

The Indian economy recovered strongly in 2022 across sectors and is poised to become the third biggest economy in the world by 2030; government push has led to soaring of investments and trade agreements

COVID RECOVERY AND ECONOMY –

Resilience of the 5th Largest global Economy

- *Indian economy **was among the worst impacted** due to Covid-induced lockdown; suffering significantly in 2020. **2021 saw a strong technical rebound** but it was **2022 where the economy truly recovered with most sectors back to pre-Covid growth levels except for transport, construction & services sector***
- *In FY2022, Indian **GDP at constant prices is estimated at 1.5 trln EUR** (nominal value of ~3.2 trln EUR) and has exhibited the **Y-o-Y growth of 8%**; India which was out of the top 10 economies just 2 decades back is already **world's fifth largest economy in 2022 and is poised to reach number 3 by 2030***
- *Additionally, India **contributed significantly to global fight against COVID-19** including supplying vaccines to 98 countries to developing world's first intra-nasal vaccine*

TRADE AND INVESTMENTS –

India for Global Economies

- *Government focus on attracting investors with **investment friendly policies** has resulted in **increased ease of doing business and improving investor confidence in India***
- *India is **expected to witness FDI investment of USD ~100 billion in FY'2022-23** across sectors clocking strong growth over previous year, demonstrating high confidence in the Indian economy by investors; **expectations of ~475 bln EUR FDI by 2025***
- *India has moved ahead **forging new partnerships and agreements with leading trade partners (agreements with UAE and Australia in 2022)** to facilitate smooth and cheap trade while **finalization of deals with UK, EU, GCC and Canada are the priority for 2023***

India's growth forecast stems from multiple favourable trends, expected to push India towards becoming the manufacturing and service hub of the world

OVERVIEW OF KEY TRENDS –

*Shaping India of
tomorrow*

- I. Infrastructure Upgradation – *Establishing Growth Platform*** - Government of India is **pushing for overall infrastructure growth** spanning roads, railways, ports and aviation with investments **aimed at increasing transport efficiency and providing connectivity to inaccessible remote areas**
- II. Self Reliant – *Scaling up Manufacturing to Reduce Import Dependency*** - **PLI scheme across 13 sectors with total outlay of ~23 bln EUR** with objective to reduce import dependency, and to make India an integral part of the global supply chain; **Strong govt. push, engineering competence, supplier base, rising domestic and export demand, and opportunities for India from China de-risking** being the key enablers for self reliance
- III. Green and Sustainable – *Dreaming Big and Making it Happen*** - Investments in non-fossil energy resources including Renewables, biomass, green hydrogen coupled with e-mobility and mandatory sustainability reporting imperative to achieve India's 2070 net-zero target; **>200 GW of solar and wind energy capacity addition** over the next 8 years
- IV. Start up Boom and Birth of Unicorns – *Game Changer For Future*** - Global businesses are challenged by the speed of change and innovation and are handicapped through limited internal skills and resources, **partnering and collaborating with innovative start-ups is a viable solution with a pool of >60,000 possible partners in India; many of whom are already unicorns and are eyeing exponential growth and profitability in the short term**
- V. Digitalisation – *Enabling Inclusive Growth*** - Indian government introduced a vision in 2015 to have an **inclusive growth bringing digital initiatives to every last location/ person in the country** and has worked towards creating an ecosystem for the same with digital presence, data and technology adoption across industries

Positive outlook for India of 2023 and beyond reflects in major institutions and companies placing their bets on a growing and stable India, EAC being the partner of choice for such organizations

INDIA IN 2023 – *Outlook and key attention points*

- **Major global institutions forecast India to remain steadfast amidst ongoing challenges and better positioned to weather the future storms than most other major economies**
- **For 2023 and beyond, EAC implores organizations to keep their eyes on the strong business ecosystem development and emanating opportunities across industries including**
 - **Manufacturing of Electronic products and components**
 - **Positive developments expected in biofuel and bio-manure related policies**
 - **Significant interests from Indian companies in acquiring companies in western markets**
 - **Attention to Electric Vehicle growth and market share**
 - **Benefits from India Australia (and others to follow) Free Trade Agreements**
 - **Investments towards building ecosystem for India’s Green Hydrogen production**

EAC 2022 – *Highlights & service offering*

- **India market is attracting investors to de-risk global supply chain and to ensure sustainable sourcing while Indian companies are evaluating M&A opportunities to expand footprint in export markets**
 - **India as manufacturing and export hub in Asia – De-risking of global supply chain**
 - **Increasing localization share – Evaluating Indian suppliers for local and global supply**
 - **Indian Companies Expanding Globally - Internationalization Strategies**
 - **Energy and Environment – Most trending topic in Indian circles**
- **EAC prides itself on being the trusted partner of MNCs and hidden champions alike and is consistently rated amongst the best consulting companies**