India is now the world’s 5th largest economy

India became world’s fifth largest economy in 2019 in terms of nominal GDP, leapfrogging France and the UK, according to data from the IMF’s World Economic Outlook. The report said, “India’s economy is the fifth largest in the world with a GDP of USD 2.94 trillion, overtaking the UK and France in 2019 to take the fifth spot.” The UK economy amounts to USD 2.83 trillion and France with USD 2.71 trillion. The report added, “India’s rise is even more dramatic across the past 25 years. Since 1995, the country’s nominal GDP has jumped more than 700 per cent.” The report additionally stated that in purchasing power parity (PPP) terms, India’s GDP (PPP) is USD 10.51 trillion, exceeding that of Japan and Germany. India’s next major target is achieving a USD 5 trillion economy by 2024-25. The Indian government on numerous occasions has stated that it has been setting the foundation for the ambitious target.

Canada’s Brookfield overtakes US giant Blackstone as largest private investor in India

Canadian alternative asset manager Brookfield Asset Management trumped US private equity firm Blackstone to emerge as the largest private capital investor in India in 2019, lifted by deals with Reliance Industries Ltd (RIL). Investments by Brookfield totalled nearly USD 6.28 billion last year across private equity and real estate, far outpacing the USD 2.38 billion in investments by Blackstone, according to deals tracker Venture Intelligence. For the four years through 2018, Blackstone had topped the list with investments of USD 4.34 billion, more than double Brookfield’s nearly USD 2.07 billion. That changed last year when Brookfield signed deals with RIL. Brookfield made a USD 3.6 billion buyout of the telecom infrastructure assets of Reliance Jio Infocomm Ltd. It was the largest ever deal in India made by a private equity investor.

India’s Budget 2020: Key takeaways for foreign investors

In February 2020, Finance Minister Nirmala Sitharaman presented the national budget for the upcoming financial year. The theme of this year’s budget was aspirational India, economic development for all, and a caring society. Some of the budget expectations of foreign investors that have been addressed are – the scrapping of the dividend distribution tax (DDT), increase in investment limit of foreign portfolio investors (FPI) in corporate bonds, tax exemption for sovereign wealth funds on their investments in certain sectors, and simplifying GST. The announced Budget is an endeavour by the Indian government to inject fiscal stimulus and bring certainty to the taxation regime which will attract foreign investment and aid in India’s economic growth. Overall, the Budget proposals have long-term implications on the direction of India’s tax policy.

Canada’s CDPQ and India’s Piramal roll out USD 300-million private credit platform

Canadian pension fund Caisse de dépôt et placement du Québec (CDPQ) and India’s Piramal Asset Management Pvt. Ltd have jointly floated a private credit financing platform with a corpus of USD 300 million. CDPQ will contribute 75 per cent of the funds for the platform while the alternative investment arm of Piramal Enterprises Ltd will put in the remaining capital. The two companies said that the platform will look to offer private credit to Indian companies across various sectors, including manufacturing, consumer, industrial, pharmaceuticals and logistics. Piramal also maintains a steady partnership with CDPQ’s compatriot, Canada Pension Plan Investment Board (CPPIB). In May 2019, Piramal and CPPIB signed an initial pact to co-sponsor a renewable energy-focused infrastructure investment trust with a corpus of USD 600 million.
Microsoft corport Chief Executive Satya Nadella indicated his company is betting big on cloud and artificial intelligence (AI), or 'intelligent cloud', in India. Microsoft intends to make its cloud computing platform Azure “the world’s computer”, Nadella said at the Future Decoded summit in Bengaluru, India. Microsoft has 57 data centre regions globally, with three centres in Pune, Chennai and Mumbai. Microsoft’s revenue from intelligent cloud stood at USD 11.9 billion and increased 27 per cent year-on-year as compared to the total revenue, which stood at USD 36.9 billion and increased 14 per cent, for the quarter ended December 2019. The company has forecast its intelligent cloud revenue to be in the range of USD 11.85-12.05 billion for the next quarter. Microsoft’s India headcount currently stands at about 10,000 employees.

Volkswagen to invest USD 1.13 billion in second bet on India

Volkswagen (VW) community is taking a second wager on India as it pumps in a new investment of USD 1.13 billion to raise a pie of the market, which is seen as one of the principal radiant spots in the environment automobile world. "India is one of the most promising markets in the world, but it is also one of the most competitive. We want to be hyper-local here this time and get the right products at the right prices to win our share here" Bernhard Maier, Global CEO, Volkswagen said. The company plans to launch SUVs, sedans, electric vehicles and mini cars in the next few years to succeed in India this time. Skoda, which arrived in the country in 1999, has been the oldest company in the group, while the parent company VW matrix arrived around 2010 with an investment of USD 1 billion.

Panasonic makes its big bet on connected devices in India

Panasonic India expects to close the current fiscal ending March 2020, with gross revenues of USD 1.72 billion on the back of six per cent growth. The Japanese major recently announced one of its "most ambitious projects" by foraying into the connected devices space, with the launch of its IoT and AI-enabled platform Miraie. The platform launch is backed with the launch of connected inverter air-conditioners, smart doorbells and plugs and switches. Manish Sharma, President & CEO, Panasonic India and South East Asia, said, “In financial year 2020-21, we expect nearly 25 per cent of our total consumer appliances revenues to come from our range of connected devices.” The company plans to expand the connected devices range to smart refrigerators and washing machines, besides geysers, fans and televisions in the coming months to provide the full range of Connected Living Solutions.

Indian food-tech industry to touch USD 8 billion mark by 2022

In the next two years, Indian food-tech industry is expected to reach USD 8 billion mark, clocking a CAGR of 25-30 per cent, as per the report by Google and Boston Consulting Group (BCG). The food tech space has been the fastest growing e-commerce segment in terms of reach and engagement, on the back of the rapid advancement in internet adoption and continued investments on consumer trials and delivery satisfaction. Ms Roma Datta Chobey, Director of Travel, BFSI, Classifieds, Gaming, Telco & Payments, Google, said, "The food-tech industry is nascent but one of the fastest growing in the country. Food tech has now made its presence in more than 500 cities in India and with consumer confidence growing, there are new opportunities for the players to 'win with the consumer' in an evolving market."

We’re bullish on India : MSD (Merck & Co.)

MSD, the American biopharma giant, is bullish about expanding its India presence and becoming an important partner in meeting the country's rising health-care demands, besides supporting research initiatives and mega programs like the Ayushman Bharat. As far as MSD is concerned, India is currently under-represented among the emerging markets in the overall scheme of things, says Jan Van Acker, its President for Emerging Markets. "We have more than one thousand employees who focus on areas that are most important to India, including metabolic disorders, vaccines, critical care, oncology, women's health and primary care. We manufacture more than 80 per cent of the volume of our products in India through our local partners. The partnership with Sun Pharma has been amazing, enduring and fruitful." Acker added.

Ride-hailing app Uber plans to quadruple its electric vehicles fleet in India by the end of the year, leveraging strategic partnerships across the ecosystem. Uber has more than 350 electric vehicles and plans to expand that to 1,500 by the year-end. Pradeep Parameswaran, CEO, Uber India and South Asia said the company looks at India as a growth market for the next ten years as it continues to partner with the auto industry and startups to launch new products, especially in the electric mobility space. "We believe that the original equipment manufacturers (OEM) industry in India is very evolved and robust. Our strategy is to actively partner with OEMs, financiers and technology service providers for charging infrastructure that are building these form factors and bring in our rider base, safety and marketplace technology," Parameswaran added.

For guidance on doing business in India

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Issue #125