

India

Economy & Industry

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India



India : *an economic overview*

- **7th largest country in the world**
- **Fastest moving free-market democracy**
- **Registered growth rate - 6.9% in 2004**
- **Industrial sector growth - 8.4% &
Service sector growth - 8.9% in 2004-05**
- **Exports : US\$80 billion in 2004-05**



India : *Foreign Direct Investment*

- **3rd most favoured destination for FDI behind China & USA (AT Kearney survey)**
- **Received record FDI of US\$ 3.75 bn during 2004**
- **46 proposals cleared in July 2004 for FDI amounting to US\$ 93.4 mn**
- **Foreign exchange reserves rose from US\$700m to record high of US\$120.78b in July 2004**



India : *Advantage*

- **A large scientific & technical human power - young & growing**
- **300 universities award best of students with degrees in professional courses**
- **A large private sector presence in education**
- **A large pool (about 300) Central Govt. funded National Laboratories with excellent facilities**
- **About 1500 industry in-house R&D units**

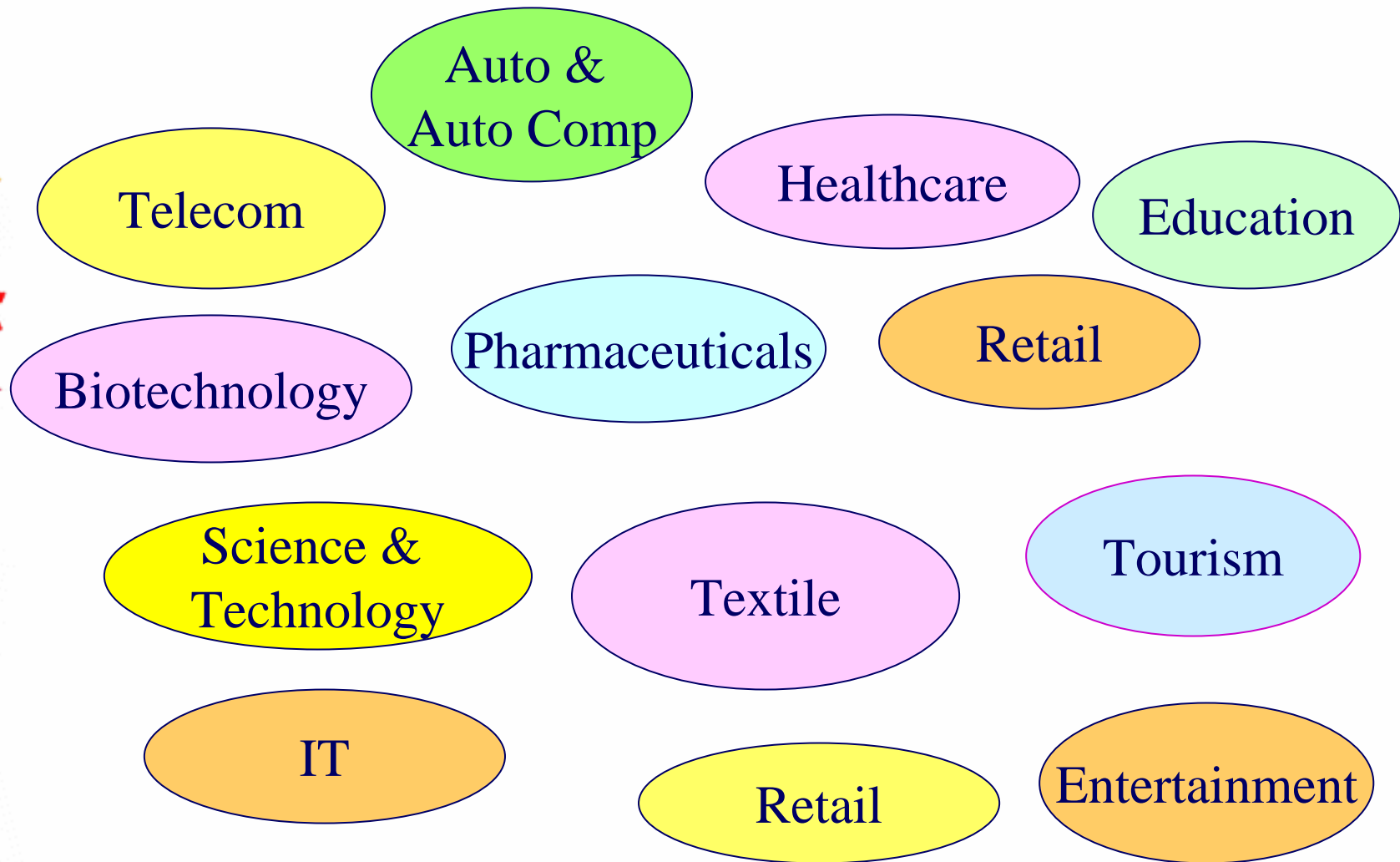


India : *Advantage*

- **The Global R&D Hub with more than 150 MNC R&D units**
- **Among top five space-faring nations**
- **Third in the World to develop & operate its own remote-sensing satellite & sell data commercially**
- **First country in the world to have secured registration of a mine site**



India : *booming sectors*





India : *Manufacturing Sector*

- **Resurgence - growth 8% in April-June 2005**
- **Exports - likely to grow to US\$ 300b in 2005**
- **Of the US\$ 300b, \$70-90b expected from apparel, auto component, specialty chemicals and electrical/electronic products**
- **Annual outflows - \$1b (UNCTAD's outward FDI performance index-shot up from 107th position in 1999 to 61st spot in 2003)**
- **2 most important destinations from Indian FDI : US & Russia (37% of investment last yr)**



India : *IT Sector*



- **IT Centre of the world with vast pool of engineers - next to Silicon Valley**
- **Fastest growing & 4th largest IT market in Asia-Pacific**
- **Growth trend in domestic IT market - going to peak in 2005 at 21% with all 3 components -- hardware, software and services**
- **Some major MNC R&D centres established in India - Google, Yahoo, IBM, Intel, Nokia.....**



India : *Biotechnology*



- Among top 5 in Asia-Pacific (among Singapore, Taiwan, Japan, Korea & China)
- Has 96 biotech companies after Australia (228) and China, including Hong Kong (136)
- In 2003-04 - registered 39% growth
- Employs : 9000 scientists & technologists
- 5 Large companies account 42% market share - *Serum Institute, Biocon, Nicholas Piramal, Novo Nordisk, Panacea*



India : *Auto Industry*



- **Growth rate - about 20% in 2004-05**
- **Sourcing hub for - General Motors, Ford, Daimler Chrysler, Hyundai, Fiat, Toyota, Delphi, Navistar, Visteon, Cummins and Caterpillar**
- **Launch pad - for DaimlerChrysler's new Mercedes SLK roadster, Porsche's Cayenne and Toyota is planning a simultaneous release of its IMV**
- **Over the past two years, 7 Indian component manufacturers have won the coveted Deming Prize**

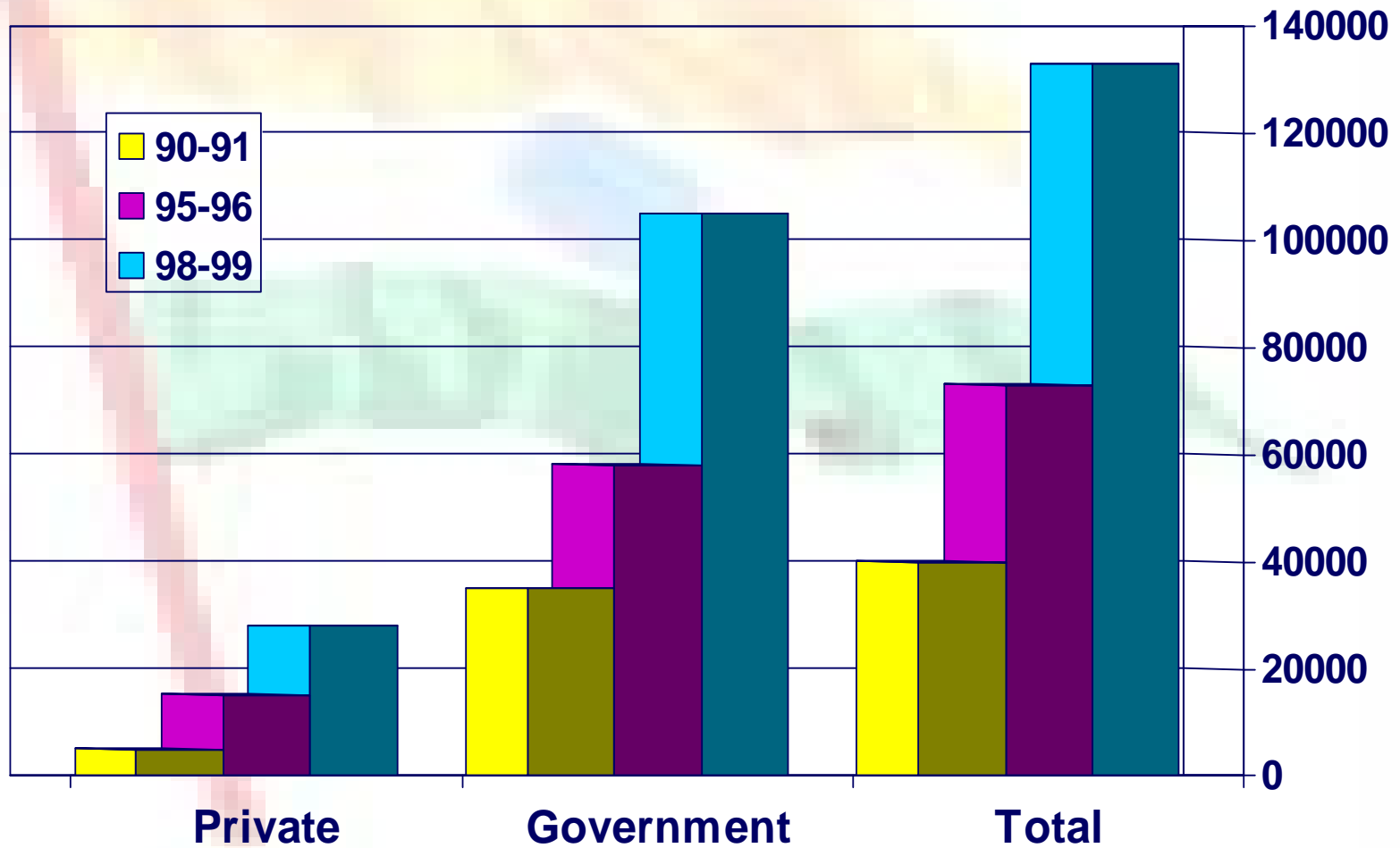


India : R&D

- Total R&D spending - \$19bn in 2003
- R&D spending as a percentage of GDP is 0.8 % (in 2003)
- This is very low - much lower than US (2.8%), Japan (2.9%), Korea (2.9%), China (1%)
- Government spending is more than private sector



India : R&D Expenditure (Rs. Mn)





India : *Incentives for Industrial R&D*

- **150% Weighted Tax deduction in select areas**
- **10 years Tax Holiday**
- **100% deduction for Capital expenditure**
- **100% write-off of revenue expenditure**



India : *Intellectual Property*

- **Amendments to Patents Act for TRIPS compliance**
- **Comprehensive Modernisation of IP Administration**
- **Enforcement of IPR - improving**
- **Human resource development : emergence of large no. of patent attorneys**
- **Increased corporate focus on IP**
- **Increased budgets for patent filing**
- **Great amount of awareness building**



India : *IPR - some statistics*

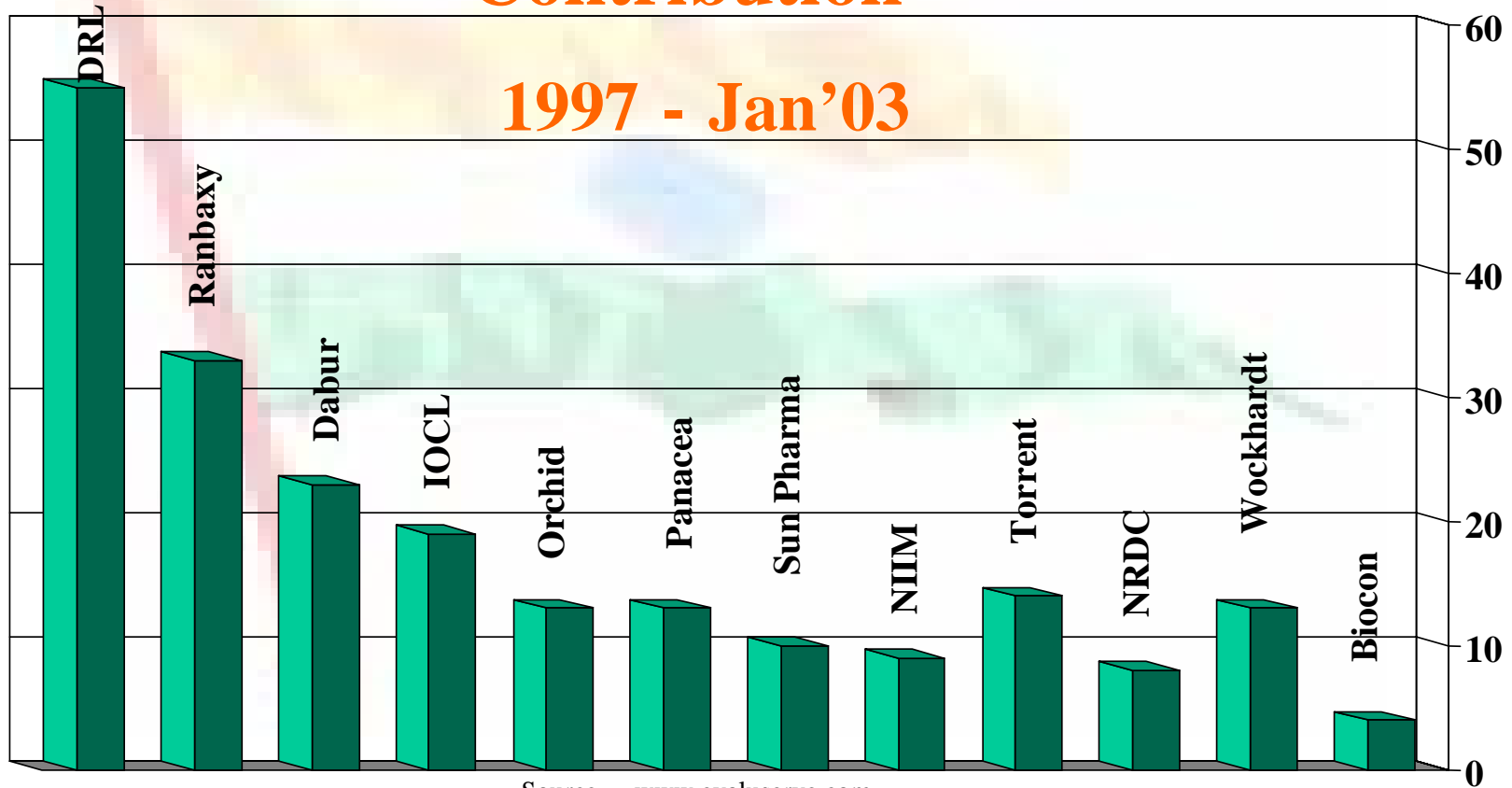
- Filed more than 4000 patents in the last 5 years
- In PCT rankings of patents filed in the segment of developing countries, India ranks 3 after Korea & China.
- Highest growth rate, of 50% per annum in PCT filings
- CSIR topped the 2002 list of PCT filings released by WIPO
- In 2001 - US granted 883 patents to Indian companies (growth of 40% in US filings)

IPR in India



No. of Patents – Industry Contribution

1997 - Jan'03



Source - www.evaluserve.com



India : *Innovation*

- According to Global Competitiveness Report (2003), India ranked 12th in “firm level innovation”
- India ranked along with Israel as a leading global entrepreneurial hotbed (Red Herring)
- National Innovation Foundation - promoting grass-root innovations in India
- CII-DST’s initiative - Steer the Big Idea! - promoting innovations among young innovators
- Need for National Innovation Policy & develop culture of Incubator & Innovation Parks



Confederation of Indian Industry



Since 1895

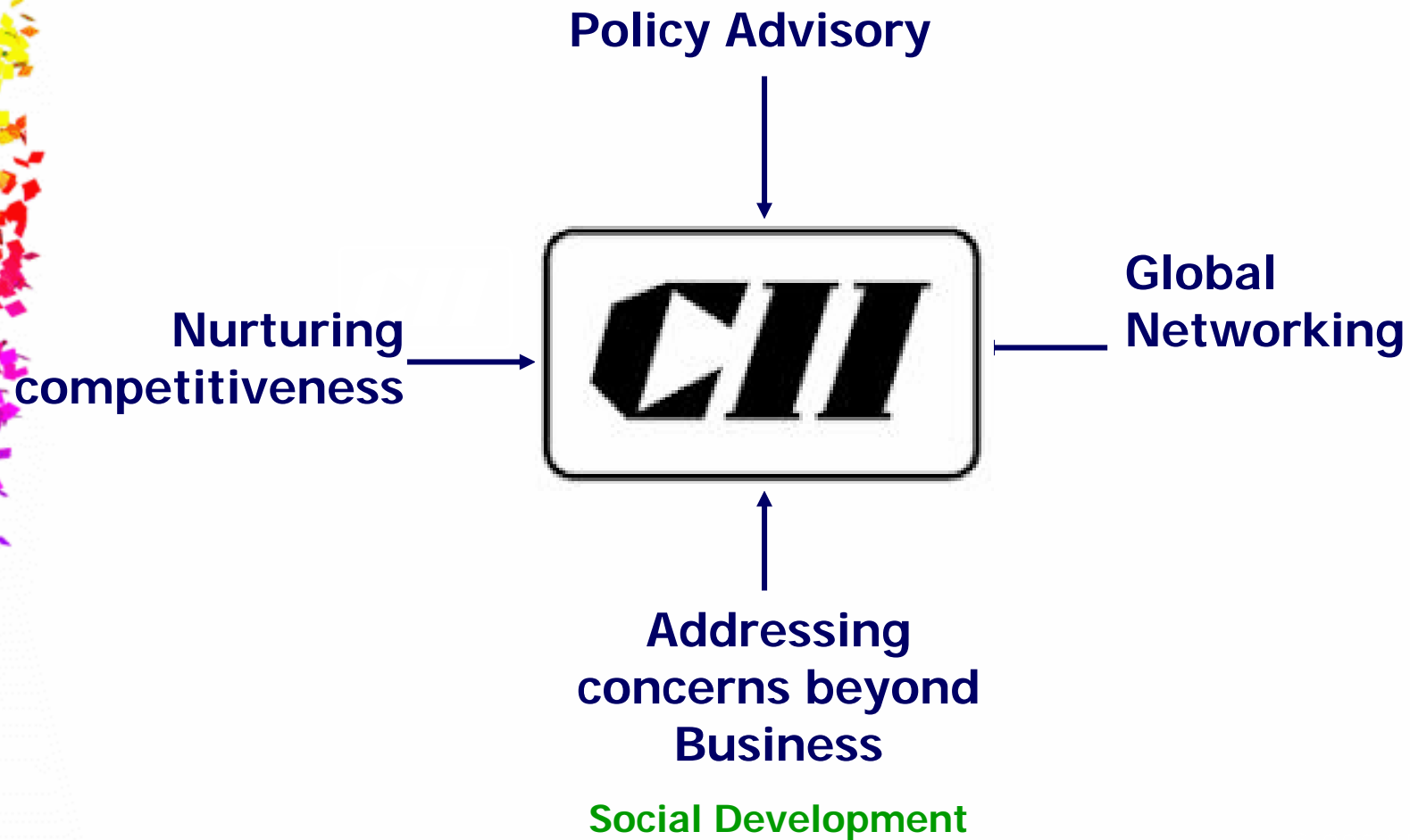
The Power of Positive Partnerships



CI... the organisation

- Nodal point of reference for doing business in India
- Over 5000 Industry members and over 70000 industry members thru' Associations
- Large office network
 - 37 offices in India
 - 13 overseas offices in Afghanistan, Australia, Austria, Belgium, China, France, Israel, Italy, Malaysia, Singapore, South Africa, UK, USA, Russia
- Over 750 Specialist Manpower
 - Over 150 Technical Manpower

CII – Partner in Growth





CII - The Policy Advisory

- Partnering government in the reform process
- Impacting public policy through interaction with MPs, political parties
- Building consensus at the state & central level
- Initiating relationships to streamline Indian industry-specific policies globally



CII - Nurturing Competitiveness

Partnering industry to build competencies

- **Through specialised services**
 - Energy & Environment Management
 - Technology & IPR Management
 - Total Quality Management
 - Total Productivity & Cost Management
- **Professional Services**
 - Strategising for businesses
 - Corporate Services
 - Consulting
 - Research
 - Corporate governance
 - WTO Advisory



CII - Nurturing Competitiveness

Contd...

Partnering industry to build competencies

- Business Development
 - Trade fairs
 - Made in India shows overseas
 - Special focus on SMEs – Enterprise
 - Overseas trade missions
 - Buyer – seller meets
- Centres of Excellence
 - Institute of Quality, Bangalore
 - Green Business Centre, Hyderabad
 - Centre of Excellence, Mumbai
 - AP Technology Development Centre



CII - The Global Alignment

- **CII International**
 - Networking / Trade Policy / Investment
 - Track II Economic Diplomacy
 - Trade & Services / Technology
 - Indian MNCs
- **CII International partners**
 - 217 counterpart organisations in 95 countries
 - Foreign missions in India / Indian missions overseas
 - Overseas corporate / GoI's economic ministries
- **Interaction Forums**
 - The Partnership Summit
 - CEOs Missions / Forums / Trade Fairs
 - Trade/Sectoral Missions / Special Bilateral Forums
 - Joint Economic Councils



CII – Beyond Business...

- **Social Development by Sensitising industry to CSR / social issues**
 - Population & Health
 - Education & Literacy
 - Community Development
 - Disaster Management
 - Women Empowerment
- **Projects**
 - Shiksha India
 - Indian Business Trust for HIV / AIDS
 - BYST
 - CII – UNDP India Partnership Forum
 - Gujarat reconstruction
 - Education of slum dwellers
 - Kashmir children
 - North-east



CII Focus in Technology

- **Policy Issues**
 - S&T & Innovation
 - Industrial R&D
 - Technology Transfer
- **Technology Incubation / Commercialisation**
 - Waste Processing
 - Non-Metallic Minerals
 - Food Processing
 - Bamboo Applications
- **Public-Private Partnership in Emerging Technology**
 - Nanotechnology
 - Hydrogen
- **Facilitating Technology Transfer**
- **Industrial Design**
- **Innovation**





CII Focus in IPR

- **Policy Issues**
 - *IPR Rules and Acts*
- **Encouraging Creativity & Innovation**
 - *Serving industry for IP Management*
- **Intellectual Property Protection**
 - *served approx. 100 organisations*
- **Geographical Indications**
 - *Protected Textile GI*
 - *Working on more such projects*
- **Enforcement of IPR**
 - *CII Alliance on Anti-Counterfeiting*



Indo-Israel relations

- Govt. of Israel is planning to create a dedicated fund aimed at fostering innovation & industrial R&D with India
- The initial corpus - \$2-3 million
- Bilateral trade between India and Israel is poised to touch \$5b annually by 2008



Indo-Israel Relations

What Next !

- **Setting up Technology Incubation Centres in India**
- **Provide practical orientation of manufacturing sector education / New Institutions**
- **Setting up R&D Centres in India jointly or separately**
- **Establish High-Technology Manufacturing Business in India**



Indo-Israel Relations

CII

Would be happy to

Be a partner in

Industry driven

Indo-Israel Initiatives



Finally ...

- **Scenario in India is changing: Organizations need to change accordingly**
- **Uncertainty and Turmoil Vs. new opportunities**
- **Avail these opportunities**



Thank you