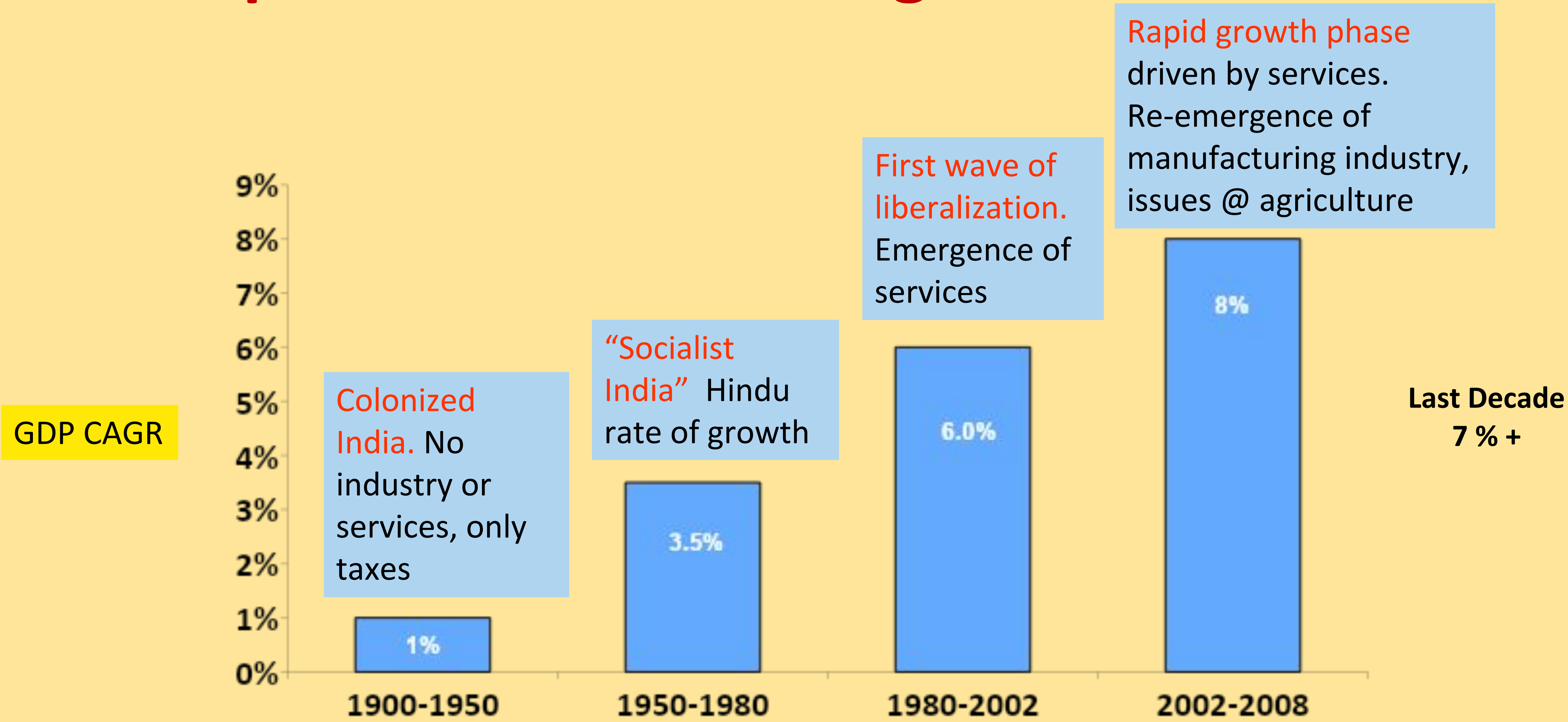
# The  India Opportunity

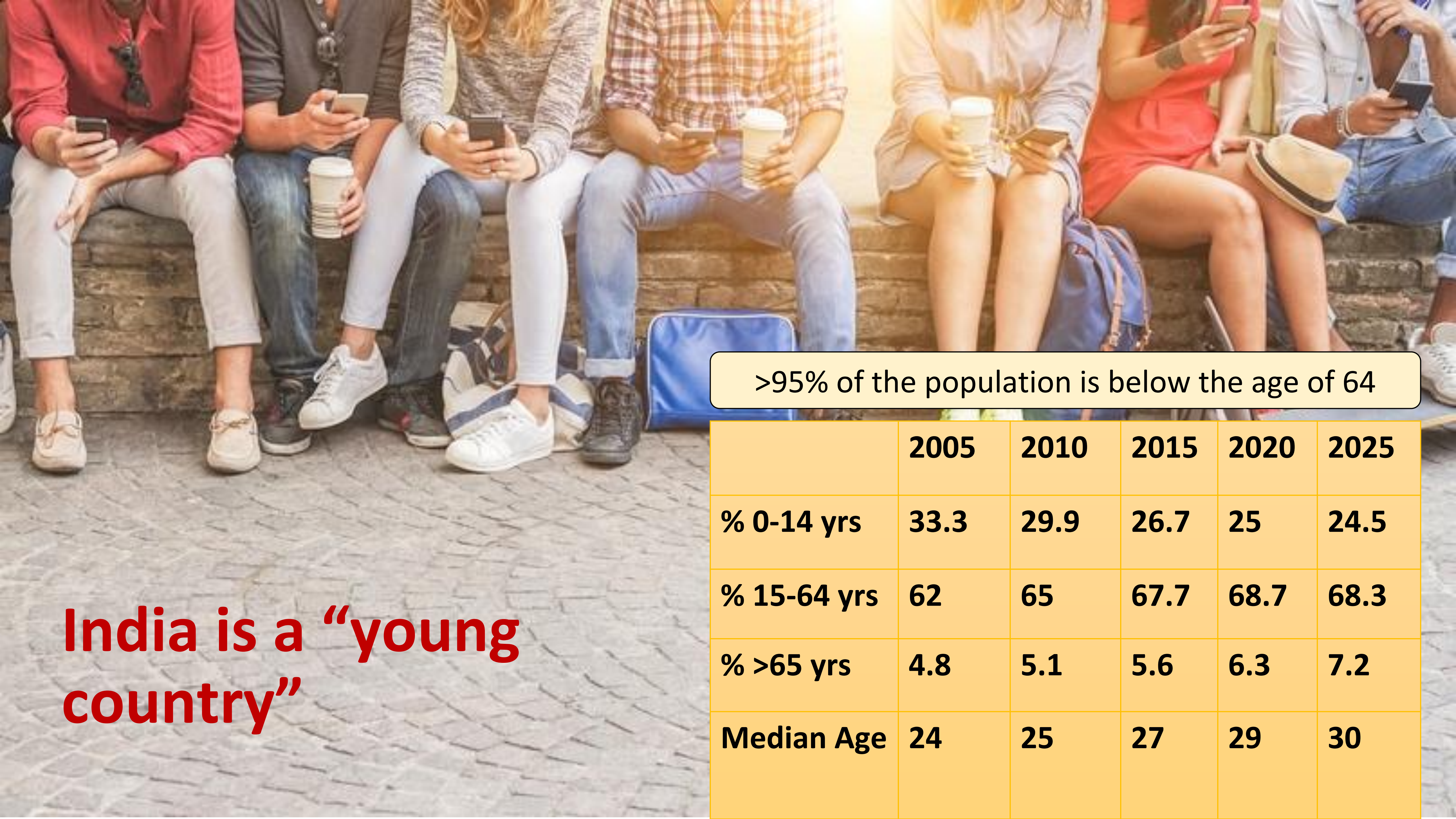
**2nd March, 2018 -IIMB| ABG | Shiv**

# Structure

- Social and Economic Indicators
- India Opportunity
- Summary

# Four phases of economic growth



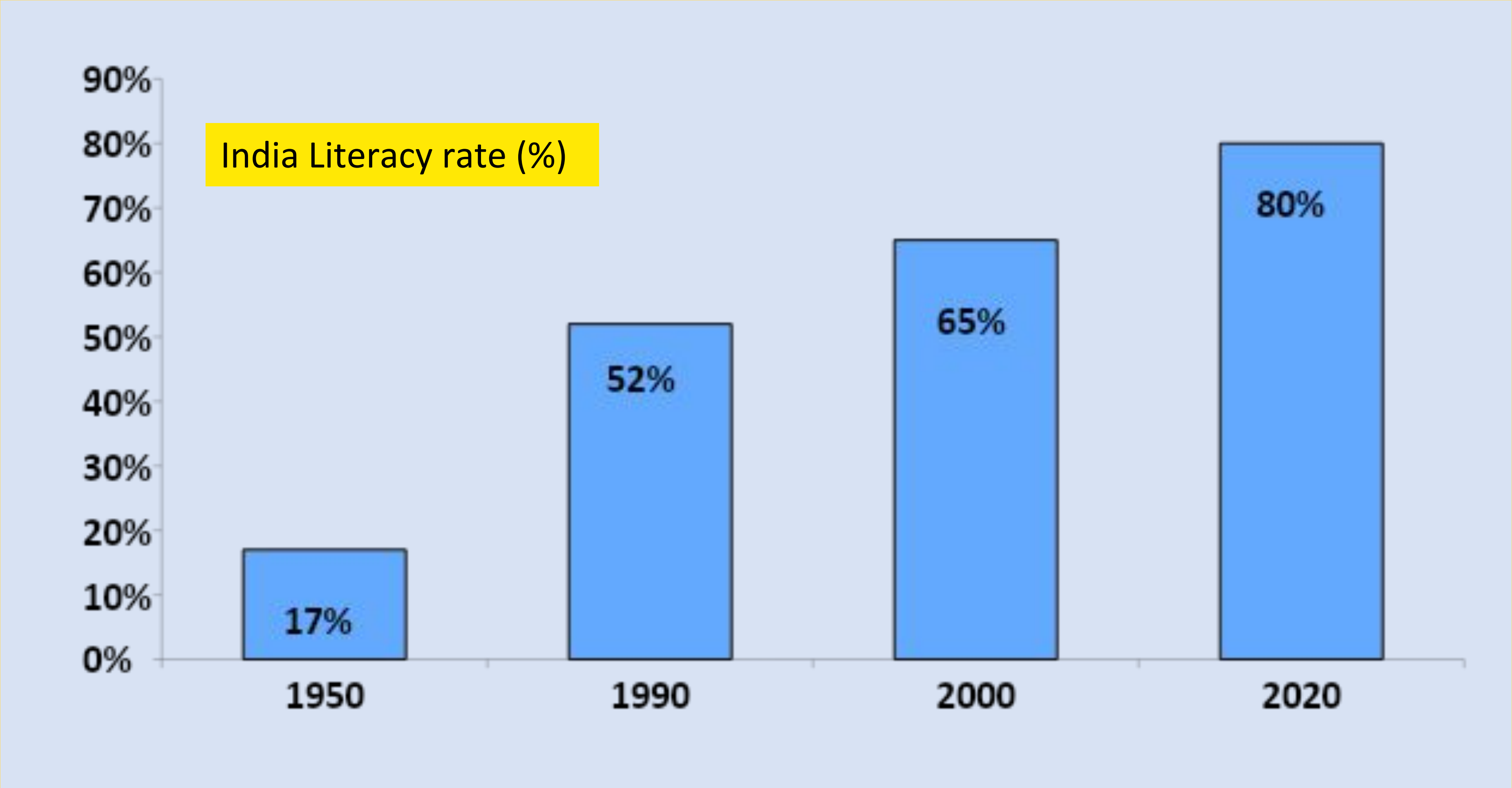


>95% of the population is below the age of 64

| | 2005 | 2010 | 2015 | 2020 | 2025 |
|---|---|---|---|---|---|
| **% 0-14 yrs** | **33.3** | **29.9** | **26.7** | **25** | **24.5** |
| **% 15-64 yrs** | **62** | **65** | **67.7** | **68.7** | **68.3** |
| **% >65 yrs** | **4.8** | **5.1** | **5.6** | **6.3** | **7.2** |
| **Median Age** | **24** | **25** | **27** | **29** | **30** |

# India is a "young country"

# Literacy levels are still low





88.6


90.9


99


97.9

# Urbanization and Migration

| YEAR | URBANISATION % |
|---|---|
| 2000 | 28 % |
| 2010 | 31 % |
| 2020 | 35 % |

# Low on Human Development Index

Lower Literacy Poor healthcare

India ranks 131$^{st}$ on HDI

# India has a strong financial system

**Excellent public and private sector banks, NPA issue**

**Developed capital markets**

**Regulatory controls in place**

# Corporate India- No of listed companies

| Country | Listed entities |
|---|---|
| India | 5600 |
| USA | 5200 |
| Spain | 3600 |
| Canada | 3400 |
| Japan | 3400 |
| China | 2800 |

Two thirds of the listed companies are family run companies in India

Data : 2015/16

# Market cap as % GDP

- 151 in 2017
- 69.2 in 2016
- 47, the lowest in 2003

# Private Enterprise Contribution

2000 – 45 pc
2010 – 65 pc
2020 – 80 pc

# Poor Infrastructure

VS

# Large number of skilled workforce

1.5
mln

750,00
0

250,00
0

NUMBER OF
GRADUATING
ENGINEERS (2018)

# Income patterns

# Household Income Distribution

| Income | Label | 2010 | 2020 |
|---|---|---|---|
| > 10 lacs INR p.a | Rich | 1 % | 2 % |
| 5-10 lacs INR p.a | Upper Middle | 2 % | 5 % |
| 2 to 5 lacs INR p.a | Lower Middle | 11 % | 29 % |
| < 2 lacs INR p.a | Lower Income | 86 % | 64 % |

Source : MGI

# Rural Household Incomes

| | 2005 | 2025 |
|---|---|---|
| Households | 145 mln | 167 mln |
| > 10 lacs INR p.a | 0 | 2 % |
| 5 to 10 lacs INR p.a | 1 % | 2 % |
| 2 to 5 lacs INR p.a | 3 % | 22 % |
| 90 k to 2 lacs INR p.a | 35 % | 48 % |
| < 90 k INR p.a | 61 % | 26 % |

# Household Expenditure

| | 2000 | 2010 | 2020 |
|---|---|---|---|
| Food, Beverage, Tobacco | 48 % | 41 % | 34 % |
| Transportation, Communication | 14 % | 17 % | 17 % |
| Rent, Fuel, Power | 11 % | 9 % | 6 % |
| Health | 5 % | 6 % | 6 % |
| Education, Cultural Recreation | 4 % | 5 % | 8 % |
| Clothing, Footwear | 6 % | 5 % | 4 % |
| | | | |
| Miscellaneous | 8 % | 13 % | 19 % |

# Durables ownership

# Transportation - 2020

Pvt Vehicles 9 mln

Small cars > Japan

Commercial vehicles 2.2 Mln

2 + 3 wheelers – 30 mln

# Durables Penetration (%)

| | RURAL | RURAL | URBAN | URBAN |
|---|---|---|---|---|
| | 2010 | 2020 | 2010 | 2020 |
| 2 WHEELER | 14 | 43 | 38 | >80 |
| 4 WHEELER | 1.5 | 5.6 | 8.5 | 27 |
| TV | 47 | 80 | >80 | >80 |
| RADIO | 26 | 22 | 30 | 26 |
| REFRIGERATOR | 9 | 31 | 49 | >80 |
| FAN | 57 | >80 | >80 | >80 |

# The Food market

# Food and Grocery Retail

**2010 – 302 Bln USD**

**2020 -  482 Bln USD**

# What will India eat ? ( % )

| | 2000 | 2010 | 2020 |
|---|---|---|---|
| Pkg Food, Spices, Food, Beverage | 14 | 19 | 29 |
| Fruit and Vegetables | 20 | 18 | 17 |
| Cereals and Bread | 24 | 21 | 14 |
| Hotel and Restaurants | 4 | 7 | 13 |
| Milk and Milk products | 15 | 14 | 12 |
| Meat, Egg, Fish | 8 | 9 | 8 |

# India is a digital nation

# Internet

**Total connecting to the Net - 462 mn**

**Through Mobile today -  442 mn**

**Through Mobile in 2020 -  600 mn**

**Physical Infra Poor, Digitally rich**

# Online spends in 2020 – $100 Billion*

Economical

Reach

Targeting

Lead generation

*BCG Report

# Summary