



Ereignisse, Neuigkeiten, Verbindungen, Opportunitäten, und Zusammenarbeit

Embassy of India Newsletter

Issue 131

December 2023

New India's Retail Market

3rd largest
in Asia

4th largest
in the world

Focus Sector: Retail Industry of India

Also find inside:



A monthly newsletter published by the Embassy of India, Vienna

Snapshots

1 Apple excels in "Make in India," surpassing targets, with over US\$ 7.19 billion iPhones assembled, driven by robust exports and exceeding commitments.

2 India's digital landscape envisions a US\$ 1 trillion internet economy by 2030, driven by ONDC's potential to democratise e-commerce and generate US\$ 250-300 billion in GMV.

3 The Cabinet granted approval to the Production Linked Incentive Scheme for Food Processing Industry (PLISFPI) on March 31, 2021, earmarking an allocation of US\$ 1.30 billion for implementation from FY 2021-22 to FY 2026-27.

4 Indeed's year-end report highlights a 7.40% increase in blue-collar hiring in India, driven by sectors like logistics and construction, with Tier-II cities propelling growth and a focus on upskilling for 2024.

5 The Asian Development Bank

(ADB) has upgraded its economic growth forecast for India in the Financial Year 2023-24 (FY24) to 6.7%, an increase from the earlier estimate of 6.3% in September.

6 The Indian manufacturing market is witnessing a notable surge in investment, marking a crucial phase in the nation's economic landscape, with major entities establishing their footprint. It has the potential to reach US\$ 1 trillion by 2025-26.

7 India is poised to attain the position of the world's third-largest economy by the year 2030, with the growth rate of 6.4% in 2023-24 as forecasted by S&P Global Ratings.

8 India pledges to generate 50% of its electricity from non-fossil fuel sources by 2030, with 186.46 GW installed, FDI support, and innovative schemes.

9 In Q4 of 2023, the composite Chief Financial Officers (CFOs) index for India rose to 103.7, a 9.1 percentage points rise on a quarter-on-quarter (q-o-q) basis. A recent survey by a global provider of business

decisioning data and analytics 'Dun & Bradstreet India' of Indian CFOs indicates that overall optimism for financial performance is at 99.0 in Q4 of 2023, the highest level in eight quarters and reaching the two-year high.

10 A Memorandum of Understanding (MoU) was signed by Bharat Biotech, a manufacturer of vaccines and biotherapeutics, and the University of Sydney Infectious Diseases Institute (Sydney ID) to cooperate on vaccine research and the worldwide fight against infectious disorders.

11 October saw a healthy increase in Indian engineering exports to 18 significant countries, according to a statement from the Engineering Exports Promotion Council (EEPC) India. The UK, the US, and the UAE were among the countries where shipments increased in October. India's total engineering exports in October were US\$ 8,094.20 million, a 7.2% increase over US\$ 7,550.69 million in the same month the previous year. Between April and October 2023, engineering exports totalled US\$ 61.63 billion, which is US\$ 1.61% less than the same period in the previous year, when it was US\$ 62.63 billion.

Indian space startups got over US\$ 119.98 million in private investment since April 2023: IBEF

Indian space startups have garnered over Rs. 1,000 crores (US\$ 119.98 million) of private investment since April this year, as stated by Union Minister of State (Independent Charge) Science & Technology; MoS PMO, Personnel, Public Grievances, Pensions, Atomic Energy and Space Dr. Jitendra Singh. He also mentioned that India has the potential to achieve a US\$ 100 billion space economy by 2040, which currently stands at US\$ 8 billion. He highlighted that foreign observers anticipate India's space economy to reach US\$ 100 billion by 2040.

The Indian Space Research Organisation has launched over 430 foreign satellites, earning more than € 290 million from European satellites and over US \$ 170 million from American satellites. The number of space startups has surged to 1,080, up from single digits, with 190 space startups now in operation. Alphabet, the parent company of Google, announced a US\$ 36 million investment in Bengaluru-based space startup, Pixxel, marking the first major investment in the Indian space sector after the government's privatization policy in April. The recent approval of Indian Space Policy 2023 has given a significant boost to the Indian private space industry, making it an attractive investment option for investors. Notably, ISRO's recent Chandrayaan-3 launch, the projected US\$ 100 billion global space market by 2040, and space tourism potential all contribute to India's potential in this sector. Key recommendations include regulatory clarity, foreign investments, incentives, startup support, partnerships, R&D centres, and skill development.

1132 projects approved under Pradhan Mantri Kisan Sampada Yojana (PMKSY): PIB

The Pradhan Mantri Kisan Sampada Yojana (PMKSY), implemented by the Ministry of Food Processing Industries (MoFPI) since the fiscal year 2017-18, is a comprehensive umbrella scheme operating nationwide. This initiative comprises various component schemes designed to establish modern infrastructure and efficient supply chain management from the farm gate to the retail outlet. PMKSY significantly contributes to the growth of the food processing sector, facilitates improved prices for farmers, generates substantial employment opportunities, particularly in rural areas, minimises agricultural produce wastage, elevates processing levels, and boosts the export of processed foods.

Financial support in the form of grants-in-aid is extended under several component schemes to encourage the establishment of food processing projects nationwide.

These schemes include:

- (i) Mega Food Parks scheme (MFP) - discontinued from April 1, 2021
- (ii) Integrated Cold Chain and Value Addition infrastructure (Cold Chain)
- (iii) Creation of Infrastructure for Agro Processing Cluster (APC)
- (iv) Creation/ Expansion of Food Processing and Preservation Capacities (CEFPPC)
- (v) Creation of Backward and Forward Linkages (CBFL) - discontinued from April 1, 2021
- (vi) Operation Greens (OG): Long Term Interventions
- (vii) Food Safety and Quality Assurance Infrastructure – Setting up/Upgradation of quality control/ food testing laboratories (FTL)
- (viii) Human Resource & Institutions (HRI)

A total of 1132 food processing projects have received approval in the 36 states/Union Territories, with a cumulative project cost of US\$ 2.76 billion.

Indian consumer tech to touch US\$ 300 billion by 2027: IBEF

The Indian consumer tech sector is on track to reach a substantial US\$ 300 billion by 2027, exhibiting a robust Compound Annual Growth Rate (CAGR) of 25%, according to a comprehensive report by VC firm Chiratae Ventures, in collaboration with decision-support company ILattice and Google. This comprehensive study, incorporating primary surveys and secondary research across the country, identifies the total addressable market (TAM) of the consumer tech sector at an estimated value of US\$ 100 billion.

Within this burgeoning sector, mobility claims a dominant position with a 30% share, encompassing ride-hailing apps, automobile marketplaces, and online car rental platforms. Following closely is the entertainment sector, constituting 25% of the TAM, which includes print, digital, and television media. The report forecasts that by 2027, the fashion sector is anticipated to surpass entertainment as the second-leading segment.

The proliferation of digital public infrastructure has resulted in a staggering 500 million Indians engaging with entertainment and gaming services on a daily basis. Furthermore, an additional 220 million Indians express an inclination to invest in on-demand services, underscoring the expanding market potential.

Sudhir Sethi, founder and chairman of Chiratae Ventures, emphasized the dual nature of the consumer tech sector, describing it as both a horizontal and vertical

domains such as health, finance, education, and agriculture. Chiratae Ventures has already invested a substantial US\$ 450 million into the sector, boasting an impressive portfolio that includes prominent entities like Firstcry, Lenskart, GlobalBees, Policybazaar, PlaySimple, and Curefoods, among others. The firm's strategic investments align with the evolving landscape of the consumer tech sector, positioning it for continued growth and innovation in the years to come.

UPI transactions grew from US\$ 12.0 billion in FY 2017-18 to US\$ 1.66 trillion in FY 2022-23 in value, at a CAGR of 168%.: PIB

UPI transactions surged from US\$ 11 million in FY 2017-18 to US\$ 1 billion in FY 2022-23, achieving a 147% CAGR in volume. The transaction value grew from US\$ 12 billion to US\$ 1.66 trillion, marking a substantial 168% CAGR.

In the ongoing FY23, UPI has already recorded 85 billion transactions, contributing 62% to digital payments. The growth in the value of bank notes in circulation has reduced from 9.9% in FY21-22 to 7.8% in FY22-23.

Government initiatives include incentivizing RuPay Debit cards and BHIM UPI transactions, advisories for payment infrastructure improvement, and setting digital payment targets for banks. The Pradhan Mantri Gramin Digital Saksharta Abhiyaan enhances digital literacy in rural India.



ONDC poised to democratise e-com, generate \$250-300 bn in GMV: Redseer; Business Standard

With the Indian internet economy projected to reach \$1 trillion by 2030, DPIs (digital public infrastructure) are primed to continue playing a significant role in democratising this growth and ensuring a digital future that is inclusive and expansive, according to a report by consulting firm Redseer Strategy Consultants.

For instance, as the next wave of transformation looms, ONDC (Open Network for Digital Commerce) stands out as a potential disruptor, poised to democratize e-commerce across sectors and potentially generate \$250-300 billion in GMV (gross merchandise value) by 2030, according to the report. The report was released during the Redseer's 'Ground Zero 9.0, Resilience in Action' event here.

Anticipating the future, Redseer expects the next wave of DPI-driven opportunities in retail, insurance, healthcare, and agritech. Startups will also combine different DPIs in innovative ways to create totally new offerings or fundamentally improve existing offerings in terms of costs, speed, and experience.

Nandan Nilekani, chairman and co-founder, of Infosys, and founding chairman UIDAI (Aadhaar), said the report highlights the synergistic relationship between the startup ecosystem and the DPI. It provides a measure of the economic impact and benefits of mature DPIs across different startup sectors, and the disruption potential of emerging DPIs like ONDC going forward.

"This symbiotic relationship will be critical to drive adoption of digital services across all facets of society, drive more equitable opportunities for all and play a critical role in

propelling India to a \$10 trillion economy," said Nilekani.

India to be world's third-largest economy by 2030 - S&P Global Ratings; Reuters

India will remain the fastest-growing major economy for at least the next three years, setting it on course to become the world's third-largest economy by 2030, S&P Global Ratings said in a report.

S&P expects India, currently the world's fifth-largest economy, to grow at 6.4% this fiscal and estimates growth will pick up to 7% by fiscal 2027. In contrast, it expects China's growth to slow to 4.6% by 2026 from an estimated 5.4% this year.

India's gross domestic product (GDP) (INGDPY=ECI) grew a bigger-than-expected 7.6% in the second quarter of fiscal 2024, data showed last week, which prompted several brokerages to raise their full-year estimate.

However, S&P, which had raised its forecast even before the latest data, said India's growth will depend on its successful transition to a manufacturing-dominated economy from a services-dominated one.

"A paramount test will be whether India can become the next big global manufacturing hub, an immense opportunity," S&P said in its Global Credit Outlook 2024 report, dated Dec. 4.

While Prime Minister Narendra Modi's government has been driving domestic manufacturing through the "Make in India" campaign and production-linked incentives (PLIs), the share of manufacturing is still roughly 18% of GDP. In contrast, services account for over half of India's GDP.

India has one of the youngest working populations in the world, with nearly 53% of its citizens under the age of 30.

Indian retail industry has emerged as one of the most dynamic and fast-paced industries due to the entry of several new players. It accounts for over 10% of the country's gross domestic product (GDP) and around 8% of the employment. India is the world's fifth-largest global destination in the retail space. India ranked 73 in the United Nations Conference on Trade and Development's Business-to-Consumer (B2C) E-commerce Index 2019. The retail sector in India accounts for over 10% of the country's GDP and around 8% of the workforce (35+ million). It is expected to create 25 million new jobs by 2030.

The sizeable middle class and nearly unexplored retail market in India are the main enticing factors for international retail behemoths seeking to move into newer markets, which will help the Indian retail business grow more quickly. The urban Indian consumer's purchasing power is increasing, and branded goods in categories like apparel, cosmetics, footwear, watches, beverages, food, and even jewellery are gradually evolving into business and leisure that are well-liked by the urban Indian consumer. The retail sector in India is expected to reach a whopping US\$ 2 trillion in value by 2032, according to a recent analysis by the Boston Consulting Group (BCG).

In the FDI Confidence Index, India ranked 17 (after US, Canada, Germany, United Kingdom, China, Japan, France, Australia, Switzerland, and Italy).

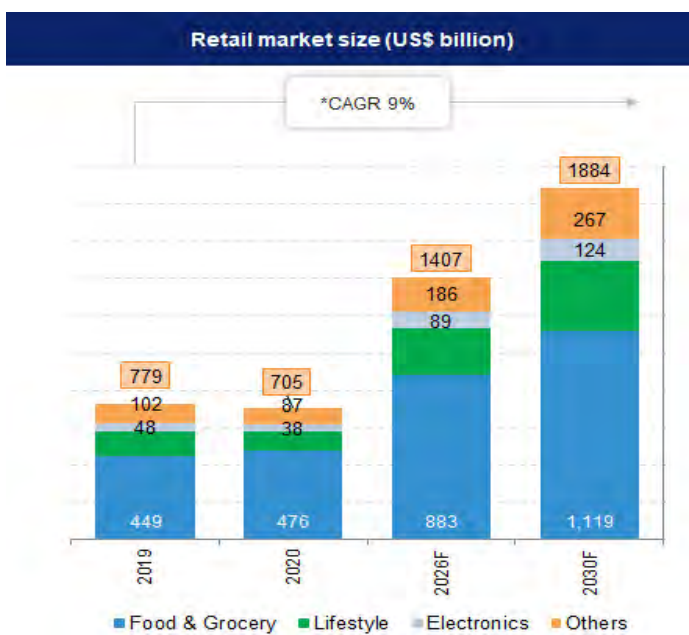
India is one of the most promising and developing marketplaces in the world. There is a great deal of desire among multinational corporations to take advantage of the consumer base in India and to enter the market first. Nearly 60 shopping malls encompassing a total retail space of 23.25 million sq. ft are expected to become operational during 2023-25.

India ranks among the best countries to invest in Retail space. Factors that make India so attractive include the second largest population in the world, a middle-income class of ~158 households, increasing urbanization, rising household incomes, connected rural consumers, and increasing consumer spending.

As of 2021, there were 1.2 million daily e-commerce transactions. Online shoppers in India

are expected to reach ~500 million in 2030 from +150 million in 2020. The E-Commerce market is expected to touch US\$ 350 billion in GMV by 2030.

To improve the business climate and make it simpler for foreign companies to register fully owned subsidiaries in India, the Indian government has implemented a number of rules, regulations, and policies.



The COVID-19 pandemic has caused changes in consumer preferences, habits, and attitudes over the past two years. This has a significant impact on how people buy and consume goods and services. Global retailers are now using cutting-edge business strategies to take advantage of new retail opportunities. Consumers no longer distinguish between offline and online consumption channels. Due to this, major companies are experimenting with different ways to design seamless retail experiences that are integrated across all channels. By utilising both established e-commerce platforms and traditional techniques, retailers are also experimenting with revenue models to improve their customer value offer.

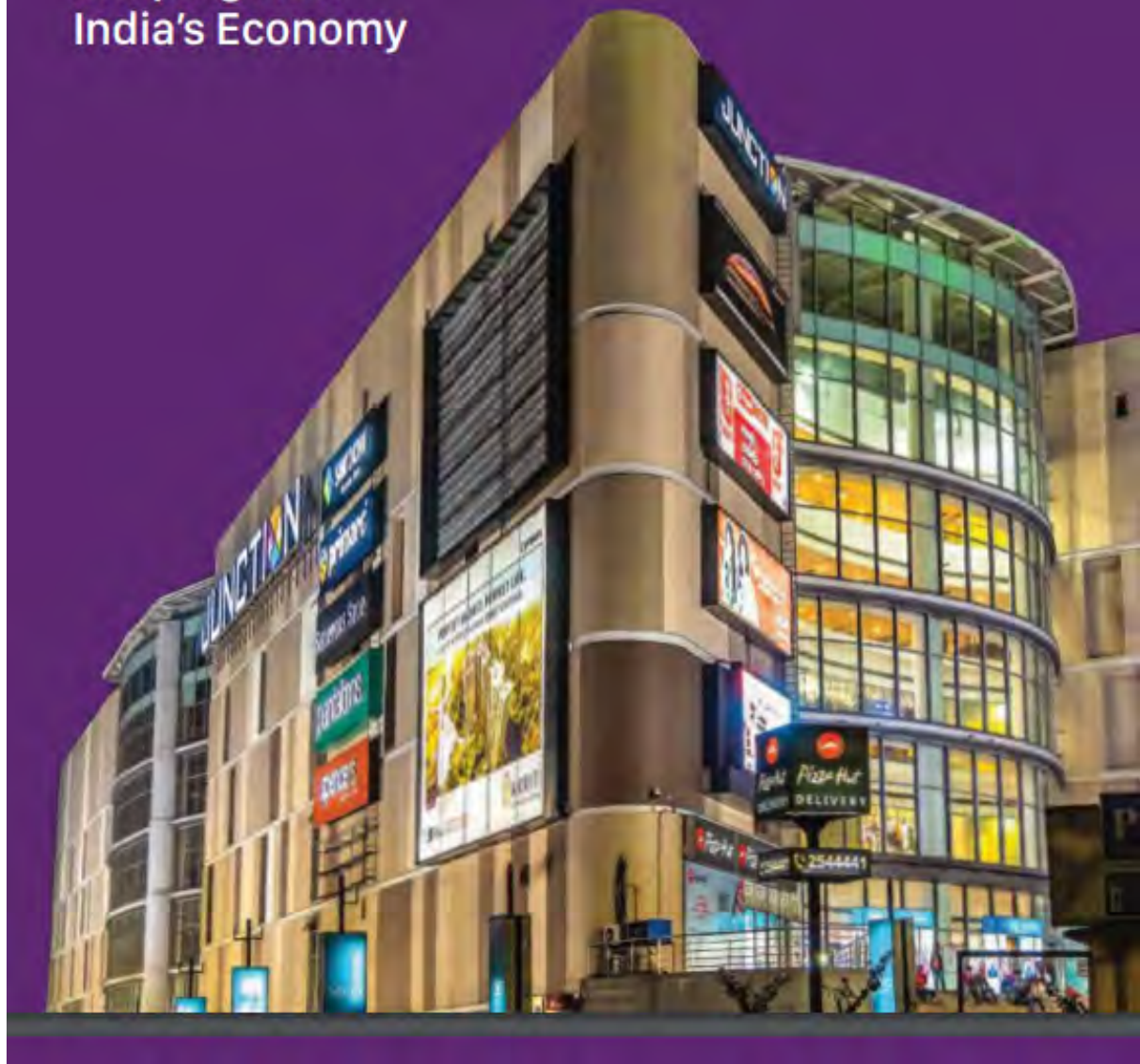
E-commerce is expanding steadily in the country. Online retail market in India is projected to reach US\$ 350 billion by 2030 from an estimated US\$ 55 billion in 2021, due to rising online shoppers in the country. Online penetration of retail is expected to reach 10.7% by 2024 versus 4.7% in 2019. Nevertheless, long-term outlook for the industry looks positive, supported by rising income, favourable demographics, entry of foreign players, and increasing urbanisation.

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RETAIL

Shaping New
India's Economy



Jharkhand is located in the eastern part of India. The state shares its borders with West Bengal in the east, Uttar Pradesh and Chhattisgarh in the west, Bihar in the north and Odisha in the south. In India, Jharkhand is one of the leading states in terms of economic growth. At current prices, Jharkhand's gross state domestic product (GSDP) is estimated to stand at ~ US\$ 46.49 billion in 2022-23.

Jharkhand is rich in mineral resources such as coal (27.3% of India's reserves), iron ore (26% of India's reserves), copper ore (18.5% of India's reserves), uranium, mica, bauxite, granite, limestone, silver, graphite, magnetite, and dolomite. Jharkhand is the only state in India to produce coking coal, uranium, and pyrite. With 25.7% of the total iron ore (hematite) reserves, Jharkhand ranks second among the states.

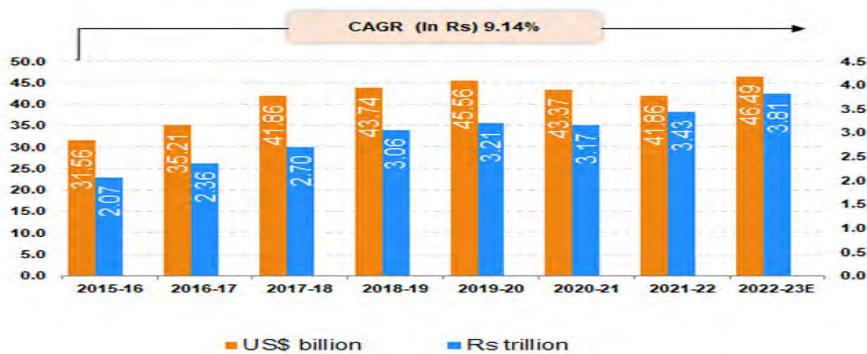
The state's industries enjoy a unique location-specific advantage as it is close to the vast market of eastern India. It is closer to the ports of Kolkata, Haldia, and Paradip which helps in transportation of minerals.

According to the Department for Promotion of Industry and Internal Trade (DPIIT), cumulative foreign direct investment (FDI) inflows in Jharkhand stood at US\$ 6 million in FY23 and were US\$ 2.65 billion between October 2019-March 2023.

As of January 2023, the number of IEMs filed were 2 and the value of proposed investments stood at US\$ 50.3 million. Total exports from the state stood at US\$ 1.36 billion in 2022-23. Exports from the state stood at US\$ 2.44 billion in 2021-22.

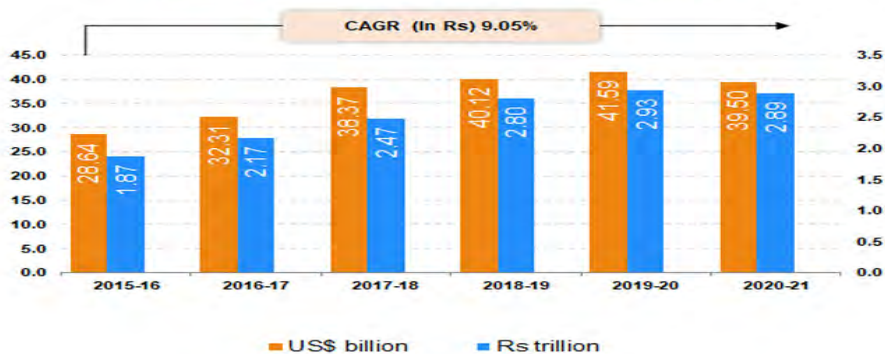
Jharkhand offers a wide range of fiscal and policy incentives to industries, under the Industrial Policy, 2012. The state also has policies for IT and special economic zones (SEZs) offering sector-specific incentives, as well as the Jharkhand Energy Policy 2012 which aims to supply reliable and quality power in an efficient manner at a reasonable price. About 80% of the rural population of the state depends on agriculture. Rice is the major food crop of the state, covering 80% of the cropped area.

GSDP of Jharkhand at Current Prices



Note: Exchange rates used are averages of each year, E-Estimate
Source: Directorate of Economics & Statistics of Jharkhand, Central Statistics Office

NSDP of Jharkhand at Current Prices



Note: Exchange rates used are averages of each year
Source: Directorate of Economics & Statistics of Jharkhand, Central Statistics Office

FACTFILE



Capital
Ranchi



Geographical Area (sq km)
79,714



State Language
Hindi, Santhali, Urdu, Bengali and English



Literacy Rate
66.4 per cent

Kerala

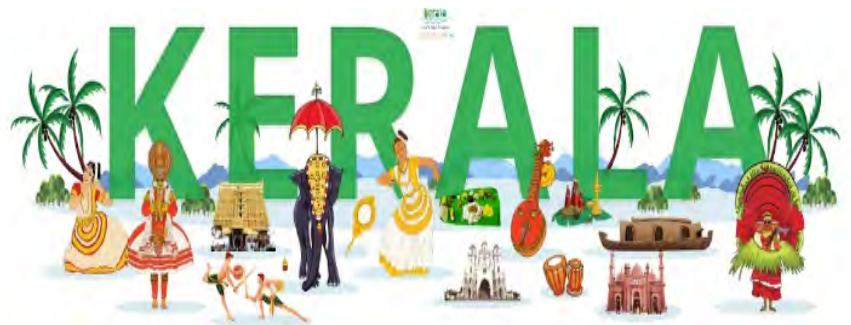
Kerala is blessed with a unique set of geographical features that have made it one of the most sought after tourist destinations in Asia. A long shoreline with serene beaches, tranquil stretches of emerald backwaters, lush hill stations and exotic wildlife, are just a few of the wonders. Most of the state is engulfed in rich greenery which ensures a very calming experience at all times. Bestowed with a pleasant and equable climate throughout the year, Kerala is a tropical land where one can relax and be at ease.

Kerala is a tropical paradise where you can paddle in tranquil backwaters, trek the rocky Western Ghats, chase the mists in the hill stations, rejuvenate with pristine Nature and Ayurvedic treatments, hug the unspoiled beaches and so much more. Kerala isn't just a destination; it's a saga of experiences!

Golden beaches, emerald backwaters, lofty mountain ranges, powerful art forms the choices are many and so are the wonders that await you in Kerala. Come and take home what they call 'memories', the kind that makes life worth living.



Kerala Backwaters



World Heritage Sites Map of India



Events

The Mission participated in 'Asia Day' 2023 hosted by the Federal Economic Chamber of Austria. The first half of the event was dedicated to India with various presentations were held by various speakers on India as well Asia as a whole. Ms. Nirupama Rao, Former Foreign Secretary of India (retd.) was one of the major speakers at the event.

Ms. Nirupama Rao, contributed with her invaluable insights and her expertise added depth and perspective to 'New India', enhancing the overall impact of the event.

During the event, the Mission also showcased the "Make in India" booth, which served as a platform to highlight the vast investment opportunities available in India. The booth attracted significant attention and facilitated meaningful discussions with potential investors, further strengthening bilateral ties and promoting economic cooperation between India and Austria.



Destination India- A booklet by the Embassy of India, Vienna



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 AGNII Flagship technology mission of the PMSTIAC unleashing the power of Indian innovation to solve critical national challenges	 ONE DISTRICT ONE PRODUCT Connecting districts of India to the world

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In case your company is interested in visiting a tradeshow/B2B event in India, be it one listed here or another one that came to your attention, get in contact with us via comm1.vienna@mea.gov.in to get more information about possible assistance/subsidies.



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The Government of India has extended e-Tourist Visa (e-TV) scheme to the citizens of Austria w.e.f. 26th February 2016. This facility is also available to the citizens of Montenegro and the Vatican City. The Indian e-Visa is an electronic travel permit that makes acquiring a visa to visit India easier. After filling out an online form with the traveler's personal information and passport information, the Indian electronic visa can be received fast.

Queries related to e-TV; for any assistance call 24x7 Visa support center at +91-11-24300666 or send email to indian-evisa@gov.in or visit www.indianvisaonline.gov.in



Know India Programme (KIP) is an initiative by the Ministry of External Affairs for the Indian Diaspora youth between the age group of 21-35 years. The primary objective of the KIP is to foster a closer connection between Indian diaspora youth and their ancestral homeland by augmenting their understanding of India. The Programme provides a platform for the Person of Indian Origin (PIO) youth to familiarize themselves with the contemporary India, through about three week knowledge tourism programme providing them an exposure to different aspects of the growth and development of India. More information on: www.kip.gov.in

India Perspectives, the flagship magazine of the Ministry of External Affairs. The magazine is printed in 16 languages and goes to 170 countries, disseminating interesting information about India's rich culture and tradition. For a copy of the magazine, mail us at: poip@mea.gov.in or visit www.indiaperspectives.gov.in



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STUDENTS WELFARE OFFICER

- Mr. Rishi Tripathi, First Secretary in this Embassy has been designated as Officer to look after welfare of Indian Students in Austria and Montenegro.
- His contact details are: 0043 1 505 866 and ccl.vienna@mea.gov.in

YOGA CLASSES

- The Embassy hosts Yoga and Dance Classes in multipurpose hall at Embassy of India, Vienna. To register please send an email to our Cultural Wing at culture.vienna@mea.gov.in

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INDIA NEWSLETTER



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