



ArMiD & EAC *“Incredible India”*

23rd May 2023, Munich

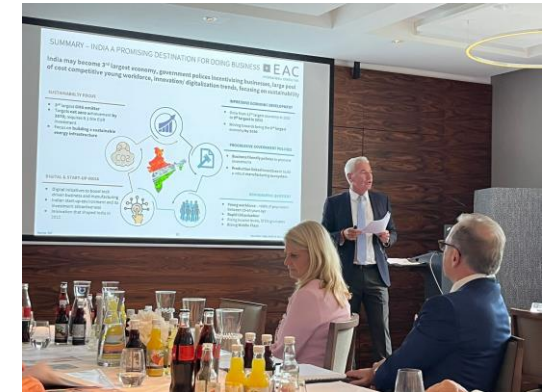
IMPRESSIONS & STATEMENTS



„Thank you to all the people involved for a very informative event!“



„It was a rare exciting evening for me, in the context of which I learned very, very much.“



„A successful evening - thank you!“



Agenda

- A. Event Opening
 - Opening speech by Mr. Klaus Jaenecke and Dr. Herbert Wörner
- B. Keynote peech "Incredible India - Why India is interesting?„
 - Dr. Armin Bruck with an overview of "Incredible India".
- C. India at a Glance 2023
 - Moderation Mrs. Daniela Bartscher- Herold and Mr. Dietmar Kusch
 1. Increasing India's investment attractiveness for foreign companies - "India's Growth Strategy 2030".
 2. Mobility
 - Guest speech by Mr. Günter Butschek: "The proverbial success in India".
 3. Infrastructure
 - Guest speech by Dr. Albrecht Köhler: "Factory construction in India for a rail supplier".
 4. Environment and Renewable Energies
 - Guest speech by Mr. Ashish Kumar: "Construction of India's first biomethane plant".
 5. The Indian consumer
 6. EAC- View on India
- D. Get Together with Drinks & Fingerfood

India has exhibited global facilitator of strategic trade partner and facilitator of peace amid global turmoil by maintaining strategic balancing act

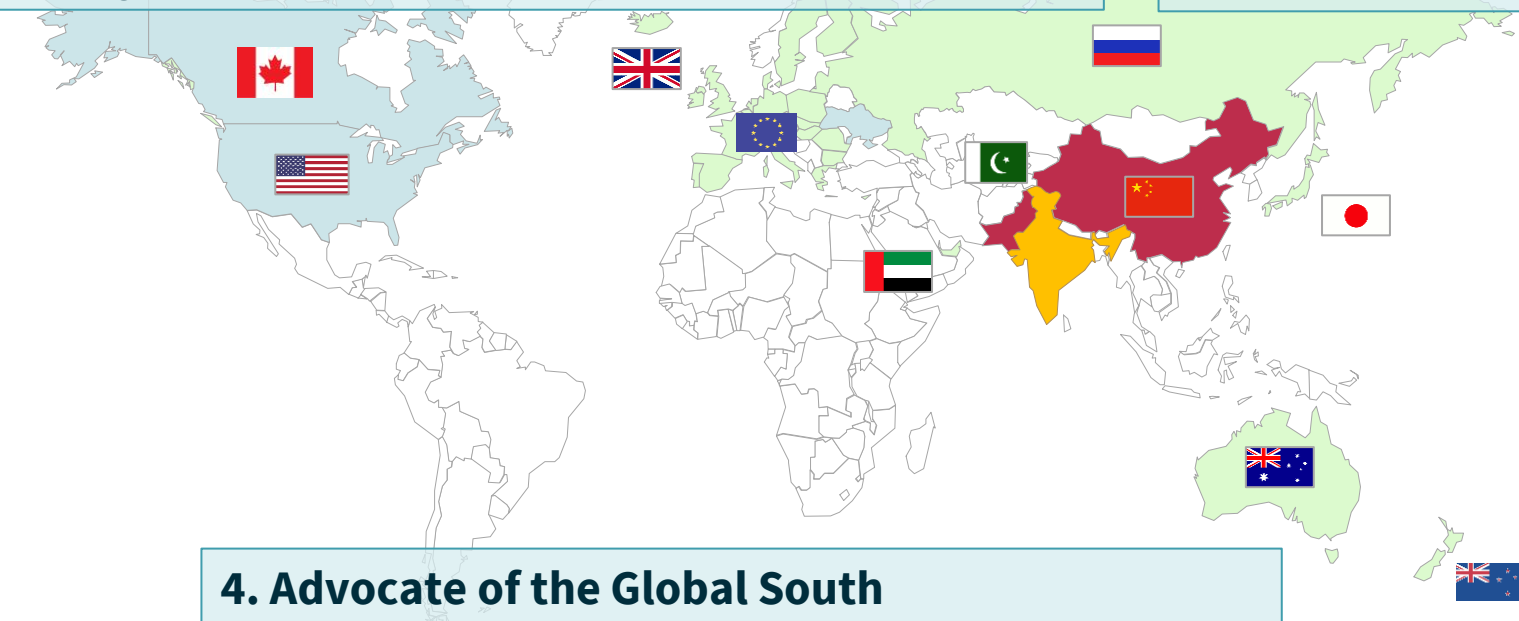
INDIA'S GEO-POLITICAL STATUS QUO AMID GLOBAL TURMOIL, 2023

3. India as Strategic Partner

India gaining importance in times of “de-risking” China as strategic partner for the EU

1. Tensed Neighborhood

Since independence 1947 ongoing political conflict with **Pakistan and China**



2. Old Friend Russia

Russia was and is still major supplier of defense technology and energy. Historic ties stronger than western pressure post Ukraine invasion

4. Advocate of the Global South

PM Modi wants to break western hegemonies and USD supremacy (axle with e.g., Brazil, China and Russia)

- Friendly
- Neutral
- Non-trade based passive conflicts

Businesses, Political leaders and Media houses are placing their bets on India and referring to the coming years as the decade and the century of India



“The Indian economy continues to show strong resilience to external shocks.”

- Mr. Auguste Tano Kouame, World Bank's Country Director in India

"Growth in India is expected to remain strong at 5.8%, albeit slightly lower than estimated 6.4% in 2022, as a global slowdown weigh on investment and exports"

- United Nations

“The positive impact technology can make on India's future — from education to manufacturing, we're committed to growing and investing across the country”

- Mr. Tim Cook, CEO of Apple

“Going forward, India will play a big role in Starbucks’ international strategy”

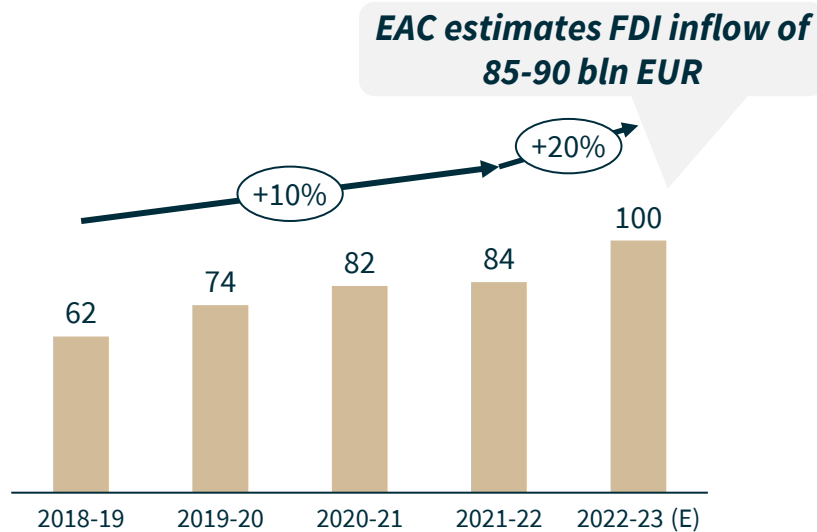
- Mr. Michael Conway, Group President of Starbucks

“It’s for the whole digital India and creating a digital society in India. They’re on a strong path with 4G but now they’re building out 5G at an even faster pace.”

- Mr. Börje Ekholm, CEO Ericsson

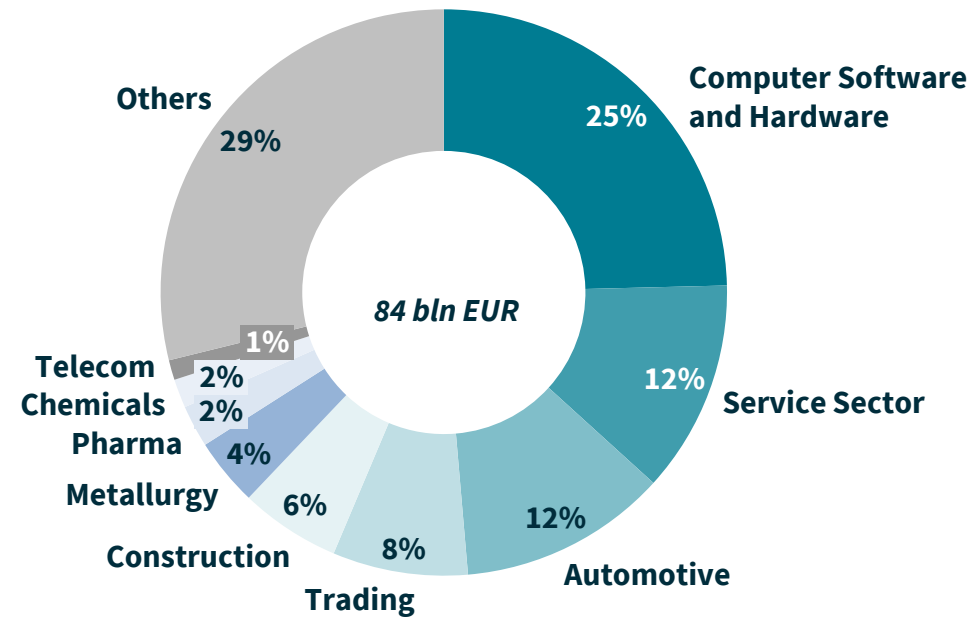
India witnessed FDI investment of 78 bln EUR in FY'2021-22; even though government sources estimate 100 bln EUR FDI in FY22-23, EAC expects FDI to be in the range of 85-90 bln EUR

GROWTH OF FDI IN INDIA (ALL VALUES IN BLN EUR)



- On a y-o-y basis the **highest jump in FDI equity inflow** was seen in **the manufacturing sector at ~76%**
- **Germany invested 670 mio EUR (0.9%) in 2021-22 while 12.5 bln EUR invested from 2000-22**

SECTORAL INVESTMENTS FOR FDI FY2021-22



- ~50% FDI investments are in IT, automotive and service sectors

Initiatives incl. PLIs for localization has boosted the investment to develop India into a self-sufficient economy with many long-term investments announced

MOBILITY



170 mio EUR for setting up **test tracks**



First base for Mercedes Benz to **assemble EVs outside Germany**



500 mio EUR for making **electric cars** and **battery manufacturing facility**

CHEMICALS & SPECIALTIES



Invests in Indian hydroponics pioneer **UrbanKisaan**



Covestro expands its **polycarbonate compounding operations in India**

AGRICULTURE



Development of State-of-art **Engine Manufacturing Facility by 2024**



Investment plan of **97 mio EUR** to **build tractor factory** in India



Officially inaugurated its new **India Technology Center (ITC)**

Initiatives including PLIs for localization has boosted the investment to develop India into a self-sufficient economy with many long-term investments announced

ENERGY & ENVIRONMENT

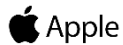


Take-over of Indian **renewable power supplier** Sprng Energy Pvt for 1.51 bln EUR



Petronas recently signed agreements with Karnataka and Tamil Nadu to invest around **~7 bln EUR** to set up **green hydrogen and ammonia plants**

MOBILE & SPECIFIED ELECTRONIC COMPONENTS



Apple makes **new handset in India** in **shift from China**



Vedanta-Foxconn invest **18 bln EUR** to **set up semiconductor ecosystem** in Gujarat



Singapore's **IGSS Ventures** to set up **semiconductor fab unit** in Tamil Nadu

Medical Devices

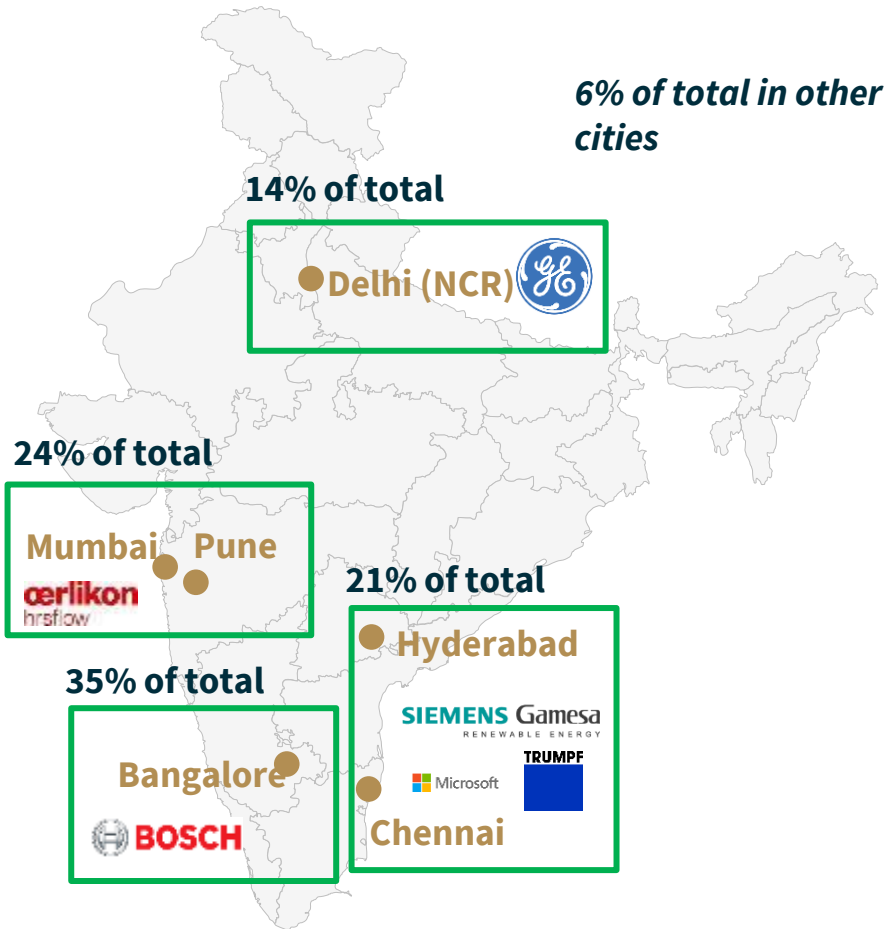


Warburg Pincus to invest **~210 mio EUR** in medical devices firm Meril, India's largest medical device company

SHARED SERVICE CENTERS

India has presence of >1,400 SSCs and talent pool exhibits multilingual capabilities, IT skills having low labour rates and focus on high – end value add services

SPLIT OF EXISTING SSCS IN INDIA



KEY CHARACTERISTICS

PRESENCE

- >1,400 Shared Service Centres (captive + 3rd party)

SHARED SERVICES

- Information Technology
- Human Resources
- Finance & Accounting

MAN-POWER

- Multilingual capabilities
- Skilled IT talent pool
- Low labor rates

TRENDS

- Emergence of tier 2-3 cities – Jaipur, Ahmedabad, Nagpur, etc.
- Focus on high-end value-add services – eR&D, CRM etc.

KEY COMPANIES



Automotive Mission Plan 2026 is the collective vision of the government and automotive industry to target holistic development of auto and auto component industry

GLOBAL POSITIONING



4th largest automotive industry
(after China, US and Japan)

ECONOMIC RELEVANCE



7.1% contribution to national GDP



49% contribution to India's manufacturing GDP

EMPLOYMENT GENERATION



Provides direct and indirect employment to over 19 million people in India

EXPORTS CONTRIBUTION



Contributes ~4% to India's total exports

Indian government is focusing of all aspects of improving logistics in India – be it upgradation of seaports, new highways, developing inland waterways, modernization of airports, etc.



India constructed **140,000 KM national Highways** in last 7 year



In 2022, India's operational airports **increased to 140 from 74 in 2014**



1835 km of new track per year has been added through new-line during 2014-2021



India to increase cargo handling capacity of its ports **4X to 10,000 million tonnes** per annum (mtpa) by 2047



20 Indian cities has operational metro in 2022, up from 5 in 2014

- Business opportunities (Confirmed orders)
 - **Alstom**, received 387 mio EUR order for supplying trainsets for Indore Metro
 - **Isolux Corsan Pvt. Ltd**, received EPC works order of 63 mio for National Highways
 - Air India placed 470 aircraft orders in February 2023 with **Boeing company** and 250 aircraft with **Airbus**

Renewable industry will be one of the biggest beneficiary of Indian government plans to achieve net zero; government focus on accelerating solar and wind energy installations

INSTALLED POWER GENERATION CAPACITY DEVELOPMENT

All values in GW

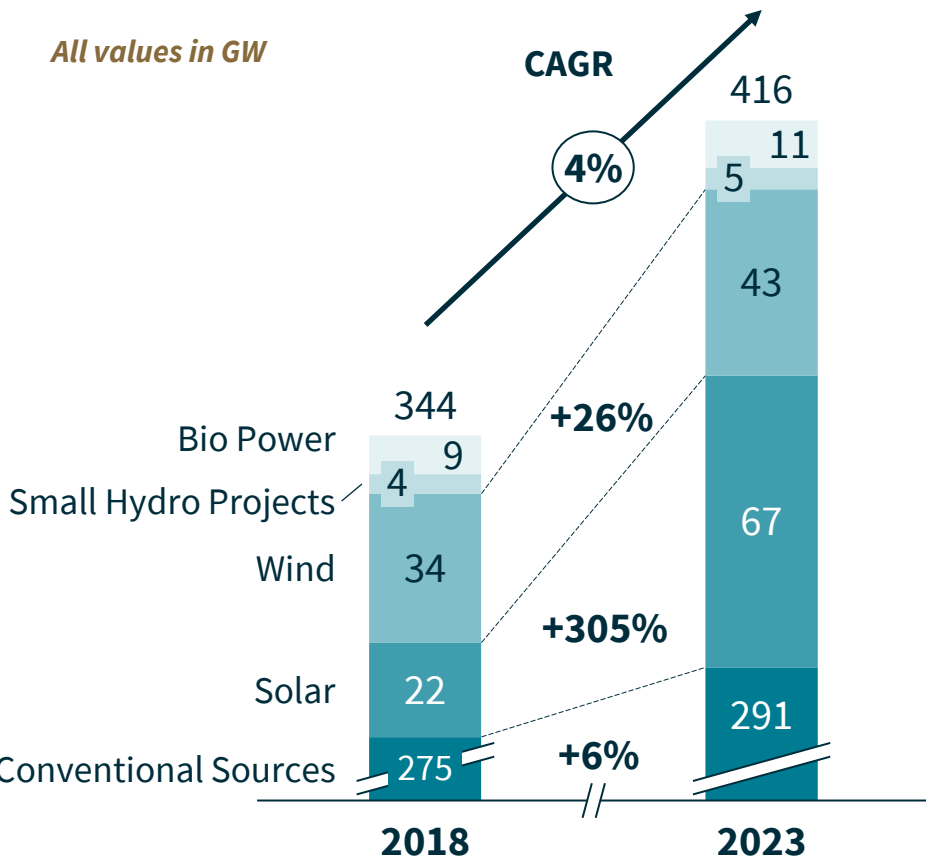
CAGR

4%

+26%

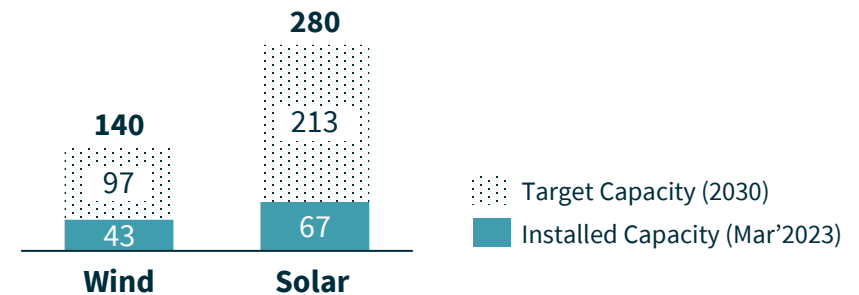
+305%

+6%



The Bhadla Solar Park (Rajasthan), the worlds largest, spreads over 56 km² with a capacity of 2.2 GW

INSTALLED & TARGETED SOLAR, WIND CAPACITY



Ambitious **target of 500GW Renewable Energy capacity by 2030; Solar & Wind to contribute ~420 GW (from ~109GW as on Mar'23)**

1) Includes Thermal (Coal + Gas), Large Hydro and Nuclear Power

DEMOGRAPHICS – THE MIDDLE CLASS IS RISING STAR

33% of Indians are aged between 20–40 years and count as “future growth engine” – it’s an educated population with good disposable income looking forward to a sophisticated lifestyle

POPULATION SPLIT BY AGE GROUPS 2022



<20 YEARS



20-40 YEARS



40-60 YEARS



>60 YEARS



**POPULATION
(MIO) IN INDIA**

**496
(35%)**

**462
(33%)**

**300
(21%)**

**145
(10%)**



**POPULATION
(MIO) IN CHINA**

**330
(23%)**

**401
(28%)**

**420
(30%)**

**252
(18%)**

Middle class defined as 11 – 110 USD/ day spending capability in Purchasing Power Parity (PPP)

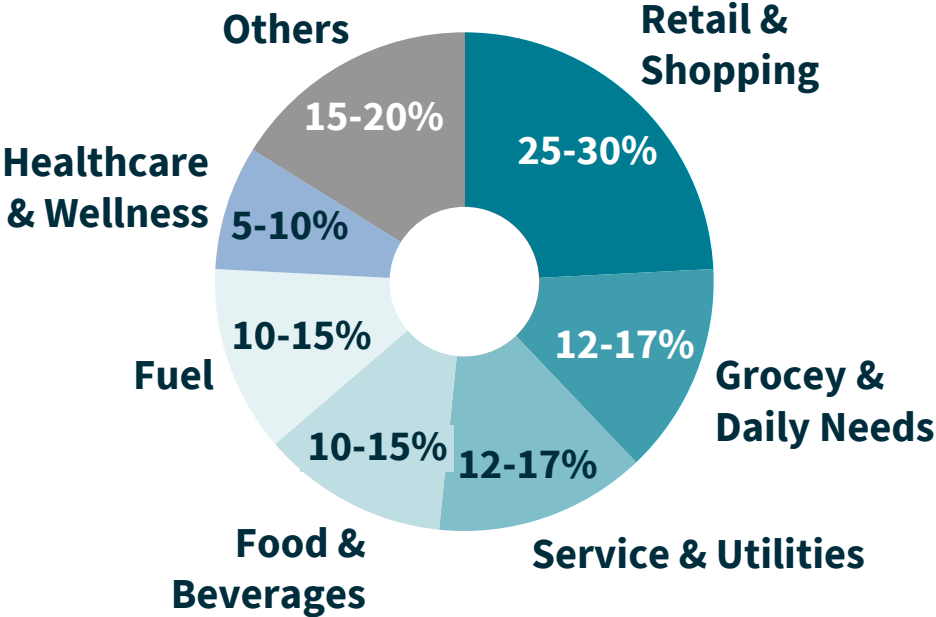
CONSUMER SPENDING

Almost 50% of spends accounts for consumer goods / FMCG including daily needs, groceries, food and beverages and retail shopping

INDIANS SHOPPING: MODERN AND TRADITIONAL



CONSUMER SPENDING (297 BLN EUR 2024 (E))



Indians significantly adopt Western culture and consumer lifestyle mainly in the urban areas – with an added element of inclusion of Indian touch – a wonderful match!

LANGUAGE

- **“English”** serves as a lingua franca for communication and medium of instruction in schools & universities and an influential language

CLOTHING

- **Western clothing percolated** into the Indian populace quite widely – mainly **due to convenience; Indo-Western** clothing like jeans with Kurti, lehnga (long skirt) with tank top etc. is gaining popularity



SOCIAL CUSTOMS & LIFESTYLE

- **Nuclear families, dating, live-in relationships and Western-style celebrations** become prevalent and popular

FOOD

- Introduction of **Western-style fast food to the Indian palate – in parallel, fusion cuisine** combining Indian and western flavors enjoys **popularity**

TECHNOLOGY & CONSUMER GOODS

- **Embraced Western technology & consumer goods**

EAC EXPERTISE – CONSULTING IN GROWTH MARKETS

30 years of international consulting in Asia and other key emerging markets – we are experts for analysis, strategy development and globalization solutions

OUR OFFICES AROUND THE GLOBE

- Munich
- Shanghai
- Mumbai
- Kuala Lumpur

OUR REGIONAL EXPERTISE

- China
- India
- Southeast Asia
- Northeast Asia
- Central Eastern Europe

OUR FUNCTIONAL COMPETENCIES

- Strategy
- M&A
- Operational Excellence
- Sustainability

OUR INDUSTRY COMPETENCIES

- Industrial Engineering
- Mobility
- Building & Infrastructure
- Energy & Environment
- Pharma & Healthcare
- Chemicals & Specialties
- Consumer Goods
- Exhibition



CLIENT REFERENCES – OVERVIEW

EAC’s high-caliber consulting solutions are recognized by international MNCs and hidden champions

EAC – YOUR PARTNER OF CHOICE IN ASIA

	IN OVER	MORE THAN
30	50	3,500
YEARS OF EXPERIENCE	COUNTRIES AROUND THE GLOBE	PROJECTS IN GROWTH MARKETS



In 2021, 2022, and 2023
EAC was once again among the best consultancies in Germany



Incredible INDIA



THANK YOU

EAC is open to customized workshops in areas of your specific interest

