



Welcome to Tamil Nadu – Investors' choice in India





Agenda

1. **About India**
2. **About Tamil Nadu**
3. **Tamil Nadu: Competitive advantages**
4. **Sectoral Opportunities in Tamil Nadu**
5. **Government support to investors**



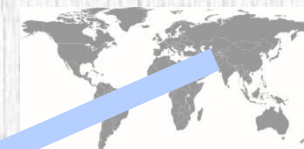
India - At a Glance



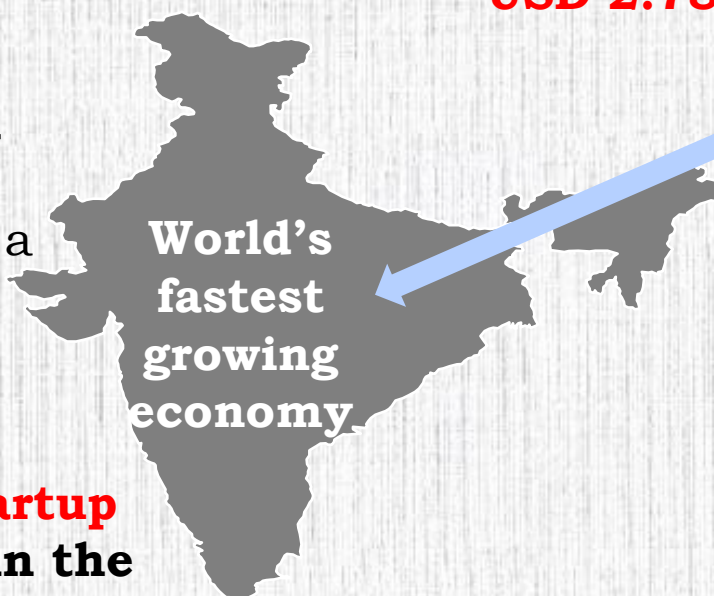
**Most competitive
economy in South Asia
in 2017**



**Economy Size
(FY 2017-18)
USD 2.78 trillion**



**Only country amongst
BRICS & South Asian
economies** to feature as a
Top reformer in World
bank's Doing Business
Initiative



**World's
fastest
growing
economy**



3rd largest economy
in the
world by purchasing
power parity (PPP)



6th largest economy
in the world by nominal
GDP



**3rd Largest startup
investor base in the
world**

**Current account deficit
1.4% of GDP FY18**



**Forex Reserves
USD 412.82 billion
(As on 25th May 2018)**



**GDP growth 6.5%
(2017-18)**

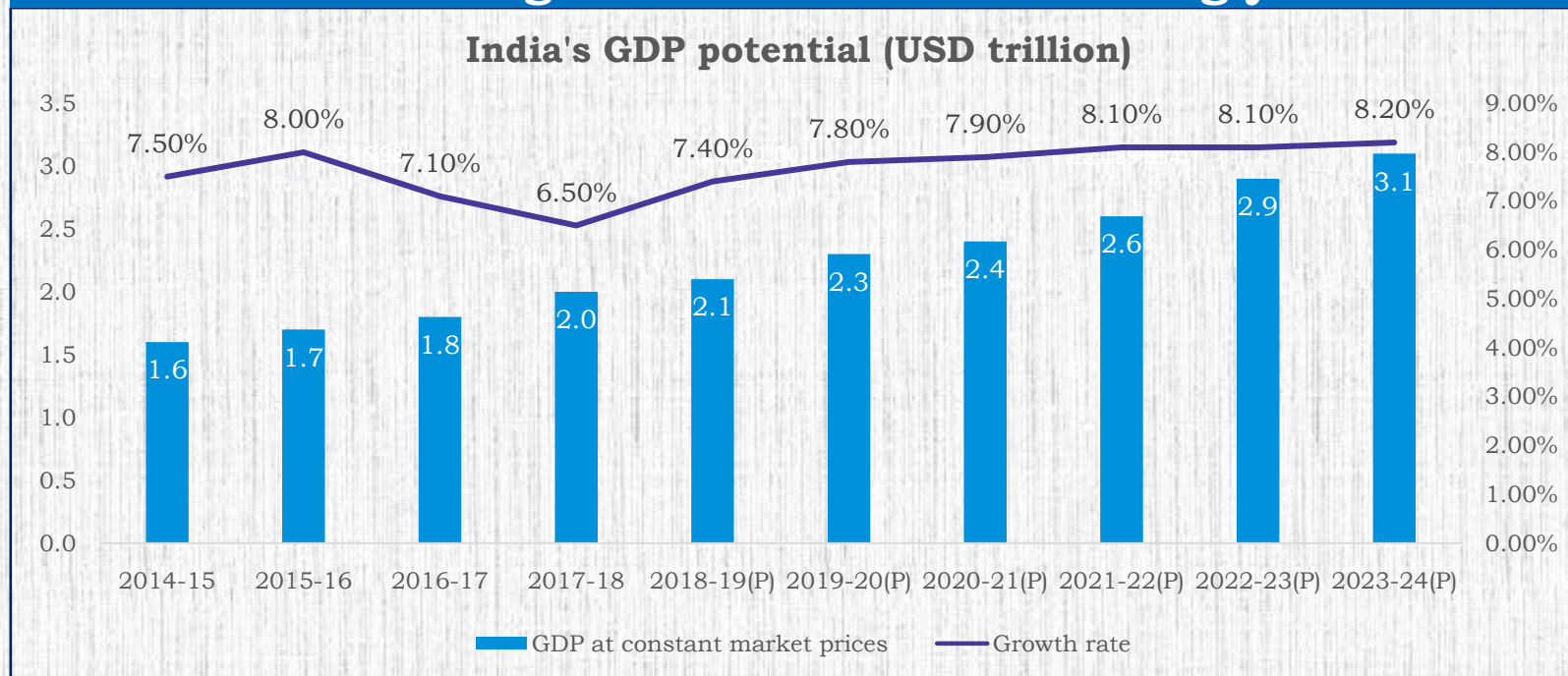
Source: Economic Survey 2017-18, DIPP, IMF, India Soars Higher – KPMG Report 2018,
Reserve bank of India, World Bank, <http://www.tradingeconomics.com/india/unemployment-rate>



India - Key economic indicators



Various structural reforms initiated are expected to take India's GDP growth rate to 8% in coming years



Ease of Doing Business

Goods & Services Tax (GST)

Bharatmala project



#startupindia

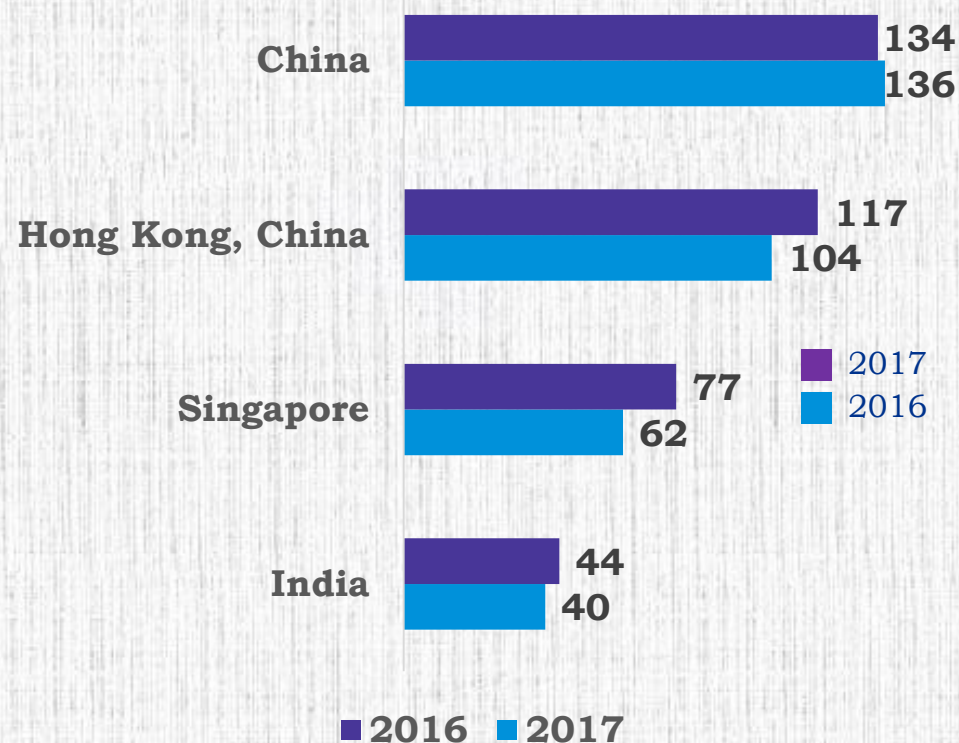
Source: Economic Survey 2017-18, IMF World Economic Outlook (2018-19 to 2023-24)



India - A favored investment destination



FDI inflows (USD billion)



**10th preferred investment destination
in the world in 2017; jumped one place
than 2016**



**4th preferred investment
destination in Asia in 2017**



India's - Growth Enablers



Growing Consumer Demand

- Expected to account for 40% of Global Middle Class Consumption by 2050



Fastest growing retail Market

- Retail sector expected to grow by 260% by 2020



Young Demographic Population

- 25% of world's population under 25 years live in India
- 65% of India's population is < 35 years of age



Expanding Skilled Workforce

- Home to 25% of world's skilled workforce by 2025



High Competency

- World's 2nd largest pool of scientists and engineers

Source: HLS Global



Electronics industry is the largest and the fastest growing manufacturing industry in the world



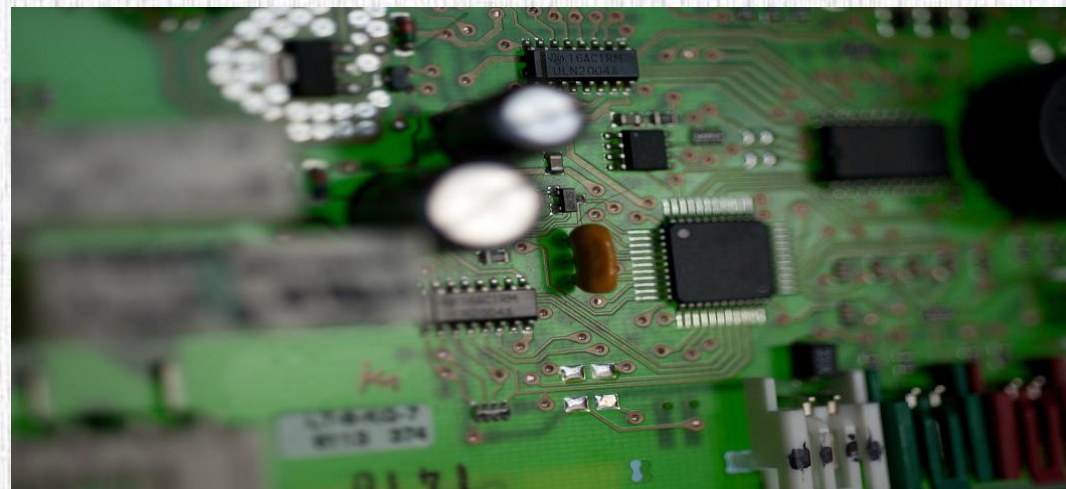
India is the world's 6th largest economy in terms of GDP

USD
59.62
billion

Estimated total production in electronics sector in 2017-18, exhibiting a growth of 22% over the previous year



Nearly 2000 new chips designed per year with 20,000+ engineers working in chip design and verification



Home to companies filing maximum number of patents per year (Qualcomm - 1700)



India: 2nd largest television and smartphone market



Indian television market is expected to cross USD 9 billion by



Over 250 million active unique smartphone users



Source: Task Force Report on ESDM Sector, TRAI Annual Report, IBEF



Indian IT/ITeS: overview



World's largest sourcing destination with a share of 55% of USD 185-190 billion in 2017-18



Accounted for 9.5% of GDP & emerged as single largest contributor to services exports



Amongst leading employment generators with 3.97 million people being employed, 105,000 added in FY18



3rd largest startup hub in the world with 4,750 units.



Source: NASSCOM, Ministry of Electronics and Information Technology, Govt. of India



TAMIL NADU

INVESTORS' CHOICE



Advantage Tamil Nadu



2nd largest State Economy in India – . In PPP terms, US \$605.26 billion)– 32nd largest in PPP terms and bigger than Vietnam, Belgium, Sweden, Norway, Finland, Denmark, New Zealand



GSDP growth rate at constant prices – 7.94% GSDP (FY 16-17); 8.03% expected growth, US\$ 207.8 billion (CAGR) – FY 17-18



1st Industrial performance | Investment potential* | Number of Operational Special Economic Zones

Number of persons employed



Ranks First in terms of Domestic and foreign Tourist arrivals (2016)



Investor's Choice in India



FDI Investment received during April 2000 to March 2018

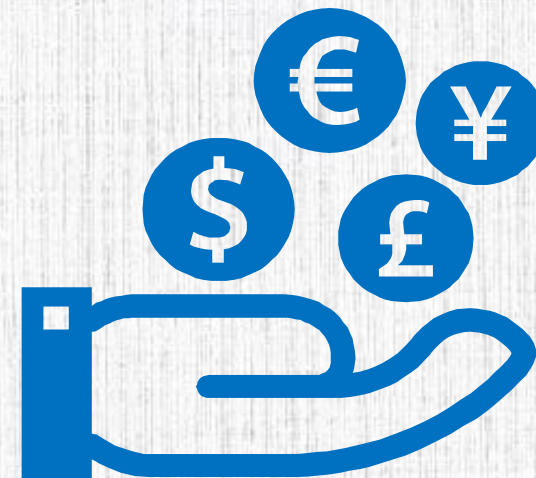


State	April 2000 to April 2011	April 2000 to Mar 2018	Incremental FDI attracted during May 2011 to Mar 2017
Tamil Nadu (Incl. Pondicherry)	USD 7,341 million	USD 27,235 million	USD 19,894 million

During the period May 2011-Mar 2018, Tamil Nadu attracted more than **3 times FDI** during last 6 years when compared to previous 11 years

Tamil Nadu **ranked 4th** in terms of actual FDI inflows during 2017

In 2017 state received **USD 3.48 billion – 7.7% of total FDI** received in India





Fortune 500 companies in Tamil Nadu



At present, 57 Fortune 500 companies have base in Tamil Nadu

USA	Ford, DELL, Flextronics, Sanmina-SCI, Delphi, Visteon, Caterpillar, Honeywell, Johnson & Johnson, Citigroup, Pepsi, Dow Chemical co., Coca-Cola, Accenture, Hewlett-Packard, Microsoft, IBM, Johnson Controls, Emerson, Terex corporation and Motorola, Boeing
Japan	Nissan, Mitsubishi, Yamaha, Bridgestone, Hitachi, Komatsu, Panasonic, Toshiba, Mitsui, Marubeni, Fujitsu, Sumitomo, Mizuho, NEC Corporation, MUFG
Germany	BMW, Daimler, Bosch, Siemens, Bayer, BASF
France	Renault, Michelin, Saint Gobain, Alstom, PSA
South Korea	Hyundai, Samsung, POSCO, Lotte
Finland	Nokia
Taiwan	Foxconn
China	Huawei
Switzerland	ABB



Tamil Nadu has a six sigma advantage for competitiveness



Fastest growing State economy
Average Growth rate: about 11%

Mature Industrial base:
Leader in automobiles & parts,
Electronic hardware,
Textiles, IT, etc

Excellent Port and airport
Logistics

- **3 major ports at Chennai, Kamarajar (Ennore) and VOC (Thoothukudi); ~5 mn TEU capacity in Chennai port cluster;**
- **Chennai and Kamarajar also serve as auto export hubs**

Well-developed
Infrastructure: Power, roads,
communication, etc

Manufacturing Total Cost
competitiveness

Largest producer of skilled
Manpower In India

- **Annual Turn-out: More than 1.0 million Graduates (Engineering, Arts & Science), Diploma holders and ITI workers**
- **Abundant availability of skilled manpower at competitive wage costs**
- **Harmonious industrial Relations**



Focus sectors



Textiles & Apparels



Pharmaceuticals & Biotech



Agro & Food Processing



Aerospace & Defence



Automobile and Auto components



Renewable Energy



Infrastructure



Skill Development



Chemicals & Petrochemicals



IT & ITeS



Heavy Engineering



Electronics & Hardware





Automobile Industry in Chennai



Product	Installed capacity	Production 2017-18	Exports
Cars	1.64 Million	1.09 Million	3,13,388
Trucks	2,18,000	1,08,524	22,814
Two wheelers	4.82 Million	3.18 Million	0.7 Million

Current production capacity of Chennai

- **Three cars produced every minute**
- **One truck produced every 2 minutes**
- **One Motorcycle produced every 6 seconds**



CHENNAI: INDIA'S LARGEST AUTOMOBILE CLUSTER



Automobile & Auto Components



DAIMLER



HYUNDAI



SAINT-GOBAIN



BOSCH



MRF
TYRES
Tyres with Muscle



MICHELIN

CATERPILLAR®

CEAT



KOMATSU

HITACHI
Inspire the Next

APOLLO TYRES LTD



PSA PEUGEOT CITROËN

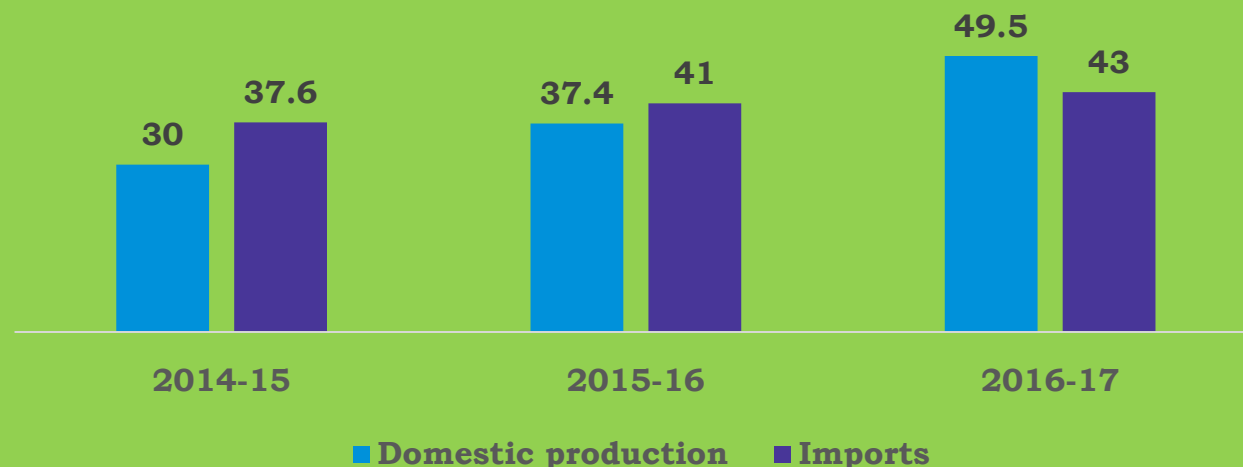




Tamil Nadu Offers excellent opportunity for investors to set up electronic manufacturing facilities



Domestic electronic production vs Electronic imports by India (USD billion)



- Domestic electronic production has increased compared to the imports in 2016-17
- India's electronic imports would outpace domestic production by 2020, leading to an import requirement of about USD 300 billion





Electronics hardware



Chennai is second largest electronic hardware manufacturing hub in India

**2nd in
India**

Tamil Nadu's rank in the computer, electronics and optical products manufacturing accounting for ~16% of national production

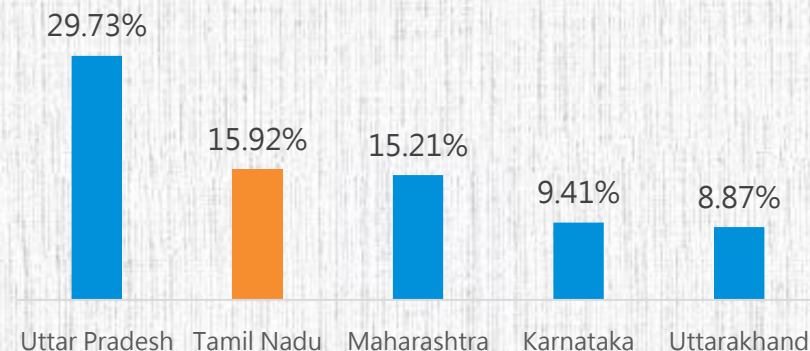
Chennai is emerging as a Centre for manufacture of mobile handsets, Telecom equipment, Computers, Base Stations, Laptops, etc

Big Market: Government of Tamil Nadu is procuring 1.6 Million laptops during current year 2018. Excellent potential to supply solar panels

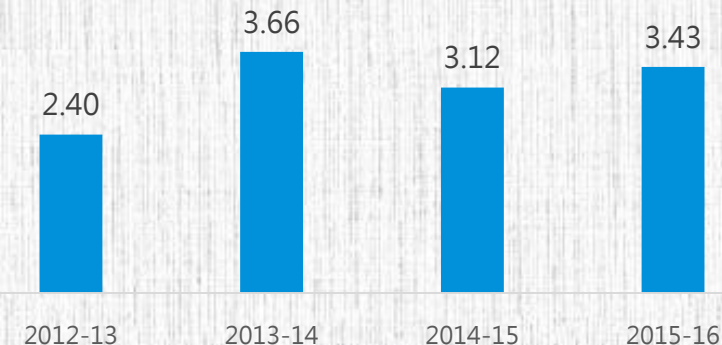
Presence of 20+ electronic hardware technology parks based in major IT centric SEZs of Sriperumbudur, Oragadam, & Mahindra World City

Telecom instruments (38% of the total electronics exports), electronic instruments (33%) and electronic components (11%) were the top three exported commodities from Tamil Nadu (2017-18)

State-wise share in electronics output



Year-wise Tamil Nadu electronics output (USD billion)





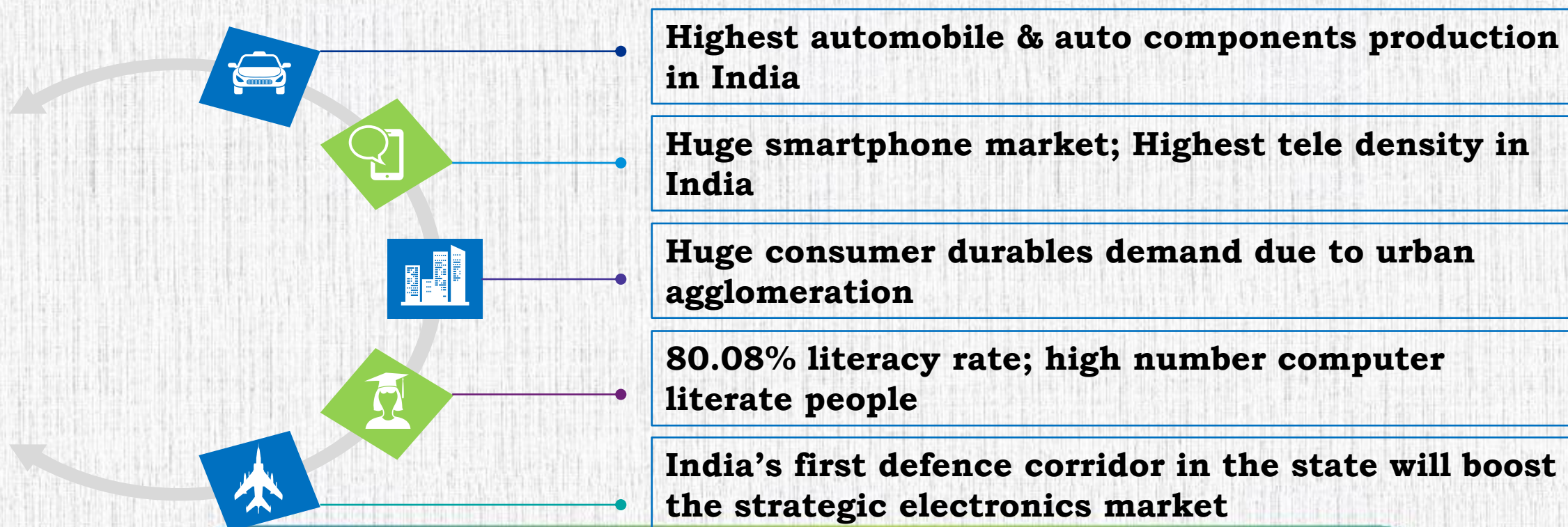
Electronic hardware market



**USD
400
billion**

Estimated demand of Electronics System Design and Manufacturing (ESDM) sector in India by 2020

Ample forward integration opportunities in industries such as automotive, mobile phones, computer hardware, industrial and strategic electronics, etc.



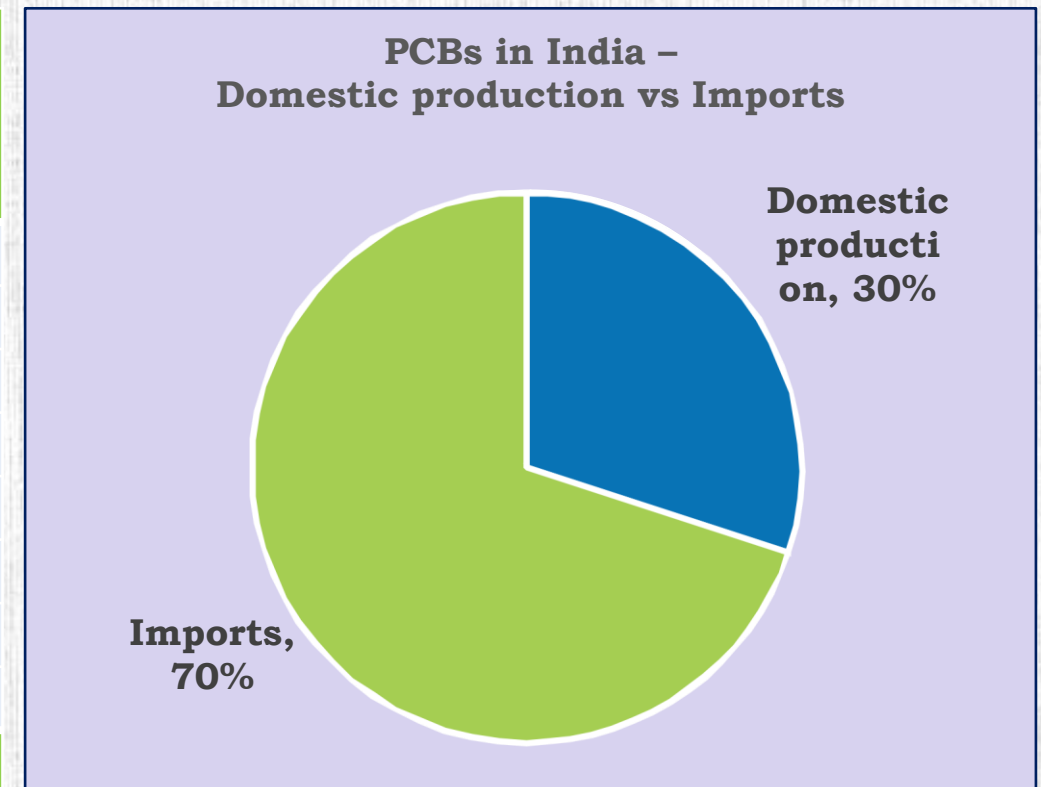


Printed Circuit Boards (PCBs)



Estimated demand of PCBs in 2018-19 in India is worth USD 4.99 billion and is expected to cross USD 6 billion by 2019-20

Industry	Estimated PCB demand by 2019-20 (USD million)
Automotive	490
Mobile Phones	723
Strategic electronics	570
Industrial electronics	924
Telecom	471
Consumer electronics	1670
Computer Hardware	420
LED Lighting	840
Total	6108



Xiaomi announced its big move towards PCB local manufacturing by setting up its first SMT (Surface Mount Technology) facility in Tamil Nadu



Tamil Nadu: The Electronic manufacturing Ecosystem



Electronic Hardware



Information Technology





Tamil Nadu – IT sector Overview



Revenue
2017-18

► Total US\$ 18.51 Bn

IT
Investments
2017-18

► Total US\$ 6.15 Bn

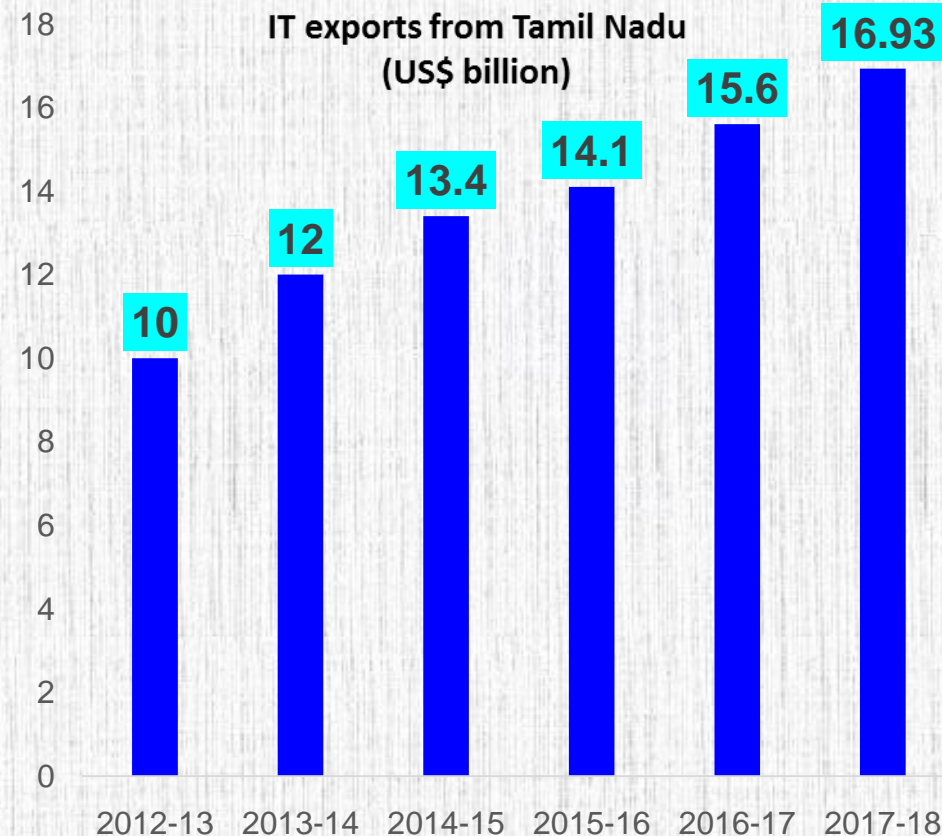
Sector
growth

- Grows at 8.55%
- National average is only 7%

IT SEZ land
availability

- ELCOSEZ developed
- IT/ITeS promotion in major cities

IT exports from state grew at a average growth rate of 18.76% between 2012-13 and 2017-18





Agro and Food Processing opportunities



Contributes ~3% to India's food grain produce, ~7% to India's vegetable produce and ~12% to India's fruit produce

2nd

**Largest Producer
of Poultry & Dairy
in India**

3rd

**Largest Producer
of Tea & Coffee
in India**

5th

**Largest Producer
of Fruits in India**

2nd

**Rank in
registered Food
processing unit
factories**



- **Contributes 7% in India's food processing output**
- **One of the largest contributors to Fish production with 7.07 lakh MT (2016)**
- **Leading Producer of Species and Cashew nuts**



Textiles & Apparels – Overview



Tamil Nadu is known as the 'Yarn Bowl' of India produces ~40 % of total Yarn in India

1st Rank in Production of Cotton Yarns

Tirupur is the biggest Knitting cluster in India known as the 'Knitting City'

1st Rank in Export of Cotton Yarns

Coimbatore is called the 'Manchester of South India'

2nd Production of Blended Yarn

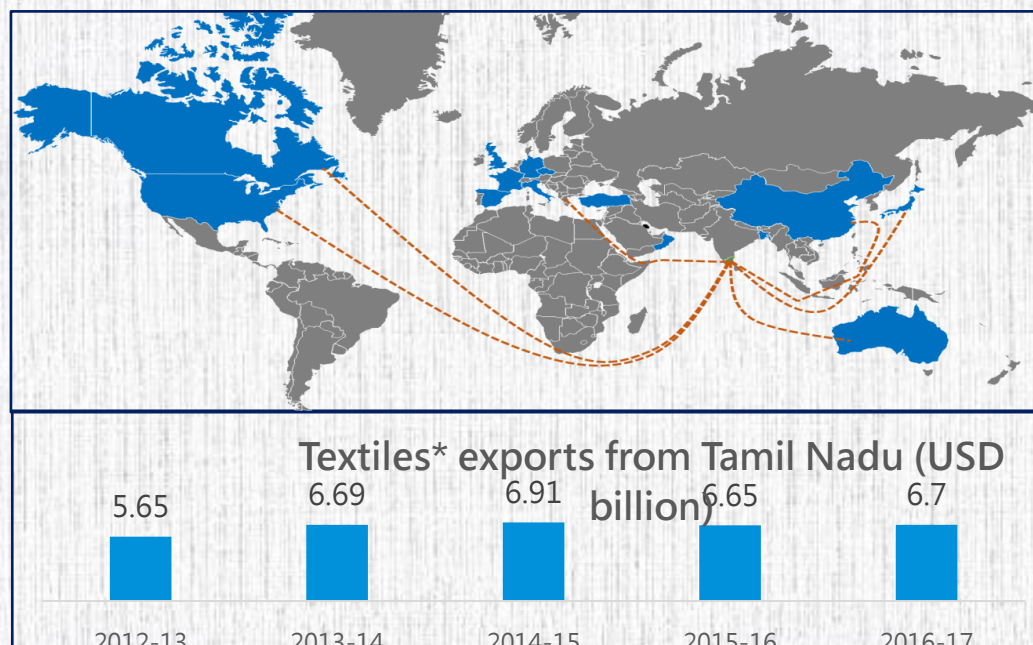
Tamil Nadu contributes 1/3rd of the textile business of India

Tamil Nadu has more than 50% of India's textile mills

The State is also a leading producer of Technical textiles with units pre-dominantly situated in Chennai & Coimbatore

Tamil Nadu - the largest hub of textiles & garment in India with 20% of India's Export RMG

State Employs about 35% of the workforce in textiles sector constituting about 28% of total employment in India's Textile & Garment sector



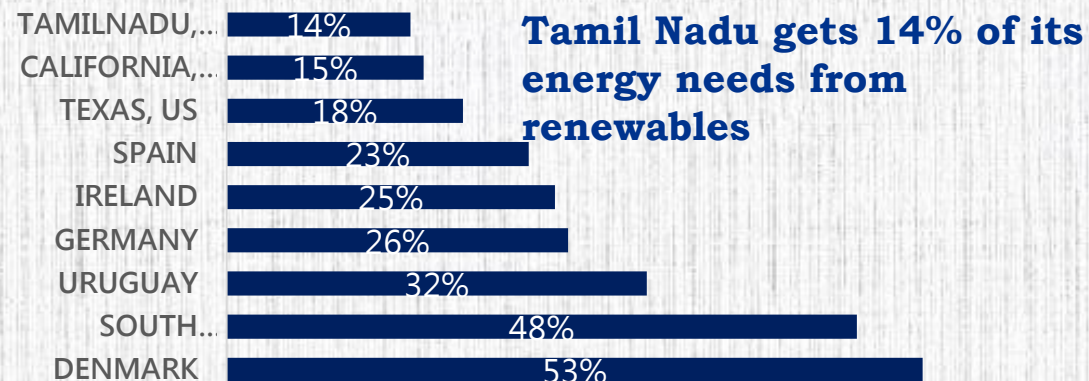


Renewable Energy

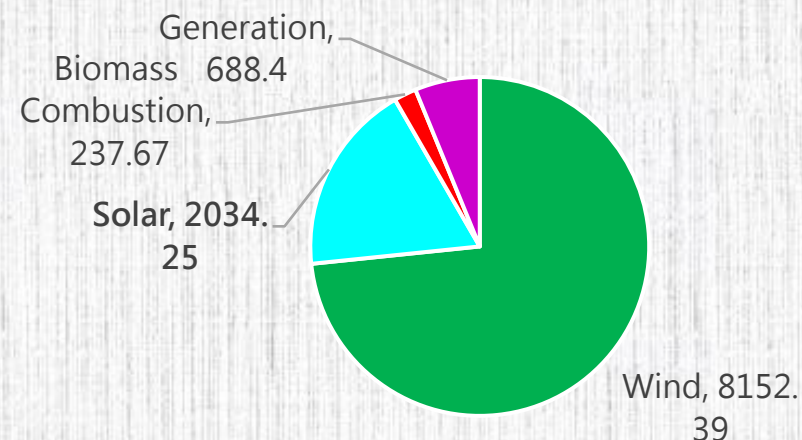


Leader in Renewable energy sector with a total installed capacity of 11,113 MW as on Mar 2018

Tamil Nadu is among the top markets globally to have large share of renewable power generation



Break-up of renewable energy sources (MW)



Tamil Nadu has harnessed around 2,905 million units of Solar energy

**Tamil Nadu is promoting Solar Power farms with 3000 MW capacity.
Excellent Market Potential to manufacture and supply Solar panels: 51.0 Million Sq.metres demand in 2018-19**



What does the State Government offer?



- Land – in different Industrial parks and SEZ
- Structured Incentives package of support
- Infrastructure: Quality Power and Water supply
- Single Window Facilitation & approval on a fast-track mode within 30 days.



Single Window Facilitation for fast track approvals within 30 days



Single window online portal
www.easybusiness.tn.gov.in



Recording & addressing
investor grievances



Receiving electronic payment
of fees from enterprises



All applications are
processed as per Business
facilitation act



Submission of documents for
obtaining business approvals



Clarifications raised by
authorities to enterprises and
receiving their responses



Tracking & Monitoring the
status of applications submitted
for processing



Allowing enterprises to
download final clearances
from the system



Global Investors Meet GIM-2019

**23rd – 24th January 2019
Chennai Trade Centre**



Thank You