



## INDIA

**Capital:**

New Delhi

**Population: (2011 est.)**

India: 1.2 billion

Virginia: 8.0 million

**Type of Government:**

Federal Republic with parliamentary system of government

**President:**

Pratibha Devisingh Patil (since July 2007)

**Prime Minister:**

Manmohan Singh (since May 2004)

**Languages (Official):** Hindi,

English is common and is the standard business language.

**Land Size:**

1,147,955 Square Miles

(Roughly 1/3 the size of the U.S.)

**Currency:** ([www.oanda.com](http://www.oanda.com))

India Rupee (INR)

1 US\$ = 46.64 INR (August 2011)

1 US\$ = 46.40 INR (August 2010)



(Map of India. CIA)

### DID YOU KNOW?

- Hindi is the official language, but English is the most important language for national, political, and commercial communication. Further breakdown of main languages spoken by percent of the country: Hindi 41%, Bengali 8.1%, Telugu 7.2%, Marathi 7%, Tamil 5.9%, Urdu 5%, Gujarati 4.5%, Kannada 3.7%, Malayalam 3.2%, Oriya 3.2%, Punjabi 2.8%, Assamese 1.3%, Maithili 1.2%, other 5.9%. (CIA)
- The United States exported over \$19.3 billion in goods to India in 2010 which represents a year over year increase of 17.1%. (World Trade Atlas)
- India is the world's largest democracy and one of the world's fastest growing economies. As of 2010, the Indian GDP per capita is \$1,265 and the overall GDP is \$1.538 trillion. (IMF)
- As of 2010, India has an estimated labor force of 478 million individuals while the United States has an estimated 153 million workers. (CIA)
- In 2010, India's total imports reached an estimated \$328 billion. Of that total, China's share was 11.6%, the UAE 8.2%, Saudi Arabia 6.1%, Switzerland 5.8%, and the U.S. 5.2%.
- Between 2002 and 2009, U.S. goods exports to India quadrupled, growing from \$4.1 billion to more than \$16.4 billion. (United States Commercial Services)
- Internet use has soared; by the end of 2010, around 100 million Indians were online. There were more than 23 million Facebook users in India by March 2011. (BBC)
- U.S. foreign direct investment (FDI) in India was \$18.6 billion in 2009 (latest data available), a 12.3% increase from 2008. (United States Trade Representative)



## INDIA

### ECONOMIC OUTLOOK

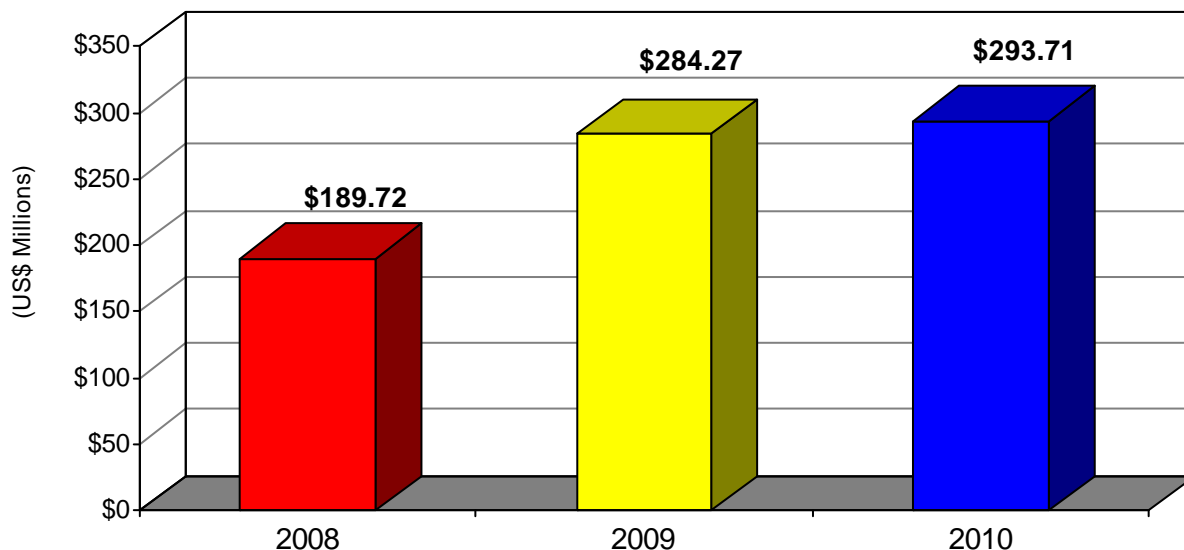
Like other Asian nations, India's economy has undergone profound economic liberalization over the last two decades, which has resulted in an uninterrupted economic expansion that only recently began showing signs of slowing down. India has managed to stay relatively insulated from the recent turmoil in financial markets and the subsequent global economic recession, and is currently one of the world's fastest growing economies. International Monetary Fund (IMF) projections suggest there will be moderate growth (+8.2%) in India during 2011 which is down from 2010 (+10.2%). Still, the outlook remains bright. The moderation is in response to the tightening of monetary and fiscal policies implemented by the government. (IMF) The Indian Government is seeking to hold its budget deficit to 5.5% of GDP in FY 2010-2011.

India is developing into an open-market economy, yet traces of its past policies remain. India's GDP has increased roughly 7% per year since 1991. India's diverse economy encompasses traditional village farming, modern agriculture, handicrafts, a wide range of modern industries, and a multitude of services. Slightly more than half of the work force is in agriculture, but services are the major source of economic growth, accounting for more than half of India's output, with only one-third of its labor force. India has capitalized on its large, educated, English-speaking population to become a major exporter of information technology services and software workers. In 2010, the Indian economy rebounded robustly from the global financial crisis - in large part because of strong domestic demand - and growth exceeded 8% year-on-year in real terms. (CIA)

In June 2010, several high ranking government officials from India met with Hillary Clinton, U.S. Secretary of State, and other Whitehouse staff to continue discussions of a strategic partnership between the United States and India. During the meeting, both groups recognized that the two countries had enormous opportunities to deepen their cooperation in trade and investment, science and technology, global security, infrastructure investment, environmental sustainability, climate change mitigation, energy security, education, agriculture, food security, healthcare and empowerment of people. (U.S. Department of State)

Stronger political and economic ties between India and the United States will continue to increase opportunities for Virginia businesses to export to one of the world's most promising markets.

### VIRGINIA EXPORTS TO INDIA



(Source for Graph: World Trade Atlas)



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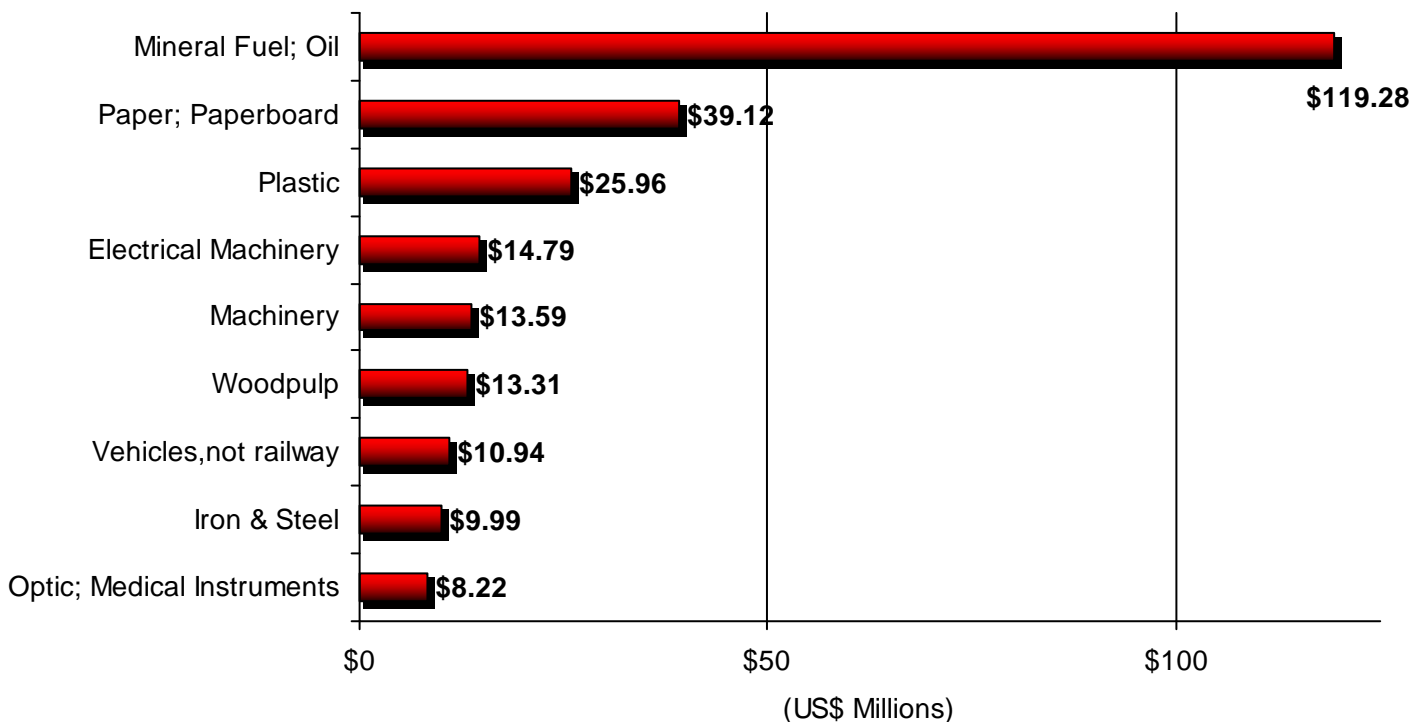
### VIRGINIA EXPORTS TO INDIA

In 2010, overall U.S. exports to India increased more than 17.0% while exports to India via Virginia grew roughly 3.3% in the same year. Virginia exported nearly \$293.7 million in goods to India during 2010. Bituminous coal was again the top export to India via Virginia. Even though the total amount exported dropped approximately 15.0% from 2009, strong sales of coal to India are being driven by India's fast-developing economy and growing energy needs. Coal is used most heavily in India's energy sector, and continues to be the fuel of choice for power generation. India has a robust domestic coal industry, but the quality is inadequate for steel production.

Virginia's annual exports of paper and paperboard to India have increased from \$5.5 million to \$39.2 million which represents an increase of approximately 600% from 2008-2010. Slightly more than 85% of these exports were newsprint rolls and sheets. Vehicles (not including railway) increased more than 90.0% year over year while woodpulp and plastic increased 31.0% and 51.7% respectively. Not shown in the graph below, organic chemicals increased nearly 575% year over year to a total value of \$4.4 million. Ceramic products, precious stones & metals, aircraft/spacecraft parts, goods made of wood, and iron & steel products are noteworthy export commodities from Virginia to India. These categories possess at least a \$1 million in export value and a year over year increase of more than 200%. Although fertilizers and preserved foods account for a small amount (< 0.1% each) of total exports to India, the two product categories have a year over year increase of more than 1200%.

The products listed in the graph below account for roughly 87% of the total value of all goods exported from Virginia to India in 2010.

### VIRGINIA'S TOP EXPORTS TO INDIA- 2010



(Source for Text and Graph: World Trade Atlas)



### **VEDP TRADE EVENTS**

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#### **Group Market Visit to India: February 20-24, 2012**

For more information regarding this trade mission, please contact

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**Other Services:** The VEDP offers a number of export-related services to Virginia businesses, including independent market visits and market research by our Global Network of in-country consultants. These services are available to all Virginia exporters. For more information, please visit our website: [www.exportvirginia.org](http://www.exportvirginia.org).

### **ADDITIONAL RESOURCES**

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- U.S.- India Business Council: <http://www.usibc.com>
- Confederation of Indian Industry: <http://www.ciionline.org>
- Embassy of India in the U.S.: <http://www.indianembassy.org>
- Government of India web-portal: <http://india.gov.in/>

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