Music Festivals: Tansen Festivals, Vishnu Digamber Festival

Fairs and Festivals: Qutub Festival, Phoolwalo-Ki-Sair, Lohri, Holi, Chhath and other famous Indian festivals

Best Buy: Silver jewellery, Lacquer work and pottery, carpets, bamboo works

Dance Forms: Bhangra, Giddha, Dhamal

Fairs and Festivals: : Diwali, Gurupurab, Holi, Dussehra, Shivaratri, The Rose Festival, Annual Chandigarh Carnival

Must Buy: Phulkari embroideries, Punjabi Dupattas, Juttis (traditional footwears), woolen garments

Dance Forms: Bhangra, Gatka, Kikli, Jaago

Fairs and Festivals: Gurupurab, Lohri, Holla Mohalla, Holi, Basant Panchami

Must Buy: Phulkari (Embroidery), Punjabi dolls, Parandis, Pidhis (wooden stools), jootis (footwear), durries (cotton spreads)

North India - Cultural Overview

Punjab, another major state in North India, is popularly known as the granary of India as it is the birthplace of India's Green Revolution, back in 1960s, which ensured food security in the country. The state contributes 10.87% to the total foodgrain production in the country¹⁷.

The word Punjab means five rivers as the five rivers of Sutlej, Ravi, Beas, Chenab, and Jhelum used to flow through this region before the partition of Pakistan. After partition, the Indian state of Punjab has three rivers - Sutlej, Ravi, and Beas – flowing through its land. Sikhism is the dominant religion of Punjab. Amritsar is a major city in Punjab and a major tourist centre of the state. Golden Temple, which is the holy shrine of Sikhs, is located in this city. The architecture of this temple represents a unique blend of Hindu and Muslim construction. It is often quoted that this architecture has created an independent Sikh school of architecture in the history of art in India.

The harvest festival of Lohri is celebrated with much fanfare in Punjab during mid January of every year. People celebrate the festival by performing folk dances such as Bhangra (by males) and Giddha (by females). Punjabis are also known for big wedding, hospitality and lion heart courage. In order to underline the importance of rural sports such as bullock race, tractor race, martial arts, gymnastics, Rural Olympics is held every year in the month of February at Kila Raipur village near Ludhiana.

India's capital city Delhi is located in North India and it is officially called National Capital Territory of Delhi (NCT). Delhi is a special union territory which is governed by the Central government, the NCT elected government and three municipal corporations. The NCT elected government is taking steps to secure full statehood for Delhi. Delhi is the centre of Mughal architecture, most visible in Red Fort and Juma Masjid (biggest mosque in India). Delhi is also famous for Qutub Minar, the tallest brick minaret in the world that is part of the UNESCO World Heritage Site.

Arts and culture are intertwined in the life of people in Delhi. Many cultural organizations in Delhi hold programmes on classical dance, music and cultural exhibitions, especially during October to March every year. Organisations such as the National Gallery of Modern Art, the Lalit Kala Academy and the Sanskriti Kendra promote traditional art and culture in the city. Cultural festivals such as Shankarlal, Dhruwad and Tansen Festivals are held in the month of February and March to take classical music to masses. Notably, musicians and dancers participate with great enthusiasm to display their talent at the Qutab festival held at Qutab Minar.

Among popular craft forms in Delhi are golden thread embroidery, called Zardozi and lacquer craftsmanship on bangles. Famous film events such as National Film Festival, Bi-Annual International Film Festival are held regularly in Delhi.

Chandigarh, which is the capital city of Punjab and Haryana, is also a separate union territory. It is one of the early planned cities in post-independence India and its chief planner was the famous French architect Le Corbusier. The city was known as one of the best experiments in urban planning and modern architecture in the twentieth century in India. Chandigarh has developed into a cultural capital of the region as the city planners allocated adequate space for parks, museums, art galleries and other cultural centres.

¹⁷ *Pocketbook of Agricultural Statistics 2015, Government of India*

Haryana



Himachal Pradesh



Jammu & Kashmir



Capital

● Chandigarh

● Shimla

● Srinagar (during Summer)
● Jammu (during Winter)

Tourist Attractions

Temples, Museums in Kurukshetra, Temples, tombs, museums in Panipat, Historic sites in Rohtak Forts, palaces, parks, sanctuaries in Gurgaon

Valleys, palaces, temples in Kullu, Valleys, waterfalls, parks in Manali Hills, museums, sanctuaries of Shimla Lakes, parks and palaces in Chamba Lake, temples, waterfalls in Dharamshala

Lakes in Srinagar, Temples in Jammu Forts and temples in Rajauri, Mountains of Gulmarg, Underground river, Ramnagar fort in Udhampur, Mountain peaks of Kupwara

Language

Hindi

Hindi & Pahari

Urdu, Dogri, Kashmiri, Pahari, Punjabi, Ladakhi, Balti, Gojri and Dadri

Culture

Folk Dances: Dhamal, Loor, Khoria, Sang

Fairs and Festivals: Gangore, Teej, Basant Panchami, Mansa Devi Mela, Sili Sate Fair, Surajkund Crafts Mela, Kartik Cultural Festival, Pinjore Heritage Festival

Must Buy: Phulkari shawls, Chope shawls, pots and toys, upholstery and rugs (in Panipath)

Folk Dances: Rakshasa, Kayang, Nati, Burah, Birsue, Ghugti, Chham

Fairs & Festivals: Halda, Sazo, Lohri, Losar, Doongri, Phulaich, Ladarcha Fair, Ice Skating Carnival

Must Buy: Clothes with Thangka paintings, Pashmina shawls, wooden crafts, metal crafts, leather crafts

Folk Dances: Kud, Fumenie, Jagarana, Ruf, Wuegi-Nachun, Roul, Dogri

Folk Music: Rabad

Fairs and Festivals: Lohri, Baisakhi (New Year Day), Guru Ravi Das' Birthday, Tihar, Samkrant, Amarnath Yatra Kashmir, Jhiri Mela Jammu, Hemis Festival Leh Ladakh, Winter Sports Kashmir

Must Buy: carpets, shawls, basketry

North India - Cultural Overview

State of Haryana has mythological and historical significance as the great war of Mahabharata took place in Kurukshetra district. Haryana also hosted the three remarkable battles in the history of Northern India, Battles of Panipat, which took place between 16th century and 18th century. The town of Panipat is also famous for rugs and upholstery. The industrial town of Gurgaon in Haryana is famous for Kingdom of Dreams, which is India's first live entertainment and cultural centre. Kingdom of Dreams has two huge theatres where national and international musical events and theatrical performance are showcased. The centre also has Culture Gully, which displays diverse arts, crafts and cuisine of the country. Culture Gully has theme restaurants and live kitchens from 14 states of India. Haryana is also a major producer of basmati rice, a variety of Indian rice grown in the Himalayan foothills and which is long, slender and aromatic.

Haryana's Karnal district is the birthplace of the late Indian-American scientist and NASA astronaut Dr. Kalpana Chawla. Some of the tourist attractions in Haryana are the Morni Hills (the only hill station in Haryana) in Panchkula, The Gujjari Mahal palace in Hisar, historical sites in Kurukshetra, Panipat and Ambala.

While the state is basically an agrarian economy, some of the industrial sectors such as automobiles, heavy engineering, information technology, Business Process Outsourcing have also developed in the state. The state produces 80% of mobile cranes in India, 52% of excavators, 48% of cars, 39% of two-wheelers and 11% of tractors¹⁶. Some of the tourist attractions in the state are Karna Lake (Karnal), Yadavindra Gardens at Pinjore, Morni Hills, Sultanpur Bird Sanctuary & National Park and Bhindawas Bird Sanctuary.

Himachal Pradesh is popular for a wide range of outdoor activities, sports and adventure as it is endowed with snow-clad mountains, mountain lakes, rivers in deep gorges, dense forests and scree. The state houses temples, monasteries different styles of temple architecture developed and there are temples with carved stone shikharas, pagoda style shrines, temples that look like Buddhist Gompas or Sikh Gurudwaras etc.

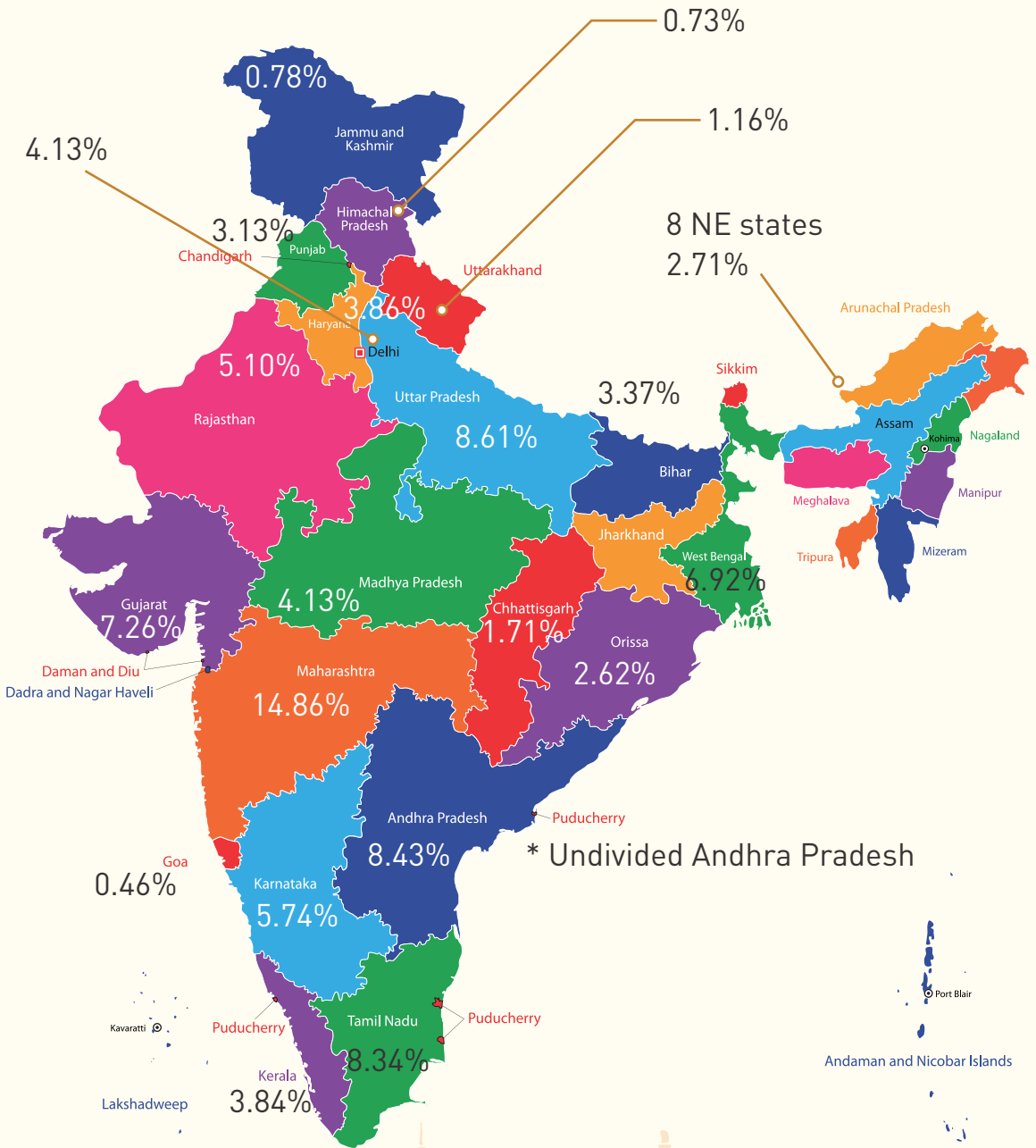
Himachal Pradesh is called the 'fruit bowl of India' as the state is a major producer of apples owing to favourable climatic condition. Apple constitutes 76% of fruits produced in the state. The state also produces apricots, pear, walnut and other fruit varieties. The state has a hydro power potential of 27,436 megawatt (mw), which is 25.9% of the country's total potential¹⁷. Potential sectors in the state are textiles, pharmaceuticals, food procurement and processing, light engineering, IT and electronics, cement, tourism and hydropower.

The northernmost state of India Jammu & Kashmir boasts of a multi-religious and multi-ethnic culture which is reflected in the dance, music, cuisine and festivals of the state. Located amidst the Himalayan mountains, Jammu and Kashmir is home to several valleys such as the Kashmir Valley, Tawi Valley, Chenab Valley, Poonch Valley, Sind Valley and Lidder Valley. Kashmir is called the Paradise on Earth by tourists because of its scenic beauty. Ski resort and dense forest in Gulmarg, Vaishno Devi shrine, Bhau Fort, Mubarak Palace are some of the tourist attractions in the state.

Agriculture and allied industries are the dominant sectors of the state economy. Wood from Kashmir is used to make high-quality cricket bats, popularly known as Kashmir Willow. Kashmir is famous for cultivation of saffron, which is used in culinary preparations. Kashmiri saffron is exported to many countries. Other farm exports from the state are apples, barley, cherries, corn, millet, oranges, rice, peaches, pears, sorghum, vegetables, and wheat. The state is also famous for production and export of handicrafts, rugs, and shawls.

¹⁶ Haryana State Industrial & Infrastructure Development Corporation LTD

* India Brand Equity Foundation



Source: Economic Survey 2015-16

State-wise Contribution to Indian Economy

Maharashtra is the richest state in India and it contributes around 15% to the economic output of the country. The other leading contributors to the national economic output are Uttar Pradesh (8.61%), Tamil Nadu (8.34%), Gujarat (7.26%), Karnataka (5.74%) and so on¹⁸. Maharashtra contributes more than 16% to the service sector output of the country, while the other leading states on this front are Tamil Nadu (9.1%), Uttar Pradesh (7.8%) and West Bengal (7.4%).

In terms of contribution to the national industrial output as well, Maharashtra is the leading state with a share of 15.79%, compared to 10.54% for Gujarat, 9.18% for Tamil Nadu. On the agriculture front, Uttar Pradesh contributes 12.89% to the national output, while Gujarat, Madhya Pradesh, and Maharashtra are the other leading states with respective contribution of 8.24%, 7.84%, and 7.76%¹⁹.

There were 224576 factory units in India as of 2013-14²⁰. Tamil Nadu has the highest number of factories with 37,378 units or 16.6% of the total, while Maharashtra has 29,123 units, followed by Gujarat with 22,876 units.

Micro Small and Medium enterprises are the backbone of the Indian economy as they contribute over 37% to the GDP of the country and around 37% to the manufacturing output of the country²¹. Uttar Pradesh has the highest number of medium and small scale industries with over 44 lakh units, followed by Tamil Nadu with more than 33 lakh units, Maharashtra with more than 30 lakh units and so on¹⁹.

While states such as Maharashtra, Gujarat, Tamil Nadu, Karnataka, and West Bengal have been traditionally leading contributors to the economic activity of the country, many other states such as Rajasthan, Odisha, Bihar, Chhattisgarh, Madhya Pradesh, and Jharkhand are catching up by attracting private investment through progressive economic policies. Remarkably, these state governments are improving the ease of doing business in their respective states, in line with the central government's measures on this front.

These state governments are working on reducing the time taken for statutory clearances for investment projects, introducing investment facilitation cell, single window clearance for statutory approvals and so on. State governments such as Odisha and Delhi have integrated some of the mandatory clearance processes with the central government's e-Biz portal in order to reduce the time taken for clearing project clearances. Government of Odisha has integrated 15 services from the state and made it available on the eBiz online portal to enable hassle-free processes for the investors.

In recent years, foreign and domestic investors have been showing interest to invest in these developing states owing to their progressive economic policies. For instance, Rajasthan government received investment commitment worth Rs 1.23 trillion from domestic and foreign investors across agriculture, infrastructure, tourism and other sectors at its investment summit in November 2015. The Government of Jharkhand is said to have received investment commitments worth over Rs 60,000 crore from various companies during the Make in India Week held at Mumbai in February 2016. Similarly, states such as Odisha, Bihar, Madhya Pradesh, Chhattisgarh are also attracting sizable investment from foreign and domestic investors.

¹⁸ *Economic Survey 2015-16*

¹⁹ *Handbook of Statistics on Indian States 2015-16, RBI*

²⁰ *Annual Survey of Industries*

²¹ *Indian Ministry of MSME, Annual Report 2015-16*



Agriculture, Forestry and Fishing

Contribute 17% to economic activity

Agriculture accounts for 49% of total employment

Attracted US\$ 2.26 billion FDI (0.81% of total) from April 2000 to December 2015

Contribute 13% to exports



Industry (Manufacturing, Mining, Electricity, Gas, Water Supply)

Contributes 22% to economic activity, Manufacturing

accounts for 13% of total employment, Constitutes 65% of exports



Services

Contribute 54% to economic activity, Attracted 17% of total FDI ((Apr 2000 – Dec 2015), Accounts for 27% of total employment



Construction

Contributes 8% to economic activity, Attracted 9% of total FDI (Apr 2000 – Dec 2015), 100% FDI permitted with some conditions

Indian Economy At a Glance

India is a service-sector led economy as this sector contributes over 50% to the total economic activity of the country. The share of service sector, which includes trade, hotels, transport and communication, financial and business services, real estate, community, social and personal services, in the economic activity has risen progressively from 33% in 1950-51 to 44% in 1991-92 to more than 53% now²².

One of the key components of the service sector is the information technology and Business Process Management industry, the size of which is estimated to be USD 143 billion (excluding e-Commerce) or over 9.3% of India's GDP. The share of this industry in total service exports is estimated at more than 45 per cent²³.

According to a Nasscom report on 'The IT-BPM Sector in India: Strategic Review 2016', India is maturing to become the Silicon Valley of the developing world with over 4,200 start-ups, the 3rd largest start-up community in the world.

Agriculture forestry and fishing contributes around 17% to the economic activity of the country, while construction sector contributes around 8%. The share of industry (which includes mining & quarrying, manufacturing, electricity, gas, water supply and other utilities) in the economic activity is slightly more than 21%. Although agriculture and allied sectors contribute only 17% to the total economic activity, the share of this sector in total employment is around 50%.

Agricultural land comprises 60.3% of total land area in the country²⁴ and the sector contributes around 13-14% to the total export of India. On the demand side, India is a consumption-led economy as private consumption contributes 59.5% to the GDP of the country, while investment and exports contribute around 30% and 20% to the GDP²⁵.

Domestic savings play an important role in the economic growth of India. India saves 30.6% of the total GDP per annum. Of this, 18.2% of the savings come from the household sector, while 10.9% come from private corporate sector and 1.6% from the public sector. The share of taxes (of both the central government and state governments) in total GDP of the country stood at 17.38% as of 2014-15²⁶.

India's total exports (goods and services) constitute around 19% of the GDP. India has official foreign exchange reserves (including gold, dollar) of over \$360 billion as of March 2016²⁷ and the country ranks 8th in terms of the size of reserves out of 167 countries²⁸.

²² *Gross Value Added at Factor Cost by Industry of Origin (at current prices), Economic Survey 2015-16*

²³ *NASSCOM Report on The IT-BPM Sector in India: Strategic Review 2016*

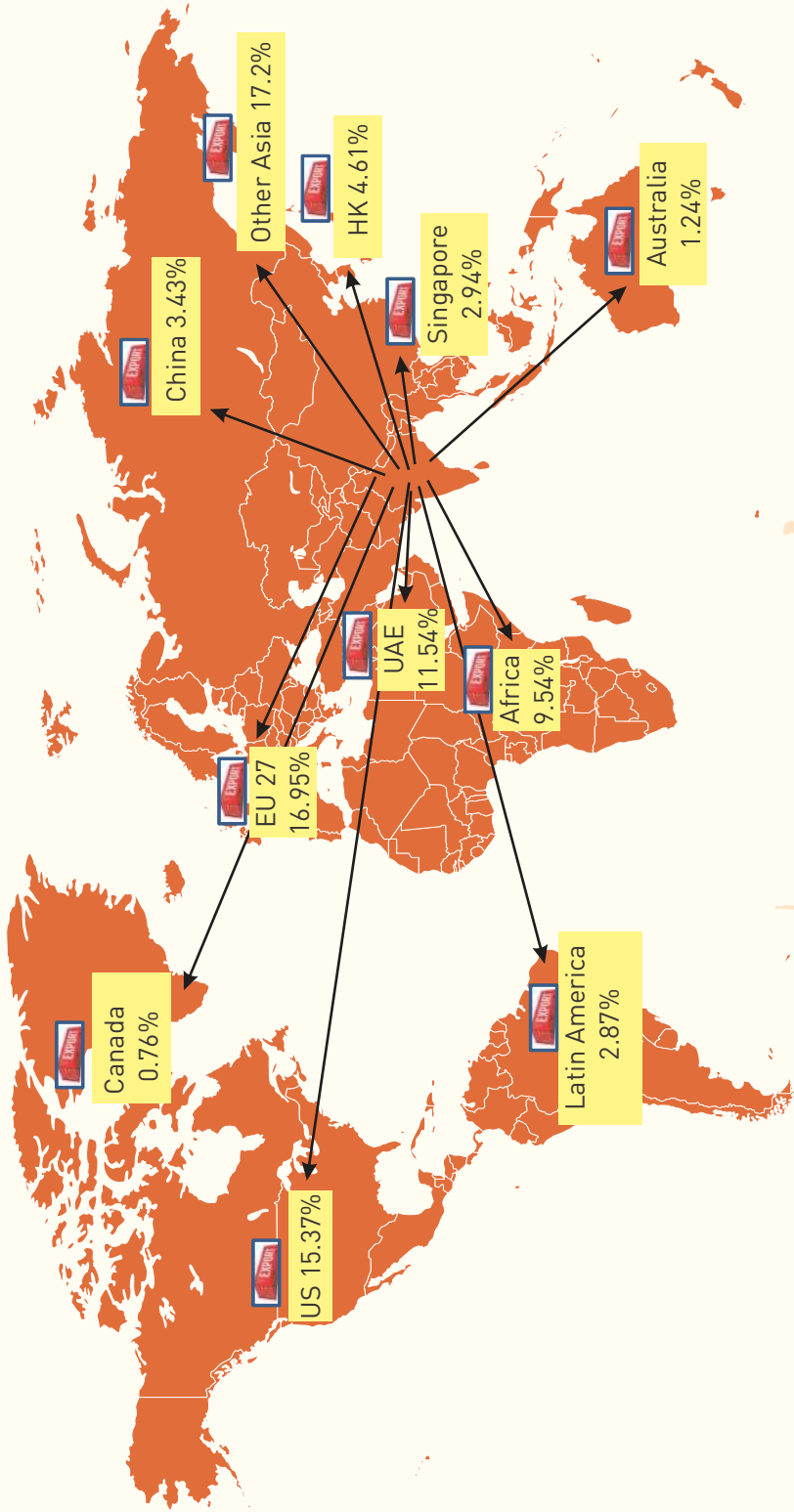
²⁴ *Pocket Book of Agricultural Statistics 2014*

²⁵ *Press Release on National Income 2015-16, CSO*

²⁶ *India Public Finance Statistics 2014-15*

²⁷ *IMF Data*

²⁸ *World Development Indicators, World Bank*



Source: Export Import Databank, Ministry of Commerce and Industry
Data for 2015-16

Major Export Destinations

India's merchandise exports have grown at a Compound Annual Growth Rate (CAGR) of 15.9% between 2004-05 and 2013-14. Similarly, its imports grew at a CAGR of 16.8% over the same period²⁹. However, in the last two years, there has been deceleration in India's exports and imports because of weak economic condition across the globe, fall in commodity prices and other factors.

India exports gems and jewellery (14.6% of total exports), textile and allied products (13.64%), chemicals and related products (12.17%), agriculture and allied products (9.18%), transport equipments (8.1%), base metals (7.28%), machinery (7.15%) and other products³⁰.

India has, so far, signed 11 free trade agreements (FTAs) and 5 limited Preferential Trade Agreements (PTAs) and is negotiating 17 FTAs, including the expansion of some of the existing FTAs/PTAs²⁹.

United States of America continues to be the topmost destination for India's exports with a share of between 12-15%. In 2013-14, the share of USA was 12.45%, which rose gradually to 15.37% in 2015-16.

Among the countries in North Africa and Middle East Asia, the United Arab Emirates (UAE) is the leading destination for India's exports. In fact, United Arab Emirates is the second largest export destination for India with a share of 9.0-11.0%. Its share in India's total exports rose from 9.71% in 2013-14 to 11.57% in 2015-16. The other major destinations in this region are Saudi Arabia, Israel, Oman and Egypt. The UAE is a major entry point for Indian products transiting to other markets in the region.

India's exports to ASEAN countries³¹ was USD 25.19 billion or about 10 percent of its total exports in 2015-16. ASEAN, as a bloc, has become one of India's largest trading partners in recent years. India's four major trading partners from ASEAN are Singapore, Indonesia, Malaysia and Thailand, accounting for more than 80 percent of India's trade with ASEAN.

Share of China in India's total exports hovers between 3.0%-4.7%. In 2015-16, its share was 3.45%³². Among other BRICS economies, share of Brazil in India's total exports is 1.01%, share of Russia is 0.6%, while share of South Africa is 1.36%. India's export to Latin American countries has been very less as this region accounts for only 2.87% of the total outbound shipment from India.

Among European countries, United Kingdom accounts for 3.36% of India's total exports, while Germany has a share of 2.71%. India's neighbouring countries such as Sri Lanka, Nepal, Bangladesh, and Pakistan account for 2.02%, 1.45%, 2.21%, and 0.80% respectively of India's overall merchandise exports in 2015-16.

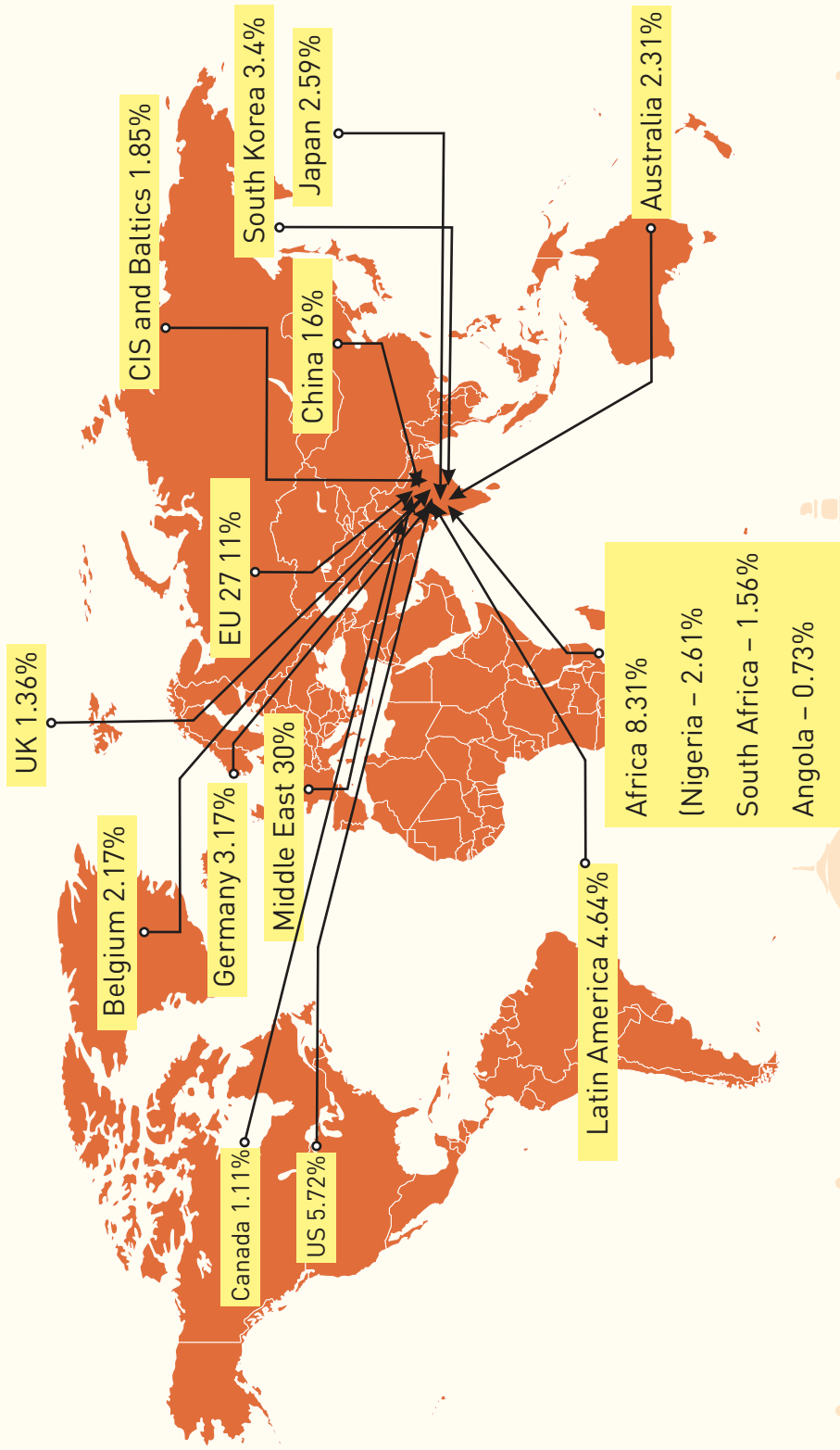
It is relevant to mention India's participation in the global value chains (GVCs) across some sectors. India participates in manufacturing GVCs mainly in sectors such as chemicals, electrical equipment and jewellery, in general by way of sourcing intermediates from abroad. The share of imported inputs and intermediate goods in exports is higher in mining, textiles, machinery, and services sectors such as distribution, transport and telecom.

²⁹ Foreign Trade Policy 2015-20

³⁰ Annual Report 2015-16, Ministry of Commerce and Industry, GoI

³¹ ASEAN (Association of South East Asian Nations) comprises 10 countries namely Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam.

³² Data on exports for 2015-16 taken from Export Import Databank, Ministry of Commerce and Industry, Government of India



Source: Export Import Databank, Ministry of Commerce and Industry
Data for 2015-16

Major Sources of Import

India's chief import items are crude oil (18.46% of total imports), gems and jewellery (15.2%), electronic items (10.43%), chemicals and related products (9.91%), machinery (8.12%) and so on. Besides the above, India also imports base metals, transport equipments, plastic and rubber products, paper and related products.

China is one of the largest sources of Import for India as it contributes over 16% to the overall import of the country. India imports electrical machinery and other engineering goods, organic chemicals, fertilizers, iron and steel, plastic and plastic products, project goods and so on from China. South Korea contributes 3.4%, Japan 2.59%, Hong Kong 1.59%, Taiwan 0.88%.

West Asia is one of the largest sources of merchandise import for India as Saudi Arabia and UAE constituted more than 5% each to India's total import in 2015-16. Iraq and Iran contributed respectively 2.85% and 1.65% to total import of India in 2015-16.

The 27 EU countries (including UK) is another major source of import for India as they constituted around 11% of India's total import in 2015-16. Germany contributed 28% to the overall import from these 27 countries, and this is followed by Belgium (19%), UK (12%), Italy (9%), and France (8.5%) in 2015-16. The four-country European Free Trade Association is another source of import for India as they constitute 5.2% of India's total import. Switzerland contributed over 5% to the overall import of India during the said year.

The 10-country ASEAN region contributes 10.4% of India's total import in 2015-16. Of these countries, Indonesia contributes 3.4% to India's total imports or 32% of imports from ASEAN countries. Malaysia is the second largest source of import for India among ASEAN countries as it contributes 2.9% to overall import of India and 27.9% among overall import from ASEAN countries.

USA is another major source of import for India as it contributes 5.72% to overall import of the country. Canada's share in India's total import is 1.11%. Venezuela, Brazil and Argentina are the main source of import from Latin America as these countries contribute respectively 1.5%, 1.06% and 0.65% to India's import.

Among African countries, Nigeria contributes 2.61% to the overall import of India, followed by Ghana (0.78%). Among the countries in the far-east, India imports 2.31% of goods from Australia.

Ghana is another major source country in the African continent as it accounts for 0.78% of India's total import. Egypt and Morocco account for 0.32% and 0.28% of India's total imports. Mexico contributes 0.6% to the total import of India.

India's neighbouring countries - Bangladesh, Bhutan, Nepal, Pakistan, Sri Lanka, Maldives, and Afghanistan - together account for 0.76% of overall import.

The 11 members of the Commonwealth of Independent States (CIS) contribute around 1.8% to the total import of India and of this Russia accounts for 1.21% and Ukraine 0.46%.

Note: All data on import are of fiscal year 2015-16. The data pertains to merchandise imports



Other key sources of FDI

- Cyprus – 3%
- Germany – 3%
- France – 2%
- UAE – 1%
- Switzerland – 1%
- Spain – 0.78%
- Luxembourg – 0.70%
- Hong Kong – 0.67%
- Italy – 0.64%
- Cayman Island – 0.45%
- Sweden – 0.43%
- Australia – 0.28%
- Canada – 0.22%

Major Source of FDI

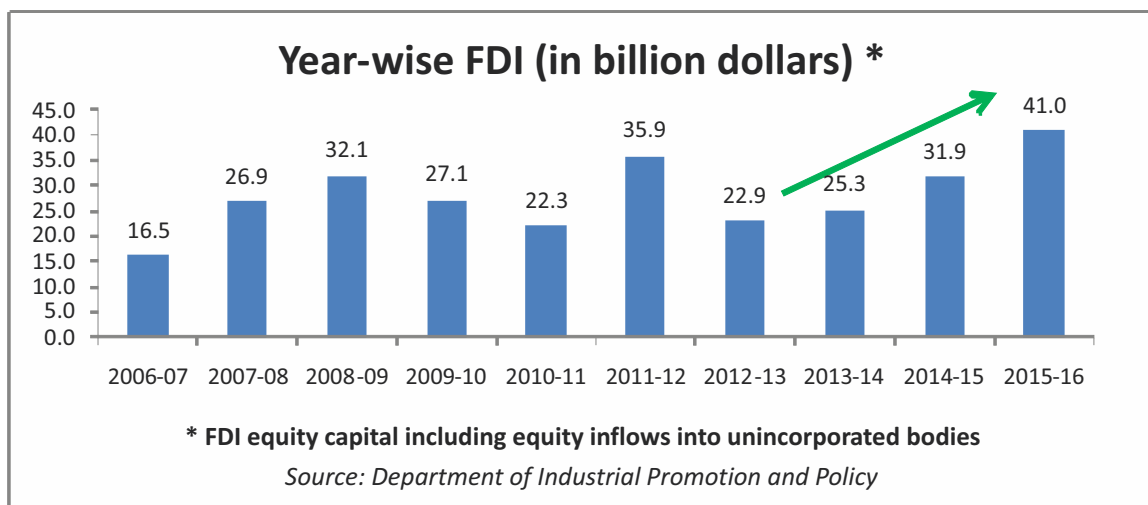
Since 2001-02, India has been witnessing impressive annual growth in foreign direct investment (FDI) flows except for a few years of decline. In 2015-16, FDI³³ into the country rose 29% to USD 40.00 billion from the previous year. In 2014-15, FDI rose 27% to USD 30.93 billion.

Between April 2000-March 2016, India attracted cumulative FDI worth USD 288.63 billion and of this 33% originated from Mauritius, 16% from Singapore, 8% from the UK, 7% from Japan, 6% each from the USA, and the Netherlands, 3% each from Germany and Cyprus, 2% from France and 1% from the UAE. In the last three years (2013-14, 2014-15, 2015-16), India received 28% FDI from Singapore, 23% from Mauritius, 8.8% from the Netherland³⁴. China contributed 1.2% of the total FDI into India in these three years.

Among sectors, service industry such as banking, insurance, business process outsourcing, Research and Development, courier attracted 17% of the total FDI. Similarly, construction sector received 8.38% FDI, while computer hardware and software received 7.28%. Other major recipients of FDI are telecommunications (6.37%), automobile (5.22%), drugs and pharmaceuticals (4.80%), chemicals (4.12%) and so on.

The Indian government has adopted a liberal policy on FDI, under which FDI up to 100%, is permitted, under the automatic route, in most sectors or activities. Clearance for FDI under the approval route is given by the Foreign Investment Promotion Board (FIPB). The sectors under automatic route do not require any prior approval from FIPB and are subject to only sectoral laws.

Significant changes have been made in the FDI policy regime in recent times, to ensure that India remains an increasingly attractive investment destination. In recent years, the government has significantly eased FDI norms in defence, construction, insurance, pharmaceuticals, civil aviation, food retailing, pension, railways, media and entertainment, e-commerce and so on.



³³ Department of Industrial Promotion and Policy Database on FDI. FDI includes only equity capital components only

³⁴ Union Ministry of Commerce and Industry Press Release dated 25 April 2016



Total 51 million units

Share in GDP 37.54%

Manufacturing MSME share in GDP 7.04%
Over 6,000 products

Share in total exports 44.70%

People Employed by MSMEs 80.5 million

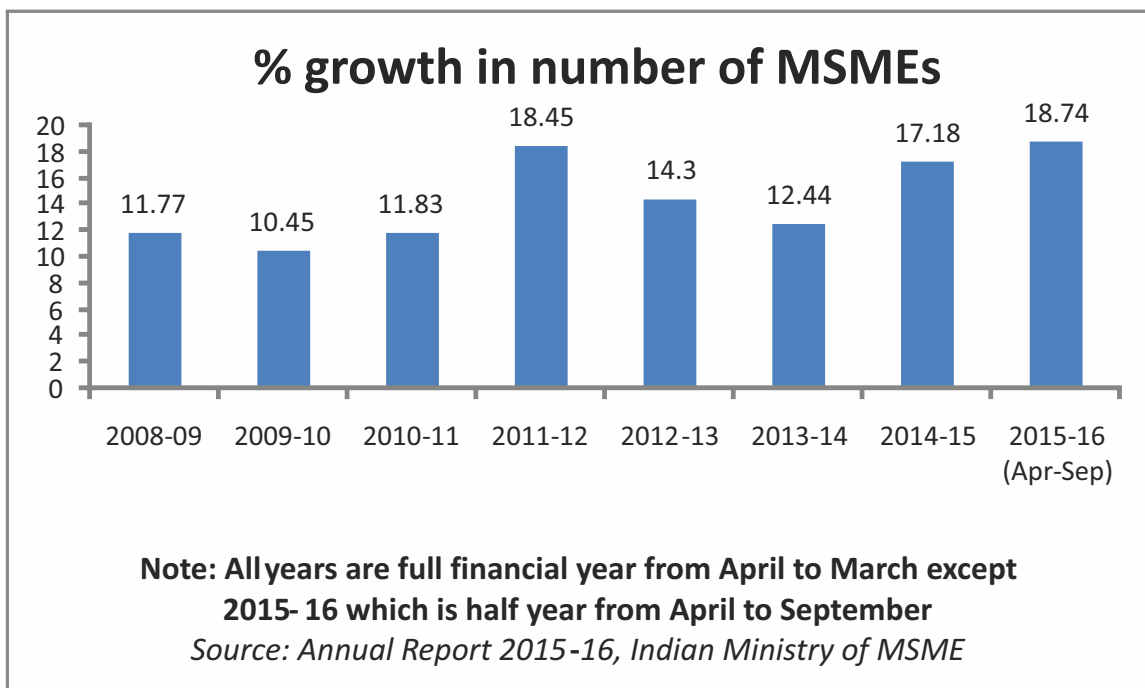
MSMEs Sector: Engine of Economic Growth

Micro Small and Medium Enterprises (MSMEs) sector is the engine of growth as it contributes 37.54% to the overall GDP of the economy and 37.33% to the manufacturing output of the country. The share of service sector MSMEs to the GDP is 30.5%, while the share of manufacturing sector MSME is 7.04%. There were an estimated 51.05 million MSME units employing 117.1 million people across the country as of 2014-15. These enterprises were having fixed assets worth Rs 14.72 trillion as of 2014-15. It is estimated that MSMEs contribute around 40% to the overall export of the country.

The government has taken various measures to promote growth of the MSME sector. A remarkable step in this direction is the introduction of Udyog Aadhaar Memorandum for registration of MSME units. In September 2015, the Indian government introduced a simple one-page registration Form 'Udyog Aadhaar Memorandum' (UAM) to replace the then existing cumbersome filing of Entrepreneur Memorandum (EM). Now, entrepreneurs in the MSME sector just need to file online a simple one-page UAM to get a unique Udyog Aadhaar Number (UAN). Under new system of Udyog Aadhaar Memorandum, the growth of registrations of the MSMEs is impressive and more than 10 lakh units have been registered.

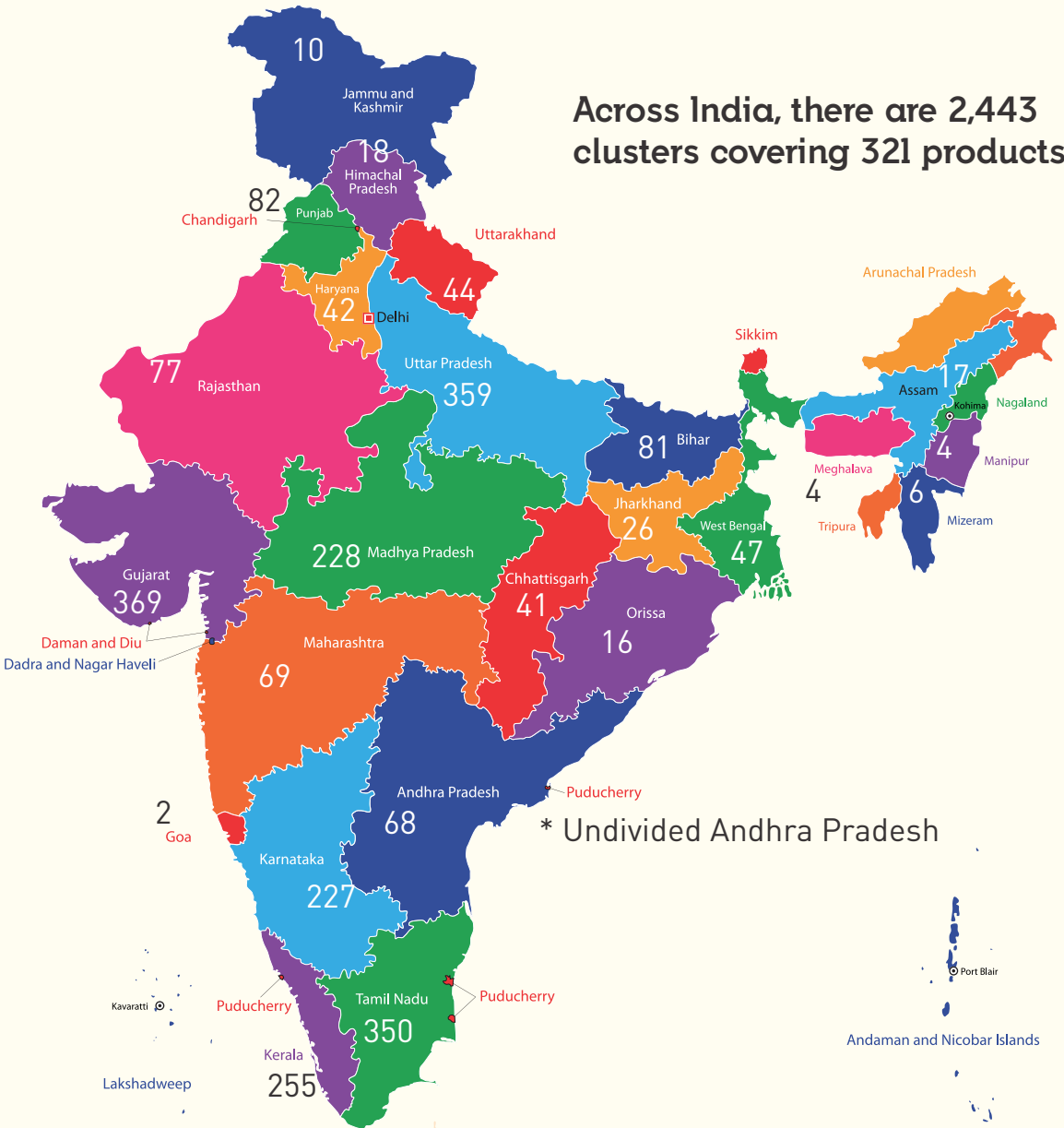
In order to promote the MSME sector, the government has mandated public sector undertakings to procure a minimum of 20% of their annual purchase of goods and services from these enterprises.

Growth in the number of MSMEs has been impressive in recent years. The highest growth in recent time was recorded during 2011-12 (18.45%) whereas during year 2012-13 and 2013-14 growth rate was around 14% and 12%, respectively. In 2014-15, the number of MSMEs grew 17%. However, recent data for 2015 i.e. from April-September 2015 shown impressive growth of 18.74% (year-on-year growth).



Note: Facts and figures collected from Annual Report 2015-16, Union Ministry of MSME

Across India, there are 2,443 clusters covering 321 products



Source: 4th All India Census of Registered MSMEs

State-wise Distribution of MSME Clusters

According to the fourth Census on Micro Small and Medium Enterprises (MSME), there were 2,443 clusters covering 7.18 lakh working enterprises in the registered MSME sector. These enterprises together produce 321 products.

A cluster is a group of 100 or more registered MSME units in a district which are engaged in manufacturing the same product. These clusters had a share of 45.92% in total number of registered MSME units and 34.85% in total employment. These clusters contributed 19.01% to the total output of registered MSME sector.

Gujarat reported the highest number of clusters with 369 clusters, followed by Uttar Pradesh (359), Tamil Nadu (350), Kerala (255), Madhya Pradesh (228) and so on. However, in terms of value of output, clusters in Tamil Nadu contribute 21.6% to the total output of all the clusters in the country. This is followed by Maharashtra with a share of 15.3%, Gujarat 13.1%, Punjab 10.8%, Uttar Pradesh 3.8%. In terms of employment, clusters in Tamil Nadu account for 25% of all the people employed in clusters throughout India. This is followed by Gujarat (18.8%), Kerala (9.8%), Maharashtra (9.0%), Karnataka (9.0%) and so on.

Clusters in Tamil Nadu include spinning (in Coimbatore), readymade garment clusters (in Chennai), knitting and hosiery clusters (in Tirupur), engineering clusters (in Thiruvallur), safety match cluster (in Virudunagar) and so on. Maharashtra has cashew processing clusters (in Sindhudurg), footwear (in Kolhapur), auto components (in Aurangabad), raisin cluster (in Nashik), winery cluster (in Nashik and Kolhapur), turmeric clusters (in Sangli) and so on.

Some of the prominent clusters in Gujarat are brass parts (in Jamnagar), casting and forgings (in Ahmedabad, Bhavnagar, Rajkot, Vadodara etc), Ceramics (in Morbi, Thangadh, Ahmedabad, Himatnagar), common salt (in Anjar, Gandhidham, Dasada), textile (in Ahmedabad, Surat etc), diamond processing (in Surat, Ahmedabad) etc.

Uttar Pradesh has some traditional clusters such as metal lock keys (Aligarh), brass items (Moradabad), leather shoes (Agra), zari items for textiles (Bareilly), carpet (Sant Ravidas Nagar), silk sarees (Varanasi), wooden toys (Saharanpur) and so on.

Indian government is taking measures to improve the competitiveness of the domestic cluster units and improve their exports. The government has introduced the Scheme of Fund for Regeneration of Traditional Industries (SFURTI), which is a cluster development programme, to support artisans located in a geographical concentration with various interventions such as training, capacity building, marketing and design development, tools and machineries. The objective of this scheme is to make the artisan clusters competitive, profitable and enhance the wages of artisans.

Similarly, the Indian government is implementing the 'Cluster Development Programme for Pharma Sector (CDP-PS)' on a Public Private Partnership format. Under this programme, the government provides one time financial assistance for infrastructure and common facilities in the form of Common Facility Centers (CFC) to Special Purpose Vehicles (SPVs) set up for the purpose.

Note: Information on MSME Clusters are extracted from -

- 1. Fourth MSME Census*
- 2. MSME Development Commissioner*



Source: Ministry of Food Processing Industries, Press Release dated March 11, 2016

State-wise Mega Food Parks in India

India's share in international trade of food commodities is estimated at 2.5% in 2014³⁵. The Indian government is taking several steps to boost export of food products by supporting the food processing industry in the country. The government allows 100% Foreign Direct Investment (FDI) in food processing in the country through automatic route. The government also allows 100% FDI in marketing of food products produced and manufactured in India. The government has been implementing the Mega Food Parks Scheme to provide modern infrastructure facilities for food processing along the value chain from farm to market. The scheme has adopted a cluster-based approach with a hub and spoke model. Under this scheme, 8 mega food parks have been operationalised (as of 2 June 2016) and 12 are under implementation. A mega food park would have Collection Centres and Primary Processing Centres which are linked to Central Processing Centres. There would be enabling infrastructure such as roads, electricity, water at Central Processing Centre (CPC). Every mega food park would have a cluster of 30-35 units with an investment of about Rs 2500 million and expected annual turnover of about Rs 5000 million.

Under the mega food park scheme, Indian government offers financial assistance in the form of grant-in-aid to the extent of 50% of project cost in general areas and 75% of the project cost in difficult areas, subject to a maximum of Rs 500 million per project. Indian government has sanctioned 42 mega food parks for setting-up in the country. Of this, 37 projects have been approved for implementation and 8 parks have become operational^a. The operational food parks are located in Karnataka, Punjab, Jharkhand, Assam, Uttarakhand, Andhra Pradesh, Madhya Pradesh. Apart from mega food parks, the government has sanctioned 134 cold chain projects, of which 81 have been completed. These projects have added 128 thousand metric tonne of cold storage capacity in the country, 53.05 metric tonne per hour of Individual Quick Freeze (IQF), 190 thousand litre per day of milk processing and 240 Reefer vans^b.

Recent steps taken to attract investment in food processing sector

Investor facilitation	Government created a single window facilitation cell to guide domestic and foreign investors in food processing sector
Credit	<ol style="list-style-type: none"> 1. Government created a special fund of Rs 20 billion with the public sector lender NABARD to enhance flow of credit to food parks. 2. Assigning priority sector status to bank loans for food processing units and cold chains. Priority sector loans are given at concessional interest rate.
Liberalising Foreign Direct Investment Norms	Government allowed 100% Foreign Direct Investment in multi brand retail of food products manufactured in India
Food Map	The government created a food map that identifies surplus and deficit areas of food grains, pulses, fruits and vegetables in the country. The map can be accessed on the website of the Ministry of Food Processing.

Source: Ministry of Food Processing Industries, Press Release dated June 02, 2016

³⁵ Union Ministry for Food Processing Industries, Press Release dated 29 April 2016

^a Ministry of Food Processing Industries, Press Release dated July 29, 2016

^b Ministry of Food Processing Industries Press Release dated June 02, 2016



Women in Business

According to a report released by McKinsey Global Institute (MGI) in September 2015, India stands to gain the most out of 95 countries analysed in the report by attaining complete gender parity. Specifically, India's annual GDP would increase by more than 60 percent over a business-as-usual case in 2025 if it attains complete gender parity, the report observes. Realising the potential gains to the economy from women empowerment, the Indian government has been taking various measures to promote women literacy and women entrepreneurship.

Female literacy rate in India has risen from 53.67% in 2001 to 65.46% in 2011. In fact, one of the interesting developments in the decade 2001-2011 is that the number of females who gained literacy was 110 million, higher than 107 million additional male literates during this period.

There are 246 million households in India (according to Census 2011). Of these, female headed households were 11.5% in rural areas and 12.4% in urban areas*.

According to Census 2011, the total number of female workers in India is 149.8 million, comprising 31% of total workforce. Of the 149.8 million female workers, 121.8 million are in rural areas and 28.0 million in urban areas. Further, 35.9 million female workers are working as cultivators and another 61.5 million are agricultural labourers. Of the remaining female workers, 8.5 million are engaged in household industry and 43.7 million are classified as other workers.

According to the 5th Annual Employment and Unemployment Survey 2015-16, Labour Force Participation Rate among women is 23.7 percent or in other words 23.7 percent of women aged 15 years and above were either working or seeking work during 2015-16.

In India, 29.5 million workers are employed in the organised sector. Of this, 6.05 million or 20.5% are women. Of the total women employed in the organised sector, 94,000 work in wholesale and retail trade, restaurants and hotels#.

Women Entrepreneurship

According to the sixth economic census (released in March 2016), there are 58.5 million establishments in India and of this 8.05 million or 13.76% is owned by women. Women owned and run establishments provide employment to 13.48 million people.

About 65.12% of the women entrepreneurs are located in rural areas and the remaining are located in urban areas. 34.3% of the total number of women-owned establishments is in agriculture sector, with livestock having a dominant share of 31.6%. Proportion of women-owned enterprises in the manufacturing and retail sector are respectively 29.8% and 17.8%.

The state of Tamil Nadu leads in women entrepreneurship with 13.51% of all women-owned enterprises in India located in this state. This is followed by Kerala (11.35%), Andhra Pradesh (10.56%), West Bengal (10.33%), Maharashtra (8.25%) and so on.

Annual Report 2015-16, Ministry of Labour and Employment

* 68th round of National Sample Survey, 2011-12

Gurgaon-Delhi-Meerut Industrial Region Agra-Mathura-Meerut and Saharanpur (UP) Faridabad-Gurgaon- Ambala (Haryana)

sugar, agricultural tools (Ghaziabad), vanaspati, textile, glass, chemicals, engineering (Faridabad), paper (Sharanpur, Yamunanagar), electronics and cycle, automobile (Gurgaon)

Advantage – Proximity to Delhi; Power supply from Bakra, Harduaganj, Faridabad

Gujarat Industrial Region

textiles, petrochemicals, engineering, pharmaceuticals

Advantages – Kandla Port, oil and gas discovery in Gulf of Khambat

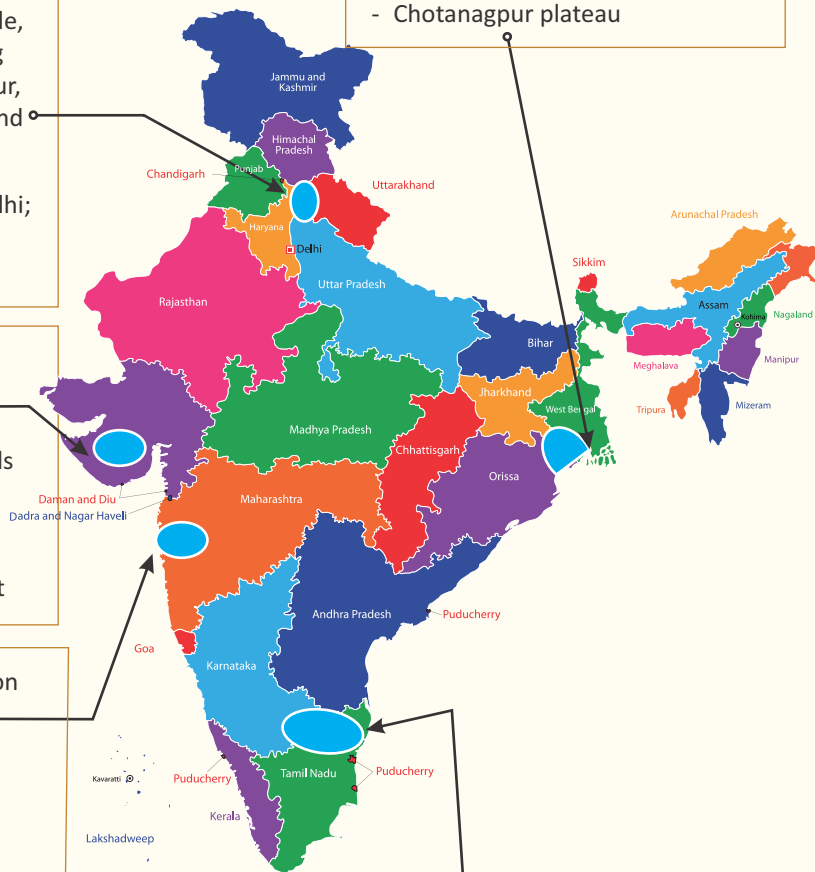
Mumbai Pune Industrial Region

cotton textile, chemicals, engineering goods leather, petrochemicals

Advantages
Mumbai Port Trust
JNPT

Hugli Industrial Region

- paper, engineering, textile machinery, petroleum machinery
- Advantages
- Kolkata Port
- Haldia Petrochemicals
- Chotanagpur plateau



Bangalore-Tamil Nadu Industrial Region

textile, sugar mills, leather industry, chemicals, rail wagons, diesel engines, radio, light engineering goods

Advantages
Chennai Port
Ennore Port

Major Industrial Belts of India

Maharashtra is the leading industrial state in the country. While many parts of Maharashtra are largely industrialized, the districts of Pune, Mumbai and Thane account for over 50% of the working factories in the state⁴¹.

Some of the growth drivers of industrialization in these districts are proximity to two major ports – Mumbai Port Trust and JNPT, Mumbai being the financial capital of India. The number of joint stock companies in these three districts account for 36% of all such companies in the entire state. There are 6223 industrial zones and 24 special economic zones in Pune, 7418 industrial zones and 10 special economic zones in Thane⁴².

Industries such as fabrication, textiles, power looms, manufacturing of rubber products, machinery and equipments, information technology are the sectors with high potential in Thane⁴³. In Pune district, sectors such as auto engineering, electrical and electronic parts, fruit processing, farm equipments, Information Technology Enabled Services, defence equipments, sugar, electronic parts, civil construction have high growth potential. In Mumbai, tourism, catering or hotel, food processing, imitation jewellery have high growth potential.

Bangalore-Tamil Nadu Industrial Region is another major industrial hub in the country. Bangalore is the capital of Karnataka, which is another industrial state of India. Karnataka is leading IT hub of the country and Bangalore is the 2nd largest technology cluster in the world after Silicon Valley⁴⁴.

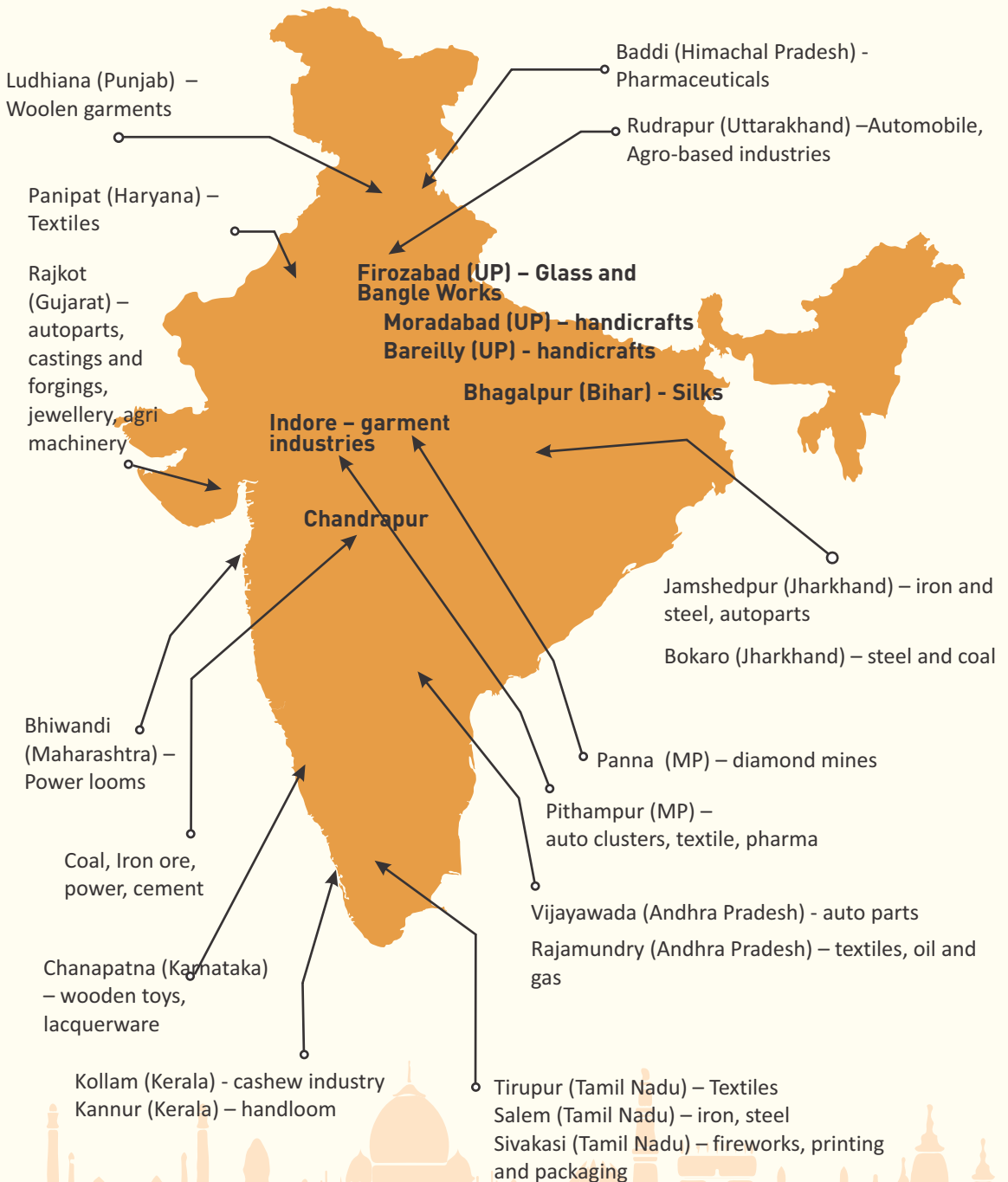
Bangalore has emerged as IT Start-up Capital of India with more than 30% of national share. Bangalore houses headquarters of some of the leading companies such as National Aerospace Laboratories, Bharat Heavy Electricals Limited, Indian Telephone Industries, Bharat Earth Movers Limited (BEML), Bharat Electronics Limited, Hindustan Machine Tools and Indian subsidiaries of Volvo and Toyota. Biotechnology, Information technology, Electronics & Semiconductor Manufacturing, Drugs & Pharmaceuticals Manufacturing are some of the high potential industries in the Bangalore region.

The southern-most state of Tamil Nadu is also a leading industrial state of India. Chennai, the capital of Tamil Nadu, is said to be the Detroit of Asia and it produces over 40% of the country's auto parts. Other major industries in the state are leather, garments, food processing, chemical and petro-chemicals, electronics, renewable energy, Information Technology and Information Technology-enabled services. Besides Chennai, other industrial centres in Tamil Nadu are Kancheepuram, Coimbatore, Namakkal, Erode, Tirupur and Hosur.

Andhra Pradesh and Telangana, which are the adjoining states of Bangalore-Tamil Nadu Industrial Region, are also leading industrial centres. There are 236 Industrial Parks in Andhra Pradesh across sectors such as pharmaceuticals, biotechnology, textiles, agro and food processing.

These parks are spread across Visakhapatnam, Krishna, East Godavari, West Godavari, Guntur, Nellore and Chittoor districts. In the newly formed state of Telangana, the government is setting up industrial estate at Madikonda of Warangal district, an automotive engineering cluster at Medak district, a food park cluster at Khammam district.

Note: For Footnote refer next page



Other Industrial Centres in India

In the eastern part of India, the Hugli Industrial Region in West Bengal is a key industrial hub. Dominant industries in the region are iron and steel, jute, coal, engineering, leather and so on. Out of the 12 wagon manufacturers in India, nine are located in West Bengal and they contribute about 80% to the total wagon production of the country. Industrialized areas in this region are in the districts of North 24-Parganas, Howrah, Kolkata, South 24-Parganas, Hooghly, Burdwan and Midnapore. Key drivers of industrial growth in the region are the proximity to Kolkata Port and availability of mineral resources in Chotanagpur plateau.

Gujarat Industrial Region is another industrially developed constituent of the country. Key industrial sectors in the region are gems & jewellery, engineering, chemicals & petrochemicals, oil & gas, textiles & apparels and food processing. Some of the industrial centres in the state are Ahmedabad, Baroda, Surat, Rajkot, Jamnagar. Kandla Port and Mundra Port are the prominent ports in this region besides some minor ports.

The Government of Gujarat is setting up a global financial services hub known as the Gujarat International Finance Tech City (GIFT) 12 km from Ahmedabad city. Further, the ongoing Delhi Mumbai Industrial Corridor (DMIC) project covers 62% of total area of Gujarat and the state accounts for 1/3rd of the total investment of the project.

In North India, there are three industrial belts spread across Delhi, Uttar Pradesh and Haryana. These belts are Gurgaon-Delhi-Meerut Industrial Region, Agra-Mathura-Meerut and Saharanpur (Uttar Pradesh) and Faridabad-Gurgaon-Ambala (Haryana). In the Delhi region, Patparganj, Bawana, Narela are some of the industrial areas and some of the dominant industries here are rubber, plastic and petro-based, paper and paper products, metal-based (steel fabrication), electrical machinery, transport equipment and so on.

The districts of Faridabad, Gurgaon and Ambala in Haryana house many units that manufacture and export goods. These units are in auto components, leather, readymade garments, Information Technology and Information Technology-enabled services (in Gurgaon and Faridabad), scientific instruments, food processing (in Ambala).

Uttar Pradesh is the second largest producer of leather goods after Tamil Nadu⁴⁵. The state contributes about 25% in total production of leather and leather products from India.

Agra is notified as “Town of Export Excellence” for leather products. Saharanpur is famous for units in wooden handicrafts & bamboo, textile, foundry, leather and hosiery. Meerut is famous for gems and jewellery, sports goods, scissors, glass and wooden beads and so on. Mathura is known for brass taps and cocks cluster, metallurgical cluster and so on.

⁴¹ *Handbook of Basic Statistics of Maharashtra State 2014*

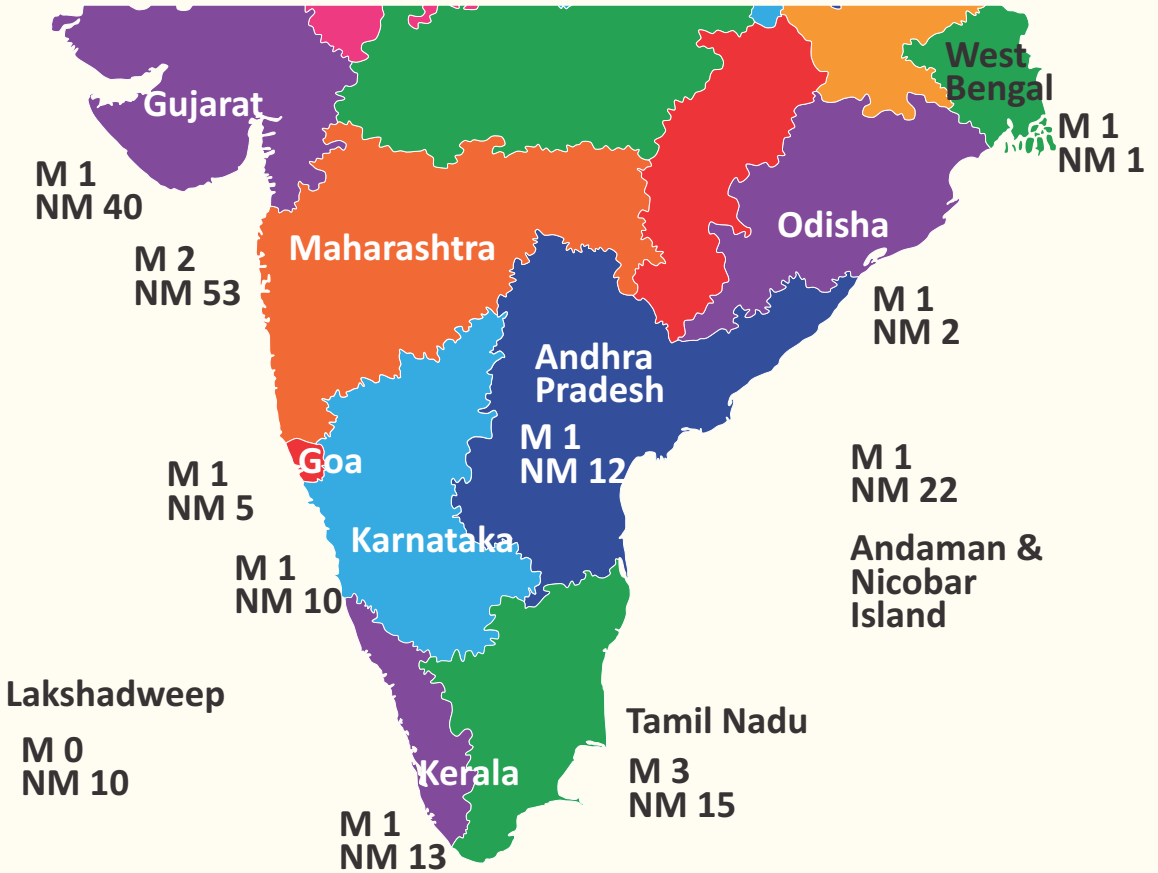
⁴² *Maharashtra State Data Bank*

⁴³ *Industrial State Profile of Maharashtra, Union Ministry of MSME*

⁴⁴ *Industrial State Profile of Karnataka, Development Commissioner (MSME) Ministry of Micro, Small & Medium Enterprises*

⁴⁵ *Industrial State Profile of Uttar Pradesh, Development Commissioner (MSME), Ministry of Micro, Small & Medium Enterprises*

13 Major Ports, 200 Non Major Ports



M – Major Port
NM – Non Major Port

Major and Non Major Ports in India

Approximately 95% of India's trade by volume and 68% by value is conducted through Maritime Transport³⁶. Amongst the states, Gujarat is the leading maritime state in terms of port traffic and accounted for 40.7% of the total cargo handled at Indian ports.

In terms of total port traffic, Gujarat is followed by Maharashtra, Andhra Pradesh and Tamil Nadu with their respective shares of 14.5%, 13.4% and 11.0% respectively in India's total seaborne traffic.

The country has 12 major ports (13 including the Port Blair port in Andaman and Nicobar Island). The 12 major ports are Kandla Port, Mumbai Port, J.L.Nehru Port, Mormugao Port, New Mangalore Port, Cochin Port, Tuticorin Port (VO-Chidambaranar), Chennai Port, Ennore Port (Kamarajar), Visakhapatnam Port, Paradip Port and Kolkata Port.

Besides these major ports, there are 205 minor or intermediate ports located along the coast line of about 7,521 km. Four of the major Ports viz. Mumbai, Calcutta, Chennai and Mormugao are more than 100 years old. Cochin and Visakhapatnam Ports have celebrated their Golden Jubilee.

The Ports of Kandla, Tuticorin, New Mangalore and Paradip were developed in the post independent period and are, thus, relatively new. J. L. Nehru Port (also called JNPT) at Nhava Sheva, near Mumbai became operational in 1989. Ennore Port Ltd. which was dedicated to the Nation in February, 2001, is the first corporatised port registered under Companies Act, 1956. The twelve major ports in India handled more than 55% of the maritime cargo traffic of the country in 2014-15³⁷.

Kandla Port in Gujarat carries almost 16% of the total cargo handled by all major ports in the country. Paradip Port in Odisha carries 12.21% of all major port cargo volume, while JNPT and Mumbai Port Trust each carry around 10% of all major port cargo volume.

Of the total cargo handled by non-major ports, 71.4% is handled by ports in Gujarat, while ports in Andhra Pradesh handle 17.7% cargo, ports in Maharashtra handle 5.8% and so on.

Ports in India also handle container cargoes. In 2014-15, Indian ports handled around 7.9 million twenty foot equivalent units (TEUs) or 119.4 million tonne of container cargo. JNPT is the premier container port in India as it handles 56.1% of the total container traffic in TEUs and 47.7% in tonnage.

Other important container handling ports, in the order of their share in India's total container traffic in terms of TEUs are Chennai (19.5%), Chidambaranar (7.0%), Kolkata D S (6.6%), Cochin (4.6%) and Vishakhapatnam (3.1%).

The share of Mumbai Port in container traffic has seen a decline from 38.7% in 1994-95 to less than 1% from 2010-11 onwards due to diversion of container traffic to JNPT. Indian flag vessels carried 7.5% of the country's overseas cargo during 2014-15 as against 8.5% in 2013-14³⁷.

³⁶ Annual Report 2015-16, Union Ministry of Shipping

³⁷ Basic Ports Statistics of India 2014-15

Road carries about 65% of freight traffic

Golden Quadrilateral

Total Length - 5846 KM

Delhi-Mumbai - 1419 KM

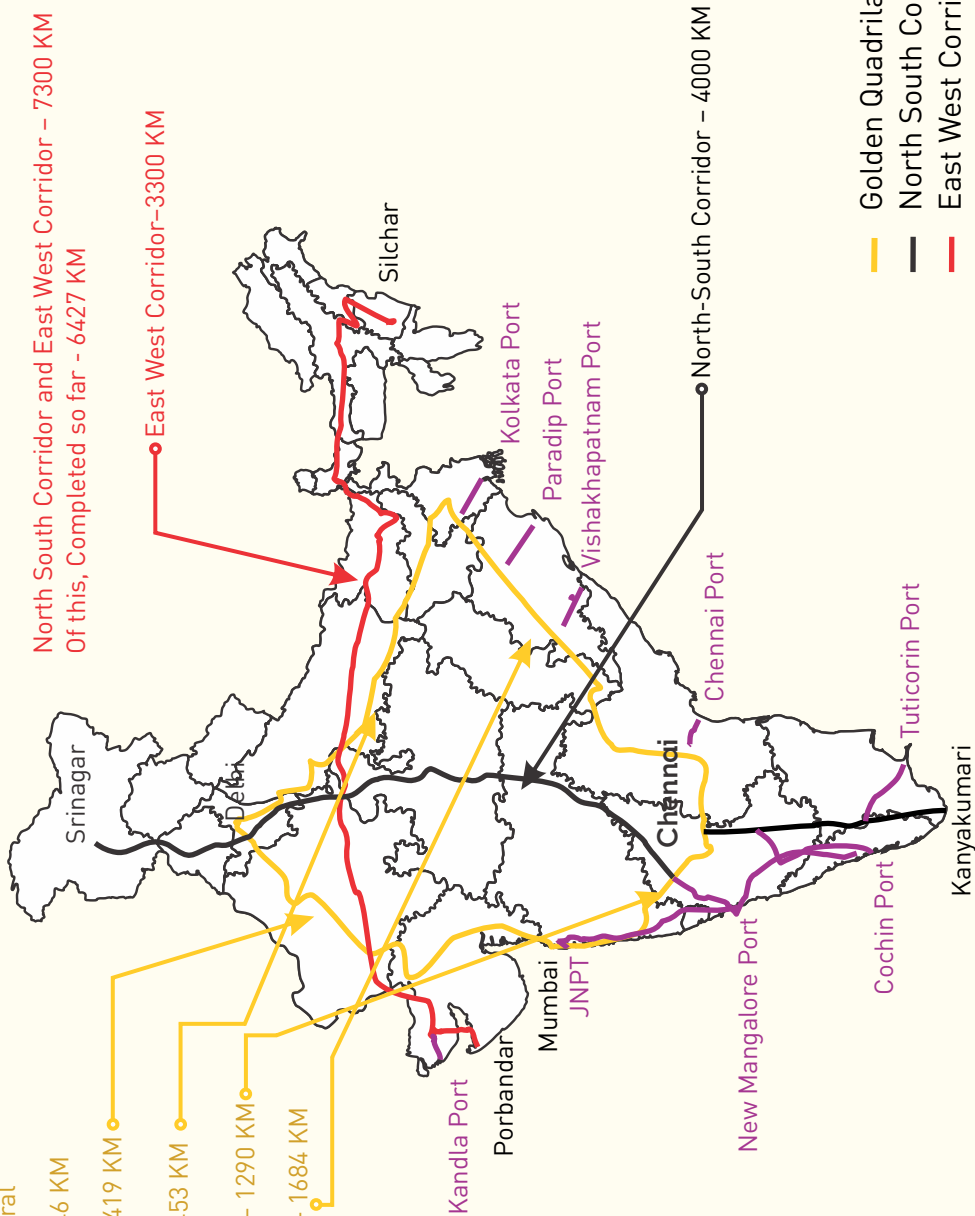
Delhi-Kolkata - 1453 KM

Mumbai-Chennai - 1290 KM

Chennai-Kolkata - 1684 KM

North South Corridor and East West Corridor - 7300 KM
Of this, Completed so far - 6427 KM

East West Corridor-3300 KM



- Golden Quadrilateral
- North South Corridor
- East West Corridor
- Port Connectivity Roads

India Road Infrastructure

India has the 2nd largest road network in the world with over 4.24 million km at present, consisting of National Highways, Expressways, State Highways, Major District Roads, Other District Roads and Village Roads³⁸.

India's road network is very important for the development of its economy as it carries about 65% of freight and 80% passenger traffic. National Highways constitute only about 1.7% of the road network but carry about 40% of the total road traffic. Over the last five years, number of vehicles in the country has been growing at an average pace of 10.16% per annum³⁹.

The most important part of the national highways is the Golden Quadrilateral (5,846 km) that connects the four major cities of Delhi, Mumbai, Chennai and Kolkata. Another major portion of the national highways is the North South (NS) and East West (EW) Corridors (7,300 km). The North South corridor connects India's northern most state of Jammu and Kashmir with the southernmost state of Tamil Nadu. The East West Corridor extends from Porbandar in the Western state of Gujarat to Silchar in the Eastern state of Assam. Of the approved length of 7,300 km, work on 6,464 km is completed as of May 2016.

National Highways Authority of India (NHAI) is implementing a 435-km project to provide road connectivity to major ports. Of this, work on 379-km road is completed as of May 2016. Major ports such as JNPT, Mormugao Port, Cochin Port, Paradip Port, Tuticorin Port, New Mangalore Port, Vishakhapatnam Port, Haldia Port and Kandla Port are well connected to national highways.

India, Myanmar and Thailand are jointly working to build a 1,360 km Trilateral Highway between Moreh in India and Mae Sot in Thailand through Myanmar. The three countries would soon sign a Motor Vehicles Agreement (MVA) to enable movement of cargo and passengers (including personal vehicles) on this road corridor, enhancing intra-regional and inter-regional trade and commerce in South Eastern Asia.

The government has set up a website - www.nhtis.org - to provide road users relevant information about the National Highways and Expressways, including applicable user fee rates at Toll plazas.

The government is planning to implement Electronic Toll Collection system across the country to enable seamless movement of vehicles and avoid delay in transportation owing to collection of toll on highways. The system, which would be based on passive Radio Frequency Identification (RFID), will conform to EPC Gen-2, ISO 18000-6C standards.

Highways/Roads	Length
National Highways	1,00,475 km
State Highways	1,48,256 km
Other Roads	49,83,579 km
<i>Source: Ministry of Road Transport & Highways, Press Release dated December 24, 2015</i>	

³⁸ National Highways Authority of India Annual Report 2014-15

³⁹ National Highways Authority of India Website

- Bharatmala Project
- Sagarmala Project
- National Waterways (NW)

Sagarmala Project Plan released in Maritime India Summit 2016

Includes 150 projects – to be completed by 2025

To garner infrastructure investment worth Rs 4 trillion (~US\$ 60 billion)

To boost goods exports by \$110 billion

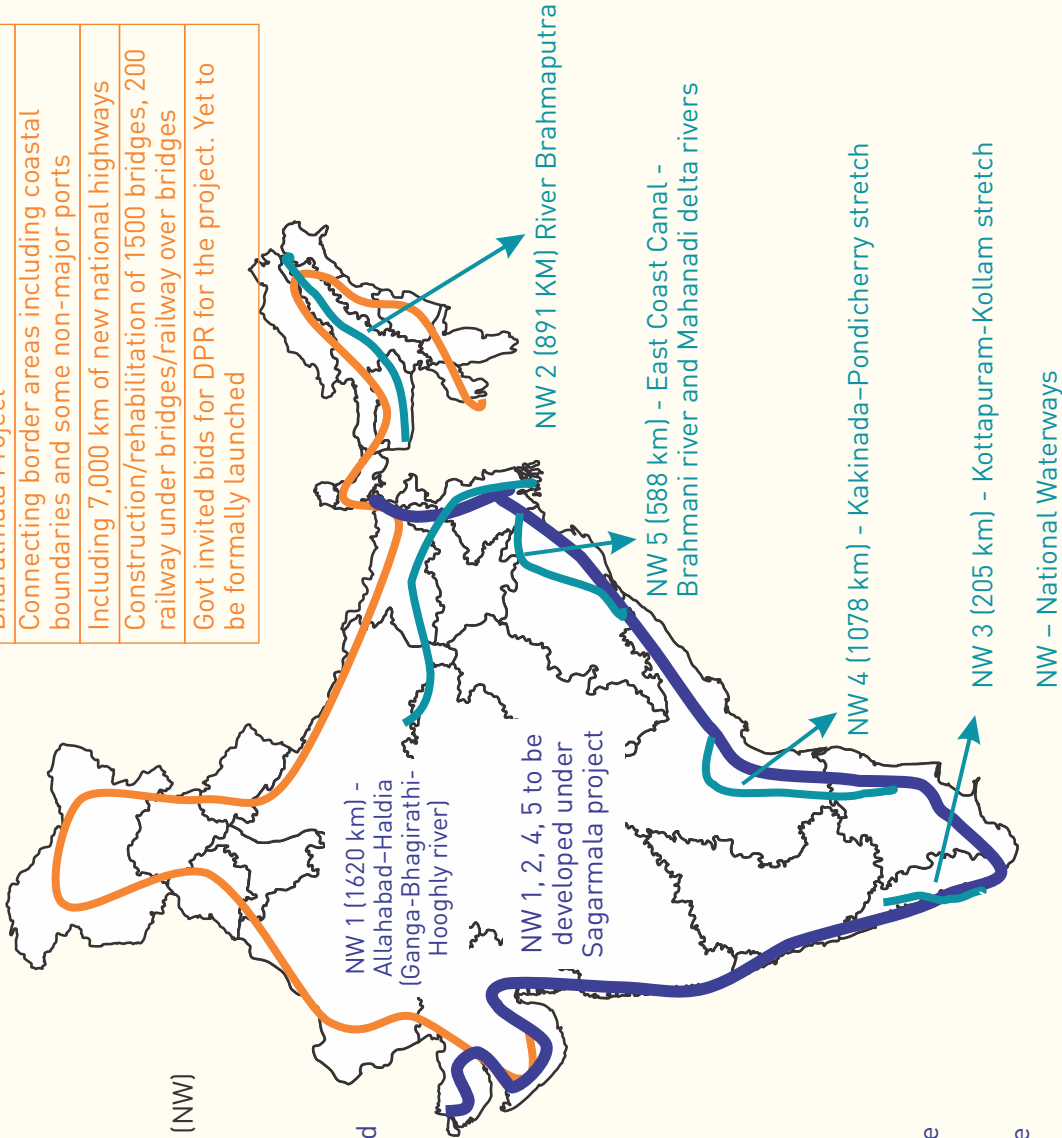
To save logistics cost by Rs 35,000 – Rs 40,000 crore

To create 4 million direct jobs and 6 million indirect jobs

14 Coastal Economic Zones to be set up

12 high potential industries to be developed along coastal states

Bharatmala Project –
Connecting border areas including coastal boundaries and some non-major ports
Including 7,000 km of new national highways
Construction/rehabilitation of 1500 bridges, 200 railway under bridges/railway over bridges
Govt invited bids for DPR for the project. Yet to be formally launched



NW – National Waterways

Key Infrastructure Projects

The Indian government is planning some ambitious infrastructure projects to support economic development in the country. One such project is the Bharatmala Pariyojana project to improve road connectivity in border area including coastal boundary.

The project involves development of around 17,200 km length of roads including 7,000 km of national highways at an estimated cost of Rs 80,000 crore⁴⁰. The Indian government has assigned the tasks of preparation of detailed project reports (DPRs) for this project to various agencies in anticipation of approval of the programme. However, the project is yet to be formally launched.

The project involves improvement of road connectivity to coastal or border areas, backward areas, religious places and tourist places. It also covers construction, rehabilitation and widening of about 1,500 major bridges and 200 railway bridges on national highways.

Another ambitious plan conceptualized by the Indian government is the port-led development through Sagarmala vision. The four pillars of this vision are modernization of ports, connectivity to ports, industrialization in coastal areas and development of coastal communities.

The vision consists of over 150 projects involving an investment of over Rs 4 trillion in the infrastructure sector. Besides, the vision also comprises an additional investment of Rs 7-8 trillion in the industrial and manufacturing sectors. The first pillar of the vision, modernization of ports, involves upgrading capacity of the existing ports and creating new ports.

The government identified 6-8 potential new ports that can add total port capacity in the country by 400 million tonne per annum. As part of the second pillar, the government expects an investment of around Rs 2 trillion on boosting rail, road, waterway and pipeline connectivity to ports.

Industrialization in coastal areas, which is the third pillar of this vision, include promoting industries in steel, petrochemicals, cement, food processing, apparel, automotive, leather, furniture and other sectors near coastal areas.

These industries would be set up in 14 coastal economic zones (CEZs) in the country. Another pillar of the programme, development of coastal communities, involve socio-economic development of the 18% of India's population who live in coastal areas. This include projects related to skill development, training on value addition in food processing, tourism development and so on.

Under Sagarmala vision, new port may be built at Vadhavan in Maharashtra, Sagar Island in West Bengal, Paradip Satellite Port in Odisha, Enayam and Sirkazhi in Tamil Nadu and Belekeri in Karnataka.

The above projects would be implemented by the central government in co-ordination with the various port authorities, state governments and State Maritime Boards preferably through private sector or public private partnership (PPP) route. The government would set up a Sagarmala Development Company to provide equity support for the project special purpose vehicles and take up residual projects that cannot be funded by any other means or mode.

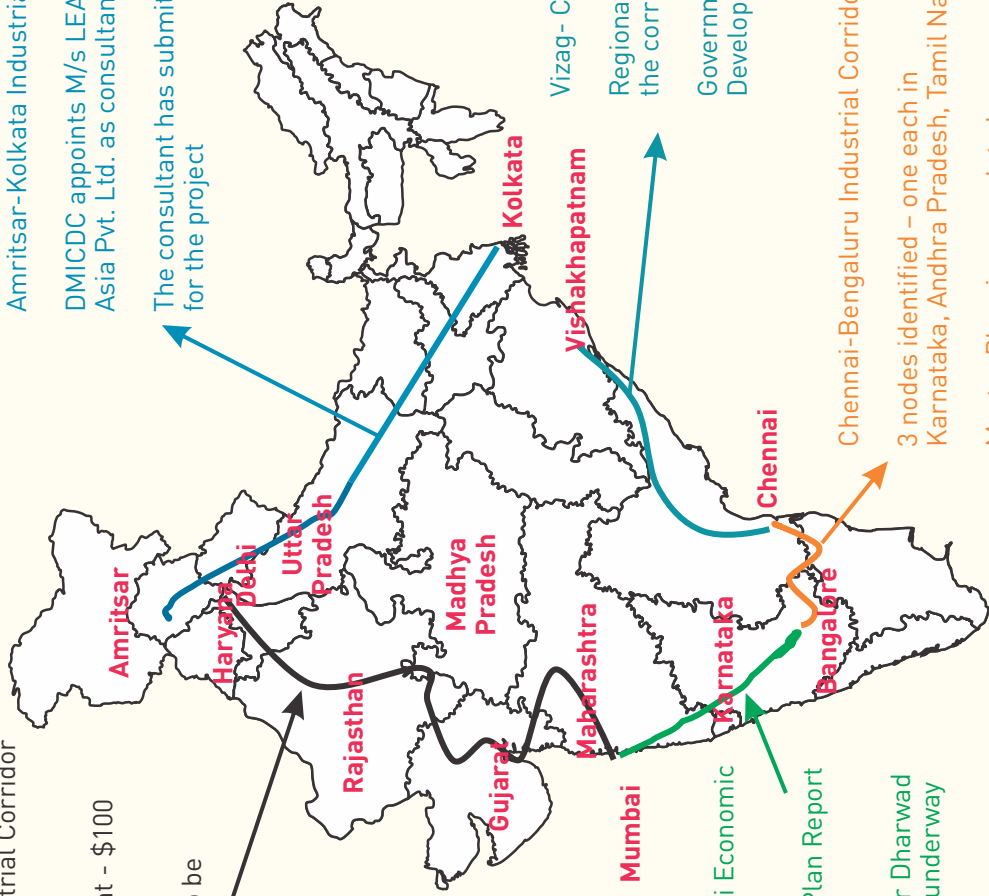
⁴⁰ Ministry of Road Transport & Highways, Press Release dated 03 March, 2016

Delhi Mumbai Industrial Corridor

Proposed Investment - \$100 billion

8 industrial cities to be developed in phase I

It covers 6 states



Amritsar-Kolkata Industrial Corridor

DMICDC appoints M/s LEA Associates South Asia Pvt. Ltd. as consultant for the project.

The consultant has submitted interim report for the project

Vizag- Chennai Industrial Corridor

Regional Perspective Planning of the corridor is in progress

Government clears loan from Asian Development Bank for the project

Chennai-Bengaluru Industrial Corridor

3 nodes identified - one each in Karnataka, Andhra Pradesh, Tamil Nadu

Master Planning completed

Preliminary Environment Impact Study Underway

Bengaluru-Mumbai Economic Corridor

Draft Perspective Plan Report Prepared.

Master planning for Dharwad node in Karnataka underway



Proposed Industrial Corridors

The Indian government is developing integrated industrial or economic corridors in the country in partnership with state governments, foreign governments and multilateral agencies. The biggest proposed industrial corridor is the USD 100 billion Delhi-Mumbai Industrial Corridor (DMIC). The project would be developed across six states viz. Uttar Pradesh, Haryana, Rajasthan, Madhya Pradesh, Gujarat and Maharashtra along the Western Dedicated Freight Corridor (DFC) of the railways. Initially, 8 nodes or cities in the six states have been taken up for development.

The project was launched in December 2006 and is being implemented by DMIC Development Corporation (DMICDC). The Japanese Government offered financial support of US\$ 4.5 billion for the first phase of the project. In order to boost industrial growth in the southern part of the country, the Indian government decided to develop a 560 km industrial corridor on the Chennai-Bengaluru-Chitradurga region covering the three states of Karnataka, Andhra Pradesh and Tamil Nadu. The initial idea for this project was conceptualised during the visit of the Prime Minister of Japan to India in December, 2011. The Study Team of the Japan International Cooperation Agency (JICA) undertook the Preliminary Study for Comprehensive Integrated Master Plan for this corridor and identified 25 priority projects.

According to the master plan of JICA, the Government of Tamil Nadu will have to invest USD 22.96 billion in developing seven districts of the state that are covered by this corridor⁴¹. JICA submitted its Final Draft Report on the Master Planning of 3 identified Industrial Nodes namely Ponneri (Tamil Nadu), Tumkur (Karnataka) and Krishnapatnam (Andhra Pradesh) in June, 2015.

The government is also planning an industrial corridor connecting Karnataka and Maharashtra and it is known as Bengaluru Mumbai Economic Corridor (BMEC). In February 2013, the UK government expressed interest to co-operate with India for this project. DMICDC and UK Trade and Investment (UKTI) are the nodal agencies for this project. DMICDC has initiated the work of master planning of 'Dharwad' Node in Karnataka. Government of Maharashtra is yet to identify a node in the state.

To promote economic growth in the densely populated states of Northern and Eastern India, the government has conceptualized the Amritsar Kolkata Industrial Corridor (AKIC). AKIC is structured around the Eastern Dedicated Freight Corridor (EDFC) as the backbone and also the highway system that exists in this route. AKIC will also leverage the Inland Water System being developed along National Waterway-1 which extends from Allahabad to Haldia. The AKIC will cover the seven states namely Punjab, Haryana, Uttar Pradesh, Uttarakhand, Bihar, Jharkhand and West Bengal. The consultants of the project have submitted the Inception Report and the same is forwarded to the respective the state governments for their comments or suggestions.

The Indian government is also planning to develop industries on the East Coast Economic Corridor (ECEC) linking Kolkata – Chennai – Tuticorin. In the first phase of this project, the Vizag-Chennai Industrial Corridor (VCIC) would be developed. Planning of VCIC is in progress. The Indian government cleared a project loan of USD 500 million for this project. The Asian Development Bank (ADB) has offered a programme loan of USD 125 million for this project. ADB is working on the Regional Perspective plan for the VCIC. Meanwhile, the Indian government is in the processing of forming a National Industrial Corridor Development Authority (NICDA) to coordinate and oversee progress of the various industrial corridors.

⁴¹ *Indian Express News Release dated 27th June 2016*

Information contained in this page is largely sourced from the Annual Report 2015-16, Department of Industrial Policy and Promotion

Programmes	Year of Launch	Mission/Objective
Make in India	September 2014	Aims to transform India into a global design and manufacturing hub
Digital India	July 2015	Aims to transform India into a digitally empowered society and knowledge economy.
National Skill Development Mission	July 2015	Aims to create institutional capacity to train at least 300 million people by 2022
Smart Cities Mission	June 2015	Aims to develop 100 smart cities in five years (FY2015-16 to FY2019-20)
Pradhan Mantri Jan Dhan Yojana (PMJDY)	August 2014	Aims to ensure affordable financial services to all citizens within a reasonable distance
Ujwal Discom Assurance Yojna	November 2015	Aims to address financial distress of power distribution companies
National Smart Grid Mission	May 2015	Aims to make India's power infrastructure cost effective, responsive and reliable
National Rurban Mission	February 2016	Aims to create smart villages
Swachh Bharat Abhiyaan	October 2014	Aims to achieve universal sanitation coverage and to put focus on sanitation



Government of India's Ambitious Programmes

Since the year 2014, the Indian government has introduced several ambitious policies to promote socio-economic development of the country. Among them, the Make in India campaign has caught the attention of both Indian and foreign investors. The aim of this campaign is to transform India into a global design and manufacturing hub. The campaign seeks to attract both domestic and foreign investments in 25 identified sectors, including textiles and garments, ports and shipping, space, wellness, defence manufacturing, biotechnology, automobile and so on.

Another major initiative of the government is the Digital India campaign, whereby the government aims to improve governance services by using digital technologies. Other objectives of this campaign are ensuring availability of high speed internet to all citizens, universal digital literacy and so on.

The country faces severe shortage of skilled workers and this is a major impediment to sustainable economic growth. In order to provide impetus to the already existing skilling programme, the government launched The National Skill Development Mission in July 2015. The mission aims to provide the institutional capacity to train a minimum of 300 million skilled people by the year 2022.

In India, over 30% of the population lives in urban areas and this share is expected to rise in the coming years on account of high economic growth. The government introduced Smart Cities Mission in June 2015 to promote infrastructure development, a clean and sustainable environment and application of 'Smart' Solutions in cities.

While developing the urban areas, policy makers must also provide equal focus on the developmental issues of rural areas in order to ensure balanced economic growth. The government launched the National Rural Mission (NRuM) to provide economic, social and physical infrastructure facilities in rural areas in February 2016.

Inclusive economic growth cannot be achieved in a country where a large section of the population does not have access to financial services. As of 2014, less than two-thirds of the households in the country had access to banking facilities.

The government launched the Prime Minister Jan Dhan Yojana (PMJDY) in August 2014 to open bank accounts for the unbanked population. The initiative would help the government in plugging leakages in its various welfare programmes as cash benefits can be transferred directly into the bank accounts of the intended beneficiaries of the programmes.

Availability of uninterrupted power is a key necessity to support economic growth. Two major issues faced by the country's power sector are the weak financial condition of government-owned power distribution companies and weak transmission and distribution system. In order to address the weak financial position of state-owned power distribution companies, the government launched the Ujwal Discom Assurance Yojna (UDAY) in November 2015. The scheme offers debt relief to power distribution companies on condition that they implement some progressive reform measures.

In order to modernize the transmission and distribution system, the government launched the National Smart Grid Mission in May 2015. The mission seeks to leverage modern digital technologies for real-time monitoring and control of power flows, mitigate demand-supply gap during peak hours, reduce leakage of power, integrate renewable source of power and so on.

Key Focus Areas	Policy Actions
Ease of Doing Business	Reduction of documentation for exports, imports; simplifying steps for incorporation of companies; introducing legal framework for insolvency proceedings
Foreign Direct Investment (FDI)	Easing FDI norms in over 15 sectors
Banking Sector	Reforming governance structure of state-run banks, introducing consolidation in banking sector, addressing bad loan crisis
Investor Confidence	Avoiding 'retrospective legislations', Amending tax treaties with Mauritius, Singapore with prospective effect, deferring implementation of GAAR
Start-ups, Supporting Entrepreneurship, Micro-enterprises	Introducing Start-up Policy, Stand-up India Action Plan, National Skill Development Mission, Launching MUDRA Bank
Power, Oil and Gas	Restoring financial health of power distribution companies (UDAY Scheme), coal linkage policy, thrust on renewable energy, Introducing Hydrocarbon Exploration and Licensing Policy
Roads and Highways	Expediting project implementation, Introducing hybrid annuity model, addressing issues in BOT projects
Infrastructure (General)	Introducing National Infrastructure Investment Fund, streamlining environment clearance procedures, Allowing Infrastructure Investment Trust
Maximum Governance, Minimum Government	Introducing e-Governance, repealing obsolete and redundant laws, launching e-biz portal for online registration of new businesses
Macroeconomy	Adhering to fiscal prudence, controlling inflation



Key Policy Steps Taken in Last 2 Years

Conscious of the fact that a progressive policy framework is a sine qua non for economic growth, the Indian government has taken various measures in the last two years (2014-2016) to promote private investment, enhance infrastructure facilities, improve efficiency of governance and so on. With a view to improve the ease of doing business, the government reduced the number of mandatory documents required for exports and imports to three each for export and import. Earlier, seven documents were required for exports and 10 for imports.

Similarly, the central government and various state governments are taking steps to streamline the approval process to start a business. In another progressive policy move, the government has liberalized and simplified FDI policy in more than 15 sectors in two phases – one on November 10, 2015 and another on June 20, 2016.

The tremendous rise in the non-performing loans in the banking sector in recent years was one of the impediments to economic growth in the country as it undermined banks' ability to offer fresh loans. The government and the RBI took several measures, which include recapitalization of state-run banks, strategic restructuring of non-performing loans, promoting foreign investment in asset reconstruction companies and so on. Policymakers have also initiated some long term measures to improve banks' governance structure, consolidate the banking industry and so on. In the long run, these initiatives are expected to create a robust banking system that can support India's economic growth.

In order to remove uncertainty in tax treatment of foreign investors, the government has taken several steps including the roadmap for the implementation of General Anti-Avoidance Rule, assurance to avoid retrospective amendment in tax legislations, reviewing tax treaties with tax-haven countries and so on.

Sound infrastructure facilities such as road, railways, ports, logistics and so on enhances the productivity of business organizations. The government has taken several measures to fast-track implementation of projects in the above infrastructure sectors in recent years.

One of the bedrock of a free market economy is minimum government and maximum governance. The government has taken several initiatives to improve the efficiency of governance services, reducing the leakages in delivering subsidies, reducing scope for corruption in auction of natural resources, improving transparency and so on. In order to simplify the legislative framework, the government has identified 1827 acts that are obsolete and which can be repealed⁴⁶. Through its Digital India initiative, the government is in the process of digitizing governance process across all levels starting from national to the state to the village level. This would enhance transparency and accountability in governance.

Lastly, the government has managed to maintain macroeconomic stability through prudent fiscal policy (fiscal deficit being reduced progressively from 4.1% in 2014-15 to 3.5% in 2016-17)⁴⁷. Also, benign outlook for inflation, low current account deficit and foreign exchange reserves that can cover over 10 months of imports are some of the reflection of sound macroeconomic management.

Taken together, the above policy and economic framework are conducive for private investment.

⁴⁶ Union Ministry of Law & Justice, Press Release dated 28-April, 2016

⁴⁷ Budget 2016-17, Ministry of Finance Press Release dated 29-February, 2016

With strong growth in the economy and improving ease of doing business, all sectors are attractive for investment. Especially, following sectors offer tremendous growth potential

Sectors	Growth Drivers
Renewable Energy	Government's target to add 175 GW renewable energy capacity by 2022
Defence Manufacturing	New Defence Procurement Procedure, easing licensing policy, relaxing FDI norms
Urban Infrastructure	Thrust on Smart Cities Project, upcoming metro and monorail projects, Introduction of Atal Mission for Rejuvenation and Urban Transformation (AMRUT), Swachh Bharat Mission
Construction and Real Estate	Government's National Urban Housing Mission, Pradhan Mantri Awaas Yojana, Allowing Real Estate Investment Trusts, Relaxing FDI limit in construction
Ports and Shipping	Sagamala Project, declaration of 106 additional national waterways
Electronic Systems	Digital India Project, e-Governance, Smart Cities Project
Mining	Passage of MMDR Act resulting in transparency, introduction of e-auction of mines, easing FDI norms
Food Processing	Emerging mega food parks, easing FDI norms, tax incentives, thrust on cold chain infrastructure
Heavy Engineering	Introduction of National Capital Goods Policy, fast-growing infrastructure sector



Promising Sectors for Investors

India is the fastest growing economy in the world with the second largest population and ever rising number of middle class population. This presents enormous opportunity for businesses across all sectors to thrive. Specifically, sectors such as renewable energy, defence, urban infrastructure, ports and shipping, electronic manufacturing, and so on present high growth potential. India has renewable energy potential of 889.51 gigawatt⁴⁸ and of this the country has an installed renewable energy capacity of only 42.84 gigawatt⁴⁹. Thus, there is tremendous untapped renewable energy potential, which offers opportunity for investors.

India imports 15% of the total world import of arms and the country's defence budget has been growing at an average annual rate of 13% in recent years⁵⁰. More importantly, the government has relaxed foreign direct investment norms in this sector in order to promote domestic manufacturing of defence equipments and thereby reduce reliance on imports. Therefore, defence manufacturing is another lucrative opportunity for foreign investors. India requires an investment of over Rs 39.2 trillion in urban infrastructure, which includes roads, water, sewerage, solid waste management, transport and others, over the next 20 years⁵¹. Further, the central government would financially assist urban local bodies in achieving the goal of housing for all by 2022. Currently, the housing shortage in urban areas is estimated at 18.78 million⁵². The massive policy thrust on urban infrastructure provides ample business opportunity for private investors in construction, real estate and urban development. Another promising sector for investors is the electronics system design and manufacturing. While the demand for electronics hardware in the country is expected to be USD 400 billion by 2020, the estimated production may be around USD 104 billion by that year, creating shortfall of USD 296 billion in supply⁵³.

In the last two years, the Indian government has laid down clear policy framework for mineral exploration and mining by the private sector. The enactment of the Mines and Minerals [Development and Regulation] Amendment Act, 2015 and the Atomic Minerals Concession Rules, 2016 have provided the much needed policy certainty in this sector. More importantly, under the National Mineral Exploration Policy, approved by the cabinet in June 2016, the government would auction 100 potential mineral blocks for exploration to private players in the first phase. This creates enormous opportunity for private companies in this sector. Demand for processed food is set to rise in the country because of various factors such as growing disposable income, increasing urbanization and the associated change in lifestyle, large proportion of young population and so on. The government has relaxed foreign direct investment norms on food retailing. Also, the government has been providing policy support to setting up of cold chain infrastructure, mega food parks and so on. Given these factors, food processing is another attractive sector for private investors. Finally, as India's infrastructure development receives renewed policy thrust, there would be huge demand for the capital goods such as heavy machinery. The government introduced its first ever National Capital Goods Policy in May 2016 and it aims more than three-fold growth in capital goods production from Rs 2.30 trillion in 2014-15 to Rs 7.50 trillion in 2025⁵⁴. The policy also envisages increasing exports from the current 27 percent to 40 percent of production.

⁴⁸ Report of the Comptroller and Auditor General of India on Renewable Energy Sector in India, 2015

⁴⁹ Central Electricity Authority, June 2016

⁵⁰ Report of the Committee of Experts for Amendment to DPP-2013 Including formulation of policy framework

⁵¹ Report of the High Powered Expert Committee, September 2011

⁵² Ministry of Housing and Urban Poverty Alleviation, Annual Report 2015-16

⁵³ Ministry of Electronics and Information Technology

⁵⁴ Ministry of Heavy Industries & Public Enterprises, Press Release dated 25-May, 2016

Advantages of GST

Unified Market	GST is one indirect tax for the whole nation, which will make India one unified common market. GST is a single tax on the supply of goods and services, right from the manufacturer to the consumer.
Removal of cascading effect	Under GST, government provides input tax credits throughout the value-chain of production, and across boundaries of states. This would ensure that there is minimal cascading of taxes. This would reduce hidden costs of doing business.
Increasing competitiveness	With the removal of cascading effect, the cost of locally manufactured goods and services would decline. This will increase the competitiveness of Indian goods and services in the international market and give boost to Indian exports.
Improves ease of doing business	Government is implementing a comprehensive information technology infrastructure to enable electronic payment of GST. This ensures paperless procedure to pay taxes. The GST Network also ensures single point interface for challan generation.
Benefits to consumers	GST would reduce the overall tax burden on consumers, which is currently estimated at 25%-30%*.

****According to a concept note on GST by Central Board of Excise and Customs***

Goods and Services Tax

The Indian economy is in the threshold of a path-breaking change in its indirect taxation system as the government is expected to implement the Goods and Services Tax (GST) from April 2017. Collection of multiple taxes by the central and state governments and variation of taxes across different states creates complexity for business organizations.

GST would be a destination based tax as against the present concept of origin based tax. The proposed GST would reduce the number of indirect taxes levied in the country as it subsumes most of the existing taxes into one. Keeping in mind the federal structure of India, there will be two components of GST – Central GST (CGST) and State GST (SGST).

At the central government level, Central Excise Duty, Additional Excise Duty, Service Tax, Additional Customs Duty or Countervailing Duty, and Special Additional Duty of Customs have been subsumed under Central GST. At the state government level, the State GST subsumes State Value Added Tax/Sales Tax, Entertainment Tax (other than the tax levied by local bodies), Central Sales Tax (levied by the Centre and collected by the States), Octroi and Entry tax, Purchase Tax, Luxury tax, and Taxes on lottery, betting and gambling.

In case of inter-State transactions, the Centre would levy and collect the Integrated Goods and Services Tax (IGST) on all inter-State supplies of goods and services. The IGST would roughly be equal to CGST plus SGST. The IGST mechanism has been designed to ensure seamless flow of input tax credit from one state to another.

GST would apply to all goods and services except alcohol, electricity and real estate. Petroleum products would be brought under GST from a later date to be recommended by the GST Council. In case of tobacco and tobacco products, the central government would levy Central Excise duty over and above the applicable GST.

Keeping in mind the interest of small traders and micro and small enterprises, the government would fix a common threshold exemption limit for GST. Taxpayers with a turnover below it would be exempt from GST. A compounding option (i.e. to pay tax at a flat rate without credits) would be available to small taxpayers below a certain threshold. The threshold exemption and compounding scheme would be optional.

Given that the GST is a destination based tax system, exports would be zero-rated. The Additional Duty of Excise or countervailing duty (CVD) and the Special Additional Duty (SAD) presently being levied on imports will be subsumed under GST. IGST will be levied on all imports into the territory of India. The states where imported goods are consumed will now gain their share from this IGST paid on imported goods.

Credit of CGST paid on inputs may be used only for paying CGST on the output and the credit of SGST paid on inputs may be used only for paying SGST. Thus, the two streams of input tax credit (ITC) cannot be cross utilised, except in specified circumstances of inter-State supplies, for payment of IGST.

The central and state governments have jointly registered Goods and Services Tax Network (GSTN) as a not-for-profit, non-government company to provide shared information technology infrastructure and services to central and state governments, tax payers and other stakeholders.

Note: The above information is sourced from –

1. Government of India's Press Release dated August 3, 2016
2. GST – CONCEPT & STATUS – MAY, 2016, Central Board of Excise and Customs

India Economic Outlook

- India set to be 3rd largest economy by 2030 after China and USA (According to Centre for Economics Business and Research). Now it is 9th largest economy.
- India to be 4th largest market for infrastructure projects in the world by 2025 from 6th largest now, Royal Institution of Chartered Surveyors (RICS) said in its report in 2015.
- India's share in global investments may almost double (to 7%) by 2030. No other country except China will be investing more than India globally (World Bank's Global Development Horizons (GDH) report 2013)

India's economic outlook remains bright given its huge proportion of young population, political stability and the government's thrust on investment in infrastructure. Many international research organizations have released upbeat forecasts on the Indian economy considering its inherent dynamism and resilience. According to the UK-based Centre for Economics and Business Research (CEBR), India became the seventh largest economy in 2015 from ninth in the previous year by surpassing Brazil and Italy⁵⁵. The research organization has forecast that India would be the 3rd largest economy after China and the United States by 2030.

According to the world's leading accreditation body Royal Institution of Chartered Surveyors (RICS), India's share in the global infrastructure market is set to rise to 9.8% or fourth position by 2025 from the current 5.3% share or sixth position⁵⁶.

Specifically, RICS has been optimistic about Government of India's ambitious Smart Cities project. In its report released in July 2016, RICS noted that India's ambitious Smart Cities Mission has piqued the interest of

Model Smart City



a large number of parties outside Government - particularly in the information services sector, realty industry, infrastructure industry etc. who see this scheme as having the potential for changing the market and developing products and services on a mass base. The report said, "Remarkably – this alone sets forth a momentum that is different from older government schemes where it would be governments driving the agenda."

World Bank has forecast that India's share in global investments may almost double to 7% by 2030. No other country except China will be investing more than India globally by that year, the multilateral lending institution said in a report⁵⁷.

The report also predicts that the share of service sector in total investment would rise from the present level of 60% to 70% by 2030. According to the report, India's service sector investment may grow at an annual rate of 8.6% by 2030, the highest among all countries by 2030. India would overtake both Japan and the United States in terms of its absolute level of national saving sometime in the 2020s because of high proportion of young age population and growth in per capita income, the report predicts.

Enormous growth potential in the Indian economy has attracted significant foreign investment into the country in recent years. According to UNCTAD's World Investment Report 2016, Foreign Direct Investment (FDI) in India and Bangladesh pushed FDI inflows to South Asia to \$50 billion in 2015, a 22% growth from the previous year.

India became the fourth largest recipient of investment in developing Asia and the tenth largest in the world, the report said. "New liberalization steps enacted since the inauguration of the new Government have contributed to attracting FDI from all quarters (into India)," the report quotes.

Also, according to a survey conducted by UNCTAD with multinational companies, India is one of the top three prospective host countries for foreign investment for 2016-18. The other two countries are China and the United States of America.

India's strong economic fundamentals have been time and again reaffirmed by other reputed organizations such as Goldman & Sachs, International Monetary Fund, Standard & Poor's and so on.



⁵⁵ CEBR World Economic League Tables for 2014 and 2015

⁵⁶ Royal Institution of Chartered Surveyors report 2015

⁵⁷ Global Development Horizons Capital for the Future: Saving and Investment in an Interdependent World 2013

In April 2016, Timothy Moe, Chief Asia Pacific regional equity strategist of Goldman Sachs Research said "The long-term growth perspective or potential for India is one of the highest in the Asia Pacific region. India has a potential GDP growth rate of between 6-7 per cent or perhaps even more." According to Moe, strong growth in the Indian economy is driven by favourable demographics and low per capita income which creates scope for catching up with high income economies from low base.

In February 2017, IMF Mission Chief for India Paul Cashin said, "The Indian economy is growing strongly and remains a bright spot in the global landscape. The government has made significant progress on important economic reforms, which will support strong and sustainable growth going forward,"

Leading international ratings agency Standard & Poor's said, "Structural reforms remain key to ensuring a steady 8 per cent growth in medium term for the Indian economy, even as India remains largely insulated from ups and downs of Chinese economy." Standard & Poor's said this in its APAC Economic Snapshots released in May 2016.

The 35-member Organisation for Economic Co-operation and Development (OECD) released a note on India's Economy in November 2016. The note reads as follows: "With projected annual growth of 7.5% in 2017-18, India will remain the fastest growing G20 economy. Private consumption will be supported by the hike in public wages and pensions and by higher agricultural production, on the back of a return to normal rain fall. Private investment will revive gradually as excess capacity in some sectors diminishes, infrastructure projects mature, corporates deleverage, banks clean their loan portfolios, and the Goods and Service Tax (GST) is implemented"

Finally, let us conclude with an extract from the Economic Survey 2015-16 which quoted facts from International Monetary Fund: "India's share in world GDP has increased from an average of 4.8 per cent during 2001-07 to 6.1 per cent during 2008-13 and further to an average of 7.0 per cent during 2014 to 2015 in current PPP terms. India's resilience and current levels of reasonably strong growth should, thus, be appreciated in the light of its increasing contribution to global growth."

Source: World Bank, IMF, India Economic Survey 2015-16

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