

# COUNTRY INDIA



<b>COUNTRY:</b>	REPUBLIC OF INDIA, "INDIA"
<b>CAPITAL:</b>	DELHI
<b>LAND AREA:</b>	3.3 MILLION SQ. KM
<b>POPULATION:</b>	1.220 BILLION (2012)
<b>FORM OF STATE:</b>	FEDERAL REPUBLIC, WITH 28 STATES AND SEVEN TERRITORIES
<b>NATIONAL LEGISLATURE:</b>	BICAMERAL: THE RAJYA SABHA (UPPER HOUSE) 245 MEMBERS THE LOK SABHA (LOWER HOUSE) 545 MEMBERS
<b>CURRENCY:</b>	INDIAN RUPEE
<b>GDP:</b>	US\$ 1,842 BILLION (2012)
<b>REAL GDP GROWTH:</b>	5.8% (2012)
<b>GDP PER CAPITA:</b>	NOMINAL - US\$ 1,500/-; PPP - US\$ 3,978/-
<b>ORIGIN OF GDP:</b>	1 - TEXTILE AND TEXTILE PRODUCTS 2 - READY MADE GARMENTS 3 - DIAMONDS 4 - REMITTANCES (FROM INDIAN DIASPORA) 5 - BUSINESS SERVICES
<b>FOREIGN RESERVES:</b>	US\$ 292 BILLION
<b>COUNTRY RATING:</b>	BBB - (S&P) STABLE TO NEGATIVE OUTLOOK

## POLITICAL & ECONOMIC OUTLOOK

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Two parties and some associated parties dominate the political landscape in India. At present the Indian National Congress-led United Progressive Alliance will remain in power to the end of its mandate in 2014. However the political power of regional and caste-based parties will continue to rise.

Efforts to implement economic reforms will continue to be hindered by the government lack of a reliable parliamentary majority. To tackle the fiscal deficit the Government announced a series of reforms in September 2012.

Bearing in mind that fiscal deficit reached 5.8% it would be difficult to reduce it to 3% even by fiscal year 2016, let alone 2014. International relation with Pakistan will remain cool, although could improve with the present new government in Pakistan. Relations with China remain cool mainly because of competition on natural resources.

GDP growth which reached 5.9% in 2012 will not exceed 7% in the coming year. As for inflation pressure from rising wholesale prices should have reached 7.6% in 2012. It is expected that inflation will remain within the 7 to 7.5% bracket in the coming years.

## OPPORTUNITIES FOR ITALIAN COMPANIES

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There are opportunities for Italian companies such as:

- Equipment and machinery related to ready made garments;
- Steel and steel products;
- Compressed natural gas equipment;
- Marble cutting equipment;
- Transportation equipment;
- Commodities (wheat, sugar etc);
- As well as usual traditional Italian products: men fashion, food and agricultural products.

Corporate taxes are high for the area and may reach as much as 35%.

Legal system is based on the British Legal system, however financial contracts may specify “reference law” as is the case in most banking syndicated loans.

Usually British or American Law.

## PRINCIPAL BANKS WE WORK WITH/PARTNER BANK

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- 1 - AXIX BANK, MUMBAI
- 2 - INDUSIND BANK, MUMBAI
- 3 - YES BANK, MUMBAI

## PUBLIC HOLIDAYS (2014)

13TH January, 2014	Birthday of the Prophet Muhammad
26TH January, 2014	Republic Day
27TH February, 2014	Mahashivratri
12TH April, 2014	Mahavir Jayanti
17TH April, 2014	Good Friday
20TH April, 2014	Easter Monday
05TH May, 2014	Buddha Purmina (Buddha's birthday)
27TH July, 2014	Eid al-Fitr
14TH August, 2014	Independence Day
16TH August, 2014	Krishna Janmashtami
02ND October, 2014	Dussehra
03RD October, 2014	Eid al-Adha
23RD October, 2014	Diwali (Festival of Lights)
24TH October, 2014	1ST of Muharram (Islamic New Year)
06TH November, 2014	Guru Nanak Jayanti
25TH December, 2014	Christmas Day
26TH December, 2014	Boxing Day

## USEFUL CONTACTS IN THE COUNTRY

### **UBAE BUSINESS CONSULTANT**

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### **LOCAL LEGAL FIRMS**

Details provided upon requesta

### **ITALIAN EMBASSY**

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