



Recommendations:

The world's second most populous country boasts a youthful, largely English-speaking population, years of substantial economic growth, and the promise of further economic expansion. Structural issues remain, to include India's famous bureaucracy, but the government is working to improve the business environment. ****Good choice for most business sectors, especially consumer sales, but can be challenging****

- (+) Vast and growing base of middle class consumers
- (+) Availability of educated, English-speaking professionals as well as numerous workers
- (+) Tremendous potential for further growth

- (-) Complex bureaucracy, regulations, and taxes
- (-) Pollution and poor transportation infrastructure
- (-) Diverse regional markets require companies to pursue a state-by-state strategy

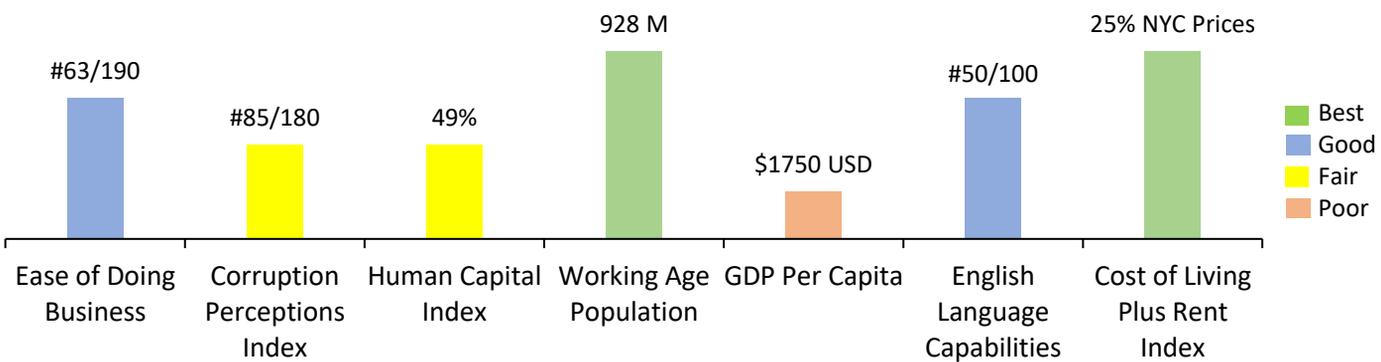
Highlights:

- Decade of world-leading economic growth, but this had begun to slow even before COVID-19
- On track to be the world's most populous country, with a growing middle class, entrepreneurial culture, and generally strong fundamentals
- Business environment is improving for foreign companies, but popular resistance slows change

"India offers significant opportunities for U.S. companies, and the potential to increase bilateral trade is enormous. Indian conglomerates are generally equal in sophistication and prominence to their international counterparts."
-- US International Trade Administration, 2022

Country Facts:

Population: 1.39 Billion; 1% growth in 2020
 GDP: \$3.29 trillion USD; 8.4% 2021 growth following -7.3% in 2020
 GNI per capita: \$2,020 USD; 4.9% inflation; lower middle-income country
 E-Commerce: \$80 billion in 2021; growing at 27%
 Industries: IT, pharmaceuticals, manufacturing (textiles, chemicals, cement, steel, automobiles), mining, petroleum, agriculture
 Tourism: Major industry prior to 2020; 9.2% of GDP & employs 42 million
 Investment: Multiple government programs to encourage foreign investment, to include tax incentives and eased restrictions



Marketing:

Per capita expenditure: \$1,100 USD
 Internet penetration: 45% (South Asia 42%)
 Shop online: 76.7%
 Mobile ownership: 79.0%
 Primary messaging: WhatsApp
 Primary website: Facebook

Average Labor:

Annual Labor Productivity: \$21,000
 Prof. Salary: \$9,800
 Worker Salary: \$5300

Infrastructure:

Ports: Good
 Roads: Fair
 Airfields: Good
 Railroads: Poor

Opening a Business:

Relevant Laws: Multiple laws, to include New Companies Act (2013), Companies Incorporation Rules (2014, Foreign Exchange Management Regulations (2017)
 Time to Incorporate: 2-3 weeks to incorporate (in Mumbai) and complete necessary paperwork depending on type of incorporation
 Fees to Incorporate: Basic fees range from less than \$100 to \$500 depending on type of company
 Paid-in Capital: No minimum paid-in capital
 Remittance Taxes: Complex rules, but plan on 20 percent tax for buyback method of remitting profits
 Restrictions: At least one Indian citizen as a director and local address normally required; restrictions on foreign investment in certain sectors, including agriculture, real estate, nuclear energy, tobacco, and lotteries

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