## CONTENTS

THE AMBITION OUTLINED

FOREWORD

PREFACE

RESEARCH OBJECTIVES AND METHODS

EXECUTIVE SUMMARY

<table>
<thead>
<tr>
<th>Chapter 1:</th>
<th>8-12</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Let’s grow together”: Envisioning a prosperous future</td>
<td></td>
</tr>
<tr>
<td>• Trade: the building block of India-LAC investment relationship</td>
<td></td>
</tr>
<tr>
<td>• The multi-dimensional India-LAC bonding</td>
<td></td>
</tr>
<tr>
<td>• The changing character and impact of bilateral investment flows</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Chapter 2:</th>
<th>13-46</th>
</tr>
</thead>
<tbody>
<tr>
<td>Getting to know LAC better</td>
<td></td>
</tr>
<tr>
<td>• The LAC advantage</td>
<td></td>
</tr>
<tr>
<td>• Macroeconomic and investment profiles of LAC nations</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Chapter 3:</th>
<th>47-76</th>
</tr>
</thead>
<tbody>
<tr>
<td>Getting to know Indian states</td>
<td></td>
</tr>
<tr>
<td>• The India advantage</td>
<td></td>
</tr>
<tr>
<td>• Some basics about India’s FDI policy and procedures</td>
<td></td>
</tr>
<tr>
<td>• Macroeconomic and investment profile of Indian states</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Chapter 4:</th>
<th>77-79</th>
</tr>
</thead>
<tbody>
<tr>
<td>Understanding barriers to growing together</td>
<td></td>
</tr>
<tr>
<td>• Trade barriers impacting investment flows</td>
<td></td>
</tr>
<tr>
<td>• Restrictions on movement of talent</td>
<td></td>
</tr>
<tr>
<td>• Lack of regulatory clarity and regulatory delay</td>
<td></td>
</tr>
<tr>
<td>• Complex and multiple compliance requirements</td>
<td></td>
</tr>
<tr>
<td>• Complexities of business culture</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Chapter 5:</th>
<th>80-89</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growing together for a prosperous future – steps forward</td>
<td></td>
</tr>
<tr>
<td>• The strategic and operational imperatives</td>
<td></td>
</tr>
<tr>
<td>• Sector specific recommendations:</td>
<td></td>
</tr>
<tr>
<td>- Agriculture and Food processing</td>
<td></td>
</tr>
<tr>
<td>- Infrastructure</td>
<td></td>
</tr>
<tr>
<td>- Information Technology (IT), IT enabled services (ITeS) and Digital Technologies</td>
<td></td>
</tr>
<tr>
<td>- Manufacturing</td>
<td></td>
</tr>
<tr>
<td>- Renewable energy</td>
<td></td>
</tr>
<tr>
<td>- Tourism and Hospitality</td>
<td></td>
</tr>
<tr>
<td>• Overcoming operational hurdles</td>
<td></td>
</tr>
<tr>
<td>• The new paradigm: Let’s grow together</td>
<td></td>
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</tbody>
</table>

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EXCELLENCIES, India’s trade with South America has shown strong growth in recent years. There is a growing presence of Indian investors in South America. It is, however, still well below potential. From hydrocarbons to pharma, textiles to leather, engineering goods to automobiles, the range of opportunities is enormous.

We must utilize the Preferential Trade Agreement between India and the MERCOSUR Trade Bloc and [between India and] Chile more effectively. We also attach importance to the South American and Caribbean Business Conclave held every year in India. A similar investment conclave is being organized in October 2014, in India. I ask your Excellencies to encourage your business leaders to take full advantage of this opportunity.

I firmly believe the possibilities of cooperation are limited not by distance but only by our imagination and efforts. We have much to learn from each other in our journey towards inclusive and sustainable development. We must share with each other our experiences, best practices and innovative solutions. India stands committed to the same.

HONOURABLE PRIME MINISTER OF INDIA

NARENDRA MODI

while addressing Heads of Governments in Brazil
July 16, 2014
FOREWORD

During the last decade, investors in LAC nations and India have become more open about investing in each other’s territories. The average investment per project from India to LAC has grown four fold to reach US$52 million in 2013. Of the US$2.68 billion of FDI flows from LAC countries to India during the period 2003-13, close to 50 percent have come in the last three years alone.

This gradually growing investment bonhomie has created a real opportunity for India and LAC nations to embark on a mutually rewarding journey of growth and prosperity.

Recognizing the tremendous gains associated with unlocking this opportunity for businesses and people across India and LAC nations, DIPP-Ministry of Commerce and Industry (Government of India), FICCI and Invest India have joined hands to organize the first ever investment focused program, in form of India-LAC Investment Conclave 2014 with the active support of governments, investment agencies and industry associations.

As organizers, we are keen to see this Conclave evolve into a deal-origination platform as well as a stage fostering developmental and business cooperation. With this goal, the proceedings of this Conclave have been organized to facilitate active engagement between investors and investees across public and private firms and government bodies from India and LAC nations. To achieve better focus, such engagements have been specifically built around sectors wherein, both India and LAC nations need investments but have also concurrently evolved unique capabilities beneficial to each other’s growth. These sectors being: Agriculture and food processing, Infrastructure, IT & ITES, Manufacturing, Chemicals, Pharmaceuticals, Renewable energy and Tourism & Entertainment.

To make this dialogue more meaningful and outcome-oriented, we have provided you with a knowledge paper titled, "India - Latin America & Caribbean: Talking Business" prepared by FICCI’s Knowledge Partner, Accenture. This knowledge paper will go a long way in helping investors to arrive at more informed decisions.

Let me reiterate that the DIPP is convinced about the seminal positive contribution that India and LAC nations can make to each other’s growth trajectories with the deployment of patient capital.

So, let’s grow together!

(Amitabh Kant)
The growing bond between India and the nations of Latin America and the Caribbean (LAC) presents both sides with an immense opportunity. Blessed with human capital, abundant natural resources and a growing pool of technologists, innovators and entrepreneurs, this relationship between emerging markets—E2E—can unlock new sources of industrial prosperity and human development.

Investment, both domestic and cross-border, is going to be necessary to make the opportunity a reality. The India-LAC Investment Conclave 2014 serves as an appropriate platform for investors to take the first step in this journey. Considering the complementarities in the economic growth models of India & LAC countries, this first ever investment Conclave between our countries, revolves around the theme, “Let’s Grow Together”, signifying a paradigm shift in the economic engagement between India and LAC region, going forward.

As our contribution to this conclave, we at FICCI and Accenture have developed this paper to provide a perspective for discussions between both sides of any investment equation.

We started by mapping the journey of cross-border investments between LAC nations and India and vice versa. We found that investment volumes between the two regions have grown, the profile of investment is gradually shifting to higher-value-added industry sectors and unique technological collaborations. Connecting with companies of LAC and Indian origin, industry associations and investment facilitators, the first concrete suggestion that came in was to leverage this paper towards enhancing awareness of each side's economic strengths. We have therefore incorporated comprehensive yet succinct fact sheets on LAC nations and Indian States, in this paper.

For us, the biggest takeaway from our research has been the plethora of opportunities available for investors in traditional strongholds such as food processing and infrastructure and in emerging sectors like renewable energy and urban resource management.

This journey to prosperity, although rewarding, is going to be a challenging one. Businesses will need to manage cultural and regulatory complexities as well as diverse demand- and supply-side realities. We recognize that if operational barriers are not overcome in a timely manner, they may become structural barriers that could constrain the collaborative growth opportunity. Therefore, in the paper's concluding chapter, we have recommended a list of actions that governments, investors and industry associations can take to surmount operational hurdles.

Specifically for investors, our recommendations are threefold: (1) Find a reliable local partner and be prepared to bring senior local talent onboard at very early stages of investment. (2) Become conversant with local cultures and business practices and raise awareness of government programs and government agencies that can facilitate bilateral investment cooperation. (3) Most important, consider LAC and India as not just standalone markets, but as platforms for tapping a wider market leveraging the power of expanding trade arrangements.

FICCI and Accenture hope that all stakeholders striving to grow the business between India and the LAC nations find this document a useful guide for making new investments and bolstering existing ones, as our nations move toward a glorious and prosperous future.

Dr. A. Didar Singh  
Secretary General  
FICCI

Avinash Vashistha  
Chairman and Managing Director,  
Accenture, India
This paper focuses on:

• Analyzing the evolving investment relationship between investors within India and LAC nations.
• Sharing information with Indian industry on collective as well as individual macroeconomic and business strengths of LAC economies.
• Creating better awareness among LAC businesses about the competencies of various Indian states and on inter-state business opportunities.
• Mapping barriers impacting growth of cross-border investment flows.
• Identifying distinctive opportunities to invest and collaborate in strategic sectors.

The team at FICCI, Invest India and Accenture held extensive discussions with representatives of LAC missions in India. A questionnaire was administered to Indian as well as LAC industrial entities with investments in the LAC region and India, respectively.

To develop high-quality factsheets on LAC economies and Indian states, the research team sourced information from reputable secondary sources such as the World Bank, the Economist Intelligence Unit (EIU), the Centre for Monitoring the Indian Economy (CMIE), the UNCTAD and various databases published by respective sub-national authorities and national governments of India and LAC economies.

We prepared factsheets on 17 LAC economies and 10 Indian states (others were not incorporated because of the absence of verifiable and consistent data). With the support of FICCI and Invest India, the research team, wherever possible, also spoke with senior officials in LAC missions and state officials in India to verify data gathered from secondary sources.

The responses from our questionnaire were utilized towards mapping barriers to investment flows from LAC regions into India and vice versa.

Key areas for investment and collaboration in sectors of interest to the India-LAC Investment Conclave were identified using interviews with industry experts, in addition to secondary research.

For data mentioned in the factsheets for the fiscal year 2013-2014, the following exchange rate has been used for conversion: 1 INR = US$ 0.01670 or US$ 1 = 59.7580 INR (as on March 31, 2014).

For data mentioned in the factsheets for the fiscal year 2011-2012, the following exchange rate has been used for conversion: 1 INR = US$ 0.01920 or US$ 1 = 51.8521 INR (as on March 31, 2012).
Despite being located oceans apart, India and the Latin American Caribbean nations have remarkable similarities. Both share a rich and diverse cultural and biodiversity heritage preserved over centuries. Growth in many LAC nations and India continues to be influenced by mixed economic forces. Both face a demographic transition, and their promise to emerge as large consumer markets is making them equally attractive to global corporations.

India and LAC nations have evolved as diversified and mature global trading and investment players. Some have transformed themselves into highly competitive export hubs for manufactured products such as aircraft, automobiles, machinery and pharmaceuticals, as well as services such as software, information technology and entertainment, while still retaining their competitiveness in traditional agro-product exports. Their maturity as FDI destinations is reflected in the fact that they together accounted for 21 percent of global foreign direct investment (FDI) inflows into emerging markets during the aftermath of the recent global economic crisis.\(^1\)

In this chapter, we provide a quick snapshot of this blossoming partnership.

**The building blocks of the India-LAC investment relationship**

Governments of LAC and India have been making conscious effort to enhance attractiveness and awareness of each other’s economies. (See Figure 1.)

**Figure 1: Governmental measures to enhance India-LAC relationship**

Indian and LAC authorities have used bilateral and multilateral platforms of trade, investment and finance to make investors in each other’s geographies aware of opportunities

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<td><strong>Focus LAC initiative by government of India</strong></td>
<td><strong>Concessional line of credit (LOC) worth US$10 million to Brazil</strong></td>
<td><strong>India-MERCOSUR PTA</strong></td>
<td><strong>Concessional LOC worth US$5 million to Cuba</strong></td>
<td><strong>Memorandum of understanding (MOU) on economic cooperation between India and Costa Rica</strong></td>
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<tr>
<td>• India-Argentina Bilateral Investment Promotion and Protection Agreement (BIPA)</td>
<td>• India-Chile PTA</td>
<td>• Concessional LOC worth US$30 million to Bolivia</td>
<td>• India-Trinidad &amp; Tobago BIPA</td>
<td>• MOU on economic cooperation between India and Ecuador</td>
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<td>• India-Trinidad &amp; Tobago Double Taxation Avoidance Agreement (DTAA)</td>
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<td>• India-Colombia DTAA (signed)</td>
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<td></td>
<td></td>
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<td>• Soft loan to Honduras and Cuba</td>
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Sources: Ministry of Finance and Department of Commerce webpages; Accenture analysis

\(^1\) The period considered is 2008-2013. Percentages have been derived from the definition of emerging markets provided by the IMF.
Recognizing the potential of the LAC region to emerge as a powerful trade partner, the Indian government launched its “Focus LAC” program in 1997. This initiative was the first concerted effort of its kind to boost trade relationships between India and LAC nations as a group. The program has not only helped improve trade numbers, it has also helped diversify the “export baskets” of both geographies.

In 2004, India and MERCOSUR nations signed a Preferential Trade Agreement (PTA), which granted reciprocal fixed tariff preferences with the ultimate objective of creating a free trade area.³ Chile and India signed a PTA in 2006.⁴

The success of such arrangements can be gauged from the fact that trade between India and LAC jumped more than 400 percent during 1996-1997 to 2006-2007.

With trade nearing the US$10 billion mark by the end of 2006-2007, governments and industry associations took steps to enhance the attractiveness of LAC and India as investment destinations for each other's investment communities. Beginning in 2007, India and LAC began organizing partnership conclaves.

The outcomes of such efforts in shaping the India-LAC relationship have been encouraging.

**Outcome 1: India and LAC now have multi-dimensional bonds**

LAC and India have evolved as sources of products and services integral to the lives of their citizens. For example, Brazil, Colombia, Mexico and Venezuela have become regular providers of crude oil imported into India. Indeed, in 2013, Venezuela attained the status of sixth-largest supplier of crude to India. Moreover, Argentina is meeting the rising demand of edible oil in India. On the other hand, India has become a reliable supplier of diesel and polyester yarn to Brazil.⁴

Industry across geographies is benefiting too. Chile and Peru are now important sources of copper concentrates for the finished copper product industry in India. Brazilian aircraft manufacturer Embraer will soon be helping Hyderabad-based airline Air Costa to ferry passengers between the nations in its aircraft.⁵

Cinema, television and sports have further strengthened bonds among citizens and businesses of India and LAC. For instance, Trivandrum-based Toonz Animation India, in collaboration with Illusion Studios of Buenos Aires, have co-produced an animated film, Gaturro, la película, based on a famous Argentine cartoon character. Brazilian and Mexican divas now regularly make appearances in leading Indian movies. Several LAC destinations are being showcased in Indian cinema for their scenic beauty.⁶ Globo TV of Brazil produced and telecasted a soap opera, Caminho das Índias – Passage to India, which ranked high on the ratings chart for eight consecutive months since its launch.⁷

The relationship between India and LAC in the sphere of healthcare has gone beyond the traditional realm of trade and investment in pharmaceutical products. In April 2010, the National University of Cordoba’s School of Medicine in Argentina began offering a new postgraduate course on Ayurvedic medicine exclusively for medical doctors. Moreover, Ayurvedic medicines produced in India are officially registered in Venezuela, Costa Rica, Nicaragua and Honduras.⁸

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² The sub-regional trading bloc in South America comprising Argentina, Brazil, Paraguay, Uruguay and Venezuela.
³ Department of Commerce database on trade agreements.
⁴ Accenture calculations based on oil import data published by the government of India.
⁵ To learn more, see http://www.aircosta.in/ebooking/mediacenter/volume-4.pdf.
Outcome 2: Investors in LAC and India consider each other's geographies increasingly attractive

The average investment per project from India to LAC is estimated to have grown fourfold to reach US$52 million in 2013. Of the estimated US$2.7 billion in FDI flows from LAC countries to India in the past decade, close to 50 percent have come in the last three years alone. (See Figure 2.)

Figure 2: Strengthening investment flows

Investment engagements between India and LAC nations have gained momentum since 2005

![FDI Flows Chart]

Moreover, India is investing in a larger number of LAC nations, compared with the beginning of this millennium. (See Figure 3.)

Figure 3: LAC destinations for FDI from India

India's investment “basket” in LAC has become more balanced

<table>
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<tr>
<th>FDI Flows from India to LAC</th>
<th>2012/2013</th>
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<tbody>
<tr>
<td>Brazil</td>
<td>Argentina</td>
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<tr>
<td>Colombia</td>
<td>Brazil</td>
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<tr>
<td>Mexico</td>
<td>Cayman Islands</td>
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<td>Peru</td>
<td>Chile</td>
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<td>Puerto Rico</td>
<td>Colombia</td>
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<td>Uruguay</td>
<td>Costa Rica</td>
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<td>Dominican Republic</td>
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<td>Puerto Rico</td>
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<td>Suriname</td>
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<td>Trinidad and Tobago</td>
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Sources: fDi Markets; Accenture analysis

Accenture calculations based on data sourced from fDi Markets.
Outcome 3: Rising bilateral interest is changing the investment landscape

Stereotypes about the strengths and weaknesses of India and LAC are dying out. The partnership between the two geographies has evolved in more ways than just growth in investment size. For decades, LAC countries attracted FDI from companies that wanted only to harness the region's wealth of natural resources. India, too, perceived LAC primarily as a source of natural resources such as oil, gas and metals. But this perception has been changing dramatically in the last three years. Today, India's investments in LAC reflect an interest in finding new markets and enhancing supply chain efficiency. (See Figure 4.)

Figure 4: A changing investment landscape

India now sees LAC as an investment destination that offers access to new markets and other efficiencies

<table>
<thead>
<tr>
<th>India's investments in LAC</th>
<th>2011-2013</th>
<th>2003-2010</th>
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<tbody>
<tr>
<td>Natural Resource</td>
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<tr>
<td>Automotive &amp; Industrial Equipment</td>
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<tr>
<td>Other</td>
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Note: Natural Resource includes Alternative/Renewable Energy, Oil, Coal & Natural Gas and Metals. Automotive includes Automobiles and Auto-Components. Industrial Equipment includes Industrial Machinery, Equipment & Tools and Engines & Turbines.

Outcome 5: Businesses are benefiting from E2E complementarity...

The changing character of bilateral investments across India and LAC is helping companies benefit from E2E complementarity. The automotive sector is a case in point. Companies based in India and LAC have naturally aligned themselves to establish a mutually beneficial relationship. Indian automotive original equipment manufacturers (OEMs) like Tata Motors and Ashok Leyland are investing big to expand their presence in LAC countries. At the same time, LAC-based auto-component companies such as Metalsa (part of Grupo Proeza) and Nemak (part of Alfa Group) are enlarging their footprint in India to support these same OEMs. (See Figure 5.)

Figure 5: Top sectors by investment

India and LAC are leveraging their strengths in the automotive and auto-component manufacturing sectors, respectively, to expand business in each other's regions

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<tr>
<td>RANK 1 LEISURE AND ENTERTAINMENT</td>
<td>METALS</td>
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<tr>
<td>RANK 2 AUTOMOTIVE COMPONENT</td>
<td>AUTOMOTIVE OEM</td>
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<tr>
<td>RANK 3 TRANSPORTATION</td>
<td>FINANCIAL SERVICES</td>
</tr>
</tbody>
</table>

Sources: fDi Markets; Accenture analysis


11 For locations of Metalsa in India, see http://www.proeza.com.mx/proeza_ing.htm.

...And contributing to nations’ inclusive development goals

Bilateral investments are also leading to job creation. For instance, Aegis, the Indian IT company, has 5,000 employees in Argentina, all of them Argentines. UPL, the Indian agrochemical and seed company, has 300 Argentine employees in its manufacturing and research units. In most cases, the Indian companies in the region are headed by local managers. Indian IT companies are leveraging talent from these geographies to serve their Spanish- and Portuguese-speaking markets. Geographic proximity to key markets and a deeper understanding of cultural nuances are proving key attractions for India IT companies. While the IT and ITeS (information technology enabled services) sectors have created the majority of the jobs opened by Indian companies in LAC, sectors such as Automotive, Plastics, and Metals & Mining have emerged strongly as well, accounting for close to one third of all jobs created by Indian companies in LAC since 2003. (See Figure 6.)

Figure 6: Jobs created by India companies in LAC

Most jobs created in LAC through Indian investments are in the IT and Business Services sectors, but other sectors are emerging strongly as well

Yet we can do even more to grow together

Despite the gains, it is still early days. The relationship between India and LAC is still nascent; thus it requires careful nurturing. Between 2003 and 2013, investments between the two sides constituted a very small percentage of their investments around the globe. (See Figure 7.)

Figure 7: Inter-region investment flows as a share of global investments, 2003-2013

FDI between India and LAC comprises a small percentage of the two geographies’ total global investments

Moreover, while trade between LAC and India has witnessed exponential growth in the last decade, FDI is growing steadily. Going forward, it will be important for both sides to recognize the opportunities to collaborate and to complement each other’s strengths to become economic powerhouses in their own right. The signs are promising—suggesting immense potential waiting to be tapped.

Businesses seeking to help LAC and India grow together need greater awareness of key macroeconomic and business variables. Our conversations in India with senior functionaries in missions of LAC nations reveal that business communities in both geographies can benefit by strengthening their awareness of one another’s defining characteristics.

As a first step, Indian investors must understand LAC as one large market instead of multiple smaller markets. By adopting this mindset, they will appreciate LAC’s true potential and better identify opportunities to do business across national borders within LAC. Some investors have already prospered by taking this perspective. For instance, a large Indian agro-equipment company has successfully penetrated the Latin American market, selling in more than 15 countries in that region. This Indian firm has manufacturing and assembly operations in2 of the 15 countries, and those operations act as a base to supply the whole region.

As of 2013, LAC as a group of nations is home to around 600 million people. It boasts a gross domestic product (GDP) of over US$5.5 trillion and receives US$182 billion of foreign investment.

But LAC’s immense size is not the only reason that makes it attractive to investors. Nations within LAC have established networks of integrated infrastructure to facilitate economic cooperation. For example, most South American countries are tightly connected by highway networks. Colombia, Ecuador and Peru plan to integrate their national electricity grids to trade power across borders, and Chile and Bolivia are also expected to join them. Large percentage of LAC’s overall trade happens within the region. Indeed, LAC already has multiple economic blocs - such as MERCOSUR, CARICOM and SICA—that promote free trade and economic integration among various countries within the region.

Moreover, LAC has 325 trillion barrels of proven crude-oil reserves. The region is also the world leader in the production of many food and agricultural products such as coffee, bananas and roses—to name just a few. In addition, LAC has close to 947 million hectares of forest land, almost a quarter of all forest area on the planet and 13 times more than India. This resource makes it one of the world’s most bio-diverse regions and a hotbed for research and development (R&D) in sectors such as Pharmaceuticals, Food & Agriculture and Fast-Moving Consumer Goods (FMCG).

LAC also counts among the world’s biggest exporters. Furthermore, a few countries in the region have positioned themselves as manufacture-and-export hubs, and have already begun attracting numerous multinational companies (MNCs) from around the globe. Manufacturing in LAC not only provides easy access by sea to the major markets of North America, but also helps foreign businesses enter these markets through existing free trade agreements (FTAs). (See Figure 8.)

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**Figure 8: Trade agreements between LAC and other countries**

*LAC nations have built robust relationships with major trading nations around the world*

<table>
<thead>
<tr>
<th>Major bilateral and plurilateral trade engagements of LAC nations and LAC groupings</th>
<th>Australia</th>
<th>Canada</th>
<th>China</th>
<th>EFTA*</th>
<th>EU</th>
<th>Republic of Korea</th>
<th>Japan</th>
<th>USA</th>
<th>Singapore</th>
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<td>Republic of China (ROC), Taiwan</td>
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<td>NAFTA</td>
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<td>Panama</td>
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<td>CARICOM*</td>
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<td>MERCOSUR***</td>
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<td>Egypt, Israel, SACU*</td>
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<td>SICA****</td>
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<td>DR-CAFTA, Mexico, Chile, Colombia, ROC, Taiwan</td>
</tr>
</tbody>
</table>

Source: SICE Foreign Trade Information System (data accessed on July 10, 2014)

*EFTA – European Free Trade Association  
*CARICOM – Caribbean Community – Organization of 15 Caribbean nations  
**CARIFORUM – Subgroup of African, Caribbean and Pacific Group of States  
***MERCOSUR – Southern Common Market in the Latin American continent  
****SICA – Central American Integration System  
#SACU – South African Customs Union

While gaining a fuller understanding of LAC as a region is valuable, conducting a deeper dive into key LAC economies is equally critical. Below, we provide fact sheets developed for 17 LAC nations, drawing from the following sources: European Commission database; IMF World Economic Outlook, April 2014; UNCTADStat; UNCTAD IIA Database; UNDP Human Development Report; RBI; SICE Foreign Trade Information System; WEF Global Competitive Index; World Bank Doing Business 2014; www.oanda.com; Ministry of External Affairs; United Nations ECLAC; and Accenture primary research and analysis.
INVESTMENT SUMMARY

Core-Capability sectors
- Food and beverages
- Biotechnology
- Wine Industry

Priority Sectors for Inward FDI
- Technical and professional services
- Software and IT
- Renewable energy
- Creative Industries
- Automotive

Trade Agreements and Investment Treaties
- As a member of MERCOSUR, Argentina is entitled to FTA benefits with: Israel, Peru, Bolivia and Chile.
- As a member of MERCOSUR, Argentina is entitled to benefits emanating from the Framework Agreement with Morocco.
- As a member of MERCOSUR, Argentina is entitled to benefits resulting from the Preferential Agreements with: Colombia, Ecuador, India and Mexico (auto sector agreement).
- It has a Partial Preferential Agreement with Uruguay specifically focused on the auto-sector.
- Argentina has 55 bilateral investment treaties (BITs) in force.

Infrastructure
- Argentina’s transport and communications infrastructure includes over 39,322 kilometers of national highways and 195,837 kilometers of provincial roads.
- They have one of the largest railway networks in the world (35,753 kilometers).
- Moreover, they have 43 ports, seven of which are sea ports and 53 airports, 21 of which are international.

Government Regulations

FACTSHEET

ARGENTINA

INVESTMENT SUMMARY

Core-Capability sectors
- Food and beverages
- Biotechnology
- Wine Industry

Priority Sectors for Inward FDI
- Technical and professional services
- Software and IT
- Renewable energy
- Creative Industries
- Automotive

Trade Agreements and Investment Treaties
- As a member of MERCOSUR, Argentina is entitled to FTA benefits with: Israel, Peru, Bolivia and Chile.
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- Moreover, they have 43 ports, seven of which are sea ports and 53 airports, 21 of which are international.

Government Regulations

FACTSHEET

Consumer Market (Population, 2013) 41.1 mn
GDP at Current US$ (2013) US$ 488.2 bn
Gross National Income per capita (2013) US$ 9,740
GDP Growth (average 2009-13) 5.0%
Inflation (average, 2009-13) 9.4%
Currency (August 2014) 8.26 Argentine Peso (ARS) to 1 USD
Human Development Index (Rank, 2013) 49 of 187
Size of Labor Force (million, 2013) 17.2
Labor Cost per Hour (2013) US$ 5.8
FDI Inflow (cumulative for the period 2009-13) US$ 47.2 bn
FDI Inflow as % of GDP (2013) 1.9%
FDI Outflow (cumulative for the period 2009-13) US$ 5.4 bn
Sectors attracting the largest FDI inflows (as of 2013) Petroleum and gas, chemical and plastics, automotive, telecommunication and mining.
World Bank 'Doing Business' 2014 Statistics

Number of days to start business 25 (Latin America & Caribbean Average = 36.1)

Number of days to get construction permit 365 (Latin America & Caribbean Average = 215.5)

Number of days to get electricity connection 91 (Latin America & Caribbean Average = 65)

Number of days to register property 53.5 (Latin America & Caribbean Average = 65)

Strength of investor protection index (0-10) 5 (Latin America & Caribbean Average = 4.9)

Time to export (days) 12 (Latin America & Caribbean Average = 17)

Cost to export (per container) US$ 1,650 (Latin America & Caribbean Average = US$ 1,283)

Time to import (days) 30 (Latin America & Caribbean Average = 19)

Cost to import (per container) US$ 2,260 (Latin America & Caribbean Average = US$ 1,676)

FDI cap: Foreign companies may invest in Argentina without registration or prior government approval, and on the same terms as investors domiciled in Argentina. Investors are free to enter Argentina through merger, acquisition, green-field investments, or joint ventures. Foreign firms may also participate in publicly-financed research and development programs on a national treatment basis. Individually each foreign individual or company faces an ownership cap of 1,000 hectares (2,470 acres) in the most productive farming areas, or the equivalent in terms of productivity levels in other areas.

Exports (2013) US$ 83.0 bn
Imports (2013) US$ 74.0 bn
Imports from India as % of Total Imports (2013) 0.9%
Total Trade with India (cumulative for the period 2009-13) US$ 7.6 bn

Top Merchandise Exports (as of 2013) Food (Soybean Meal, Corn), soybean oil, cars, delivery trucks, crude petroleum and gold.
Top Merchandise Imports (as of 2013) Cars, petroleum gas, vehicle parts, refined petroleum and telephones.

General Government Gross Debt as percent of GDP (2013) 46.9%

Indian Companies in Argentina

<table>
<thead>
<tr>
<th>Sector</th>
<th>Companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chemicals</td>
<td>Gulf Oil International Group, Advanta India</td>
</tr>
<tr>
<td>Medical Devices</td>
<td>Care Group India</td>
</tr>
<tr>
<td>Consumer Products</td>
<td>Chemmanur</td>
</tr>
<tr>
<td>Pharmaceuticals</td>
<td>Glenmark Pharmaceuticals</td>
</tr>
<tr>
<td>Business Services</td>
<td>ICICI One Source (Actionline Argentina, Firstsource )</td>
</tr>
<tr>
<td>Software &amp; IT services</td>
<td>Tata Consultancy Services (TCS)</td>
</tr>
</tbody>
</table>

Sources other than common sources cited earlier: Ministry of Foreign Affairs and Culture, Argentina
Core-Capability sectors
- Hydrocarbons (gas and oil)
- Rich mineral sources (zinc, ore, gold, silver and tin)
- Wines
- High quality Alpaca wool

Priority Sectors for Inward FDI
- Infrastructure
- Natural gas
- Lithium

Trade Agreements and Investment Treaties
- Bolivia has an FTA with Mexico and MERCOSUR.
- Bolivia also has a preferential agreement with Chile.
- Bolivia has 15 bilateral investment treaties (BITs) in force.

Infrastructure
- Bolivia has 11,993 kilometers of paved roads and has 3,652 kilometers of railway lines.
- Bolivia has a river port and has free port privileges in maritime ports in Argentina, Brazil, Chile and Paraguay.

Government Regulations


World Bank ‘Doing Business’ 2014 Statistics
Number of days to start business (Latin America & Caribbean Average = 36.1) 49
Number of days to get construction permit (Latin America & Caribbean Average = 215.5) 275.5
Number of days to get electricity connection (Latin America & Caribbean Average = 65) 42

Consumer Market (Population, 2013) 10.5 mn
GDP at Current US$ (2013) US$29.8 bn
Gross National Income US$ 2,220
GDP Growth (average 2009-13) 4.9%
Inflation (average, 2009-13) 5.2%
Currency (August 2014) 6.8 Bolivian Boliviano (BOB) to 1 USD
Human Development Index (Rank, 2013) 113 of 187
Size of Labor Force (million, 2013) NA
FDI Inflow (cumulative for the period 2009-13) US$ 4.7 bn
FDI Inflow as % of GDP (2013) 5.9%
FDI Outflow (cumulative for the period 2009-13) -US$ 31.4 mn
Sectors attracting the largest FDI inflows (as of 2013) Natural gas, Lithium and crude oil
Exports (2013) US$ 12.1 bn
Imports (2013) US$ 9.3 bn
FDI cap: Foreign investors have the same rights, rules, and regulations etc. that govern a local investor. A free exchange system is guaranteed and there are neither capital import or export restrictions nor on the remittance of dividends, interests or royalty proceedings resulting from technology transfer or other mercantile concepts. Moreover, investors have access to local fiscal loans.

**Imports from India as % of Total Imports (2013)**
- 1.2%

**Total Trade with India (cumulative for the period 2009-13)**
- US$ 184.8 mn

**Top Merchandise Exports (as of 2013)**
- Petroleum Gas, precious metal scraps, zinc ore, precious metal ore and soybean meal

**Top Merchandise Imports (as of 2013)**
- Refined petroleum, cars, delivery trucks, raw iron bars and pesticides

**General Government Gross Debt as percent of GDP (2013)**
- 33.1%

**Number of days to register property**
- 91 (Latin America & Caribbean Average = 65)

**Strength of investor protection index (0-10)**
- 4.0 (Latin America & Caribbean Average = 4.9)

**Time to export (days)**
- 21 (Latin America & Caribbean Average = 17)

**Cost to export (per container)**
- US$ 1,440 (Latin America & Caribbean Average = US$1,283)

**Time to import (days)**
- 24 (Latin America & Caribbean Average = 19)

**Cost to import (per container)**
- US$ 1,745 (Latin America & Caribbean Average = US$1,676)

**Sources other than common sources cited earlier:** Diplomacy & Foreign Affairs (http://diplomacyandforeignaffairs.com/opportunities-in-bolivia-new-windows-of-trade-and-investment/); Latin American Trade and Investment Association (LATIA)
BRAZIL

INVESTMENT SUMMARY

Core-Capability sectors
• Oil and Gas • Renewable energy
• Mining • Automotive Components

Priority Sectors for Inward FDI
• Semiconductors • Automotive • Financial Services (Venture capital and private equity)
• Pharmaceuticals (Life sciences)

Trade Agreements and Investment Treaties
• As a member of MERCOSUR, Brazil is entitled to benefits emanating from the FTA with: Israel, Peru, Bolivia and Chile.
• As a member of MERCOSUR, Brazil enjoys benefits resulting from the Framework Agreement with: Morocco.
• As a member of MERCOSUR, Brazil is entitled to benefits resulting from the Preferential Agreements with: Colombia, Ecuador, India and Mexico (auto sector agreement).
• Brazil also has Preferential Agreements with: Suriname and Guyana.

Infrastructure
• Brazil is ranked 76 out of 144 countries in overall infrastructure by the World Economic Forum’s Global Competitiveness Report 2014-15.
• The Brazilian road network, with a total length of approximately 1.6 million kilometers, is the 4th biggest road network in the world.
• Brazil had 4093 airports as of 2013, the 2nd highest in the world.

Government Regulations

Ease of Doing Business: Brazil is ranked 116 out of 189 economies in Doing Business by World Bank. This ranking is 2 places better than last year’s, showing improvement in its business climate.

FACTSHEET

<table>
<thead>
<tr>
<th>FACTSHEET</th>
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</thead>
<tbody>
<tr>
<td>Consumer Market (Population, 2013)</td>
<td>198.7 mn</td>
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<tr>
<td>Gross National Income per capita (2013)</td>
<td>US$ 11,630</td>
</tr>
<tr>
<td>GDP Growth (average 2009-13)</td>
<td>2.7%</td>
</tr>
<tr>
<td>Inflation (average, 2009-13)</td>
<td>5.6%</td>
</tr>
<tr>
<td>Currency (August 2014)</td>
<td>2.28 Brazilian Real (BRL) to 1 USD</td>
</tr>
<tr>
<td>Human Development Index (Rank, 2013)</td>
<td>79 of 187</td>
</tr>
<tr>
<td>Size of Labor Force (million, 2013)</td>
<td>109.6</td>
</tr>
<tr>
<td>Labor Cost per Hour (2013)</td>
<td>US$ 11.1</td>
</tr>
<tr>
<td>FDI Inflow (cumulative for the period 2009-13)</td>
<td>US$ 270.4 bn</td>
</tr>
<tr>
<td>FDI Inflow as % of GDP (2013)</td>
<td>2.8%</td>
</tr>
<tr>
<td>FDI Outflow (cumulative for the period 2009-13)</td>
<td>US$ 5.8 bn</td>
</tr>
<tr>
<td>Sectors attracting the largest FDI inflows (as of 2013)</td>
<td>ICT, manufacturing, natural resources.</td>
</tr>
<tr>
<td>Exports (2013)</td>
<td>US$ 242.2 bn</td>
</tr>
<tr>
<td>Imports (2013)</td>
<td>US$ 239.6 bn</td>
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</table>
### World Bank ‘Doing Business’ 2014 Statistics

<table>
<thead>
<tr>
<th>Category</th>
<th>Latin America &amp; Caribbean Average</th>
<th>Number</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>Number of days to start business</td>
<td>36.1 days</td>
<td>107.5 days</td>
<td>(Latin America &amp; Caribbean Average = 36.1)</td>
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<tr>
<td>Number of days to get construction permit</td>
<td>215.5 days</td>
<td>400 days</td>
<td>(Latin America &amp; Caribbean Average = 215.5)</td>
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<tr>
<td>Number of days to get electricity connection</td>
<td>65 days</td>
<td>58 days</td>
<td>(Latin America &amp; Caribbean Average = 65)</td>
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<tr>
<td>Number of days to register property</td>
<td>65 days</td>
<td>30 days</td>
<td>(Latin America &amp; Caribbean Average = 65)</td>
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<tr>
<td>Strength of investor protection index (0-10)</td>
<td>4.9</td>
<td>5.3</td>
<td>(Latin America &amp; Caribbean Average = 4.9)</td>
</tr>
<tr>
<td>Time to export (days)</td>
<td>17 days</td>
<td>13 days</td>
<td>(Latin America &amp; Caribbean Average = 17)</td>
</tr>
<tr>
<td>Cost to export (per container)</td>
<td>US$ 1,283</td>
<td>US$ 2,215</td>
<td>(Latin America &amp; Caribbean Average = US$ 1,283)</td>
</tr>
<tr>
<td>Time to import (days)</td>
<td>19 days</td>
<td>17 days</td>
<td>(Latin America &amp; Caribbean Average = 19)</td>
</tr>
<tr>
<td>Cost to import (per container)</td>
<td>US$ 1,676</td>
<td>US$ 2,275</td>
<td>(Latin America &amp; Caribbean Average = US$ 1,676)</td>
</tr>
</tbody>
</table>

### FDI cap:
Foreign capital may freely enter Brazil and is not subject to prior approval by the government. There are no conditions on the amount of investment that can be made in Brazil, with a small number of exceptions:

- Activities involving nuclear energy
- Healthcare services (unless an exception is expressly provided for by law)
- Mail and telegraph services
- Aerospace (launch and deployment of satellites, vehicles, aircraft or the commercialization of these goods, but the prohibition does not apply to manufacturing or trading these goods)

### Imports from India as % of Total Imports (2013)

- 2.7%

### Total Trade with India (cumulative for the period 2009-13)

- US$ 43.6 bn

### Top Merchandise Exports (as of 2013)

- Iron Ore, crude petroleum, soybeans, raw sugar and poultry meat.

### Top Merchandise Imports (as of 2013)

- Refined petroleum, crude petroleum, cars, vehicle parts and petroleum gas.

### General Government Gross Debt as percent of GDP (2013)

- 66.3%

### Indian Companies in Brazil

<table>
<thead>
<tr>
<th>Sector</th>
<th>Companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Software &amp; IT services</td>
<td>Infosys Technologies, Zomato.com, Mahindra Satyam (Satyam Computer Services), InMobi, Manthan Systems, HCL Technologies, Wipro Technologies, Systime, Zensar Technologies, Tata Consultancy Services (TCS), Usha Comm</td>
</tr>
<tr>
<td>Business Services</td>
<td>FieldGlobal, Hinduja Group, Aptech, Wipro, L&amp;T, Praj Industries</td>
</tr>
<tr>
<td>Plastics</td>
<td>Associated Capsule Group (ACG Worldwide), Bilcare</td>
</tr>
<tr>
<td>Automotive</td>
<td>Tata Group (Jaguar Land Rover), Sumi Motherson Group (SMR Automotive Services), Mahindra &amp; Mahindra, Bajaj Auto, Apollo Tyres</td>
</tr>
<tr>
<td>Metals</td>
<td>Aditya Birla Group (Novelis), OP Jindal Group, Essar Group</td>
</tr>
<tr>
<td>Engines &amp; Turbines</td>
<td>Kalyani Group, Suzlon Energy</td>
</tr>
<tr>
<td>Industrial Machinery, Equipment &amp; Tools</td>
<td>Avantha Group, Elgi Equipments, Bharat Earth Movers (BEML), Vijai Electricals, Thermax</td>
</tr>
<tr>
<td>Pharmaceuticals</td>
<td>Strides Arcolab Limited, Ranbaxy Laboratories, Torrent Pharmaceuticals</td>
</tr>
<tr>
<td>Financial Services</td>
<td>Acil Cotton Industries, Canara Bank</td>
</tr>
</tbody>
</table>

Sources other than common sources cited earlier: Brazilian Trade and Investment Promotion Agency
INVESTMENT SUMMARY

Core-Capability sectors
- Agriculture and Food Processing
- Fertilizer
- Retail
- Mining (Copper)

Priority Sectors for Inward FDI
- IT
- Mining (Iron)
- Energy (Wind)
- Shipping
- Automotive
- Tourism

Trade Agreements and Investment Treaties
- Chile has FTAs with: Vietnam, Malaysia, Turkey, Australia, Japan, Colombia, Peru, Panama, China, New Zealand, Singapore and Brunei Darussalam, European Free Trade Association (EFTA), US, EU, Mexico, Canada, South Korea, SICA and MERCOSUR.
- Chile also has Preferential Agreements with: Ecuador, India, Bolivia, Venezuela and Argentina.
- Chile has 38 bilateral investment treaties (BITs) in force.

Infrastructure
- Chile has 77,764 km of roadways.
- Around 80% of foreign trade circulates through the country's 12 main ports and they are increasingly being reincorporated for passenger transportation with the growth in tourist cruise ship trips.

Government Regulations

Ease of Doing Business: Chile is ranked 34 out of 184 economies in Doing Business by World Bank.

FACTSHEET

Consumer Market (Population, 2013) 17.5 mn
GDP at Current US$ (2013) US$ 276.9 bn
GDP Growth (average 2009-13) 4.0%
Inflation (average, 2009-13) 2.2%
Human Development Index (Rank, 2013) 41 of 187
Size of Labor Force (million, 2013) 8.4
Labor Cost per Hour (2013) US$ 4.9
FDI Inflow (cumulative for the period 2009-13) US$ 100.9 bn
FDI Inflow as % of GDP (2013) 7.3%
FDI Outflow (cumulative for the period 2009-13) US$ 70.2 bn
Sectors attracting the largest FDI inflows (as of 2013) Mining, electricity, gas and water, financial services, communication and retail
World Bank ‘Doing Business’ 2014 Statistics

Number of days to start business 5.5 (Latin America & Caribbean Average = 36.1)
Number of days to get construction permit 155 (Latin America & Caribbean Average = 215.5)
Number of days to get electricity connection 30 (Latin America & Caribbean Average = 65)
Number of days to register property 28.5 (Latin America & Caribbean Average = 65)
Strength of investor protection index (0-10) 6.3 (Latin America & Caribbean Average = 4.9)
Time to export (days) 15 (Latin America & Caribbean Average = 17)

Cost to export (per container) US$ 980 (Latin America & Caribbean Average = US$ 1,283)
Time to import (days) 12 (Latin America & Caribbean Average = 19)

Cost to import (per container) US$ 930 (Latin America & Caribbean Average = US$ 1,676)

FDI cap: Foreign investors in Chile can own up to 100% stake in a Chilean company, and there are no restriction on land acquisition. Foreign companies also have free access to all productive activities and sectors of the economy, except for a few restrictions in areas that include coastal trade, air transport and the mass media.

Exports (2013) US$ 77.3 bn
Imports (2013) US$ 79.6 bn
Imports from India as % of Total Imports (2013) 0.9%

Total Trade with India (cumulative for the period 2009-13) US$ 12.9 bn

Top Merchandise Exports (as of 2013) Food (agriculture, sea-food), forestry (wood pulp), minerals (copper)

Top Merchandise Imports (as of 2013) Oil, machines, engines and pumps, vehicles, electronic equipment

General Government Gross Debt as percent of GDP (2013) 12.2%

Indian Companies in Chile

Sector | Companies
--- | ---
Automotive | Ashok Leyland
Metals | Gravita Group
Software & IT services | Polaris Financial Technology (Polaris Software Lab), Oracle Financial Services Software (I-flex Solutions)
Medical Devices | Claris Lifesciences
Warehousing & Storage | JSW Group
INVESTMENT SUMMARY

Core-Capability sectors
• Food Processing • Energy transmission • Water treatment

Priority Sectors for Inward FDI
• Business Process Outsourcing - BPO • Software and IT Services • Cosmetics • Health Service Exportation • Automotive • Textile • Graphic Communication Industry • Electric Energy, Related Goods and Service

Trade Agreements and Investment Treaties
• Colombia has FTAs with: European Union, European Free Trade Association (EFTA), Canada, Northern Triangle (El Salvador, Guatemala and Honduras), Chile, USA and Mexico
• Colombia also has Preferential Agreements with: MERCOSUR, CARICOM, Panama, Costa Rica and Nicaragua.
• Colombia has 5 bilateral investment treaties (BITs) in force.

Infrastructure
• Colombia is ranked 84 out of 144 countries in overall infrastructure by the World Economic Forum's Global Competitiveness Report 2014-15.
• Colombia has 3,034 kilometers of rail lines of which only 2,611 kilometers of lines are still in use.
• Colombian seaports handle around 80 percent of international cargo.

Government Regulations

Ease of Doing Business: Colombia is ranked 43 out of 184 economies in Doing Business by World Bank.

World Bank ‘Doing Business’ 2014 Statistics
- Number of days to start business: 15 days (Latin America & Caribbean Average = 36.1)
- Number of days to get construction permit: 54 days (Latin America & Caribbean Average = 215.5)
- Number of days to get electricity connection: 105 days (Latin America & Caribbean Average = 65)

FACTSHEET

Consumer Market (Population, 2013) 47.7 mn
GDP at Current US$ (2013) US$ 381.8 bn
Gross National Income per capita (2013) US$ 6,990
GDP Growth (average 2009-13) 4.1%
Inflation (average, 2009-13) 3.0%
Currency (August 2014) 1884 Colombian Peso (COP) to 1 USD
Human Development Index (Rank, 2013) 98 of 187
Size of Labor Force (million, 2013) 23.3
Labor Cost per Hour (2013) US$ 4.0
FDI Inflow (cumulative for the period 2009-13) US$ 59.6 bn
FDI Inflow as % of GDP (2013) 4.4%
FDI Outflow (cumulative for the period 2009-13) US$ 25.6 bn
Sectors attracting the largest FDI inflows (as of 2013) Oil, mining, manufacturing, transport and communication, financial services
Number of days to register property 13  
(Latin America & Caribbean Average=65)

Strength of investor protection index (0-10) 8.3  
(Latin America & Caribbean Average=4.9)

Time to export (days) 14  
(Latin America & Caribbean Average=17)

Cost to export (per container) US$ 2,355  
(Latin America & Caribbean Average = US$ 1,283)

Time to import (days) 13  
(Latin America & Caribbean Average=19)

Cost to import (per container) US$ 2,470  
(Latin America & Caribbean Average = US$ 1,676)

**FDI cap**: Foreign investors face exceptions and restrictions in the following sectors: television concessions and nationwide private television operators, radio broadcasting, movie production, maritime agencies, national airlines, and shipping.

Portfolio investment in financial, hydrocarbon, and mining sectors are subject to special regimes, such as investment registration and concession agreements with the Colombian government, but are not restricted in the amount of foreign capital permitted.

Foreign investors can participate without discrimination in government-subsidized research programs. In fact, most Colombian government research has been conducted with foreign institutions.

<table>
<thead>
<tr>
<th>Exports (2013)</th>
<th>US$ 58.8 bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Imports (2013)</td>
<td>US$ 59.4 bn</td>
</tr>
<tr>
<td>Imports from India as % of Total Imports (2013)</td>
<td>1.9%</td>
</tr>
<tr>
<td>Total Trade with India (cumulative for the period 2009-13)</td>
<td>US$ 12.9 bn</td>
</tr>
<tr>
<td>Top Merchandise Exports (as of 2013)</td>
<td>Crude petroleum, coal briquettes, refined petroleum, gold, and coffee</td>
</tr>
<tr>
<td>Top Merchandise Imports (as of 2013)</td>
<td>Refined petroleum, cars, computers, delivery trucks, and broadcasting equipment</td>
</tr>
<tr>
<td>General Government Gross Debt as percent of GDP (2013)</td>
<td>31.8%</td>
</tr>
</tbody>
</table>

**Indian Companies in Colombia**

<table>
<thead>
<tr>
<th>Sector</th>
<th>Companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chemicals</td>
<td>RePIN Masterbatches</td>
</tr>
<tr>
<td>Business Services</td>
<td>Hinduja Group, Aptech</td>
</tr>
<tr>
<td>Software &amp; IT services</td>
<td>Tata Consultancy Services (TCS)</td>
</tr>
<tr>
<td>Automotive</td>
<td>Hero Motocorp (Hero Honda Motor), LML</td>
</tr>
<tr>
<td>Electronic Components</td>
<td>Havells India</td>
</tr>
<tr>
<td>Pharmaceuticals</td>
<td>Ipca Laboratories Limited</td>
</tr>
</tbody>
</table>
INVESTMENT SUMMARY

Core-Capability sectors
• Real estate • Tourism • Agriculture
• Manufacturing • Service (gaming and call centers)

Priority Sectors for Inward FDI
• Services • Life sciences • Advanced manufacturing and projects

Trade Agreements and Investment Treaties
• Costa Rica is a Member of SICA (Central American Integration System).
• Being a member of SICA, Costa Rica enjoys benefits emanating from the FTAs between SICA and Chile, European Union, EFTA, Mexico as well as the preferential trade agreement between SICA and Panama.
• Independently, it has inked FTAs with CARICOM and DR-CAFTA members and countries such as Peru, China, Singapore and Canada.
• In addition, Costa Rica has signed Preferential Agreements with Venezuela and Colombia.
• Costa Rica has 14 bilateral investment treaties (BITs) in force.

Infrastructure
• Costa Rica has 39,018 kilometers of roadways.
• For a country similar in size to the Indian state of Punjab, Costa Rica has 161 airports and more than 1,000 kilometers of waterways and railways.

Government Regulations

Ease of Doing Business: Costa Rica is ranked 102 out of 189 economies in Doing Business by World Bank. This ranking is 7 places better than last year’s, showing marked improvement in its business climate.

FACTSHEET

Consumer Market (Population, 2013) 4.8 mn
GDP at Current US$ (2013) US$ 49.6 bn
Gross National Income per capita (2013) US$ 8,740
GDP Growth (average 2009-13) 3.4%
Inflation (average, 2009-13) 5.6%
Currency (August 2014) 509.9 Costa Rican Colon (CRC) to 1 USD

Human Development Index (Rank, 2013) 68 of 187
Size of Labor Force (mn, 2013) 2.2

FDI Inflow (cumulative for the period 2009-13) US$ 10.0 bn
FDI Inflow as % of GDP (2013) 5.4%

FDI Outflow (cumulative for the period 2009-13) US$ 791.9 mn
Sectors attracting the largest FDI inflows (as of 2013) Real estate, electricity, insurance and telecom.
Exports (2013) US$ 11.4 bn
Imports (2013) US$ 18.8 bn
Imports from India as % of Total Imports (2013) 0.5%
**World Bank 'Doing Business' 2014 Statistics**

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of days to start business</td>
<td>24</td>
</tr>
<tr>
<td>(Latin America &amp; Caribbean Average = 36.1)</td>
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<tr>
<td>Number of days to get construction permit</td>
<td>123</td>
</tr>
<tr>
<td>(Latin America &amp; Caribbean Average = 215.5)</td>
<td></td>
</tr>
<tr>
<td>Number of days to get electricity connection</td>
<td>62</td>
</tr>
<tr>
<td>(Latin America &amp; Caribbean Average = 65)</td>
<td></td>
</tr>
<tr>
<td>Number of days to register property</td>
<td>19</td>
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<tr>
<td>(Latin America &amp; Caribbean Average = 65)</td>
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<tr>
<td>Strength of investor protection index (0-10)</td>
<td>3.0</td>
</tr>
<tr>
<td>(Latin America &amp; Caribbean Average = 4.9)</td>
<td></td>
</tr>
<tr>
<td>Time to export (days)</td>
<td>13</td>
</tr>
<tr>
<td>(Latin America &amp; Caribbean Average = 17)</td>
<td></td>
</tr>
<tr>
<td>Cost to export (per container)</td>
<td>US$ 1,015</td>
</tr>
<tr>
<td>(Latin America &amp; Caribbean Average = US$ 1,283)</td>
<td></td>
</tr>
<tr>
<td>Time to import (days)</td>
<td>14</td>
</tr>
<tr>
<td>(Latin America &amp; Caribbean Average = 19)</td>
<td></td>
</tr>
<tr>
<td>Cost to import (per container)</td>
<td>US$ 1,070</td>
</tr>
<tr>
<td>(Latin America &amp; Caribbean Average = US$ 1,676)</td>
<td></td>
</tr>
</tbody>
</table>

**FDI cap:** Foreign investors and foreign capital participation is allowed up to 100% in most industrial sectors, except in some economic sectors that require monopoly control (telecom, insurance, electricity, transport and petroleum).

There are no formal mechanisms to screen foreign investments and investors are expected to comply with local law and practice.

---

**Total Trade with India (cumulative for the period 2009-13)**

US$ 1.1 bn

**Top Merchandise Exports (as of 2013)**

- Bananas, pineapples, coffee, melons, ornamental plants, sugar; beef, seafood; electronic components, medical equipment

**Top Merchandise Imports (as of 2013)**

- Raw materials, consumer goods, capital equipment, petroleum, construction materials

**General Government Gross Debt as percent of GDP (2013)**

37.0%

---

**Indian Companies in Costa Rica**

<table>
<thead>
<tr>
<th>Sector</th>
<th>Companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Software &amp; IT services</td>
<td>L&amp;T Infotech, CSS, Infosys</td>
</tr>
<tr>
<td>Light Manufacturing</td>
<td>Sylvania, Havells India</td>
</tr>
<tr>
<td>Business Services</td>
<td>WNS</td>
</tr>
</tbody>
</table>

---

Sources other than common sources cited earlier: Costa Rican Investment Promotion Agency, Centralamericanadata.com
**FACTSHEET**

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP</td>
<td>US$ 68.23 bn</td>
</tr>
<tr>
<td>GDP Growth rate (estimated for 2012)</td>
<td>3.1%</td>
</tr>
<tr>
<td>GDP Growth rate (estimated for 2012)</td>
<td>3.1%</td>
</tr>
<tr>
<td>Gross national savings</td>
<td>13.4% of GDP</td>
</tr>
<tr>
<td>FDI Inflow (estimates for 2011)</td>
<td>US$ 110 mn</td>
</tr>
<tr>
<td>Imports (2013)</td>
<td>US$ 13.6 bn</td>
</tr>
<tr>
<td>Exports to India (2012-13)</td>
<td>US$ 3.95 mn</td>
</tr>
<tr>
<td>Imports from India (2012-13)</td>
<td>US$ 35.82 mn</td>
</tr>
<tr>
<td>Top Merchandise Imports (as of 2013)</td>
<td>Machines, metals, chemical products, refined oil, wheat, corn plastics, textiles</td>
</tr>
</tbody>
</table>

*Information in the table based only on data shared by FICCI*
INVESTMENT SUMMARY

Core-Capability sectors
• Tourism • IT, ITeS and BPO • Mining (Ferronickel and Gold) • Textiles • Agro-products

Priority Sectors for Inward FDI
• Bio-pharmaceuticals • Infrastructure (Port terminals) • Civic infrastructure (Sanitation)

Trade Agreements and Investment Treaties
• Dominican Republic has a Free Trade Agreement with CARICOM and SICA (Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua)
• It enjoys preferential access to markets such as the USA as it is a part of DR-CFTA.
• In addition, there is a Partial Preferential Agreement in place with Panama.
• Dominican Republic has 11 bilateral investment treaties (BITs) in force.

Infrastructure
• Dominican Republic is ranked 98 out of 144 countries in overall infrastructure by the World Economic Forum’s Global Competitiveness Report 2014-15.
• Dominican Republic has 19,705 kilometers of roadways.
• The country has 36 airports and 3 major seaports, namely Puerto Haina, Puerto Plata, and Santo Domingo.

Government Regulations
Ease of Doing Business: Dominican Republic is ranked 117 out of 189 economies in Doing Business by World Bank.

World Bank ‘Doing Business’ 2014 Statistics
Number of days to start business 18.5 (Latin America & Caribbean Average = 36.1)
Number of days to get construction permit 216 (Latin America & Caribbean Average = 215.5)
Number of days to get electricity connection 82 (Latin America & Caribbean Average = 65)

FACTSHEET

Consumer Market (Population, 2013) 10.2 mn
GDP at Current US$ (2013) US$ 60.7 bn
GDP Growth (average 2009-13) 4.7%
Inflation (average, 2009-13) 4.9%
Currency 42.4 Dominican Peso (DOP) to 1 USD
Human Development Index (Rank, 2013) 102 of 187
Size of Labor Force (mn, 2013) 4.9
FDI Inflow (cumulative for the period 2009-13) US$ 11.5 bn
FDI Inflow as % of GDP (2013) 3.3%
FDI Outflow (cumulative for the period 2009-13) US$ (127.6) mn
Sectors attracting the largest FDI inflows (as of 2013) Tourism, commerce / industry, telecom, electricity, finance
Exports (2013) US$ 9.6 bn
Imports (2013) US$ 17.8 bn
Number of days to register property 60
(Latin America & Caribbean Average = 65)

Strength of investor protection index (0-10) 5.0
(Latin America & Caribbean Average = 4.9)

Time to export (days) 8
(Latin America & Caribbean Average = 17)

Cost to export (per container) US$ 1,040
(Latin America & Caribbean Average = US$ 1,283)

Time to import (days) 10
(Latin America & Caribbean Average = 19)

Cost to import (per container) US$ 1,145
(Latin America & Caribbean Average = US$ 1,676)

**FDI cap:** Foreign investors and foreign capital participation is allowed up to 100% in most industrial sectors, except in activities such as toxic waste disposal and production of national security equipment.

**Imports from India as % of Total Imports (2013)** 0.7%

**Total Trade with India (cumulative for the period 2009-13)** US$ 531.1 mn

**Top Merchandise Exports (as of 2013)**
Ferronickel, sugar, gold, silver, coffee, cocoa, tobacco, meats, consumer goods

**Top Merchandise Imports (as of 2013)**
Food products, petroleum, cotton and cotton fabrics, chemicals and pharmaceuticals

**General Government Gross Debt as percent of GDP (2013)** 27.6%

**Indian Companies in Dominican Republic**

<table>
<thead>
<tr>
<th>Sector</th>
<th>Companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pharmaceutical</td>
<td>Claris Life Sciences, Micro-labs, Glenmark, Caplin Point</td>
</tr>
<tr>
<td>Software &amp; IT Services</td>
<td>MANN India</td>
</tr>
</tbody>
</table>

Sources other than common sources cited earlier: Caribbean Association of Investment Promotion Agencies; Dominican Republic Export & Investment Center
INVESTMENT SUMMARY

Core-Capability sectors
• Food and Agriculture (Flowers, Bananas and derivatives, Coco beans/Chocolates, Coffee, Wood, Vegetables/Preserves) • Fishing and Aquaculture • Oil and Gas (Crude Oil)

Priority Sectors for Inward FDI
• IT and ITeS • Healthcare • Pharmaceuticals (Medical Equipment) • Mining (Copper, Gold and Silver, Other Metallurgy) • Defense • Telecommunication • Education • Water Management • Petrochemicals • Energy (Renewable/Biomass, Electricity) • Tourism • Logistics

Trade Agreements and Investment Treaties
• Ecuador is a part of the Andean Community Customs Union and the Latin American Integration Association (ALADI)
• Ecuador has bilateral agreements with: Brazil, Chile, Cuba, Guatemala, Iran, Panama, Qatar, Turkey and Venezuela
• Memorandum of Understanding on Economic Cooperation exists with: Belarus, India and Indonesia
• Ecuador has Partial Preferential Agreements with: Guatemala, Chile, Colombia, MERCOSUR and Mexico.
• Ecuador has 16 bilateral investment treaties (BITs) in force.

Infrastructure
• Ecuador has witnessed one of the most amazing turnarounds in road infrastructure in the last decade alone, investing US$800 million.
• In 2011, the Ecuadorian government announced plans to invest US$5 billion towards road infrastructure.

Ease of Doing Business:
Ecuador is ranked 135 out of 189 economies in Doing Business 2014 by World Bank.
**World Bank ’Doing Business’ 2014 Statistics**

<table>
<thead>
<tr>
<th>Category</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of days to start business</td>
<td>55.5 (Latin America &amp; Caribbean Average=36.1)</td>
</tr>
<tr>
<td>Number of days to get construction permit</td>
<td>115 (Latin America &amp; Caribbean Average=215.5)</td>
</tr>
<tr>
<td>Number of days to get electricity connection</td>
<td>74 (Latin America &amp; Caribbean Average = 65)</td>
</tr>
<tr>
<td>Number of days to register property</td>
<td>39 (Latin America &amp; Caribbean Average = 65)</td>
</tr>
<tr>
<td>Strength of investor protection index (0-10)</td>
<td>4 (Latin America &amp; Caribbean Average = 4.9)</td>
</tr>
<tr>
<td>Time to export (days)</td>
<td>20 (Latin America &amp; Caribbean Average = 17)</td>
</tr>
<tr>
<td>Cost to export (per container)</td>
<td>US$ 1,535 (Latin America &amp; Caribbean Average = US$ 1,283)</td>
</tr>
<tr>
<td>Time to import (days)</td>
<td>25 (Latin America &amp; Caribbean Average = 19)</td>
</tr>
<tr>
<td>Cost to import (per container)</td>
<td>US$ 1,520 (Latin America &amp; Caribbean Average=US$ 1,676)</td>
</tr>
</tbody>
</table>

**FDI cap:** FDI is allowed in almost all sectors with no minimum percentage of domestic investment or joint ventures needed. However, investors can benefit from subscribing to an Investment Agreement with the Government to stabilize the incentives established in the Organic Code of Production, Trade and Investment (COPCI).

**Indian Companies in Ecuador**

<table>
<thead>
<tr>
<th>Sector</th>
<th>Companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automotive</td>
<td>Tata Motors, Mahindra &amp; Mahindra</td>
</tr>
<tr>
<td>Pharmaceuticals</td>
<td>Ranbaxy Laboratories</td>
</tr>
<tr>
<td>Software &amp; IT services</td>
<td>Tata Consultancy Services (TCS)</td>
</tr>
</tbody>
</table>

Sources other than common sources cited earlier: Ecuador's Business and Investment Guide 2014/2015
INVESTMENT SUMMARY

Core-Capability sectors
• Aeronautics • Specialized Textiles and Apparel
• Agro-Industry

Priority Sectors for Inward FDI
• Offshore Business Services • Medical Devices
• Footwear Manufacturing • Logistics & Infrastructural networks • Health Services

Trade Agreements and Investment Treaties
• El Salvador is a Member of SICA and the Northern Triangle.
• Being part of SICA, El Salvador enjoys benefits emanating from FTAs that SICA has inked with: European Union, Mexico and Chile.
• Being a part of the Northern Triangle, El Salvador is entitled to benefits Northern Triangle as a grouping has inked with Colombia.
• El Salvador also has an FTA with Republic of China/Taiwan.
• El Salvador enjoys preferential access to United States and the Dominican Republic, as it is part of the DR-CAFTA.
• El Salvador has a Preferential Agreement with Venezuela.
• El Salvador has 18 bilateral investment treaties (BITs) in force.

Infrastructure

Government Regulations

World Bank ‘Doing Business’ 2014 Statistics
Number of days to start business 16.5 (Latin America & Caribbean Average = 36.1)
Number of days to get construction permit 144 (Latin America & Caribbean Average=215.5)
Number of days to get electricity connection 88
(Latin America & Caribbean Average = 65)

Number of days to register property 31
(Latin America & Caribbean Average = 65)

Strength of investor protection index (0-10) 3.0
(Latin America & Caribbean Average = 4.9)

Time to export (days) 13
(Latin America & Caribbean Average = 17)

Cost to export (per container) US$980
(Latin America & Caribbean Average=US$1,283)

Time to import (days) 10
(Latin America & Caribbean Average = 19)

Cost to import (per container) US$970
(Latin America & Caribbean Average = US$1,676)

**FDI cap:** The only remaining restrictions for foreign investors are on free reception television and AM/FM radio broadcasting, where foreign ownership cannot exceed 49 percent of equity.

There are restrictions on land ownership. No single natural or legal person, Salvadoran or foreign, can own more than 245 hectares (605 acres).

| Sectors attracting the largest FDI inflows (as of 2013) | Textiles, electric production, tourism and telecommunications |
| Exports (2013) | US$ 5.5 bn |
| Imports (2013) | US$ 10.8 bn |
| Imports from India as % of Total Imports (2013) | 0.8% |
| Total Trade with India (cumulative for the period 2009-13) | US$ 231.8 mn |
| Top Merchandise Exports (as of 2013) | Knit T-shirts, coffee, knit socks and hosiery, electrical capacitors and raw sugar |
| Top Merchandise Imports (as of 2013) | Refined petroleum, crude petroleum, light rubberized knitted fabric, packaged medicaments, and planes, helicopters, and/or spacecraft |
| General Government Gross Debt as percent of GDP (2013) | 54.9% |
| **Indian Companies in El Salvador** | |
| **Sector** | Companies |
| Automotive | International Tractors Limited |
| Pharmaceutical | Ranbaxy Laboratories |

Sources other than common sources cited earlier: The Export and Investment Promotion Agency of El Salvador (PROESA)
INVESTMENT SUMMARY

Core-Capability sectors
- Textiles • Chemicals • Energy (Thermal and Renewable) • Agro Products (Sugarcane, Coffee)

Priority Sectors for Inward FDI
- IT and ITeS • Light Manufacturing
- Tourism • Infrastructure (Road, Rail, Air)
- Mining • Apparel

Trade Agreements and Investment Treaties
- Guatemala is a member of SICA and DR-CAFTA.
- As a member of SICA, Guatemala is entitled to benefits resulting from FTAs between SICA and: Chile, Colombia, The EU, Mexico, USA, and The Republic of China/Taiwan
- As a member DR-CAFTA grouping, Guatemala enjoys preferential access to markets such as the USA.
- It also has Partial Preferential Agreements with Ecuador, Belize and Venezuela
- Guatemala has 16 bilateral investment treaties (BITs) in force.

Infrastructure
- Guatemala is ranked 78 out of 144 countries in terms of infrastructure by the World Economic Forum’s Global Competitiveness Index 2014-2015.
- Guatemala has 6,919 kilometers of paved roads and has borders with Mexico, El Salvador and Honduras in Central America.
- More than 75% of all cargo transport of Guatemala is routed through 3 ports that have access to both the Pacific and the Atlantic Oceans, granting it premium accessibility.

Government Regulations

Ease of Doing Business: Ranked 79 out of 189 economies in the Doing Business 2014 Report by the World Bank. This ranking is 14 places better than last year’s, showing marked improvement in its business climate.

FACTSHEET

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer Market (Population, 2013)</td>
<td>15.1 mn</td>
</tr>
<tr>
<td>GDP at Current US$ (2013)</td>
<td>US$ 54.4 bn</td>
</tr>
<tr>
<td>GDP Growth (average 2009-13)</td>
<td>3.5%</td>
</tr>
<tr>
<td>Inflation (average, 2009-13)</td>
<td>4.0%</td>
</tr>
<tr>
<td>Currency (August 2014)</td>
<td>7.7 Guatemalan Quetzal (GTQ) to 1 USD</td>
</tr>
<tr>
<td>Human Development Index (Rank, 2013)</td>
<td>125 of 187</td>
</tr>
<tr>
<td>Size of Labor Force (million, 2013)</td>
<td>6.3</td>
</tr>
<tr>
<td>FDI Inflow (cumulative for the period 2009-13)</td>
<td>US$ 4.9 bn</td>
</tr>
<tr>
<td>FDI Inflow as % of GDP (2013)</td>
<td>2.4%</td>
</tr>
<tr>
<td>FDI Outflow (cumulative for the period 2009-13)</td>
<td>US$ 140.2 mn</td>
</tr>
<tr>
<td>Sectors attracting the largest FDI inflows (as of 2013)</td>
<td>Light manufacturing, mining, power generation and distribution</td>
</tr>
<tr>
<td>Exports (2013)</td>
<td>US$10.1 billion</td>
</tr>
</tbody>
</table>
**World Bank 'Doing Business' 2014 Statistics**

- **Number of days to start business**: 19.5 (Latin America & Caribbean Average = 36.1)
- **Number of days to get construction permit**: 107 (Latin America & Caribbean Average = 215.5)
- **Number of days to get electricity connection**: 39 (Latin America & Caribbean Average = 65)
- **Number of days to register property**: 23 (Latin America & Caribbean Average = 65)
- **Strength of investor protection index (0-10)**: 3.3 (Latin America & Caribbean Average = 4.9)
- **Time to export (days)**: 17 (Latin America & Caribbean Average = 17)
- **Cost to export (per container)**: US$ 1,435 (Latin America & Caribbean Average = US$ 1,283)
- **Time to import (days)**: 17 (Latin America & Caribbean Average = 19)
- **Cost to import (per container)**: US$ 1,500 (Latin America & Caribbean Average = US$ 1,676)

**FDI regulations:** Guatemala’s Foreign Investment Law grants foreign investors the right to participate in any economic activity.

- No restrictions exist with respect to the acquisition of shares of local companies by foreigners and no limits are set as to the percentage of acquisition and control of investment.
- The only limitations to the entry of FDI are in the sectors of Forestry, Insurance and Professional services.

**Imports (2013)**: US$ 17.5 billion

**Imports from India as % of Total Imports (2013)**: 1.4%

**Total Trade with India (cumulative for the period 2009-13)**: US$ 902.2 mn

**Top Merchandise Exports (as of 2013)**: Coffee, sugar, bananas, gold, textiles

**Top Merchandise Imports (as of 2013)**: Refined petroleum, automobiles, pharmaceuticals

**General Government Gross Debt as percent of GDP (2013)**: 22.3%

**Indian Companies in Guatemala**

<table>
<thead>
<tr>
<th>Sector</th>
<th>Companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Services</td>
<td>Genpact, Manipal Education &amp; Medical Group, Intelnet Global Services, Bajaj, Hero, Mahindra, TAE</td>
</tr>
<tr>
<td>Pharmaceuticals</td>
<td>Emcure, Caplin Point, Cipla</td>
</tr>
<tr>
<td>Alternative Energy</td>
<td>Praj Industries, AB Fouress, Thermax</td>
</tr>
</tbody>
</table>

Sources other than common sources cited earlier: Invest in Guatemala Guide 2013
<table>
<thead>
<tr>
<th><strong>FACTSHEET</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GDP (basis purchasing power parity, 2013)</strong></td>
</tr>
<tr>
<td><strong>Gross National Income per capita (basis purchasing power parity)</strong></td>
</tr>
<tr>
<td><strong>GDP Growth rate (estimated for 2013)</strong></td>
</tr>
<tr>
<td><strong>Growth rate of industrial production (estimate for 2013)</strong></td>
</tr>
<tr>
<td><strong>Gross national savings</strong></td>
</tr>
<tr>
<td><strong>FDI Inflow (estimates for 2011)</strong></td>
</tr>
<tr>
<td><strong>FDI inflow as percentage of GDP (for 2011)</strong></td>
</tr>
<tr>
<td><strong>Exports (2013)</strong></td>
</tr>
<tr>
<td><strong>Imports (2013)</strong></td>
</tr>
<tr>
<td><strong>Exports to India (2012-13)</strong></td>
</tr>
<tr>
<td><strong>Imports from India (2012-13)</strong></td>
</tr>
<tr>
<td><strong>Top Merchandise Imports (as of 2013)</strong></td>
</tr>
</tbody>
</table>

*Information in the table based only on data shared by FICCI*
INVESTMENT SUMMARY

Core-Capability sectors
• Financial intermediation • Manufacturing
• Wholesale and retail trade • Social & personal service activities • Mining

Priority Sectors for Inward FDI
• Infrastructure (Road, Rail and Air) • IT and ITeS • Biotechnology • Automobiles and Auto Components

Trade Agreements and Investment Treaties
• Mexico has Free Trade Agreements with over 50 countries including the US, Guatemala, Honduras, El Salvador, the European Free Trade Area, Peru, Uruguay, Colombia and Japan - putting more than 90% of trade under free trade agreements.
• In addition, there are Preferential Agreements in place with Argentina, Brazil, Paraguay, Ecuador and Panama.
• Mexico has 28 bilateral investment treaties (BITs) in force.

Infrastructure
• Mexico is ranked 65 out of 144 countries in overall infrastructure by the World Economic Forum’s Global Competitiveness Report 2014-15.
• Mexico has 377,660 kilometers of roadways.
• With 1,714 airports across the country, it ranks third in the world in terms of number of airports.

Government Regulations

Ease of Doing Business: Mexico is ranked 53 out of 189 economies in Doing Business by World Bank.

FACTSHEET

| Consumer Market (Population, 2013) | 120.8 mn |
| GDP at Current US$ (2013) | US$ 1,258.5 bn |
| Gross National Income per capita (2013) | US$ 9,740 |
| GDP Growth (average 2009-13) | 1.9% |
| Inflation (average, 2009-13) | 4.1% |
| Currency | 13.0 Mexican Peso (MXN) to 1 USD |
| Human Development Index (Rank, 2013) | 71 of 186 |
| Size of Labor Force (million, 2013) | 52.1 |
| Labor Cost per Hour (2013) | US$ 2.4 |
| FDI Inflow (cumulative for the period 2009-13) | US$ 119.9 bn |
| FDI Inflow as % of GDP (2013) | 3.0% |
| FDI Outflow (cumulative for the period 2009-13) | US$ 72.7 bn |
| Sectors attracting the largest FDI inflows (as of 2013) | Manufacturing, Mining, Trade, Real Estate, Construction |
| Exports (2013) | US$ 380.2 bn |
**World Bank ‘Doing Business’ 2014 Statistics**

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of days to start business</td>
<td>6</td>
<td>(Latin America &amp; Caribbean Average = 36.1)</td>
</tr>
<tr>
<td>Number of days to get construction permit</td>
<td>82</td>
<td>(Latin America &amp; Caribbean Average = 215.5)</td>
</tr>
<tr>
<td>Number of days to get electricity connection</td>
<td>85</td>
<td>(Latin America &amp; Caribbean Average = 65)</td>
</tr>
<tr>
<td>Number of days to register property</td>
<td>74</td>
<td>(Latin America &amp; Caribbean Average = 65)</td>
</tr>
<tr>
<td>Strength of investor protection index</td>
<td>5.7</td>
<td>(Latin America &amp; Caribbean Average = 4.9)</td>
</tr>
<tr>
<td>Time to export (days)</td>
<td>11</td>
<td>(Latin America &amp; Caribbean Average = 17)</td>
</tr>
<tr>
<td>Cost to export (per container)</td>
<td>US$ 1,450</td>
<td>(Latin America &amp; Caribbean Average = US$ 1,283)</td>
</tr>
<tr>
<td>Time to import (days)</td>
<td>11</td>
<td>(Latin America &amp; Caribbean Average = 19)</td>
</tr>
<tr>
<td>Cost to import (per container)</td>
<td>US$ 1,740</td>
<td>(Latin America &amp; Caribbean Average = US$ 1,676)</td>
</tr>
</tbody>
</table>

**FDI cap:** Foreign investors and foreign capital participation is allowed up to 100% in most industrial sectors. However, some restrictions remain in a few critical sectors:

- The distribution of electricity and postal services are controlled by the government, while land transport, radio and TV media is exclusively reserved for local companies.
- In addition, for some of the sectors in which a 100% foreign ownership is allowed, permission from the Investment Commission is required.

<table>
<thead>
<tr>
<th>Imports (2013)</th>
<th>US$ 381.0 bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Imports from India as % of Total Imports (2013)</td>
<td>0.8%</td>
</tr>
<tr>
<td>Total Trade with India (cumulative for the period 2009-13)</td>
<td>US$ 19.2 bn</td>
</tr>
<tr>
<td>Top Merchandise Exports (as of 2013)</td>
<td>Manufactured goods, oil and oil products, silver, fruits, vegetables, coffee, cotton</td>
</tr>
<tr>
<td>Top Merchandise Imports (as of 2013)</td>
<td>Metalworking machines, Agricultural machinery, electrical equipment, auto-components</td>
</tr>
<tr>
<td>General Government Gross Debt as percent of GDP (2013)</td>
<td>43.8%</td>
</tr>
</tbody>
</table>

**Indian Companies in Mexico**

<table>
<thead>
<tr>
<th>Sector</th>
<th>Companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Software &amp; IT services</td>
<td>Tech Mahindra, Hexaware Technologies</td>
</tr>
<tr>
<td>Automotive Component</td>
<td>JK Tornel, Samvardhana Motherson Peguform</td>
</tr>
<tr>
<td>Automotive OEM</td>
<td>Tata Motors</td>
</tr>
<tr>
<td>Medical Devices</td>
<td>ERBA Diagnostics, a subsidiary of Transasia Bio-Medicals (Mumbai)</td>
</tr>
<tr>
<td>Industrial Machinery, Equipment &amp; Tools</td>
<td>SAE Towers, a subsidiary of RPG Enterprises</td>
</tr>
<tr>
<td>Business Services</td>
<td>Aditya Birla Minacs Worldwide</td>
</tr>
</tbody>
</table>

Sources other than common sources cited earlier: Secretaria De Economia, Mexico
**INVESTMENT SUMMARY**

**Core-Capability sectors**
- Sugar • Cement • Textiles • Wood products

**Priority Sectors for Inward FDI**
- Meat & Poultry • Leather • Biofuels

**Trade Agreements and Investment Treaties**
- Being part of MERCOSUR, Paraguay is entitled to benefits emanating from the FTAs between MERCOSUR and nations such as: Israel, Peru, Bolivia and Chile.
- As a member of MERCOSUR, Paraguay is entitled to benefits resulting from the Preferential Agreements with: Colombia, Ecuador, India and Mexico (auto sector agreement).
- It also has Framework Agreements with Morocco.
- Paraguay has 22 bilateral investment treaties (BITs) in force.

**Infrastructure**
- Paraguay has 32,059 kilometers of roadways.
- Paraguay ranks 9th in the world in number of airports with 799.

**Government Regulations**

**Ease of Doing Business:** Paraguay is ranked 109 out of 189 economies in Doing Business by World Bank.

**World Bank ‘Doing Business’ 2014 Statistics**
- Number of days to start business (Latin America & Caribbean Average = 36.1) 35
- Number of days to get construction permit (Latin America & Caribbean Average=215.5) 137
- Number of days to get electricity connection (Latin America & Caribbean Average = 65) 67
- Number of days to register property (Latin America & Caribbean Average = 65) 46

**FACTSHEET**

<table>
<thead>
<tr>
<th>Consumer Market (Population, 2013)</th>
<th>6.7 mn</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP Growth (average 2009-13)</td>
<td>5.0%</td>
</tr>
<tr>
<td>Inflation (average, 2009-13)</td>
<td>4.4%</td>
</tr>
<tr>
<td>Currency</td>
<td>4,360.7 Paraguay Guarani (PYG) to 1 USD</td>
</tr>
<tr>
<td>Human Development Index (Rank, 2013)</td>
<td>111 of 186</td>
</tr>
<tr>
<td>Size of Labor Force (mn, 2013)</td>
<td>3.2</td>
</tr>
<tr>
<td>FDI Inflow (cumulative for the period 2009-13)</td>
<td>US$ 1.7 bn</td>
</tr>
<tr>
<td>FDI Inflow as % of GDP (2013)</td>
<td>1.2%</td>
</tr>
<tr>
<td>FDI Outflow (cumulative for the period 2009-13)</td>
<td>-</td>
</tr>
</tbody>
</table>
Strength of investor protection index (0-10) 5.7
(Latin America & Caribbean Average = 4.9)

Time to export (days) 29
(Latin America & Caribbean Average = 17)

Cost to export (per container) US$ 1,850
(Latin America & Caribbean Average = US$1,283)

Time to import (days) 30
(Latin America & Caribbean Average = 19)

Cost to import (per container) US$ 2,275
(Latin America & Caribbean Average = US$ 1,676)

**FDI cap**: Foreign investors and foreign capital participation is allowed up to 100% in most industrial sectors, except in some sectors under public monopoly.

- Under law 117/91, equal treatment is guaranteed to foreign investors, and full capital and profits repatriation permitted under law 60/90. Further, there's low tax burden – 10% corporate tax rate and 10% Value-added Tax (VAT) on most goods and services.

<table>
<thead>
<tr>
<th>Sectors attracting the largest FDI inflows (as of 2013)</th>
<th>Manufacturing (cement, cable), natural resources (oil &amp; gas)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exports (2013)</td>
<td>US$ 9.4 bn</td>
</tr>
<tr>
<td>Imports (2013)</td>
<td>US$ 12.1 bn</td>
</tr>
<tr>
<td>Imports from India as % of Total Imports (2013)</td>
<td>0.8%</td>
</tr>
<tr>
<td>Total Trade with India (cumulative for the period 2009-13)</td>
<td>US$ 352.9 mn</td>
</tr>
<tr>
<td>Top Merchandise Exports (as of 2013)</td>
<td>Soybeans, feed, cotton, meat, edible oils, wood, leather</td>
</tr>
<tr>
<td>Top Merchandise Imports (as of 2013)</td>
<td>Road vehicles, consumer goods, tobacco, petroleum products, electrical machinery, tractors, chemicals, vehicle parts</td>
</tr>
<tr>
<td>General Government Gross Debt as percent of GDP (2013)</td>
<td>14.7%</td>
</tr>
<tr>
<td><strong>Indian Companies in Paraguay</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Sector</strong></td>
<td><strong>Companies</strong></td>
</tr>
<tr>
<td>Automobiles</td>
<td>Tata Motors, Mahindra &amp; Mahindra, HeroMotoCorp</td>
</tr>
<tr>
<td>Software &amp; IT Services</td>
<td>Flatworld Solutions</td>
</tr>
</tbody>
</table>

Sources other than common sources cited earlier: EY.com; Rediex.gov.py
INVESTMENT SUMMARY

Core-Capability sectors
• Food and Agriculture (Banana, Grapes and Coffee) • Fishing (Fishmeal) • Mining (Copper and Silver)

Priority Sectors for Inward FDI
• Infrastructure (Road, Rail and Port) • Tourism (Hospitality) • IT and ITeS

Trade Agreements and Investment Treaties
• Peru has FTAs with: Canada, Cuba, China, Costa Rica, Japan, Thailand, the EU, MERCOSUR, South Korea, Chile, Mexico, Panama, Singapore and USA.
• Peru has 31 bilateral investment treaties (BITs) in force.

Infrastructure
• Peru has a road network of 140,672 kilometers.
• Motor vehicle ownership in Peru stands at close to 70 vehicles per 1000 of population, signifying a significant opportunity for growth.

Government Regulations


World Bank 'Doing Business' 2014 Statistics

<table>
<thead>
<tr>
<th>Index/Statistic</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of days to start business</td>
<td>25 (36.1)</td>
</tr>
<tr>
<td>Number of days to get construction permit</td>
<td>173 (215.5)</td>
</tr>
<tr>
<td>Number of days to get electricity connection</td>
<td>100 (65)</td>
</tr>
<tr>
<td>Number of days to register property</td>
<td>6.5 (65)</td>
</tr>
<tr>
<td>Strength of investor protection index (0-10)</td>
<td>7.0 (4.9)</td>
</tr>
</tbody>
</table>

FACTSHEET

<table>
<thead>
<tr>
<th>Index/Statistic</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer Market (Population, 2013)</td>
<td>29.9 mn</td>
</tr>
<tr>
<td>GDP at Current US$ (2013)</td>
<td>US$ 93.8 billion</td>
</tr>
<tr>
<td>GDP Growth (average 2009-13)</td>
<td>5.5%</td>
</tr>
<tr>
<td>Inflation (average, 2009-13)</td>
<td>2.8%</td>
</tr>
<tr>
<td>Currency (August 2014)</td>
<td>2.8 Nuevo Sol PEN</td>
</tr>
<tr>
<td>Human Development Index (Rank, 2013)</td>
<td>82 of 187</td>
</tr>
<tr>
<td>Size of Labor Force (million, 2013)</td>
<td>16.3</td>
</tr>
<tr>
<td>Labor Cost per Hour (2013)</td>
<td>US$ 2.4</td>
</tr>
<tr>
<td>FDI Inflow (cumulative for the period 2009-13)</td>
<td>US$ 45.5 bn</td>
</tr>
<tr>
<td>FDI Inflow as % of GDP (2013)</td>
<td>4.8%</td>
</tr>
<tr>
<td>FDI Outflow (cumulative for the period 2009-13)</td>
<td>US$ 868 mn</td>
</tr>
<tr>
<td>Sectors attracting the largest FDI inflows (as of 2013)</td>
<td>Mining, financial services, communications, heavy industry, energy</td>
</tr>
</tbody>
</table>
Time to export (days) 12
(Latin America & Caribbean Average = 17)

Cost to export (per container) US$890
(Latin America & Caribbean Average = US$1,283)

Time to import (days) 17
(Latin America & Caribbean Average = 19)

Cost to import (per container) US$1,010
(Latin America & Caribbean Average = US$1,676)

FDI cap: There is no limit on foreign investment in Peru except in a few sectors such as air transport, defense, security and surveillance etc. Foreign entities can freely export any capital investment and have free access to domestic credit.

Exports (2013) US$ 41.6 bn
Imports (2013) US$ 43.7 bn
Imports from India as % of Total Imports (2013) 1.6%
Total Trade with India (cumulative for the period 2009-13) US$ 4.5 bn
Top Merchandise Exports (as of 2013) Gold, copper, crude oil, coffee, potatoes, textile, fishmeal
Top Merchandise Imports (as of 2013) Petroleum products, plastics, machinery, automotive, steel
General Government Gross Debt as percent of GDP (2013) 19.6%

Indian Companies in Peru

<table>
<thead>
<tr>
<th>Sector</th>
<th>Companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Services</td>
<td>Aegis (Essar Group)</td>
</tr>
<tr>
<td>Oil &amp; Gas</td>
<td>Reliance Industries</td>
</tr>
<tr>
<td>Software &amp; IT services</td>
<td>Tata Consultancy Services (TCS)</td>
</tr>
</tbody>
</table>

Sources other than common sources cited earlier: Peru's Business and Investment Guide 2014/2015
INVESTMENT SUMMARY

Core-Capability sectors
• Food processing • Electrical machinery
• Transportation equipment • Petroleum products • Textiles • Chemicals

Priority Sectors for Inward FDI
• Renewable energy • Consumer goods
• Entertainment • Textile

Trade Agreements and Investment Treaties
• Uruguay is a Member of MERCOSUR.
• Being MERCOSUR-member, Uruguay is entitled to benefits emanating from the FTAs between MERCOSUR and nations such as: Israel, Peru, Bolivia and Chile.
• Being a member of the MERCOSUR, Uruguay is entitled to benefits emanating from the Partial Preferential Agreements between MERCOSUR and nations such as: Ecuador, Colombia and India.
• Uruguay has an FTA with Mexico.
• It has a Partial Preferential Agreement specifically inked with Argentina vis-à-vis the auto-sector.
• Uruguay has 28 bilateral investment treaties (BITs) in force.

Infrastructure
• Uruguay is ranked 54 out of 144 countries in overall infrastructure by the World Economic Forum’s Global Competitiveness Report 2014-15.
• Uruguay has 77,732 kilometers of roadways.
• For a country slightly smaller than the state of Karnataka, Uruguay has 133 airports and more than 1,600 kilometers of both waterways and railways.

Government Regulations

Ease of Doing Business: Uruguay is ranked 88 out of 189 economies in Doing Business by World Bank.

FACTSHEET

| Consumer Market (Population, 2013) | 3.4 mn |
| GDP at Current US$ (2013) | US$ 56.3 bn |
| GDP Growth (average 2009-13) | 5.2% |
| Inflation (average, 2009-13) | 7.7% |
| Currency (August 2014) | 21.7 Uruguayan Peso (UYU) to 1 USD |
| Human Development Index (Rank, 2013) | 50 of 186 |
| Size of Labor Force (mn, 2013) | 1.7 |
| FDI Inflow (cumulative for the period 2009-13) | US$11.8 bn |
| FDI Inflow as % of GDP (2013) | 4.9% |
| FDI Outflow (cumulative for the period 2009-13) | US$ (71.3) mn |
| Sectors attracting the largest FDI inflows (as of 2012) | Construction, manufacturing, agriculture, transport & communications, financial services |
**World Bank ‘Doing Business’ 2014 Statistics**

<table>
<thead>
<tr>
<th>Category</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of days to start business</td>
<td>6.5 (Latin America &amp; Caribbean Average = 36.1)</td>
</tr>
<tr>
<td>Number of days to get construction permit</td>
<td>256 (Latin America &amp; Caribbean Average = 215.5)</td>
</tr>
<tr>
<td>Number of days to get electricity connection</td>
<td>48 (Latin America &amp; Caribbean Average = 65)</td>
</tr>
<tr>
<td>Number of days to register property</td>
<td>66 (Latin America &amp; Caribbean Average = 65)</td>
</tr>
<tr>
<td>Strength of investor protection index (0-10)</td>
<td>5.0 (Latin America &amp; Caribbean Average = 4.9)</td>
</tr>
<tr>
<td>Time to export (days)</td>
<td>16 (Latin America &amp; Caribbean Average = 17)</td>
</tr>
<tr>
<td>Cost to export (per container)</td>
<td>US$ 1,125 (Latin America &amp; Caribbean Average = US$ 1,283)</td>
</tr>
<tr>
<td>Time to import (days)</td>
<td>16 (Latin America &amp; Caribbean Average = 19)</td>
</tr>
<tr>
<td>Cost to import (per container)</td>
<td>US$ 1,440 (Latin America &amp; Caribbean Average = US$ 1,676)</td>
</tr>
</tbody>
</table>

**FDI Cap:** Foreign investors and foreign capital participation is allowed up to 100% in most industrial sectors, except in critical sectors such as defense.

- No authorizations / registration is required to operate and there are no limits on transfer of capital / profit from foreign investments

**Exports (2013)**
- US$ 9.1 bn

**Imports (2013)**
- US$ 11.6 bn

**Imports from India as % of Total Imports (2013)**
- 1.4%

**Total Trade with India (cumulative for the period 2009-13)**
- US$ 688.1 mn

**Top Merchandise Exports (as of 2013)**
- Soybean, beef, cereals, dairy products, wood pulp, automobiles and parts, syrup for beverages

**Top Merchandise Imports (as of 2013)**
- Refined oil, crude oil, passenger and other transportation vehicles, vehicle parts, cellular phones

**General Government Gross Debt as percent of GDP (2013)**
- 61.3%

**Indian Companies in Uruguay**

<table>
<thead>
<tr>
<th>Sector</th>
<th>Companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Software &amp; IT services</td>
<td>Tata Consultancy Services (TCS)</td>
</tr>
<tr>
<td>Mining</td>
<td>Zamin Resources</td>
</tr>
<tr>
<td>Agribusiness</td>
<td>Olam</td>
</tr>
</tbody>
</table>

Sources other than common sources cited earlier: Uruguay XXI Investment & Export Promotion Agency; Euromonitor
INVESTMENT SUMMARY

Core-Capability sectors
• Petroleum • Fishing • Iron ore mining
• Tourism

Priority Sectors for Inward FDI
• ICT • Food products • Mining • Chemicals & petrochemicals • Petroleum • Natural gas

Trade Agreements and Investment Treaties
• Venezuela is a member of the MERCOSUR.
• Being a MERCOSUR-member, Venezuela is entitled to benefits emanating from the FTAs between MERCOSUR and nations such as: Israel, Peru, Bolivia and Chile.
• Being a member of the MERCOSUR, Venezuela is entitled to benefits emanating from the Partial Preferential Agreements between MERCOSUR and nations such as: Colombia and Ecuador.
• In addition, Venezuela has Partial Preferential Agreements in place with Costa Rica, El Salvador, Guatemala, Guyana, Honduras, Nicaragua and Trinidad & Tobago.
• Venezuela has 26 bilateral investment treaties (BITs) in force.

Infrastructure
• Venezuela is ranked out 121 of 144 countries in overall infrastructure by the World Economic Forum’s Global Competitiveness Report 2014-15.
• Venezuela has 96,155 kilometers of roadways.
• Venezuela has 444 airports across the country and 7,100 kilometers of waterways.

Government Regulations


World Bank ‘Doing Business’ 2014 Statistics
Number of days to start business 144
(Latin America & Caribbean Average = 36.1)
Number of days to get construction permit 381
(Latin America & Caribbean Average = 215.5)

FACTSHEET

Consumer Market
(Population, 2013) 29.9 mn

GDP at Current
US$ (2013) US$ 373.9 bn

Gross National Income
per capita (2013) US$ 12,470

GDP Growth
(average 2009-13) 1.2%

Inflation
(average, 2009-13) 28.6%

Currency
(August 2014) 6.3 Venezuelan Bolivar Fuerte (VEF) to 1 USD

Human Development Index (Rank, 2013) 67 of 186

Size of Labor Force (mn, 2013) 13.8

Labor Cost per Hour (2013) US$ 4.6

FDI Inflow
(cumulative for the period 2009-13) US$ 13.7 bn

FDI Inflow as % of GDP (2013) 1.8%

FDI Outflow
(cumulative for the period 2009-13) US$ 7.5 bn
Number of days to get electricity connection 158
(Latin America & Caribbean Average = 65)

Number of days to register property 38
(Latin America & Caribbean Average = 65)

Strength of investor protection index (0-10) 2.3
(Latin America & Caribbean Average = 4.9)

Time to export (days) 56
(Latin America & Caribbean Average = 17)

Cost to export (per container) US$ 3,490
(Latin America & Caribbean Average = US$ 1,283)

Time to import (days) 82
(Latin America & Caribbean Average = 19)

Cost to import (per container) US$ 3,695
(Latin America & Caribbean Average = US$ 1,676)

**FDI cap:** Foreign investors and foreign capital participation is allowed up to 100% in most industrial sectors, except in some economic sectors in which the state or Venezuelan nationals must be majority owners (hydrocarbon, media).

- Venezuela’s legal framework for foreign investment requires equal treatment for both foreign and local companies.

Sources other than common sources cited earlier: Venezuelan Council for Investment Promotion (CONAPRI)
LAC investors are generally aware of the unparalleled opportunity offered by India. They know that the Indian consumer market will reach close to US$2.7 trillion by 2018, fueled by India’s rising middle class. Many also know that by the end of this decade, India will be the youngest nation in the world and that its labor force will be 550 million strong, almost double that of LAC. Some even know about numerous investment opportunities in specific key sectors of the Indian economy.

But to grow in Indian markets, LAC investors will need a deeper understanding of the states they are targeting. They will have to assess states’ core strengths and opportunities, including those originating from inter-state projects in such forms as dedicated investment, freight and industrial corridors connecting major industrial hubs across states. India has forged strategic partnerships to develop many of these corridors. But LAC investors in infrastructure, energy and public services can explore opportunities to make these corridors operationally more efficient and robust.

Those who have done their homework have gained tremendously. Take the joint venture (JV) between Tata Motors and Marcopolo SA. Founded in 2008, this JV manufactures more than 100 buses a day and already has an existing on-road fleet of nearly 40,000 buses. As another example, the first international film exhibitor in India is none other than Cinépolis. This Mexican multiplex chain has established a strong foothold in India, operating 84 screens in the country across 13 locations. It plans to invest US$25 million to add 60 new screens in 2014 alone.

In this chapter, we explore India’s FDI policies and procedures and take stock of Indian states’ strengths by providing a series of factsheets developed for each of 10 states.

20 For more, see http://www.investindia.gov.in/.
21 For more, see http://www.buses.tatamotors.com/about-us/collaborator.aspx.
Investing in India: India's FDI policies and procedures

**Brief steps involved in doing business in India:**
- Identification of entry structure
- Central government approval (if required)
- Setting up or incorporating the structure
- Inflow of funds via eligible instruments and pricing guidelines
- Meeting reporting requirements of RBI and respective acts
- Registrations/obtaining key documents like Permanent Account Number
- Project approval at state level
- Identifying location for business activity based on parameters like incentives, cost and availability of manpower
- Manufacturing projects are required to file Industrial Entrepreneur's Memorandum (IEM); some of the industries may also require industrial license
- Construction/renovation of unit
- Hiring of manpower
- Obtaining licenses (if any)
- Other state and central registrations
- Complying with annual requirements (as per the structure)

**Automatic route:** Under this route, no central government permission is required.

**Government route:** Under this route, applications are considered by the Foreign Investment Promotion Board (FIPB). Approval from the Cabinet Committee on Security is required for more than 49 percent FDI in defense. The proposals involving investments of more than INR 12 billion are considered by the Cabinet Committee on Economic Affairs.

The Indian company having received FDI under the automatic or government route must comply with provisions of the FDI policy including reporting the FDI and issue of shares to the RBI. (See Question 6 of Section I of the following link: http://www.rbi.org.in/scripts/FAQView.aspx?id=26.)

**Who can invest:**

<table>
<thead>
<tr>
<th>Individual</th>
<th>Company</th>
<th>Foreign Institutional Investor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreign Venture Capital Investor (FVCI)</td>
<td>Foreign Trust</td>
<td>Private Equity Fund</td>
</tr>
<tr>
<td>Pension/Provident Fund</td>
<td>Sovereign Wealth Fund</td>
<td>Partnership / Proprietorship Firm</td>
</tr>
<tr>
<td>Financial Institutions</td>
<td>Non-Resident Indians / Persons of Indian Origin</td>
<td>Others</td>
</tr>
</tbody>
</table>

**Note:** A citizen or entity from Bangladesh and Pakistan can invest only under the government route. Investors from Pakistan cannot invest in defense, space, atomic energy and sectors prohibited for foreign investment.
FDI IS PROHIBITED IN
- Lottery business including government/private lottery, online lotteries and so forth
- Gambling and betting including casinos
- Chit funds
- Nidhi company (borrowing from members and lending to members only)
- Trading in Transferable Development Rights (TDRs)
- Real estate business (other than construction development) or construction of farm houses
- Manufacturing of cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes
- Activities/sectors not open to private-sector investment, such as atomic energy and railway operations (other than permitted activities mentioned in the FDI policy)

RECENT POLICY CHANGES
- The composite cap in defense manufacturing sector increased to from 26 percent to 49 percent, with full Indian management and control through the Foreign Investment Promotion Board (FIPB) route.
- It has been decided to permit 100 percent FDI in the railway transport sector under the automatic route for the construction, operation and maintenance of the following:
  - (i) suburban corridor projects through public-private partnerships (PPPs), (ii) high-speed train projects, (iii) dedicated freight lines, (iv) rolling stock including train sets, and locomotives/coaches manufacturing and maintenance facilities, (v) railway electrification, (vi) signaling systems, (vii) freight terminals, (viii) passenger terminals, (ix) infrastructure in industrial parks pertaining to railway line/sidings, including electrified railway lines and connectivity to main railway line and (x) mass rapid-transport systems.
- FDI beyond 49 percent of the equity of the investee company in sensitive areas from a security point of view will be brought before the Cabinet Committee on Security for consideration on a case-by-case basis.
- FDI in the above-mentioned activities open to private-sector participation including FDI is subject to sectoral guidelines of the Ministry of Railways.
- The requirement of the built-up area and capital conditions for FDI has been reduced from 50,000 square meters to 20,000 square meters and from US$10 million to US$5 million for wholly-owned subsidiaries (WOS), respectively, in the case of smart cities.
- Projects that commit at least 30 percent of the total project cost for affordable housing will be exempted from minimum built-up area and capitalization requirements.
- Manufacturing units with FDI that are under the automatic route have been allowed to sell their products through retail,
including e-commerce platforms, without any additional approval.

• A list of defense products for industrial licensing has been issued, wherein a large number of parts/components, castings/forgings and so forth have been excluded from the purview of industrial licensing. Similarly dual-use items, having military as well as civilian applications (unless classified as defense items) will also not require an industrial license from the defense angle.

• Switching over from NIC-1987 to NIC-2008 for the purpose of classification of activities with respect to industrial licensing/IEM proposals has been submitted to the Department of Industrial Policy & Promotion.

• An “e-Biz” single-window platform for business-to-government (B2G) transactions has been launched. The platform will integrate all central government departments and ministries by December 31, 2014.

• 100 percent FDI allowed in the Telecommunications sector.

• 100 percent FDI allowed in single-brand retail (up to 49 percent is under the automatic route).

• FDI in commodity exchanges, stock exchanges and depositories, power exchanges, petroleum refining by public sector undertakings (PSUs) and courier services under the government route has been brought under the automatic route.

• Restrictions have been removed in the Tea Plantation sector.

• FDI limit was raised in credit information and asset reconstruction companies.

**ENTRY STRUCTURES**

• **Incorporating a company in India.** A corporation can be a private or public limited company. Both wholly owned and joint ventures are allowed. A private limited company requires a minimum of two shareholders.

• **Limited liability partnerships.** These are allowed under the government route in sectors that have 100 percent FDI allowed under the automatic route and without any conditions.

• **Sole proprietorship/partnership firm.** RBI decides the application in consultation with the government of India.

• **Extension of foreign entity.** Liaison, branch or project offices can undertake only the activities specified by RBI. Approvals are granted under the government and RBI route. Automatic route is available to branch office (BO)/project office (PO) meeting certain conditions.

**Note:** For BO, Liaison office and PO, investments from Pakistan, Iran, Sri Lanka, China, Bangladesh, Afghanistan, Hong Kong and Macau are under the government route.

Source: FICCI
Indian states and FDI

India has 29 states and 7 union territories. To attract FDI, a single-window system now exists in most of the states. In addition, most states provide incentives for attracting investment in new and existing industrial units. The incentives may be sector or region specific. Many Indian states offer incentives to the IT/ITeS, Biotechnology and Tourism sectors as well as to micro-, small- and medium-size enterprises (MSMEs). However, at times they also offer special incentives to industries such as Textiles, Food, Fisheries, Film, Healthcare and Power Generation. Most sector-specific incentives in India take the form of exemption from stamp duties, registration fees, electricity duties and various kinds of taxes. Special Economic Zones (SEZs) also enjoy incentives, mainly in the form of duty exemptions. The direct tax benefits include exemption from commercial taxes as well as other taxes such as value added, luxury, entertainment and property, depending on the industry. Over roughly the past decade, LAC investments into India have been concentrated in 10 states. (See Figure 9.)

Figure 9: LAC investments into Indian states

*Figure 9: LAC investments into Indian states*

_During 2003-2013, 10 Indian states accounted for most LAC investments in India*

Source: FICCI
PLEASE NOTE: In February 2014, the Andhra Pradesh Reorganisation Act 2014 led to the formation of the state of Telangana, which comprises 10 districts from north-western Andhra Pradesh. The remaining part of this State was renamed as Seemandhra. The factsheet below showcases Andhra Pradesh prior to the formation of the state of Telangana & Seemandhra. However, the salient features of the newly formed states are shared later in this report.

INVESTMENT SUMMARY

Core-Capability sectors

- Agro and food-based industry
- Biotechnology
- Bulk drugs and pharmaceuticals
- IT and ITeS
- Mines and minerals
- Textiles and leather
- Tourism
- Automotive and auto components
- Gems and jewelry

Priority Sectors for Inward FDI

- Automotive
- Electronics Hardware
- Semiconductors
- Retail

Demographics

- Population density per sq. km (as of 2010-11): 307.52
- Literacy rate (as of 2010-11): 67.02%
- Gender ratio (as of 2010-11): 992.8

Infrastructure

- Number of ports (as of 2012-13): 1 major port and 14 minor ports
- Road density (Kms per 100 sq. kms, as of 2011-12): 93.2
- Rail density (Km per ‘000 sq.km, as of 2011-12): 19.1
- Number of Airports (as of 2012-13): 1 International and 8 Domestic Airports

Industrial Environment

- Number of factories in operation (as of 2011-12): 22,124
- Power tariffs for industry (US$ / Kwh, as of October 2013): 7.6-12.5 cents
- Net Industry Value Added (US$ billion, 2011-12): 12.7
- Gross Value of Production (VOP) per invested capital (2011-12): 1.2 times
- Number of PPP projects (as of October 2013): 100

Consumer Market (Population, million, as of 2010-11): 84.58
Per Capita Income (2013-14): US$ 1,490.3
Net State Domestic Product, Growth (2013-14): 13.9%
Inflation (y-o-y change, 2013-14): 10.2%
Labor wages per day (as of September 2013): US $ 1.5 to US $ 4.6
FDI Inflow (Cumulative from April 2000 to October 2013): US$ 8.4 billion
FDI Inflow (% of total FDI Inflow in India between April 2000 to October 2013): 4.1%
Exports (as a % of total exports by India, 2013-14): 4.9%
Top Merchandise Exports (as of 2013): IT / ITeS, engineering, pharmaceuticals, chemical plastics, agro based and forest products, leather, animal and marine products, minerals and handicrafts.
SPECIAL ECONOMIC ZONES (SEZ)
Andhra Pradesh has 78 SEZs in the following industries – IT/ITES, pharmaceuticals, gems and jewelry, biotechnology, textile and multi product.

Incentives for investors

- Andhra Pradesh government unveiled the Electronics Hardware (EH) policy (2012-17), which will provide incentives in the areas of industrial electronics, communication and broadcast equipment, computers and peripherals, and strategic electronics and components. The EH policy is the first of its kind initiated by any state in India.

- For the Leather industry, Andhra Pradesh government provides financial assistance in the form of investment grants to the extent of 30% of cost of plant and machinery for small scale industries (SSI) and 20% of cost of plant and machinery for other units, subject to a ceiling of US$ 120,000 for technology up gradation or/and expansion.

<table>
<thead>
<tr>
<th>Sector</th>
<th>Companies</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pharmaceutical</td>
<td>Laboratorios Bago</td>
<td>Argentina</td>
</tr>
<tr>
<td>Chemicals</td>
<td>Sociedad Quimicy</td>
<td>Chile</td>
</tr>
<tr>
<td>Business Services</td>
<td>Genpact</td>
<td>Bermuda</td>
</tr>
<tr>
<td>Software and IT services</td>
<td>Stefanini IT Solutions</td>
<td>Brazil</td>
</tr>
<tr>
<td>Metals</td>
<td>Gerdau</td>
<td>Brazil</td>
</tr>
</tbody>
</table>

Salient Features of Select Industries

<table>
<thead>
<tr>
<th>Industry</th>
<th>Feature</th>
</tr>
</thead>
<tbody>
<tr>
<td>IT / ITeS</td>
<td>Andhra Pradesh contributes about 12.5% to India's IT exports.</td>
</tr>
<tr>
<td>Pharmaceuticals and Biotechnology</td>
<td>Andhra Pradesh accounts for around 40% of country's bulk drug exports.</td>
</tr>
<tr>
<td>Apparels and Textiles</td>
<td>Andhra Pradesh is one of the leading cotton producing states in the country.</td>
</tr>
<tr>
<td>Agri and Processed Food</td>
<td>Andhra Pradesh is one of the largest producers of rice in India. It is a leading producer of cash crops such as tobacco, groundnut, dry chilly, turmeric, oilseeds, cotton, sugarcane and jute.</td>
</tr>
<tr>
<td>Chemicals, Petrochemicals, and Petroleum</td>
<td>Andhra Pradesh is the second Indian state, after Gujarat, to enter the oil and gas exploration and production segment through bids for oil and gas blocks under the central government's New Exploration Licensing Policy</td>
</tr>
<tr>
<td>Mines and Minerals</td>
<td>Andhra Pradesh has the largest number of mines in India, with a total of 583 mines.</td>
</tr>
</tbody>
</table>

Sources: Centre for Monitoring Indian Economy, India Brand Equity Foundation and Economic Survey of India 2013-14
INVESTMENT SUMMARY

Core-Capability sectors
- Agro and food processing
- Dairy
- Chemicals and petrochemicals
- Textiles and apparels
- Engineering and auto
- Gems and jewelry
- Oil and gas
- Pharmaceuticals and biotechnology
- IT
- Minerals
- Ports
- Power

Priority Sectors for Inward FDI
- Auto components and ancillaries
- Turbines, transformers and generators
- Infrastructure equipment
- High performance chemicals
- High value garment manufacturing

Demographics
- Population density per sq. km (as of 2010-11): 307.98
- Literacy rate (as of 2010-11): 78.03%
- Gender ratio (as of 2010-11): 919.25

Infrastructure
- Number of ports (as of 2012-13): 1 major port and 41 minor ports
- Road density (Kms per 100 sq. kms, as of 2011-12): 83.2
- Rail density (Km per ’000 sq.km, as of 2011-12): 26.8
- Number of Airports (as of 2012-13): 1 International and 13 Domestic Airports
- Tele Density (as of September 2013): 87.29%

Industrial Environment
- Number of factories in operation (as of 2011-12): 17,529
- Power tariffs for industry (US$ / Kwh, as of October 2013): 7 cents
- Net Industry Value Added (US$ billion, 2011-12): 16.8
- Gross Value of Production (VOP) per invested capital (2011-12): 2.2 times
- Number of PPP projects (as of October 2013): 74

FACTSHEET

Consumer Market (Population, million, as of 2010-11) 60.4
Per Capita Income (2012-13) US$ 1,774.3
Net State Domestic Product, Growth (2012-13) 12.7%
Inflation (y-o-y change, 2013-14) 8.7%
Labor wages per day (as of September 2013) US$ 2.0 to US$ 4.7
FDI Inflow (Cumulative from April 2000 to October 2013) US$ 9.1 billion
FDI Inflow (% of total FDI Inflow in India between April 2000 to October 2013) 4.4%
Exports (as a % of total exports by India, 2013-14) 23.5%
Top Merchandise Exports (as of 2012) Textiles, petroleum, chemicals, pharmaceuticals, engineering, gems and jewelry.
SPECIAL ECONOMIC ZONES (SEZ)

Gujarat has 30 SEZs in the following industries - Plastic and plastic products, power, IT/ITES, engineering goods, apparel, chemicals, pharmaceutical, gems and jewelry, food processing, ceramic and glass, oil and gas, handicrafts and multi-products.

Incentives for investors

- Government of Gujarat has introduced various schemes for textiles and apparel sector. The schemes cover interest subsidy, interest subsidy in technical textiles, assistance for technology acquisition and upgradation, assistance to apparel training institutions, upgradation of facilities in industrial training institutes, assistance to training centers, assistance for training to trainers, training support to power loom sector, assistance advanced for training to power loom owner/jobber and worker, support for textile and apparel Park.

- Gujarat government provides credit linked interest subsidy for modern Jewelry enterprise.

- The government also provides credit linked interest subsidy in ginning and pressing, cotton spinning, weaving, dyeing and processing, knitting, garment/made-ups, machine carpeting, machine embroidery and any other activities/process like crimping, texturizing, twisting, winding, sizing etc. within the textile value chain.

LAC Companies in Gujarat

<table>
<thead>
<tr>
<th>Sector</th>
<th>Companies</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food processing</td>
<td>The Garavelo Group</td>
<td>Brazil</td>
</tr>
<tr>
<td>Leisure and Entertainment</td>
<td>Cinepolis</td>
<td>Mexico</td>
</tr>
</tbody>
</table>

Salient Features of Select Industries

<table>
<thead>
<tr>
<th>Industry</th>
<th>Feature</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agro and food processing</td>
<td>Gujarat is the top milk procuring state and the second largest milk producing state in India.</td>
</tr>
<tr>
<td>Textiles and Apparel</td>
<td>Gujarat is the largest producer (33% of India’s cotton production) and exporter (60% of India’s cotton export) of cotton in the country.</td>
</tr>
<tr>
<td>Chemicals and Petrochemicals</td>
<td>Gujarat accounts for about 51% of the national production of chemicals and is the highest contributor to the total national production of petrochemical products.</td>
</tr>
<tr>
<td>Engineering</td>
<td>Gujarat’s engineering sectors contribute around 18% to the state’s total industrial production and around 9% to the national engineering output.</td>
</tr>
<tr>
<td>Gems and Jewelry</td>
<td>Gujarat accounts for about 55% of the world’s share of processed diamonds and more than 80% of total diamonds processed in India.</td>
</tr>
<tr>
<td>Oil and Gas</td>
<td>Gujarat ranks first in the production of crude oil (onshore) in India and accounts for nearly 45% of India’s installed refining capacity.</td>
</tr>
</tbody>
</table>

Sources: Centre for Monitoring Indian Economy, India Brand Equity Foundation, Economic Survey of India 2013-14 and Gujarat Socio-Economic Review 2013-14
INVESTMENT SUMMARY

Core-Capability sectors
• Automotive • Agro-based industry • IT/ITeS
• Textiles • Oil refining • Bicycles • Sanitary ware • Scientific instruments • Real estate and construction • Biotechnology • Petrochemicals

Priority Sectors for Inward FDI
• Biotechnology • Real Estate and construction • Petrochemicals • Textiles

Demographics
• Population density per sq. km (as of 2010-11): 573.41
• Literacy rate (as of 2010-11): 75.5%
• Gender ratio (as of 2010-11): 878.6

Infrastructure
• Number of ports (as of 2012-13): No ports
• Road density (Kms per 100 sq. kms, as of 2011-12): 96.4
• Rail density (Km per ‘000 sq.km, as of 2011-12): 35.1
• Number of Airports (as of 2012-13): 1 Domestic Airport
• Tele Density (as of September 2013): 77.1%

Industrial Environment
Number of factories in operation (as of 2011-12) 4,822
Power tariffs for industry (US$ / Kwh, as of October 2013) 9.1–11.1 cents
Net Industry Value Added (US$ billion, 2011-12) 5.7
Gross Value of Production (VOP) per invested capital (2011-12) 2.6 times
Number of PPP projects (as of October 2013) 40

FACTSHEET

Consumer Market (Population, million, as of 2010-11) 25.3
Per Capita Income (2013-14) US$ 2,255.3
Net State Domestic Product, Growth (2013-14) 13.9%
Inflation (y-o-y change, 2013-14) 8.3%
Labor wages per day (as of September 2013) US$ 3.4 to US$ 3.9
FDI Inflow (Cumulative from April 2000 to August 2013) US$ 1.2 billion (including Chandigarh, Punjab and Himachal Pradesh)
FDI Inflow (% of total FDI Inflow in India between April 2000 to October 2013) 0.6%
Exports (as a % of total exports by India, 2013-14) 3.4%
Top Merchandise Exports (as of 2013) Agro-based products, IT / ITeS and readymade garments.
**SPECIAL ECONOMIC ZONES (SEZ)**

Haryana has 35 SEZs in the following industries – IT/ITES, textiles, automotive, engineering, petrochemicals and agro-based industry.

**Incentives for investors**

- Haryana government has extended various incentives to companies within the IT and ITeS sector, including rebate on registration, transfer of property charges and exemption under the Haryana Shop and Commercial Act.
- Haryana is the first state to have implemented its State Wide Area Network (SWAN) for voice, data and video transmission.
- Haryana aggressively promotes organic farming and provides financial assistance to farmers for production and use of vermi-compost

<table>
<thead>
<tr>
<th>Sector</th>
<th>Companies</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food and Tobacco</td>
<td>Rodeo</td>
<td>Mexico</td>
</tr>
<tr>
<td>Business Services</td>
<td>Genpact</td>
<td>Bermuda</td>
</tr>
<tr>
<td>Software and IT services</td>
<td>Paradigm Ltd</td>
<td>Cayman Islands</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Industry</th>
<th>Feature</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automotive</td>
<td>Haryana produces two-thirds of all passenger cars manufactured in India, 50% of tractors and 60% of all motorcycles in India.</td>
</tr>
<tr>
<td>Agro Based</td>
<td>Haryana is self-sufficient in food production and is the second-largest contributor of food grains to the country. The state accounts for more than 60% of the export of Basmati rice from India.</td>
</tr>
</tbody>
</table>

Sources: Centre for Monitoring Indian Economy, India Brand Equity Foundation and Economic Survey of India 2013-14
KARNATAKA

INVESTMENT SUMMARY

Core-Capability sectors
- IT and ITeS
- Biotechnology
- Engineering
- Electronics and telecom
- Automotive
- Textiles and apparel
- Agro and food processing (floriculture)
- Aerospace
- Electronic hardware
- Renewable energy

Priority Sectors for Inward FDI
- Energy
- Iron and Steel
- Cement and other Minerals
- IT and electronics
- Industrial infrastructure
- Chemicals and petrochemicals
- Housing and urban development

Demographics
- Population density per sq. km (as of 2010-11): 318.55
- Literacy rate (as of 2010-11): 75.3%
- Gender ratio (as of 2010-11): 972.9

Infrastructure
- Number of ports (as of 2012-13): 1 major ports and 10 minor ports
- Road density (Kms per 100 sq. kms, as of 2011-12): 158.1
- Rail density (Km per '000 sq.km, as of 2011-12): 16.1
- Number of Airports (as of 2012-13): 2 International and 5 Domestic Airports
- Tele Density (as of September 2013): 98.5%

Industrial Environment
- Number of factories in operation (as of 2011-12): 9,459
- Power tariffs for industry (US$/Kwh, as of October 2013): 8.3-11.5 cents
- Net Industry Value Added (US$ billion, 2011-12): 19.8
- Gross Value of Production (VOP) per invested capital (2011-12): 2.2 times
- Number of PPP projects (as of October 2013): 108

FACTSHEET

Consumer Market (Population, million, as of 2010-11): 61.09

Per Capita Income (2013-14): US$ 1,449.8

Net State Domestic Product, Growth (2013-14): 13.3%

Inflation (y-o-y change, 2013-14): 10.7%

Labor wages per day (as of September 2013): US$ 2.3 to US$ 4.5

FDI Inflow (Cumulative from April 2000 to August 2013): US$ 11.5 billion

FDI Inflow (% of total FDI inflow in India between April 2000 to August 2013): 5.7%

Exports (as a % of total exports by India, 2013-14): 5.7%

Top Merchandise Exports (as of 2013): Electronics and computer software, petroleum & chemical products, gems & jewelry, handloom, textiles and engineering products.
SPECIAL ECONOMIC ZONES (SEZ)

Karnataka has 84 SEZs in the following industries – IT/ITES, pharmaceuticals, biotechnology, textiles, engineering products, petrochemicals and petroleum, auto, aerospace and industrial engineering, electronics and food processing.

Incentives for investors

- The State Cabinet has cleared the new Industrial Policy (2014-19) for the state.
- The new policy aims to create new knowledge city corridor between Bangalore and Mysore as well as industrial corridors around national investment and manufacturing zones (NMIIZs).
- A new policy for industrial area/ estate development will be explored where the State would look at creating Special Investment Zones for focus sectors. Efforts will be made to establish these investment zones in all districts and will be managed by a single special purpose vehicle (SPV). All regulatory and statutory approvals for the development of the investment zone and for establishment of industry in these investment zones would be taken by the SPV.
- Karnataka allows 100% FDI to SEZ developers for townships with residential, educational and recreational facilities on a case to case basis.
- SEZ developers are also exempt from service tax / Central Sales Tax and can avail income tax benefits.

## LAC Companies in Karnataka

<table>
<thead>
<tr>
<th>Sector</th>
<th>Companies</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automotive</td>
<td>Marcopolo</td>
<td>Brazil</td>
</tr>
<tr>
<td>Leisure and Entertainment</td>
<td>Cinepolis</td>
<td>Mexico</td>
</tr>
<tr>
<td>Business Services</td>
<td>Genpact</td>
<td>Bermuda</td>
</tr>
<tr>
<td>Industrial Machinery, Equipment and Tools</td>
<td>WEG</td>
<td>Brazil</td>
</tr>
</tbody>
</table>

## Salient Features of Select Industries

<table>
<thead>
<tr>
<th>Industry</th>
<th>Feature</th>
</tr>
</thead>
<tbody>
<tr>
<td>IT / ITeS</td>
<td>Karnataka is India’s largest software exporter and has emerged as an IT hub of India. Bengaluru is the 4th largest technological cluster in the world after Silicon Valley, Boston and London.</td>
</tr>
<tr>
<td>Biotechnology</td>
<td>Karnataka is home to nearly 60% of the country’s biotech units.</td>
</tr>
<tr>
<td>Automotive</td>
<td>Karnataka is the fourth largest state in India in terms of automotive production.</td>
</tr>
<tr>
<td>Textiles</td>
<td>Karnataka accounts for 20% of the national garment production and produces 65% of India’s silk.</td>
</tr>
<tr>
<td>Agro and Food Processing</td>
<td>Karnataka is the largest producer of coffee and cocoa in the country.</td>
</tr>
<tr>
<td>Aerospace</td>
<td>Karnataka produces more than a quarter of India’s aircrafts and space crafts.</td>
</tr>
<tr>
<td>Electronic Hardware</td>
<td>Karnataka is home to 80 out of the 120 companies engaged in chip designing in India.</td>
</tr>
<tr>
<td>Wind Energy</td>
<td>Karnataka has the largest wind energy potential of 13,236 MW in India.</td>
</tr>
</tbody>
</table>

Sources: Centre for Monitoring Indian Economy, India Brand Equity Foundation, Economic Survey of India 2013-14
INVESTMENT SUMMARY

Core-Capability sectors
- Auto and auto components
- Textile
- Cement
- Agro-based industries
- Forest-based industries
- Pharmaceuticals
- Mineral-based industries
- Manufacturing
- IT and ITeS

Priority Sectors for Inward FDI
- Automobile and engineering
- Healthcare
- Industrial
- Infrastructure
- Pharmaceuticals
- Renewable Energy
- Urban Development
- Horticulture

Demographics
- Population density per sq. km (as of 2010-11): 235.6
- Literacy rate (as of 2010-11): 69.3%
- Gender ratio (as of 2010-11): 930.9

Infrastructure
- Number of ports (as of 2012-13): No ports
- Road density (Kms per 100 sq. kms, as of 2011-12): 65.3
- Rail density (Km per '000 sq.km, as of 2011-12): 16.1
- Number of Airports (as of 2012-13): 5
- Domestic Airports
- Tele Density (as of September 2013): 54.4%

Industrial Environment
- Number of factories in operation (as of 2011-12): 3,696
- Power tariffs for industry (US$/Kwh, as of October 2013): 6.7-10.1 cents
- Net Industry Value Added (US$ billion, 2011-12): 3.4
- Gross Value of Production (VOP) per invested capital (2011-12): 2 times
- Number of PPP projects (as of October 2013): 88

FACTSHEET

Consumer Market
(Population, million, as of 2010-11): 72.6

Per Capita Income
(2013-14): US$ 902.5

Net State Domestic Product, Growth (2013-14): 21.9%

Inflation (y-o-y change, 2013-14): 9.5%

Labor wages per day (minimum wages, as of September 2013): US$ 1.7 to US$ 4.1

FDI Inflow (Cumulative from April 2000 to October 2013): US$ 1.1 billion

FDI Inflow (% of total FDI Inflow in India between April 2000 to October 2013): 0.5%

Exports (as a % of total exports by India, 2013-14): 1.4%

Top Merchandise Exports (as of 2013): IT / ITeS, Textiles and Pharmaceuticals.
SPECIAL ECONOMIC ZONES (SEZ)

Madhya Pradesh has 9 SEZs in the following industries – IT/ITES, minerals, agro based, aluminum, gems and jewelry and multi services.

Incentives for investors

• Madhya Pradesh’s IT Investment Policy 2012 allows investors to get reimbursement of 75% of the cost incurred on securing quality certification. Moreover, the policy makes land available at the rate of 25% of the prevalent Collector guideline rate.

• Madhya Pradesh’s Industrial Promotion Policy provides an entry tax exemption up to 9 years and subsidy of 15% on fixed capital investment for micro and small scale industry.

• To attract investment into the Textile sector, Madhya Pradesh government has provided an interest subsidy for five years at the rate of 5% for textile projects and 7% for composite textile projects.

LAC Companies in Madhya Pradesh

<table>
<thead>
<tr>
<th>Sector</th>
<th>Companies</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leisure and Entertainment</td>
<td>Cinépolis</td>
<td>Mexico</td>
</tr>
</tbody>
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Salient Features of Select Industries

<table>
<thead>
<tr>
<th>Industry</th>
<th>Feature</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cement</td>
<td>Madhya Pradesh is the third largest producer of cement in the country.</td>
</tr>
<tr>
<td>IT / ITeS</td>
<td>Madhya Pradesh has an optical fiber infrastructure of over 24,000 km that covers 313 developmental blocks across 45 districts.</td>
</tr>
<tr>
<td>Minerals</td>
<td>Madhya Pradesh is the largest producer of minerals such as pyrophyllite and copper. It ranks fourth in mineral production with 23 major and minor minerals being mined in the state.</td>
</tr>
<tr>
<td>Agro based</td>
<td>Madhya Pradesh is one of the leading producers of spices and soybean.</td>
</tr>
</tbody>
</table>

Sources: Centre for Monitoring Indian Economy, India Brand Equity Foundation and Economic Survey of India 2013-14
INVESTMENT SUMMARY

Core-Capability sectors
• Pharmaceuticals • Biotechnology • IT and ITeS
• Electronics • Engineering • Auto and auto components • Petrochemicals, oil and gas • Food and agro processing • Gems and jewelry • Banking, financial services and insurance (BFSI) • Textiles

Priority Sectors for Inward FDI
• Agriculture • Automobiles • Banking and Finance • Biotechnology • Chemicals • Dyestuff sector • Engineering • Entertainment • Infrastructure • IT / ITES • Power • Pharmaceuticals • Textiles • Tourism • Water Recycling

Demographics
• Population density per sq. km (as of 2010-11): 365.19
• Literacy rate (as of 2010-11): 82.3%
• Gender ratio (as of 2010-11): 929.4

Infrastructure
• Number of ports (as of 2012-13): 2 major ports and 53 minor ports
• Road density (Kms per 100 sq. kms, as of 2011-12): 128.9
• Rail density (Km per ‘000 sq.km, as of 2011-12): 18.2
• Number of Airports (as of 2012-13): 3 International and 5 Domestic Airports
• Tele Density (as of September 2013): 88.37%

Industrial Environment
Number of factories in operation (as of 2011-12) 22,615
Power tariffs for industry (US$/ Kwh, as of October 2013) 10.7 cents
Net Industry Value Added (US$ billion, 2011-12) 29.9
Gross Value of Production (VOP) per invested capital (2011-12) 2.4 times
Number of PPP projects (as of October 2013) 88

FACTSHEET

Consumer Market (Population, million, as of 2010-11) 112.3
Per Capita Income (2012-13) US$1,970
Net State Domestic Product, Growth (2012-13) 14.4%
Inflation (y-o-y change, 2013-14) 8.5%
Labor wages per day (as of September 2013) US$ 1.94 to US$ 4.34
FDI Inflow (Cumulative from April 2000 to October 2013) US$ 65.3 billion
FDI Inflow (% of total FDI Inflow in India between April 2000 to October 2013) 31.7%
Exports (as a % of total exports by India, 2013-14) 22.9%
Top Merchandise Exports (as of 2013) Gems and jewelry, software, textiles, metal & metal products, agro-based products, engineering items, drugs and pharmaceuticals, & plastic & plastic items.
SPECIAL ECONOMIC ZONES (SEZ)

Maharashtra has 65 SEZs in the following industries – Electronics hardware and software, gems and jewelry, IT/ITES, engineering and electronics, pharmaceuticals, biotechnology, power and multiproduct.

Incentives for investors

- Maharashtra provides subsidies and incentives to Micro, Small and Medium Manufacturing Enterprises to promote quality competitiveness, research and development and technology upgradation.
- All eligible units, new as well as units undertaking expansion in Vidarbha region are eligible for refund of royalty paid on purchase of minerals from mine owners within the State of Maharashtra for a period of five years from the date of commencement of commercial production.
- Maharashtra has special incentive policies for biotechnology industries. Biotechnology units throughout the state are eligible for capital subsidy and refund of octroi and similar levies.
- The government also provides interest subsidy to new eligible units in textile, hosiery, knitwear and readymade garment sectors, of up to US$ 76,000 for a maximum period of seven years.

<table>
<thead>
<tr>
<th>Sector</th>
<th>Companies</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Services</td>
<td>Catlin Group</td>
<td>Bermuda</td>
</tr>
<tr>
<td>Leisure and Entertainment</td>
<td>Cinepolis</td>
<td>Mexico</td>
</tr>
<tr>
<td>Business Services</td>
<td>@titude Global Genpact</td>
<td>Brazil</td>
</tr>
<tr>
<td>Software and IT services</td>
<td>Modulo Paradigm Ltd.</td>
<td>Brazil</td>
</tr>
</tbody>
</table>

Salient Features of Select Industries

<table>
<thead>
<tr>
<th>Industry</th>
<th>Feature</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pharmaceuticals</td>
<td>Maharashtra accounts for about 18.4% of the country’s pharmaceutical output by value.</td>
</tr>
<tr>
<td>Biotechnology</td>
<td>Maharashtra leads other states in the biotech industry, accounting for 35.04% of the total revenues generated during 2011-12.</td>
</tr>
<tr>
<td>IT / ITeS</td>
<td>Maharashtra accounts for about 23.2% of the country’s total software exports.</td>
</tr>
<tr>
<td>Textiles</td>
<td>Maharashtra accounts for about 10.4% of India’s textiles and apparels output.</td>
</tr>
<tr>
<td>Chemicals, Petrochemicals, and Oil and Gas</td>
<td>Maharashtra accounts for about 27.4% of the country’s chemicals, petrochemicals, oil and gas output.</td>
</tr>
<tr>
<td>Automotive</td>
<td>Maharashtra accounts for about 38% of the country’s output of automobiles by value.</td>
</tr>
</tbody>
</table>

Sources: Centre for Monitoring Indian Economy, India Brand Equity Foundation, Economic Survey of Maharashtra 2013-14, Economic Survey of India 2013-14 and Doing Business in Maharashtra
INVESTMENT SUMMARY

Core-Capability sectors
- Iron and steel, and ferro alloy
- Aluminium
- Handloom
- Agro-based industry
- Mining
- IT/ITeS
- Electronics

Priority Sectors for Inward FDI
- Agriculture and agribusiness
- Automotive
- Manufacturing
- IT and Technology
- Tourism

Demographics
- Population density per sq. km (as of 2010-11): 269.5
- Literacy rate (as of 2010-11): 72.8%
- Gender ratio (as of 2010-11): 978.78

Infrastructure
- Number of ports (as of 2012-13): 1 major port and 2 minor ports
- Road density (Kms per 100 sq. kms, as of 2011-12): 163.6
- Rail density (Km per ‘000 sq.km, as of 2011-12): 15.9
- Number of Airports (as of 2012-13): 1 Domestic Airport, 2 airstrips and 16 helipads
- Tele Density (as of September 2013): 61.2%

Industrial Environment
Number of factories in operation (as of 2011-12) 2,486
Power tariffs for industry (US$ / Kwh, as of October 2013) 7.4-10.4 cents
Net Industry Value Added (US$ billion, 2011-12) 3.5
Gross Value of Production (VOP) per invested capital (2011-12) 0.6 times
Number of PPP projects (as of October 2013) 33

FACTSHEET

Consumer Market (Population, million, as of 2010-11) 41.9
Per Capita Income (2013-14) US$ 906.1
Net State Domestic Product, Growth (2013-14) 11.6%
Inflation (y-o-y change, 2013-14) NA
Labor wages per day (minimum wages, as of September 2013) US$ 2.2 to US$ 4.4
FDI Inflow (Cumulative from April 2000 to October 2013) US$ 0.36 billion
FDI Inflow (% of total FDI Inflow in India between April 2000 to October 2013) 0.17%
Exports (as a % of total exports by India, 2013-14) 1.3%
Top Merchandise Exports (as of 2013) Mineral and metallurgical products, fisheries, electronics, engineering, chemical and allied products, agriculture and forest products.
SPECIAL ECONOMIC ZONES (SEZ)

Odisha has 5 SEZs in the following industries – Mineral based, metal based, IT/ITES, solar, aluminium and multi-product.

Incentives for investors

- The government has constituted special single window clearance committees for four sectors: Tourism, Information technology, Biotechnology and Agro & food processing.
- In order to attract more investors in Odisha in the ICT space, the state government put together a new Information and Communication Technology (ICT) policy in January 2014.
- The State government has decided to set up a Bio-IT park on the outskirts of the state capital.

Salient Features of Select Industries

<table>
<thead>
<tr>
<th>Industry</th>
<th>Feature</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aluminium</td>
<td>Odisha ranks first in India in terms of both production capacity and actual output of aluminium.</td>
</tr>
<tr>
<td>Mining</td>
<td>Odisha accounts for about 25% of India’s iron-ore deposits and is one of the largest producers of iron and steel in India.</td>
</tr>
<tr>
<td>Iron, steel and Ferroalloy</td>
<td>Odisha is one of the largest producers of iron and steel in India with about 25% of all the iron-ore deposits in the country.</td>
</tr>
</tbody>
</table>

Sources: Centre for Monitoring Indian Economy, India Brand Equity Foundation, Economic Survey of India 2013-14 and Economic Survey of Odisha 2012-13
RAJASTHAN

INVESTMENT SUMMARY

Core-Capability sectors
• Cement • Tourism • IT and ITeS • Ceramics
• Mining and minerals • Handicraft • Chemicals
• Auto and auto-components • Textile • Agro-based industry • Gems and jewelry • Marble • Steel

Priority Sectors for Inward FDI
• Electricity • Manufacturing • Irrigation • Real Estate • Mining

Demographics
• Population density per sq. km (as of 2010-11): 200.29
• Literacy rate (as of 2010-11): 66.1%
• Gender ratio (as of 2010-11): 928.2

Infrastructure
• Number of ports (as of 2012-13): No ports
• Road density (Kms per 100 sq. kms, as of 2011-12): 72.6
• Rail density (Km per '000 sq.km, as of 2011-12): 17
• Number of Airports (as of 2012-13): 1 International and 5 Domestic Airports
• Tele Density (as of September 2013): 71.9%

Industrial Environment
Number of factories in operation (as of 2011-12) 7,622
Power tariffs for industry (US$ / Kwh, as of October 2013) 9.7 cents
Net Industry Value Added (US$ billion, 2011-12) 7.5
Gross Value of Production (VOP) per invested capital (2011-12) 2.4 times
Number of PPP projects (as of 2012-13) 181

FACTSHEET

Consumer Market (Population, million, as of 2010-11) 68.5
Per Capita Income (2013-14) US$ 1,087.4
Net State Domestic Product, Growth (2013-14) 11.8%
Inflation (y-o-y change, 2013-14) 8.5%
Labor wages per day (minimum wages, as of September 2013) US$ 2.9 to US$ 5.9
FDI Inflow (Cumulative from April 2000 to August 2013) US$ 0.7 billion
FDI Inflow (% of total FDI inflow in India between April 2000 to October 2013) 0.34%
Exports (as a % of total exports by India, 2013-14) 1.9%
Top Merchandise Exports (as of 2013) Agro and food products, gems and jewelry, minerals, marble and stones and chemicals.
SPECIAL ECONOMIC ZONES (SEZ)

Rajasthan has 10 SEZs in the following industries – Gems and jewelry, IT/ITES, engineering, and handicrafts.

Incentives for investors

- Rajasthan Solar Energy Policy 2011 provides various fiscal incentives to power producers including exemption from payment of the electricity duty.
- Rajasthan Investment Promotion Scheme (RIPS), 2010 provides all investors with various subsidies and tax incentives including investment subsidy and employment generation subsidy up to 50% of the tax (VAT, CST and GST) paid.
- Rajasthan government’s policy to promote Private Investment in Healthcare Facility 2011 provides various exemptions to investors in private health sector setting up healthcare facility in Rajasthan.
- Rajasthan’s IT and ITES Policy 2007 provides lucrative incentives to IT industries such as Land rebate up to 60%, depending upon type and size of investment, exemption of stamp duty on registration of land and 50% exemption from electricity duty for 7 years.

LAC Companies in Rajasthan

<table>
<thead>
<tr>
<th>Sector</th>
<th>Companies</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coal, Oil and Natural Gas</td>
<td>Petroleos de Venezuela (PDVSA)</td>
<td>Venezuela</td>
</tr>
<tr>
<td>Leisure and Entertainment</td>
<td>Cinépolis</td>
<td>Mexico</td>
</tr>
<tr>
<td>Business Services</td>
<td>Genpact</td>
<td>Bermuda</td>
</tr>
</tbody>
</table>

Salient Features of Select Industries

<table>
<thead>
<tr>
<th>Industry</th>
<th>Feature</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cement</td>
<td>Rajasthan is the largest cement producing state in India with 21 major cement plants.</td>
</tr>
<tr>
<td>Mining and Mineral Processing</td>
<td>Rajasthan is a leading producer of major minerals such as wollastonite, lead-zinc, calcite, gypsum, rock phosphate, ochre, silver and minor minerals like marble, sandstone and serpentine (green marble) etc., which contribute almost 90-100% of national production.</td>
</tr>
<tr>
<td>Textiles</td>
<td>Rajasthan is India’s largest manufacturer of suiting fabrics and yarn.</td>
</tr>
<tr>
<td>Gems and Jewelry</td>
<td>Rajasthan is the largest production center of coloured precious and semi-precious stones as well as the largest manufacturer of cut and polished diamonds in the country.</td>
</tr>
</tbody>
</table>

Sources: Centre for Monitoring Indian Economy, India Brand Equity Foundation, Economic Survey of India 2013-14 and Bureau of Investment Promotion, Government of Rajasthan
INVESTMENT SUMMARY

Core-Capability sectors
• Textiles • Heavy commercial vehicles
• Automobile and auto components
• Engineering • IT and ITeS • Cement
• Banking and financial services • Drugs and pharmaceuticals • Agro and food processing
• Leather tanning industries • Electronic hardware • Tourism

Priority Sectors for Inward FDI
• Food Processing • Renewable Energy
• Infrastructure

Demographics
• Population density per sq. km (as of 2010-11): 554.72
• Literacy rate (as of 2010-11): 80.09%
• Gender ratio (as of 2010-11): 996.43

Infrastructure
• Number of ports (as of 2012-13): 3 major ports and 23 minor ports
• Road density (Kms per 100 sq. kms, as of 2011-12): 177
• Rail density (Km per ’000 sq.km, as of 2011-12): 30.3
• Number of Airports (as of 2012-13): 3 International and 4 Domestic Airports
• Tele Density (as of September 2013): 108.96%

Industrial Environment
Factories in operation (as of 2011-12) 26,654
Power tariffs for industry (US$ / Kwh, as of October 2013) 11 cents
Net Industry Value Added (US$ billion, 2011-12) 14.7
Gross Value of Production (VOP) 2.3 times per invested capital (2011-12)
Number of PPP projects (as of October 2013) 52

FACTSHEET

Consumer Market (Population, million, as of 2010-11) 72.1
Per Capita Income (2013-14) US$ 1,876.5
Net State Domestic Product, Growth (2013-14) 14.6%
Inflation (y-o-y change, 2013-14) 9.5%
Labor wages per day (minimum wages, as of September 2013) US$ 1.9 to US$ 7.9
FDI Inflow (Cumulative from April 2000 to August 2013) US$ 12.2 billion
FDI Inflow (% of India’s FDI Inflows between April 2000 to August 2013) 6.04%
Exports (as a % of total exports of India, 2013-14) 8.6%
Top Merchandise Exports (as of 2013) Textiles, garments and knitwear, IT / ITeS and marine fish and fish products.
### SPECIAL ECONOMIC ZONES (SEZ)

Tamil Nadu has 53 SEZs in the following industries – IT/ITES, electronics Hardware and related services, engineering, food processing, transport equipment, telecom equipment / R&D services, automotive and apparel and fashion accessories.

### Incentives for investors

- Tamil Nadu government has published ‘Vision Tamil Nadu 2023’ which outlines the state’s ambitious growth agenda on the back of developing world class physical and knowledge infrastructure.
- Tamil Nadu government provides a back-ended capital subsidy and electricity tax exemption for investments in the southern districts besides 50% stamp duty concession for projects located other than industrial parks promoted by State Industries Promotion Corporation of Tamil Nadu (SIPCOT).
- In the case of ultra-mega projects and the projects located in SIPCOT Industrial Parks, stamp duty concession to the tune of 100% is provided.
- The government of Tamil Nadu plans to set up a textile park at Eraiyyur village on the Tiruchi-Chennai national highway. The textile park would be an export-oriented facility and is aimed at increasing the pace of industrialization in the district.

### LAC Companies in Tamil Nadu

<table>
<thead>
<tr>
<th>Sector</th>
<th>Companies</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automotive</td>
<td>Alfa</td>
<td>Mexico</td>
</tr>
<tr>
<td>Electronic Components</td>
<td>WEG</td>
<td>Brazil</td>
</tr>
<tr>
<td>Business Services</td>
<td>Genpact (GECIS)</td>
<td>Bermuda</td>
</tr>
<tr>
<td>Textiles</td>
<td>Formas Kunz</td>
<td>Brazil</td>
</tr>
</tbody>
</table>

### Salient Features of Select Industries

<table>
<thead>
<tr>
<th>Industry</th>
<th>Feature</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pharmaceuticals</td>
<td>Tamil Nadu is the fifth largest pharmaceutical producing state in the country, accounting for over 10% of the national production.</td>
</tr>
<tr>
<td>Cement</td>
<td>Tamil Nadu is the third largest producer of cement in India.</td>
</tr>
<tr>
<td>IT / ITeS</td>
<td>Tamil Nadu ranks second in software exports from India after Karnataka.</td>
</tr>
<tr>
<td>Textiles</td>
<td>Tamil Nadu is the largest producer of cotton yarn, accounting for 41% of India’s production.</td>
</tr>
<tr>
<td>Leather</td>
<td>Tamil Nadu accounts for about 40% of India’s leather exports.</td>
</tr>
<tr>
<td>Automotive</td>
<td>Tamil Nadu has 30% share each in the Indian automotive and auto components industries, 17% in the trucks segment and 20% each in the passenger cars and two-wheelers segments.</td>
</tr>
<tr>
<td>Electronic Hardware Manufacturing</td>
<td>Tamil Nadu ranks first in the country in electronic hardware manufacturing, contributing about 20-25% to the national production.</td>
</tr>
<tr>
<td>Renewable Energy</td>
<td>Tamil Nadu has the highest installed wind energy capacity in India.</td>
</tr>
</tbody>
</table>

Sources: Centre for Monitoring Indian Economy, India Brand Equity Foundation and Economic Survey of India 2013-14
**INVESTMENT SUMMARY**

**Core-Capability sectors**
- IT • Agro processing • Tourism • Mineral-based industries • Textiles • Handloom and handicrafts • Food processing
- Leather-based industry • Sports goods

**Priority Sectors for Inward FDI**
- Food Processing • Infrastructure • IT / ITeS • Energy • Manufacturing

**Demographics**
- Population density per sq. km (as of 2010-11): 829.3
- Literacy rate (as of 2010-11): 67.7%
- Gender ratio (as of 2010-11): 912.4

**Infrastructure**
- Number of ports (as of 2012-13): No ports
- Road density (Kms per 100 sq. kms, as of 2011-12): 167.3
- Rail density (Km per '000 sq.km, as of 2011-12): 36.5
- Number of Airports (as of 2012-13): 2 International and 6 Domestic Airports
- Tele Density (as of September 2013): 34.5%

**Industrial Environment**
- Number of factories in operation (as of 2011-12): 11,631
- Power tariffs for industry (US$ / Kwh, as of October 2013): 7.8 - 9.6 cents
- Net Industry Value Added (US$ billion, 2011-12): 7.1
- Gross Value of Production (VOP) per invested capital (2011-12): 2.3 times
- Number of PPP projects (as of October 2013): 22

**Factsheet**

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer Market (Population, million, as of 2010-11)</td>
<td>199.8</td>
</tr>
<tr>
<td>Per Capita Income (2013-14)</td>
<td>US$ 627.7</td>
</tr>
<tr>
<td>Net State Domestic Product, Growth (2013-14)</td>
<td>15.3%</td>
</tr>
<tr>
<td>Inflation (y-o-y change 2013-14)</td>
<td>9.4%</td>
</tr>
<tr>
<td>Labor wages per day (minimum wages, as of September 2013)</td>
<td>US$ 2.7 to US$ 6.3</td>
</tr>
<tr>
<td>FDI Inflow (Cumulative from April 2000 to August 2013)</td>
<td>US$0.36 billion</td>
</tr>
<tr>
<td>FDI Inflow (% of total FDI Inflow in India between April 2000 to August 2013)</td>
<td>0.2%</td>
</tr>
<tr>
<td>Exports (as a % of total exports by India, 2013-14)</td>
<td>4.3%</td>
</tr>
<tr>
<td>Top Merchandise Exports (as of 2013)</td>
<td>Marble products, textiles, handicrafts, gems and jewelry, textiles, electronics, computer hardware and software, brass work, silk, leather and leather goods, glass items and chemicals.</td>
</tr>
</tbody>
</table>
SPECIAL ECONOMIC ZONES (SEZ)

Uttar Pradesh has 22 SEZs in the following industries – IT/ITES, non-conventional energy, multi-product and handicrafts.

Incentives for investors

- Uttar Pradesh government provides food processing units investing US$824,294 or more with interest free loans equivalent to the sum of VAT and Central Sales Tax paid or 10% of the total sale in the year, whichever is less, for 10 years from the date of first sale repayable after 7 years from date of disbursement.
- The same incentive is valid for all other units investing US$4.1 million or more.
- Uttar Pradesh government provides 100% exemption from stamp duty to Units established in Eastern Uttar Pradesh, Central Uttar Pradesh and Bundelkhand regions.
- Moreover, Uttar Pradesh government provides 100% exemption from stamp duty to Units related to Information Technology, Biotechnology, Agro Processing, Food Processing, Food Park, Solar Energy or alternative sources of energy and BPO Call Centers.

LAC Companies in Uttar Pradesh

<table>
<thead>
<tr>
<th>Sector</th>
<th>Companies</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automotive</td>
<td>Marcopolo</td>
<td>Brazil</td>
</tr>
<tr>
<td>Leisure and Entertainment</td>
<td>Cinépolis</td>
<td>Mexico</td>
</tr>
<tr>
<td>Business Services</td>
<td>Genpact</td>
<td>Bermuda</td>
</tr>
<tr>
<td>Industrial Machinery, Equipment &amp; Tools</td>
<td>WEG</td>
<td>Brazil</td>
</tr>
</tbody>
</table>

Salient Features of Select Industries

<table>
<thead>
<tr>
<th>Industry</th>
<th>Feature</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fertilizers</td>
<td>Uttar Pradesh is one of the largest consumers of fertilizers in India, owing to its large size and agricultural activities.</td>
</tr>
<tr>
<td>Chemicals</td>
<td>Uttar Pradesh accounts for nearly 6% of the total chemicals produced in India.</td>
</tr>
<tr>
<td>Cement</td>
<td>Uttar Pradesh is the seventh largest cement producing state in the country.</td>
</tr>
<tr>
<td>Sugar</td>
<td>Uttar Pradesh is the second largest sugarcane producer in India, trailing only Maharashtra.</td>
</tr>
<tr>
<td>Dairy</td>
<td>Uttar Pradesh is the largest milk producing state in India.</td>
</tr>
<tr>
<td>Tourism</td>
<td>Uttar Pradesh is a leading state in tourism as the Taj Mahal, one of the Seven Wonders of the World, is located in Agra.</td>
</tr>
</tbody>
</table>

Sources: Centre for Monitoring Indian Economy, India Brand Equity Foundation, Economic Survey of India 2013-14 and Udhyog Bandhu
Salient investment features of other Indian states

Arunachal Pradesh
- Arunachal Pradesh has a potential 57,000 MW of hydropower capacity, the largest in the country.
- It is home to 601 species of orchids, 52 percent of the species of orchids known in India.
- The central government’s North East Industrial and Investment Promotion Policy (NEIIPP) 2007 promotes investment in the state.

Assam
- Assam is the single largest tea-growing area in the world, accounting for about one seventh of the world’s tea production. The region produces more than 50 percent of the country’s total tea production.
- The state has more than 1.3 billion tons of proven crude oil and 156 billion cubic meters of natural gas reserves (accounting for 50 percent of India’s total onshore gas production). The Assam-Arakan basin has more than 15 percent of the country’s oil reserves.
- The NEIIPP 2007 and Industrial Policy of Assam facilitate business through fiscal incentives and multi-year concessions to investors.

Bihar
- Bihar is India’s largest producer of vegetables and the second-largest producer of fruits.
- The state provides incentives for the IT, Renewable Energy, Sugar, Food Processing and Tourism sectors.
- Food Processing, Dairy, Sugar, Manufacturing and Health count among the fastest growing sectors in the state. The government aims to establish two food parks, in Muzaffarpur and Bhagalpur, which are expected to provide a major impetus to the Food Processing industry.

Chhattisgarh
- Chhattisgarh is the only state in India that produces tin concentrates.
- The state accounts for 30 percent of aluminium production and 27 percent of steel/sponge iron production in India. Moreover, considerable reserves of bauxite, limestone and quartzite are available in the state.
- Chhattisgarh is the leading producer of minerals such as coal, iron ore and dolomite and accounts for around 21, 16 and 11 percent of India’s production of these minerals, respectively.

Delhi
- Delhi has set up a single-window approval mechanism to help entrepreneurs obtain clearance from various departments and agencies to establish industrial enterprises in Delhi’s National Capital Territory (NCT).
- The new Industrial Policy 2010-2021 aims to provide an environment encouraging knowledge-based and IT/ITeS industries in Delhi. Two SEZs have been created in the state’s NCT.
- The Delhi government has set up a business facilitation council (BFC) to enable single-window clearances from various departments to establish industrial enterprises.

Goa
- Goa was the second-largest producer of iron ore in India during 2011-2012. The state produced 20.3 percent of the country’s total iron ore and exported over 70 percent of the output.
- Goa accounts for about 12 percent of total medicines produced in India. Moreover, it is a popular tourist destination owing to its natural scenery, unique beaches and cultural diversity.
- Apart from having an established iron-ore mining industry, Goa has emerged as a manufacturing base for several leading companies in areas such as fertilizers, tires and tubes, cement, electrical machinery, fish-net machinery, automatic washing machines, printed circuit boards, pharmaceuticals and pharmaceutical equipment.
Himachal Pradesh

- With a hydropower capacity potential of 23,000 MW, Himachal Pradesh accounts for 25 percent of the country’s total hydropower potential.
- The state’s Department of Environment, Science and Technology proposes to develop a biotechnology park spread over 35 acres at Aduwal in Solan under a PPP in the state. The park would have a biotechnology incubation center and biotechnology industrial cluster.
- The state has launched a venture capital fund dedicated to the IT industry, amounting to about US$4.2 million. It is funded jointly by the Small Industries Development Bank of India and other state government agencies.

Jammu and Kashmir

- Jammu and Kashmir accounts for 57 percent of apples and 97 percent of walnuts produced in India. Moreover, its handicrafts are renowned globally.
- The state has an industrial policy that offers attractive incentives along with a single-window clearance mechanism. Land is allotted at concessional rates in industrial areas, on lease for 90 years.
- The Department of Industrial Policy and Promotion (DIPP) has extended a special incentive package. This includes 100 percent premium reimbursement under the Central Comprehensive Insurance Subsidy Scheme to all units on expansion over the next five years.

Jharkhand

- Jharkhand boasts of 40 percent and 27 percent of India’s mineral and coal reserves, respectively. And with 26 percent of the nation’s total iron ore (hematite) reserves, Jharkhand ranks second among all states in India.
- Jharkhand is the only state in India to produce coking coal, uranium and pyrite. The state is also a leading producer of coal, mica, kyanite and copper.
- Jharkhand is the largest producer of tussar (a non-mulberry silk) in India, with a 63 percent share of total output.

Kerala

- Kerala is a leading agricultural state and India’s largest producer of rubber, pepper, coconut and coir.
- Kerala is the first state having a technology park with Capability Model Maturity Integration (CMMI) level 4 quality certification and a world-class IT campus in Thiruvananthapuram.
- The National Geographic’s Traveller magazine has named Kerala as one of the “ten paradises of the world.”

Manipur

- With 3,268 square km of area covered by bamboo forests, Manipur is one of India’s largest bamboo-producing states and a major contributor to the country’s bamboo industry.
- Handloom is the largest cottage industry in Manipur, and the state ranks among the top five in terms of number of looms. The Ema Bazaar in Manipur is one of India’s largest markets run by women. This market sells handloom and handicraft products such as earthen pots, knives, shawls and puppets as well as a wide variety of dried fish and vegetables.
- Manipur serves as India’s “Gateway to the East” through the town of Moreh, which is the only feasible land route for trade between India and Myanmar and other Southeast Asian countries.

Meghalaya

- About 14 percent of Meghalaya is covered by bamboo forests, and the state is one of India’s leading bamboo producers.
- Meghalaya has immense industrial potential, with abundant deposits of coal, limestone, kaolin feldspar, quartz, granite, industrial clay and uranium.
Mizoram
• Sericulture remains one of Mizoram’s key industries. The climate conditions in the state are ideal for silk production.
• The government of Mizoram has given special emphasis to palm-oil cultivation, to mitigate environment degradation and provide employment opportunities.
• Mizoram is setting up a SEZ in the Northeast with assistance from the North East Council. The SEZ will be located at Khawnuam village in Champhai.

Nagaland
• Nagaland has around 600 million metric tons of crude oil and more than 20 million tons of untapped hydrocarbon reserves. In addition, more than 1 billion tons of high chemical-grade limestone reserves can be found in the eastern region.
• An export promotion industrial park located in Dimapur provides industrial plots as well as ready-to-build standard design factories and a state-of-the-art convention center with high-tech communication services and secretarial services.
• Nagaland has technology tie-ups with several national and international agencies in the area of bamboo research and application.

Punjab
• Punjab is one of the largest producers of wheat and rice in India. It is also a leading exporter of rice, including basmati, a well-known variety.
• Punjab offers industries with a wide range of fiscal and policy incentives under the Industrial Policy 2009 and 2013. In addition, the state offers incentives to sectors such as IT, as well as SEZ and food parks.
• Punjab has launched a venture capital fund, amounting to nearly US$4.3 million, for the IT industry. It is funded jointly by the Punjab State Industrial Development Corporation, Punjab Infotech, Punjab Financial Corporation and Small Industries Development Bank of India.

Seemandhra (Andhra Pradesh renamed on formation of the state of Telangana)
• Seemandhra has an advantageous geographical location with the second largest coast line after Gujarat and five sea ports.
• Seemandhra has one of the largest pharmaceutical SEZs in India in Visakhapatnam.
• The state has investment potential in healthcare, petroleum, chemical, IT, manufacturing, food and agro industries.

Sikkim
• Sikkim is considered as a global cardamom epicenter, producing around 80 percent of India’s large cardamom.
• Its mighty snow-capped peaks include Kanchenjunga, the world’s third-highest mountain, which attracts many tourists from across the globe.
• Sikkim has identified medicinal plants and bamboo as among priority sectors for investment.

Telangana
• On 2nd June 2014, Telangana became the 29th state of India with Hyderabad as its capital.
• There are 68 Special Economic Zones in the state.
• Telangana is one of top IT exporting states of India. The state is also focusing on the fields of biotechnology. Automobiles and auto components Industry, spices, mines and minerals, textiles and apparels, IT industry, bulk drugs and pharmaceutical, horticulture, poultry farming are the primary industries in Telangana.
• There are many multi-state irrigation projects in development, including Godavari River Basin Irrigation Projects and Nagarjuna Sagar Dam, the world’s highest masonry dam.
Tripura
- Tripura is the second-largest natural rubber producer in the country, after Kerala.
- It acts as a gateway between Northeast India and Bangladesh, creating potential for international trade.
- Tripura has a wide range of fiscal and policy incentives for businesses under the Tripura Industrial Investment Promotion Incentive Scheme 2012.

Uttarakhand
- Uttarakhand is being developed as an “energy state” to tap a hydropower potential of over 25,000 MW. As much as 87.7 percent of the capacity owned by state utilities is based on hydropower.
- Uttarakhand is India’s second-largest producer of nuts, accounting for 9.4 percent of the country’s total production.
- Information and communication technology (ICT) has received special attention from the state government and it has been accorded industry status. Several initiatives have been launched to promote the ICT industry in Uttarakhand.

West Bengal
- West Bengal has about 500 tanneries and accounts for 55 percent of India’s leather-goods exports. It is the third-largest state in India in terms of mineral production, accounting for about one-fifth of the country’s total mineral production.
- West Bengal meets 66 percent of India’s jute requirements, making it the largest jute producer in India. It is also the second-largest tea-producing state in India, accounting for 26.3 percent of the country’s total tea production.
- West Bengal is the largest producer of rice and the second-largest producer of potatoes in India. It is also the country’s largest producer of fish and shrimps.

Sources: India Brand Equity Foundation, official websites of states
SIDEBAR

Industrial corridors: Development gateways of the future

Industrial corridors aim to enhance competitiveness, build a sound industrial base and drive development of contiguous regions through industrial and infrastructural investments and efficient transportation systems. In India, the objective of industrial corridors is to increase manufacturing’s share of the country’s GDP and to foster intelligent and sustainable urbanization where manufacturing will be the key economic driver. The following major industrial corridors are taking shape in India:

**Delhi-Mumbai:**
India’s national government is developing the Delhi-Mumbai Industrial Corridor as a global manufacturing and investment destination, using the 1,483 km, high-capacity western Dedicated Railway Freight Corridor as the backbone. Twenty-four manufacturing cities are envisaged in the project’s perspective plan. In the first phase of the plan, seven manufacturing cities are being developed, one each in the states of Uttar Pradesh, Haryana, Rajasthan, Madhya Pradesh and Gujarat, and two in Maharashtra. Sectors of focus include General Manufacturing; IT/ITeS; Electronics, including high-tech; Automotive & Auto Components; Agriculture & Food Processing; Heavy Engineering; Metals & Metallurgy; Pharmaceuticals & Biotech; and Services.

**Chennai-Bengaluru:**
This corridor, with an estimated length of 560 km, will benefit the states of Karnataka, Andhra Pradesh and Tamil Nadu. The Japan International Cooperation Agency study team undertook the preliminary study for a comprehensive integrated master plan for the corridor and has identified 25 priority projects across various sectors. Master planning of three new smart cities in the Chennai-Bengaluru Industrial Corridor region (Ponneri in Tamil Nadu, Krishnapatnam in Andhra Pradesh and Tumkur in Karnataka) will be completed soon.

**Bengaluru-Mumbai:**
This corridor is expected to pass through the following cities: Pune, Satara, Kolhapur, Belgaum, Dharwad, Davangere, Haveri, Chitradurga and Tumkur. India and the United Kingdom have signed an MOU for the development of the new corridor. A feasibility study has been undertaken and is scheduled to be completed during 2014. A joint steering group will then be set up for the project. The perspective plan for the corridor would be completed with the provision for 20 new industrial clusters.

**East Coast:**
A concept note has been prepared by the Asian Development Bank (ADB) on an East Coast Economic Corridor linking Kolkata, Chennai and Tuticorin. A feasibility study will be initiated with the help of the ADB.

**Amritsar-Kolkata:**
In January 2014, the government gave “in principle” approval for the setting up of this corridor along a 150-200 km band on either side of the Eastern Dedicated Freight Corridor in a phased manner. The proposed corridor will comprise seven states: Punjab, Haryana, Uttarakhand, Uttar Pradesh, Bihar, Jharkhand and West Bengal. The government has also approved “in principle” formation of a corporation for the corridor, with the goal of setting up the corporation during 2014-2015.

Sources: Government of India documents; FICCI
For India and LAC to take the next steps in their mutual growth journey, stakeholders will need to understand and surmount barriers to investment flows between the two geographies. Our research shows that such barriers largely take the form of operational challenges, including regulatory and procedural requirements, which increase the costs of setting up and conducting business. Such cost increases can erode investors’ margins.

Our research revealed five categories of operational barriers to investment flows between LAC and India.

**Trade restrictions**

Trade drives investment, especially when the market in question is large and the geographic distance involved is significant. Many investors we spoke with use trade openness as a barometer for identifying LAC nations that may make promising investment destinations.

Unfortunately, barriers to free trade between LAC and India have hindered companies from making big investments. For instance, Indian pharmaceutical companies continue to be categorized as Tier III suppliers in one of the largest LAC economies and are subject to duties as high as 17 percent. Duties paid by Tier I and Tier II suppliers are as low as 8%. “We will consider investing in creating more local capacity in LAC only when we can trade more freely in the region,” a senior executive in a large Indian pharmaceuticals company told us.

A few LAC countries have recognized this issue and have taken steps to address it. For instance, the Argentinian government recently issued a notification permitting import of generic formulations from Indian pharmaceutical companies. With this notification, India became one of the countries included in the Annexure 2, which includes 13 other countries allowed to export to Argentina. Any company with WHO good manufacturing practices (GMP) certification from these 14 countries can export to Argentina. The other 13 countries belong to the regulated market and are allowed to export to Argentina on the GMP certificate issued by their regulators, such as the Medicines and Healthcare Products Regulatory Agency (MHRA) and US Food and Drug Administration (FDA).

**Talent mobility restrictions**

Restrictions on movement of talent present a major hurdle for manufacturing and services companies in LAC and India. In both geographies, strict controls over the granting of work permits and visas limit knowledge- and skill-sharing opportunities. For instance, a large LAC mining giant grants only single-entry business visas and collects nonrefundable social security deposits for granting work and residence permits to expatriates. In a major LAC nation, getting a work permit can take more than six months. Moreover, in the absence of a work permit, foreign companies must employ 10 locals for every expatriate—a steep requirement for businesses in their initial phase of operations.

Companies headquartered in LAC also face talent-mobility problems in India. One of our interviewees revealed that a LAC-based company operating in India was unable to relocate trained engineers from other geographies to set up and maintain certain imported machinery. As a result, the machinery lay idle for long durations, resulting in significant loss of production time.

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Regulatory unpredictability and delay

Regulatory predictability is vital for accelerating the founding of new businesses and reducing transactions costs associated with their establishment, operations and expansion. LAC and India are continuing to strive for greater regulatory predictability, but work still remains to address this barrier to investment flows.

For example, in one of the largest and most populous LAC economies, the national development bank offers cane producers a credit line through a program aimed at enhancing cane cultivation and productivity. The ultimate goal is to significantly enhance the country's ethanol production. The financing facility, in principle, is made available to millers and farmers as well as to companies operating in that nation. However, intermediary banks are not disbursing loans under this program to foreign-owned companies operating in that country. The reason: lack of clarity from the national development bank regarding eligibility criteria of foreign-owned companies for credit support.

Meanwhile, regulatory delay remains the biggest disincentive for investors from both sides to invest in each other's territories. As mentioned by a LAC investor, “While we hear a lot about single-window facilities and schemes in various Indian states, we realize that there are many sub-windows to deal with at the municipal and local levels, when we actually open the single window.” Many Indian investors cited similar concerns. To quote one investor we spoke with, “Registration procedure is complex in large LAC nations, making company formation a lengthy process.”

Complex compliance requirements

In complex sectors such as Automotive, Engineering, Petrochemicals and Electronics, investors routinely carry their know-how and best practices into foreign territories. They also want to source equipment and machinery from the cheapest yet best source to reduce operating costs.

But agencies that provide certification for compliance with specific standards in the areas of processes and equipment define numerous complex requirements. They also define stringent local value-addition norms. All of this can significantly increase businesses' transaction costs.

Indian investors in our study mentioned that acquiring GMP certification in some large LAC nations is difficult, owing to excessive regulatory controls and cumbersome procedures.

Moreover, to be eligible for preferential treatment by financial institutions, investors must abide by local value-addition norms. In some cases, these norms require at least 60 percent localization of goods. According to investors, in particular sectors, such a high level of localization is impossible to achieve because of supply chain deficits in LAC nations.

Business-culture complexities

Differences in business culture between India and LAC and even among LAC countries and Indian states remain unappreciated. Businesses based in some LAC countries have struggled to understand and manage cultural nuances of the Indian business environment. Similarly, many Indian businesses have been unable to gain a strong foothold in LAC owing to cultural differences. For example, our conversations with executives from LAC- and India-based companies uncovered differences in perceptions of timeliness as a common culture-related problem. Such differences affect views on a wide range of matters, such as how important it is to arrive at a meeting at the stated start time.
Case Study: A large Indian fiber-optic cable manufacturer sets up manufacturing facility in a LAC nation

As part of our efforts to better understand the experiences of Indian companies investing in the LAC region, we spoke to one of the top executives from a large fiber-optic cable manufacturer from India that recently set up operations in a major Latin American nation. Two years ago, the company decided to expand its footprint in LAC to tap an expanding market there for fiber-optic cables. The market’s growth was being driven by proliferation of 3G and 4G mobile and data connections. The company had uncovered an opportunity that had arisen from significant demand, but there was limited domestic supply in LAC to satisfy the demand. The enterprise in question had existing manufacturing operations in India, but knew that exporting finished products from the home country would not be a feasible solution. The finished products were bulky, and transporting them to their destination by sea would take many weeks. Regulatory complexities would create further delays before the product could be moved from the port terminals in India to the market in LAC, making such transport prohibitively expensive as well as inefficient.

To serve the growing demand sooner, the company decided to manufacture locally in LAC. Executives determined to approach the LAC market through a hub-and-spoke model—setting up its manufacturing hub in one country and supplying neighboring countries through spoke-like distribution channels. They selected a location for the hub after carefully analyzing regional political and economic alliances that promoted free trade among numerous countries.

Once the location choice was finalized, the company set about finding a local partner with whom to form a joint venture. It hired a local investment bank to identify a suitable partner based on specific criteria. The move paid off, and the company eventually entered into a JV with a well-established local cable business. “The partnership went through not only because our partner was a family-owned setup like us, but also because we shared a similar organizational culture,” explained a senior executive whom we interviewed. Over several phone calls and face-to-face meetings, the JV partners were able to establish a high level of mutual trust and respect.

The next step was to gather the necessary approvals and certifications. Complex procedures to attain these certifications resulted in further delays. Having the right partner although helped the company better comprehend the root causes behind the delays and revise its strategies accordingly. The company also decided to hire highly skilled and experienced local talent despite the costs associated with this move. It realized benefits of this decision immediately. Top-quality lawyers and finance specialists helped the company achieve significant savings on taxes, because they understood the national and state regulations.

Our interview also revealed the importance of state and national government involvement. Company executives had benefited from initiating business-facilitation conversations with local and state governments in the destination country. They said when they looked back on the experience, they realized that things would have gone even better if they had conducted such conversations earlier in the process.

The company expects to launch its products into the market two years after it decided to set up local manufacturing in LAC. It has learned many lessons that may be useful to other Indian companies seeking to invest in the region. The most important of those lessons? Find a trusted local partner, be patient and interact with the government as early as possible.
In LAC and India, businesses, government bodies and industry associations are increasingly recognizing that it is time to take the next steps in transforming cross-border investments into drivers of mutually beneficial growth. At a strategic level, businesses and governments can benefit by identifying and leveraging each other’s investment strengths to collaboratively address their most pressing challenges. Investment strengths could be “hard,” such as technological prowess, scale and size, as well as “soft,” including effective contractual practices, hard-to-find skills and specialized knowledge. Moreover, such strengths can reside at both national and sub-national levels.

At an operational level, stakeholders can contribute to this transformation by establishing a well-defined process for overcoming operational barriers. As a result, they can set the stage for reducing transactions costs associated with establishing and operating a business.

In this chapter, we discuss how Indian and LAC businesses can collaborate with government and other stakeholders to help their economies and societies grow together. We approach this question by examining sectors identified as especially important by businesses, government organizations and industry associations.

**Agriculture & Food Processing**

The Agriculture & Food Processing sector continues to generate jobs and incomes for a large number of Indian and LAC citizens. While this sector’s contribution to the two sides’ GDPs is lower than that of sectors such as Manufacturing and Services, it still provides LAC and India with a distinct identity in international markets.

For example, lively, thick-stemmed Ecuadorian roses adorn tables at famous film festivals such as those held in Cannes and Beijing. Almost 35 percent of the world’s oranges come from Brazil, making that nation the “citrus capital” of the world. Alphonso mangoes from India dress salads, ice creams and desserts at some of the best restaurants around the globe.

It’s important to recognize that LAC nations such as Argentina, Brazil, Paraguay and Uruguay offer unique opportunities for Indian acquisition of farmland. These LAC nations boast vast areas of fertile land and large quantities of the world’s fresh-water reserves. With excellent agro-practices and technologies, these countries have long generated surplus agricultural production for export, and will likely continue to do so.

A large number of non-resident Indians (NRIs) have already invested in LAC nations. For example, NRI-owned Sterling Group has purchased about 2,000 acres of olive farmland in Argentina. But more Indian investors need to make similar moves.

Countries such as Guyana, Jamaica and Suriname offer good opportunities for cooperation in the area of forestry, and Bolivia has potential for agro-processing machinery exports.

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25 For more, see http://thebrazilbusiness.com/article/the-brazilian-orange-industry.
26 For more, see http://mea.gov.in/Portal/ForeignRelation/India-Argentina__Relations.pdf.
Interestingly, India's growing appetite for poultry and meat creates opportunities for globally acknowledged LAC food-processing giants to establish units in India. Poultry consumption in India is expected to rise nearly tenfold to almost 10 million tons a year by 2050. Moreover, to support ambitions of LAC food-processing investors, there is an extensive network of food-processing training, academic and research institutes in India. “Mega food parks” are being set up through PPPs. The parks will have roughly 900 developed plots and basic infrastructure, which LAC investors can take on through a lease arrangement to set up food-processing and ancillary units.

Cooperatives and industry consortia dot the agricultural, agro-business and food-processing space in many large LAC nations and in India. These can benefit farmers and sustainable development of the sector as a whole. The sugarcane industry is a case in point. UNICA, established in 1997, is Brazil's largest sugarcane industry consortium, representing sugar, ethanol and bioelectricity producers. In 2002, São Paulo—the main base of sugarcane harvesting in Brazil—passed a law eliminating pre-harvest straw burning in sugarcane fields by 2021. The new regulation threatened to significantly change how the industry operates. The reason: the industry's labor-intensive hand-harvesting model relied heavily on burning sugarcane straw to dispose of it as well as drive away snakes and other animals that might harm the cutters.

In response, UNICA introduced the Green Protocol initiative, aimed at ending straw burning by 2014 by mechanizing the sugarcane harvesting process. UNICA coordinated the efforts of stakeholders (from machinery companies to communities and civil society organizations) to develop a retraining program called RenovAção (“renewal” in Portuguese). The program has enabled sugarcane workers to retain their jobs and even increase their wages by learning how to operate sophisticated harvesting machines. Sugarcane companies have gained from the greater availability of qualified labor to meet the demands of mechanization, and from the ability to implement a more efficient, non-polluting harvesting process.

Recommended areas for investment and collaboration:
- Agribusiness-focused logistics and transportation infrastructure
- Innovations in traceability technologies; mechanization and precision farming; and biodegradable agri-inputs for safer, more productive and climate-friendly agriculture
- Knowledge sharing among agriculture cooperatives
- Food-processing and food technology, with a special focus on horticulture, poultry and meat

Infrastructure
Modern and efficient infrastructure is key to sustaining and accelerating growth in LAC and India. LAC countries are expected to invest more than US$1.5 trillion in infrastructure projects over the next 10 years, opening up many opportunities for companies that provide goods and services in this sector. In India, if investments in infrastructure achieve expected targets, this sector will become a trillion-dollar economy in itself at the end of 2017.

Urbanization, along with demographic growth and transition, will create multiple opportunities in sub-sectors such as water and waste-water management, especially in India, the world's second-largest water consumer. To meet this critical need, India can benefit from investment by global water

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and sanitation giants such as São Paulo-based Sabesp. The company has extensive experience in developing water-management solutions for urban agglomerations similar to those in India. Moreover, many other private-sector utility companies in several LAC nations could deploy their expertise to help India develop its industrial corridors.

India and LAC nations can also gain from exchanging best practices in the field of financial innovations used to execute PPPs. One of the biggest challenges India has encountered in its PPP journey is the delay associated with financial closure of large such projects. PPP stakeholders in India could draw lessons from the experience of countries such as Peru and Colombia, which have successfully created standardized financial instruments and designed contracts acceptable to investors and project financiers to facilitate smoother and faster financial closure.

LAC and India are both grappling with a shortage of skills needed to drive infrastructure growth. This is an area where skills agencies at the sectoral and national levels and in the private sector can join hands and develop technologies for training huge numbers of young people, especially in remote regions of their respective geographies.

**Recommended areas for investment and collaboration:**

- Urban infrastructure, with a special focus on water-resource generation and conservation, integrated waste management, affordable healthcare and educational services
- Innovative technologies in smart grids and smart electricity and water meters
- Product and process designs for waste minimization, prevention of waste generation and unsorted waste recycling
- Knowledge sharing among Indian and LAC regulatory and planning agencies
- Scalable model for creating a skilled infrastructure workforce

**IT, ITeS and Digital Technologies**

India's IT & ITeS industry continues to spread its wings on LAC soil. LAC nations are benefiting from these investments, which create sustained employment opportunities for local talent. During the last decade, around 20 Indian IT & ITeS companies have established operations in 12 LAC nations.

With business value chains and customers becoming increasingly digitalized, LAC nations can benefit by moving now to leverage the strengths of Indian IT companies—strengths that go beyond the traditional IT & ITeS domain. For instance, instead of only paving the way for large established players in the digital space, LAC nations can create an ecosystem to attract digital startups from India.

SMAC startups in India—companies specializing in social media, mobility, analytics and cloud computing—present additional opportunities. These companies are already nipping at the heels of heavyweight incumbents. Some SMACs are already enjoying high valuations. For example, Inmobi, established in 2007, entered the billion-dollar valuation “club” within just five years of its inception.31

According to research firm International Data Corp.’s estimate, Indian IT vendors will generate at least US$225 billion in SMAC-related revenue by 2020. A sizeable portion of this revenue can be created on LAC soil if digital ecosystems are further strengthened within LAC nations to support the growth of Indian “digipreneurs.” This development could help create numerous jobs. Analysis of the performance

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of Indian startups at home shows that they generate sizeable employment opportunities as they grow. It is estimated that 16,000 startups in India have created more than 100,000 direct jobs and more than 300,000 indirect ones since 2005. 32

To unleash the full power of digital startups from India, LAC governments can consider how domestic programs seeking to foster entrepreneurship (such as ‘Start-Up Chile’) can be accessed by Indian early-stage digipreneurs keen to operate from respective LAC geographies. Countries such as Brazil have already paved the way in this regard, and others can follow their lead.

**Recommended areas for investment and collaboration:**
- Next-generation IT & ITeS hardware and broadband technologies
- Game-changing SMAC-based applications and “SMAC-plus” disruptive digital technologies (such as the Internet of Things and 3D printing)
- Innovation and talent infrastructure empowered to leverage digital technologies
- A joint India-LAC startup initiative to solve mutually identified national development challenges

**Manufacturing**

Manufacturing will continue to play a strategic role in shaping LAC and Indian growth trajectories. To improve manufacturing competitiveness, LAC economies and Indian states are addressing key policy priorities, including taxes, regulations, education and infrastructure.

Efforts to strengthen and modernize their manufacturing bases have been a top priority for many LAC governments. Some Indian companies have shown they can help LAC countries achieve this objective, while simultaneously enhancing the presence of Indian brand names in LAC markets. For instance, in 2011, Sonalika International set up a JV with Apache SA of Argentina to produce tractors under the Apache Solis brand. By mid-2014, this collaboration had already started rolling out tractors in Argentina made with 50 percent indigenous components. 34

Over the last decade, bilateral investments have grown in manufacturing sub-sectors such as life sciences, biotechnology, pharmaceuticals, textiles and transportation equipment. Indeed, setting up a state-of-the art life sciences, biotechnology and pharmaceutical industry is a priority for both India and LAC. Many governments in the two geographies have established regulatory mechanisms and are home to private and public life sciences and pharmaceutical R&D facilities that compete with the best in the world.

In addition, numerous large, indigenous pharma-industrial units from India have established a presence on LAC soil. Many more may do so, given the expanding size of LAC markets.

**But life sciences, biotech and pharmaceutical industries** across LAC and India can do more to collaborate with each other and with public laboratories to address pressing yet neglected diseases affecting tropical populations, such as drug-resistant malaria and tuberculosis. Studies are already

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33 Start-Up Chile is a program created by the Chilean government to attract early-stage, high-potential entrepreneurs to bootstrap their startups in Chile, using it as a platform to go global. The program provides US$40,000 of equity-free seed capital and a temporary one-year visa to help selected entrepreneurs develop their projects for six months. It also gives them access to the most powerful and valuable social and capital networks in the country. For further information, see http://www.startupchile.org/.

showing that around the world, tuberculosis that is resistant to first- and second-line drugs is reaching “alarming levels.”

Life sciences, biotech and pharma corporations in LAC and India can leverage the Open Source Drug Discovery (OSDD) platform created by India's Centre for Scientific and Industrial Research (CSIR). CSIR aims to swiftly develop solutions for emerging global problems threatening tropical LAC nations and India. OSDD aggregates the biological, genetic and chemical information available to scientists and uses it to hasten discovery of drugs. This effort provides a unique opportunity for scientists, doctors, technocrats, students and others with diverse expertise who want to work for a common cause. To facilitate efficient collaboration, CSIR and its partners have established SysBorg 2.0 - a Web 3.0 system and cyberinfrastructure. The portal contains resources to effectively organize collaborations and tools to mine and analyze data collated by the OSDD community.

Providing employment and livelihoods to millions, the textile and clothing industry plays a critical role in maintaining socioeconomic stability of societies across LAC and India. In India, textiles and clothing is the second-largest job generator after agriculture.

With a strong raw-materials base, a solid presence across the textile value chain, flexible production systems and an expanding domestic market, India's textile industry presents a promising market for LAC investors. Besides enjoying several policy-linked benefits in several states, this industry has retained its innovative character, providing the world with unique fabrics and styles.

Micro-spinning is an apt example. This process makes yarn spinning viable at one-hundredth of the prevailing investment costs. In micro-spinning, ginned cotton is directly carded and then converted into slivers — thick, continuous, untwisted strands — that can be spun into yarn. The process cuts out the damaging compression of the fiber into bales, followed by the even more damaging and energy-intensive unbaling. It also eliminates the need to transport cotton from fields to spinning mills. Interestingly, the new spinning technology has given rise to a distinctive brand of fabric, Malkha, which is gaining in popularity.

LAC textile and clothing companies, with support from local industry in India, can establish value chains to harness the innovative production systems and policy benefits in India as well as maximize the value of their preferential trade engagements with large markets such as the European Union and the United States.

Sustainable transportation platforms are the future of mobility. Rapid urbanization, an expanding middle class and disruptive product and technology innovations are leading to deeper penetration of automobiles in LAC and Indian markets. Recognizing the potential of such markets, numerous globally reputed automobile and auto-component manufacturers have established operations in LAC nations and Indian states. Moreover, product and technology innovations from LAC and Indian auto-component manufacturers have made them vital players in the global supply chains of some of the most valued automobile manufacturers.

The challenge now is to transform these vehicles into more environmentally friendly transportation options. Immense research is already happening across LAC nations and India in the area of climate-friendly fuels. But transportation and auto-component manufacturers across these two geographies

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35 For more, see http://www.thejournal.ie/extensively-drug-resistant-tuberculosis-on-the-rise-worldwide-576895-Aug2012/.
36 For further information on OSSD, see http://www.osdd.net/home.
can also collaborate on manufacturing climate-friendly components and vehicles. The opportunity is ideal for cross-industry collaboration. For example, textile and auto-component industry players in India and LAC can co-develop affordable recyclable seat covers and eco-friendly coated fabrics that can be used for airbags and seat belts.

Moreover, space agencies in LAC and India can jointly find ways to apply the technologies and materials in their specialty area to develop environment-friendly materials and components that can be deployed in automobiles, airplanes and amphibian vehicles.

**Recommended areas for investment and collaboration:**

- **Focus on**
  - medicines and vaccines capable of beating multi-drug-resistant tropical diseases
  - digital medicine, intelligent medical devices, advanced DNA-sequencing, second-generation biologics
  - textile and clothing supporting wearable technologies, micro-spinning
  - connected mobility and transportation, mobility ergonomics and climate-friendly auto components
- Prototyping and testing facilities for next-generation manufacturing products and processes in areas discussed above
- State-of-the art digital platforms to promote cross-sector innovation and collaboration in the manufacturing sector
- Space-technology spin-offs to deliver innovative manufacturing applications

**Renewable Energy**

Energy has come to be known as a strategic commodity. Any uncertainty about its supply can threaten the functioning of economies, including those in LAC and India. At the same time, LAC nations and Indian states—like other economies—cannot blithely exhaust non-renewable sources of energy to meet their populations’ needs. For this reason, renewable energy will play an important role in India-LAC efforts to transition to environment-friendly power generation.

**Biofuels** are by far the dominant renewable-energy source in LAC nations, accounting for over 12 percent of the region's total energy portfolio. Brazil produces almost all of the world's supply of sugar-derived ethanol fuels. Brazilian companies are now moving into cellulosic ethanol technology, which uses waste material and bagasse from sugar mills. Other major biofuel producers and consumers in LAC include Guyana, Honduras, Nicaragua, El Salvador and Colombia. At present, 50 percent of Barbados' energy supply is based on renewable sugarcane waste and bagasse.  

With Green Bus project pilots officially launched in India, the demand for high-quality ethanol at competitive prices will gradually rise. Upon successful scaling of the project, India could become a huge market for high-quality ethanol manufactured in Brazil. Moreover, if the project is scaled up, opportunities will arise for Brazilian ethanol manufacturers to forge collaborations with Indian businesses to manufacture high-grade ethanol.

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In **wind power**, India has larger installed capacities, compared to LAC. By late 2013, India had an installed wind-power capacity of more than 20,000 MW, nearly twice that of LAC’s installed capacity. But the potential in LAC for wind-power generation is high. For instance, the Dominican Republic has an estimated 3,200 MW of potential wind power available over 460 square km. The Global Wind Energy Council estimates 40,000 MW of wind potential in Chile. And Uruguay plans to satisfy around 30 percent of its electricity demand through wind power.

Indian companies have been helping LAC nations to achieve their ambitious wind-power targets. In October 2013, for example, Suzlon won the contract to erect a 65 MW wind farm in Uruguay and is now working closely with the state-owned utility and Electrobras—the largest utility in LAC—to generate power on this farm. Sensing the strong potential in LAC, Suzlon has invested around US$50 million in a turbine facility in Brazil. Benefiting from the state-backed debt, Suzlon is bringing the technology to Brazil and will localize the supply chain, ensuring more local production of parts.

**Solar energy** is also an area where Indian and LAC companies can develop disruptive technologies together. Like India, Latin America has one of the world’s brightest solar power market outlooks. High power prices and volatile fuel supplies have made solar cheaper than fossil fuels in these nations, driving new investment and capacity additions.

Moreover, LAC nations can use their irrigation canal network to generate solar power while simultaneously conserving water. They can take a page from the Canal Solar Power Project in India’s Gujarat. This project has set up solar panels along a network of canals totaling 19,000 km on the Narmada River. The project is expected to generate 1.6 million units of clean energy per year and prevent evaporation of 9 million liters of water annually from the canal. It virtually eliminates the need to acquire vast tracts of land.

**Recommended areas for investment and collaboration:**

- Next-generation biofuels and technologies to enhance their applications across different transportation platforms
- High-tech generators, automated monitoring systems and breakthrough technologies to reduce costs of generating and distributing solar and wind energy
- Isolated systems and distributed generation facilities with a special focus on systems for residential and small business use
- India-LAC renewable energy forum to promote exchange of ideas, innovations and business models

**Tourism & Hospitality**

LAC and India are home to some of the world’s most exquisite biodiversity reserves, beautiful coastlines and mountain ranges, authentic alternative medicinal practices and unique heritage sites. They thus have an opportunity to develop and grow all forms of tourism.

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45. Forms of tourism include leisure, cultural, religious, family, health, sports, ecological, business, educational and luxury.
India is already establishing a mechanism to grant “visa on arrival” to tourists from 180 countries, including LAC nations.46 A similar gesture from LAC nations will be welcomed by Indian tourists.

To promote tourism, governments in both geographies can incentivize airline carriers to establish direct connectivity between LAC destinations and India. To begin with, national carriers can initiate direct flights between key South American destinations and India.

Complementing existing governmental efforts, players in the hospitality industry in the two geographies can invest in initiatives such as creating a pool of Hindi, Portuguese and Spanish interpreters with robust knowledge of tourist destinations and local practices. Hospitality chains can sponsor special TV shows promoting Indian and LAC cuisine, tourist destinations and so forth. And public-private partnerships can be set up to support cultural exchanges.

New forms of tourism can also be promoted. For example, with the successful launch of the Mars Orbiter, the Tata Nano automobile, the HUL Pureit water purifier and many other frugal innovations, India has earned a reputation for innovation. Hence, governments and hospitality chains can promote “innovation tourism” in collaboration with agencies that foster the spread of exciting new ideas, such as the National Innovation Foundation and Honey Bee Network. This will promote innovation at the grassroots and industry levels in India and expose LAC companies to new potential partners. Collaboration with agencies that foster the spread of exciting new ideas, such as the National Innovation Foundation and Honey Bee Network. This will promote innovation at the grassroots and industry levels in India and expose LAC companies to new potential partners.

Digital technologies can be useful for promoting tourism. Hospitality chains and tourism promotion organizations can use social media to address tourists’ questions and solve their problems in real time. Downloadable applications (apps) in English, Hindi, Spanish and Portuguese can be developed to assist tourists from LAC nations and India while they are travelling in each other’s geographies.

**Recommended areas for investment and collaboration:**

- Eco-tourism, health tourism and innovation tourism
- Development of ecofriendly tourism and hospitality properties
- Direct flights between LAC nations and India
- Development of a large pool of interpreters who speak the major LAC and India languages and are conversant with cultures and histories of both geographies
- Downloadable applications in English, Hindi, Portuguese and Spanish providing useful information to tourists

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## Overcoming operational hurdles

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<th>Facilitators*</th>
<th>Action</th>
<th>Outcome</th>
<th>Facilitation measures</th>
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| G-G           | Identify developmental projects of mutual national interest in specific sectors. | • Clear guidelines for collaboration  
• Outcomes and metrics to assess success of joint efforts | Launch collaborative digital platforms to accelerate project conceptualization, prototyping and execution. Ensure free flow of talent, technology and capital for the same. |
| B-G-IA        | Enhance awareness of LAC and India business strengths. | • Documentaries in English, Spanish and Portuguese showcasing investor success stories in LAC and India  
• Publication of interviews in leading dailies across LAC and India of successful LAC entrepreneurs in India and vice versa  
• Social media presence of India-LAC business and cultural exchanges (such as videos on YouTube and a dedicated Facebook page for India-LAC relations)  
• Empowered high-level inter-governmental working groups comprising state officials from India, Export-Import (EXIM) banks, investment banks, senior officials from LAC nations and sub-regional trade groupings, businesses and industry associations and experts to:  
  - resolve existing trade and other regulatory barriers  
  - recommend policy measures to prohibit future barriers  
  - (c) accelerate access to and utilization of trade and investment finance | Allocate dedicated budgets in government trade programs for fostering awareness through media and collaboration with industry associations such as FICCI. Leverage social media to build awareness of India-LAC relationships. |
| IA-B-IA       | Share best practices to overcome barriers to establishment and expansion of industries in LAC and India. | • Best practices manuals based on case studies | Leverage social media to create sector-specific groups to share and build solutions. |
|               | Analyze markets’ potential | • Estimates of the growth of sub-sectors as a result of greater Indo-LAC trade and investment facilitation | Collaborate with sectoral chambers of commerce and local small industry associations across LAC and India to develop realistic estimates. |

*G-Government; B – Business; and IA – Industry Association
The new paradigm:

Let’s grow together | Vamos Crescer Juntos | Crezcamos Juntos

Investment-led growth is blossoming between India and LAC. The challenge facing stakeholders such as governments, businesses and industry associations is to nurture this blossoming relationship by taking quick and simple action to remove barriers. In the words of the Indian Nobel Laureate for Literature, Rabindranath Tagore, “He who can open the bud does it so simply.”

There are several sectors ripe for investment and many partnerships waiting to be forged. To make the most of this opportunity, we offer three recommendations to businesses:

1. Find a reliable local partner, and be prepared to bring senior local talent onboard during the earliest stages of investment.
2. Become conversant with local cultures and business practices, and raise awareness of government programs and agencies that can facilitate bilateral investment cooperation.
3. View LAC nations and India as not just standalone markets, but as platforms for tapping wider markets by expanding trade arrangements.

In the words of the Mexican Nobel Laureate for Literature, Octavio Paz, to “Deserve your Dream,” it’s time to grow together.

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47To learn more, see http://tagoreweb.in/render/ShowContent.aspx?ct=Verses&bi=72EE92F5-BE50-40C7-1E6E-0F7410664DA3&ti=72EE92F5-BE50-4B87-0E6E-0F7410664DA3.
48To learn more, see http://www.brainyquote.com/quotes/quotes/o/octaviopaz380443.html.
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MINISTRY OF COMMERCE AND INDUSTRY, GOVERNMENT OF INDIA
Established in 1995, Department of Industrial Policy & Promotion is responsible for formulation and implementation of promotional and developmental measures for growth of the industrial sector and is responsible for the overall Industrial Policy. (www.dipp.nic.in)

FEDERATION OF INDIAN CHAMBERS OF COMMERCE
AND INDUSTRY (FICCI)
FICCI, the largest and oldest apex business organization in India is the voice of India's business and industry. FICCI enjoys an indirect membership of over 2,50,000 companies through various regional chambers of commerce and industry associations. (www.ficci.com)

INVEST INDIA
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