

Presentation by
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Ambassador of India in Budapest
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'India and the EU in today's world'



Outline

- **Basic Facts on India**
- **India: A Fast Growing Economy**
 - **India-EU Relations**

Basic Facts on India



INDIA

States and Union Territories



BASIC FACTS

- **7,000 year old civilization**
- **1.2 billion people**
- **Multi-cultural and multi-religious society**
- **18 official languages**
- **28 states, 7 union territories**
- **3.28 million sq. kilometers - Area**
- **7,516 km - Coastline**

- **Parliamentary form of Gov't.**
- **Worlds largest democracy.**
- **Worlds 4th largest economy.**
- **World-class recognition in IT, telecom, pharma, bio-tech. and space.**
- **Largest English speaking nation in the world.**
- **2nd largest pool of scientists and engineers in the World.**

India: A Fast Growing Economy



Growth and Composition of GDP

Sector-wise Growth (2010)

Agriculture	6.6 %
Industry	7.9 %
Services	9.4 %

Distribution of GDP (2010)

Agriculture	14.4 %
Industry	27.9 %
Services	57.7 %

Economic Indicators

• Population 2011	1.21 billion 2011
• GDP at current prices 2010	US \$ 1.73 trillion
• GDP at PPP	US \$ 4.48 trillion
• Per Capita Income 2010	US \$ 1146.8
• GDP growth 2010	8.5 %
• Inflation 2011	7.5 %
• Merchandise Exports 2010	US\$ 246 billion
• Merchandise Imports 2010	US\$ 351 billion
• Foreign exchange reserves 2011	US\$ 317 billion
• Global eco.engagement 2010	US\$ 813 billion

Traditional sectors

- Agriculture
- Textiles
- Gems and jewellery
- Iron and Steel
- Handicrafts
- Leather

New sectors

- Pharma
- IT and Telecom
- Automobiles
- Petroleum, petrochemicals
- Banking
- Insurance
- Electrical and electronics
- Machinery
- Aeronautical industry
- Space exploration

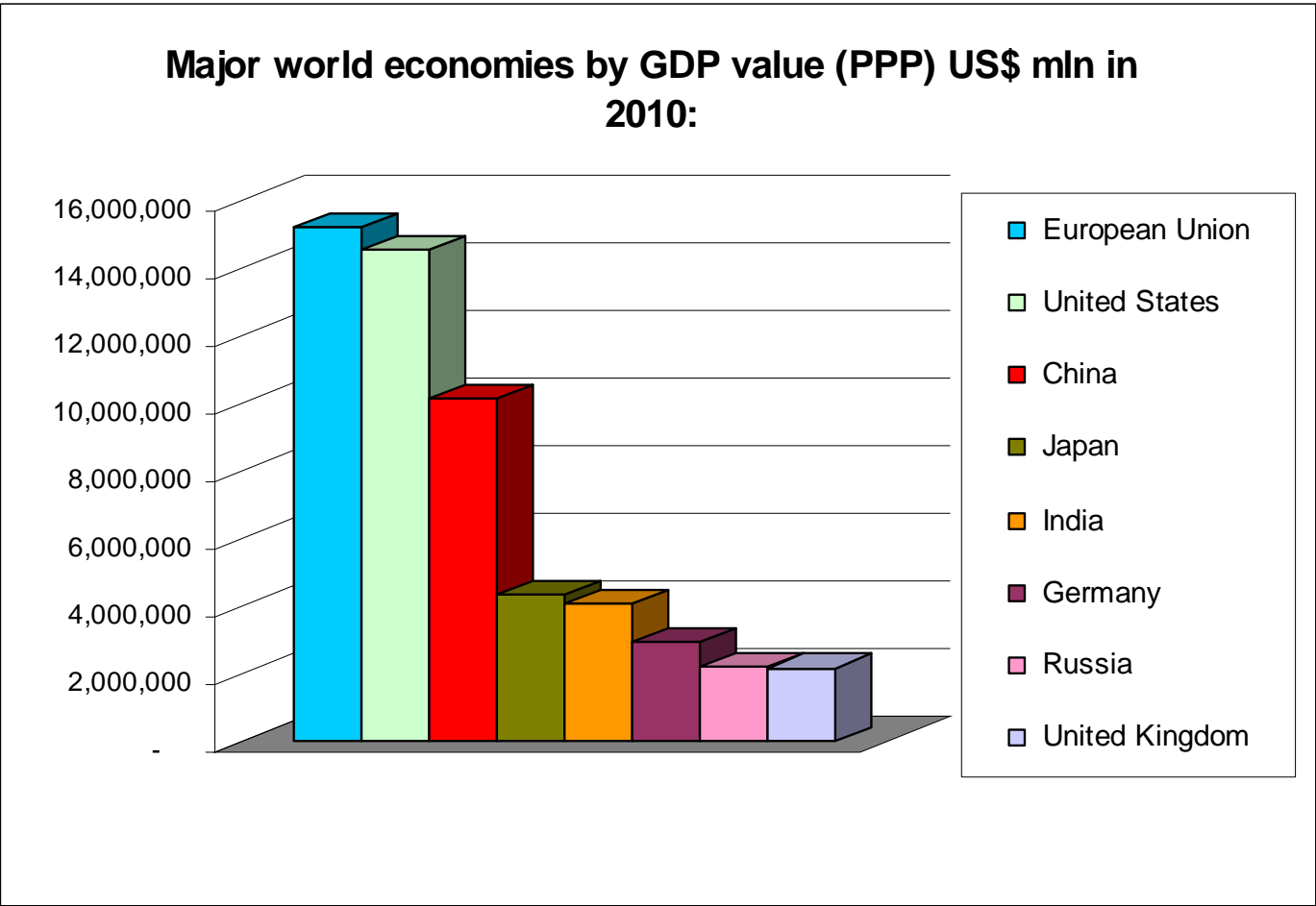
India-Quick Facts

- **Rice and wheat:** The **second largest producer** of rice and wheat in the world; one of the largest producers of sugar, sugarcane, peanuts, jute, tea and an assortment of spices. Food grain production increased from just 108.4 million tonne (MT) in 1970-71 to 235 MT in 2010-11. Rice production of 102 MT expected in the 2011-12 crop year.
- **Milk production:** **Largest**
- **Diamond:** The **largest** diamond cutting and polishing centre in the world.
- **Steel:** The **sixth largest** steel producer in the world with an overall production of about 67 million tonnes in 2010
- **Pharma industry:** The **third largest** by volume in the world
- **Health service:** Healthcare delivery is one of the largest service-sector industries in India. The country will spend US\$ 45.76 billion on healthcare in the next five years.
- **IT sector:** Recorded revenues of US\$ 76 billion billion in FY 2010.

India-Quick Facts

- **Indian ports:** Handled 883 million tonnes (mmt) in 2010-11 from 850 mmt in 2009-10.
- **Air traffic:** In 2010, the air passenger traffic grew by 18% and touched 144 million.
- **Crude oil:** India is the **fourth largest** crude consumer in the world. India is the eight largest crude importer in the world.
- **Oil Refining:** India has the **fourth largest** refining capacity – 184 million tonnes representing 3.9 per cent of world capacity.
- **Retail sector:** Estimated to be a US\$ 450 billion industry, the Indian retail sector is growing at a three-year CAGR of 46.64 per cent.
- **Road networks:** India has one of the largest in the world, aggregating 3.34 million kms.
- **Telephone:** **Second largest** cellphone subscriber: 851 million. Over 18 million connections per month.

India a Major Economy:

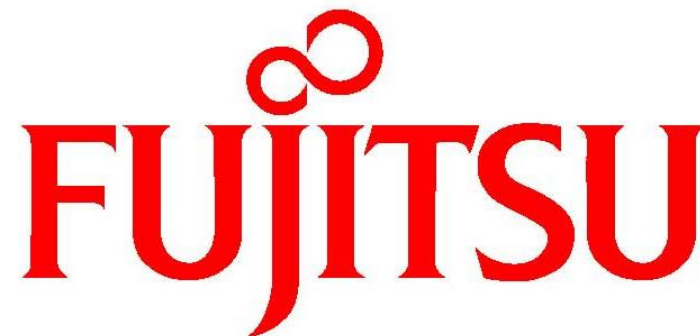


Source: Wikipedia: World economy, IMF

Multinationals in India



Morgan Stanley



Indian Investments Abroad

2009-10

US \$ 18 billion

2010-11

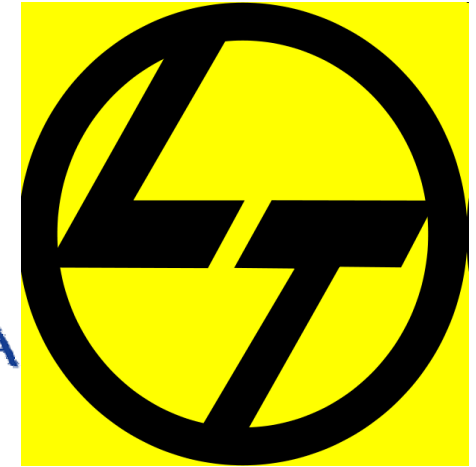
US \$43.9 billion

2011-12

US \$ 40-50 billion

- **The sectors attracting investments by corporate India include metals, pharmaceuticals, industrial goods, automotive components, beverages, cosmetics and energy in manufacturing; and mobile communications, software and financial services in services, with pharmaceuticals, IT and energy being the prominent ones among these.**

Major Indian MNCs



Cipla
Caring for life

WOCKHARDT

NEGMA
LERADS

Wockhardt – Negma Laboratories (French pharmaceutical)
2007, USD 265 mln

airtel

airtel

LAND-ROVER

TATA

JAGUAR

RELIANCE

SCHÖNEWEISS

Mahindra & Mahindra –
Schoneweiss (German forging)

Tata – Jaguar, Landrover
(British automotive)

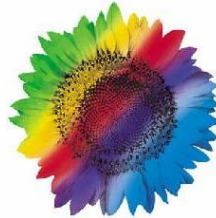
2008, USD 2.3 bln

MITTAL



ArcelorMittal
Mittal Steel – Arcelor
(Luxemburg)

2006, USD 33.1 bln



WIPRO
Applying Thought

ONGC

Imperial Energy
Corporation PLC

ONGC – Imperial Energy
(British oil)

2009, USD 1.9 bln

Infosys



DR. REDDY'S

Major Indian Investments in Europe

Mittal Steel	Arcelor (Luxemburg)	US\$ 33.1 bln	Iron and Steel
Tata Steel	Corus Group (Dutch-British)	US \$ 12 bln	Iron and Steel
Tata Motors	Jaguar, Landrover (British)	US \$ 2.8 bln	Automotive Sector
ONGC	Imperial Energy (British)	US \$ 1.9 bln	Oil and Gas
Suzlon Energy	Hansen Transmissions International NV (Dutch)	US\$ 654 mln	Wind Power
United Spirits* (UBL Group)	Whyte and Mackay (Scottish)	GBP 595 mln	Spirits
Tata Tea	Tetley Tea (British)	US\$ 432 mln	Tea and Beverages
Wockhardt	Negma Laboratories (French)	US \$ 265 mln	Pharmaceuticals
Crompton Greaves	Power (Belgium,Hungary, Germany)	US \$ 400 mln	Power transmission
Mahindra & Mahindra	Schönenweiss (German)		Forging and Autocomponents
SMR	Visiocorp (UK-International)	EUR 250 mln	Automotive

Investments by Indian MNCs

- **Infosys:** IT
- **Wipro:** IT
- **Airtel:** Telecom
- **Ranbaxy:** Pharma
- **Cipla:** Pharma
- **Dr Reddy's:** Pharma
- **L & T:** Infrastructure
- **Adani Group:** Ports and Energy
- **Gail:** Oil and Gas
- **Reliance Group:** Petroleum and Chemicals

Consumer India

- The largest working population: 478 million
- Millionaires: 70,000 millionaires in India in 2004.
140,000 millionaires in 2010.



India-EU

Foreign Relations



History



1947: India gains Independence

1960s: The start of India-EU relations

1994: Trade and economic cooperation agreement between India and the EU

2005: India-EU Strategic Partnership

2006: Joint Action Plan

India-EU Free trade agreement (FTA) under negotiations

Institutional Framework



- **Annual India-EU Summit since 2000**
- **Joint Commission on Trade, Economy & Development Cooperation**
- **India-EU Energy Panel**
- **Senior Officials Meeting on multilateral issues**
- **Joint Working Groups on Human Rights, Security, Counter terrorism and trade**
- **Annual India-EU Business Summit**
- **India-EU Round Table for civil society**



Areas of co-operation

- **Economic Co-operation**
- **Agriculture**
- **Financial issues**
- **Human Rights**
- **Climate change and environment**
- **Security and Counter Terrorism**
- **Science and Technology**
- **Cross cultural programs**
- **Maritime issues**
- **Visa and consular issues**

India-EU Trade

(€billion)



Year	Imports from India	Share of EU Imports	Exports to India	Share of EU Exports	Trade Balance €million	Total Trade
2 001	13.40	1.36	12.89	1.44	-512	26.29
2 002	13.59	1.44	14.27	1.58	663	27.87
2 003	13.98	1.49	14.51	1.65	542	28.49
2 004	16.23	1.58	17.03	1.77	800	33.26
2 005	18.90	1.61	21.10	1.99	2 197	40.00
2 006	22.31	1.72	24.02	2.00	1 715	46.34
2 007	26.22	1.80	29.44	2.40	3 220	55.66
2 008	29.39	1.90	31.52	2.40	2 135	60.91
2 009	25.40	2.10	27.50	2.00	2 100	52.90
2 010	32.99	2.2	34.79	2.60	1 804	67.79
2011 J-S	29.97	2.37	30.08	2.64	106	60,04

Source: Eurostat

**The EU is one of our largest trade
and
investment partner**

Biggest source of FDI

Indian Exports to EU (Euro Mln)

Major Product Groups	2009	2010	2010 Jan-Sep	2011 Jan-Sep	% change	% of Total
TOTAL	25,446.9	33,228.0	24,587.0	29,968.4	21.9%	100.0%
27 - MINERAL FUELS, MINERAL OILS AND PRODUCTS	1,947.5	4,736.6	3,378.2	3,206.1	-5.1%	10.7%
71 - NATURAL OR CULTURED PEARLS, PRECIOUS OR SEMI-PRECIOUS STONES, PRECIOUS METALS,	1,626.0	2,320.8	1,782.4	2,322.0	30.3%	7.7%
62 - ARTICLES OF APPAREL AND CLOTHING	2,195.7	2,306.9	1,879.4	2,166.3	15.3%	7.2%
29 - ORGANIC CHEMICALS	1,596.1	1,891.9	1,416.1	1,838.1	29.8%	6.1%
87 - VEHICLES OTHER THAN RAILWAY OR	1,940.5	1,857.0	1,450.2	1,817.1	25.3%	6.1%
85 - ELECTRICAL MACHINERY AND EQUIPMENT	1,702.3	2,441.7	1,706.5	1,774.7	4.0%	5.9%
84 - NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES; PARTS THEREOF	1,415.6	1,764.8	1,257.1	1,720.5	36.9%	5.7%
61 - ARTICLES OF APPAREL AND CLOTHING ACCESSORIES, KNITTED OR CROCHETED	1,920.7	1,915.5	1,496.1	1,679.1	12.2%	5.6%
72 - IRON AND STEEL	697.9	971.0	663.8	1,270.5	91.4%	4.2%
64 - FOOTWEAR, GAITERS AND THE LIKE; PARTS OF SUCH ARTICLES	952.2	1,158.7	903.6	1,008.0	11.6%	3.4%
30 - PHARMACEUTICAL PRODUCTS	590.1	888.9	618.9	882.5	42.6%	2.9%
42 - ARTICLES OF LEATHER; SADDLERY AND HARNESS; TRAVEL GOODS,	864.3	953.9	714.1	817.5	14.5%	2.7%
63 - OTHER MADE-UP TEXTILE ARTICLES; SETS; WORN CLOTHING AND WORN TEXTILE ARTICLES; RAGS	720.6	813.6	585.8	758.4	29.5%	2.5%
73 - ARTICLES OF IRON OR STEEL	611.4	747.6	541.0	745.5	37.8%	2.5%

EU Exports to India (Euro Mln)

Major Product Groups	2009	2010	Jan-Sep 2010	Jan-Sep 2011	% change	% Total
TOTAL	27,427.1	34,797.0	25,076.1	30,074.9	19.9%	100.0%
71 - NATURAL OR CULTURED PEARLS, PRECIOUS OR SEMI-PRECIOUS STONES, PRECIOUS METALS	4,136.2	6,806.0,	5,163.8	6,934.4	34.3%	23.1%
84 - NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES;	6,596.9	7,976.8	5,598.1	6,783.6	21.2%	22.6%
85 - ELECTRICAL MACHINERY AND EQUIPMENT AND PARTS THEREOF;	3,385.4	3,839.8	2,635.1	3,221.9	22.3%	10.7%
72 - IRON AND STEEL	1,688.3	1,960.3	1,392.7	1,623.7	16.6%	5.4%
90 - OPTICAL, PHOTOGRAPHIC, CINEMATOGRAPHIC, MEASURING, INSTRUMENTS	1,359.9	1,616.7	1,191.2	1,395.1	17.1%	4.6%
87 - VEHICLES OTHER THAN RAILWAY OR TRAMWAY	675.7	1,176.5	817.2	1,118.4	36.9%	3.7%
39 - PLASTICS AND ARTICLES THEREOF	841.3	1,111.1	828.0	882.0	6.5%	2.9%
29 - ORGANIC CHEMICALS	940.8	1,117.2	836.9	863.0	3.1%	2.9%
73 - ARTICLES OF IRON OR STEEL	802.0	760.0	507.7	609.7	20.1%	2.0%
88 - AIRCRAFT, SPACECRAFT, AND PARTS THEREOF	1,277.4	1040.8	735.7	475.3	-35.4%	1.6%
38 - MISCELLANEOUS CHEMICAL PRODUCTS	385.9	530.8	395.8	448.1	13.2%	1.5%
74 - COPPER AND ARTICLES THEREOF	241.0	379.2	271.1	442.7	63.3%	1.5%
30 - PHARMACEUTICAL PRODUCTS	344.1	461.4	341.0	376.6	10.4%	1.3%
48 - PAPER AND PAPERBOARD; ARTICLES OF PAPER PULP, OF PAPER OR OF PAPERBOARD	409.7	477.9	374.0	369.5	-1.2%	1.2%

India is stable in the crisis

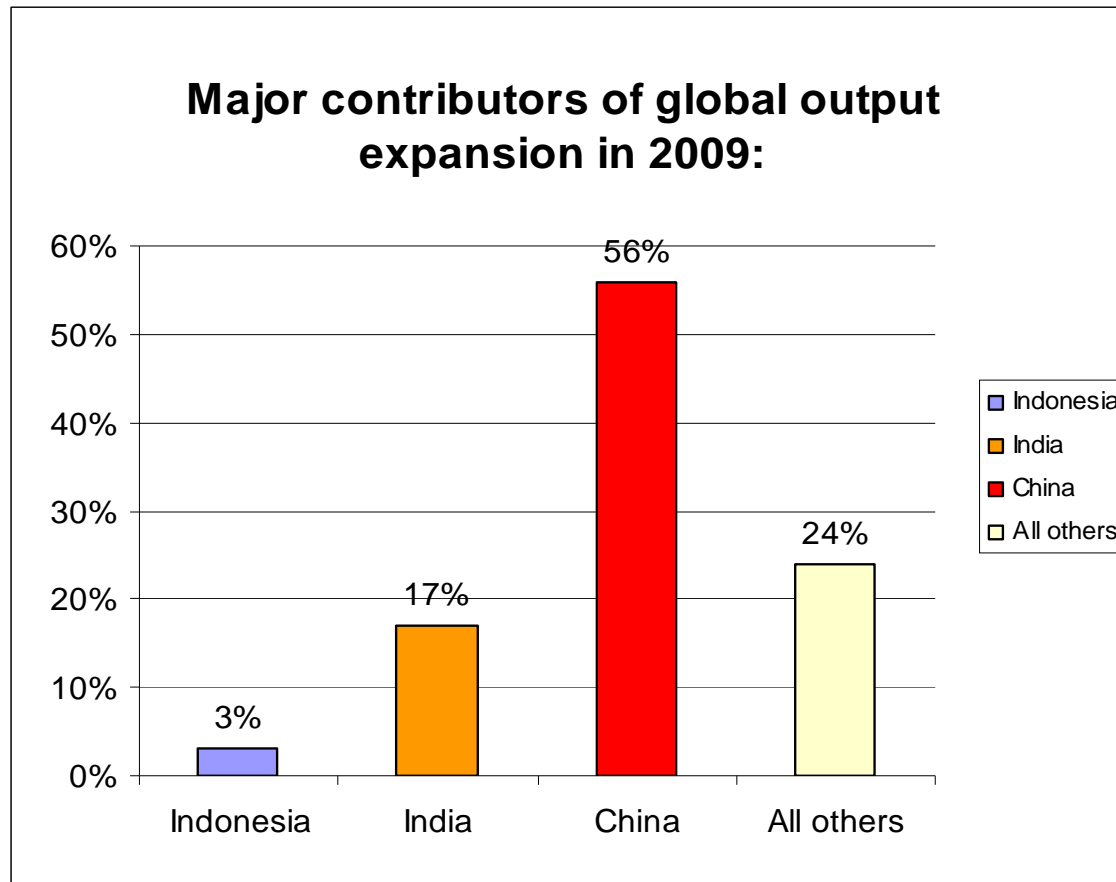
- ‘India has balanced sources of growth, strong domestic demand drives GDP. It protects from external threat’ (Time)
- Consumer propelled economy
- Entrepreneurial skills (e.g. offshore IT service industry)
- Second largest pool of technical and scientific manpower
- Indian banks are strong (good balance sheets, credit analysis, risk management)



Credit Crisis 2009:

During the crisis, the economic output of 104 markets expanded by **\$1.5 trillion** during 2009.

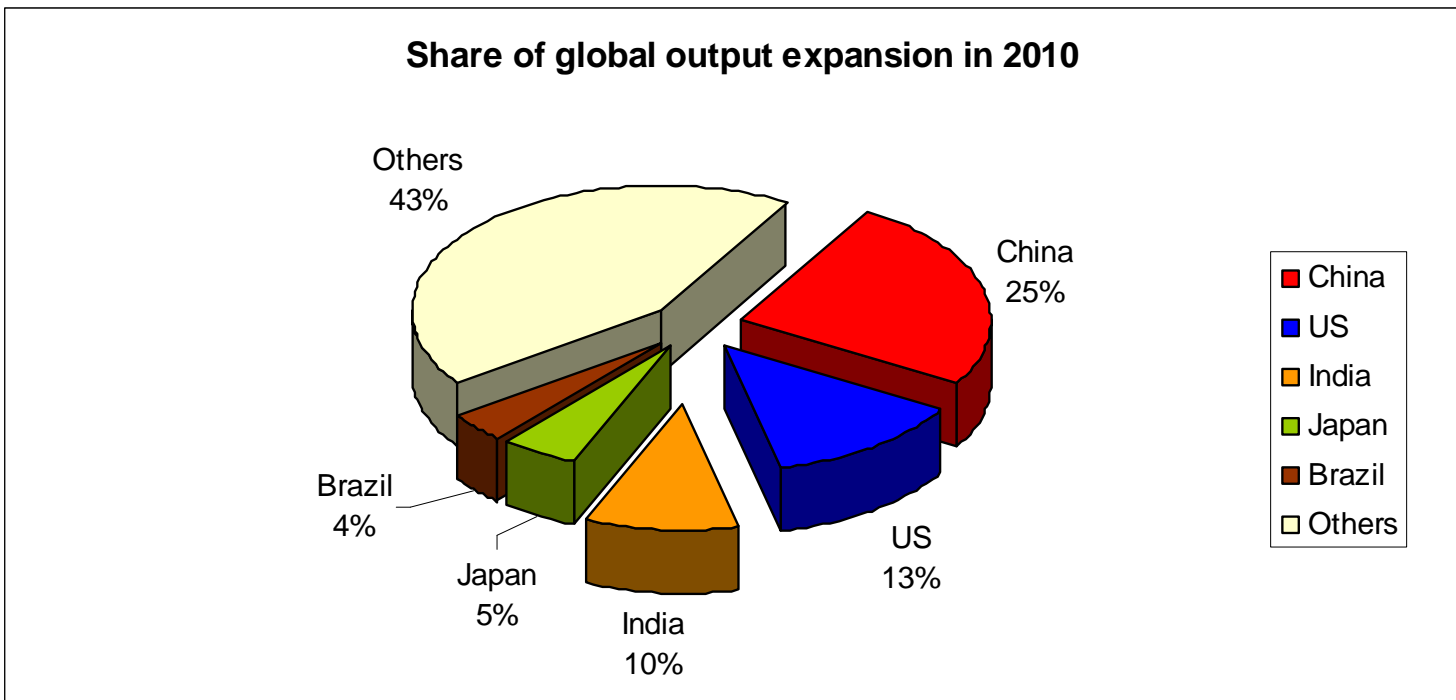
China accounted for 56% while **India accounted for 17%** and Indonesia accounted for 3% of the global output expansion.



Source: Wikipedia: World economy, IMF

Global Economic Recovery in 2010

- At purchasing power parity, the economic output of 169 markets expanded by \$4.2 trillion during 2010.
- The five largest contributors to global output expansion are China at 25%, the United States at 13%, **India at 10%**, Japan at 5%, and Brazil at 4%



Source: Wikipedia: World economy, IMF

‘India is one of the growing economies that
will reshape the global economy
in the twenty-first century’

(Source: European Commission website)

Thank you!

