

January 2023 Edition



ANALYSIS REPORT ON INDIA@2022



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India has welcomed 2022 yet again with lots of hope under the shadows of the third wave of Covid 19. But over time with mass administration of booster doses of vaccine and increasing geopolitical drama have set the momentum for the year ahead. India has bagged many feathers across the fields like Infrastructure, Industries, Defence, Space, Transport, Sport and Energy Security to make a sustainable path of development for future growth prospects.

The year had started with glorifying the Indian Freedom Fighters and a tribute to India's martyr soldiers through a year-long celebration of "Azadi ka Amrit Mahotsav" and the merging of Amar Jawan Jyoti at India Gate, with the eternal flame of India's National War Memorial, New Delhi in the 75th year of India's independence. India felt proud once again when Arif Khan, an Indian Alpine Skier bore the flag of the Winter Olympics, 2022 in the opening ceremony.

Some progressive policy interventions like the rollout of the Agnipath scheme for Defense recruitment and implementation of international trade settlement through Indian Rupees had brought new hopes for India's security and economic prosperity. India's clear stand at the United Nations Security Council (UNSC) on China's cross-border activities, the Russia-Ukraine Conflict, and the rationalizing of the oil purchases from Russia at the global platforms have also become the highlights of India's diplomatic presence last year.

India showing up the strength to lead in the 21st century and trying to play a balancing role while making the road to becoming a US\$ 5 trillion economy by 2025. This year the country made many strategic decisions that have drawn attention to India's priorities amid global concerns. Apart from increasing India's export share and significantly limiting India's oil import, to securing India's international borders from the enemies in a non-violent way, from badging top performances in commonwealth games, to warm welcome to leopards on Indian land, including India's revised Nationally Determined Contributions (NDCs) for Climate Change mitigation has colored the beautiful rainbow of 2022 memories for India while gladly waiting for 2023.



2022 has marked India's first G20 presidency and given the country a chance to set the global agenda on its priorities in line with the global interest. After taking the lead of the world's largest economy group, G20, India is also heading to chair the Global Partnership on Artificial Intelligence (GPAI) and highlighting the power of AI for a sustainable future for humankind in the 21st century.

The major highlights of India's diplomacy amid the ongoing geopolitical scenario were as under:



India is playing a balancing lead in the volatile global geopolitics and rising tension between US and Russia. India has also proved its old true friendship with Russia and settled the geopolitical equation in Asia to counter China with the move at the same time putting the economic interest of its citizens above all.

In the war conflict zone, India has tried to resolve the tension among allies while making safe passage for Indian students and helping nations to address their food security needs. India most of the time abstained from UNSC resolutions during the Russia- Ukraine war and advocated for peaceful dialogue among the parties. India also backed its decision to purchase oil from Russia at discounted rates against heavy sanctions on Russia by the west to prioritize its economic interest.

Amid the continuous rising tension on China India border and rising covid 19 cases in China, India also played a pivotal role to lead China plus One policy and setting its strategic role in the global supply chain as a globally trusted partner. The Free Trade Agreement with Australia has also opened new opportunities for trade and commerce between the countries and is expected to double the trade commerce in the coming five years.



Thus, in 2022 India has played a strategically important role in global geopolitics and is ready to set the global agenda that can benefit India's economic interest and regional peace conducive to its growth trajectory with its trusted allies and global trade partners in the years ahead.

The Indian economy has stood strong and survived three consecutive waves of the deadly Covid 19 pandemic till 2022 with the real Gross Domestic Product (GDP) growth at 8.7 in 2021-22. The global economic slowdown, rising inflation and mass layoffs by IT giants have loomed the economic prosperity around the globe but still, India is expecting to show US\$ 447.44 billion GDP growth at current prices in the first quarter of 2022-23.

The Indian economy has shown resilience and addressed the economic challenges of the largest developing economy of the world in the best way possible in 2022 while keeping momentum steady in 2023. India became the 5th largest economy in terms of size by surpassing the United Kingdom in its 75th year of independence in 2022 was a proud moment for every citizen.

The World Bank has ratified the fact that the Indian economy has shown resilience to the external environment while facing several ongoing challenges in 2022 in its flagship publication "Navigating the Storm" the latest edition of India Development Update. As per the World Bank projections, India will undoubtedly show slower growth in Fiscal Year (FY) 2022-23 when compared to FY 2021-22 but it still holds its position as the fastest-growing economy in the world with high GDP growth.

Key projection of Economic Indicator

Indicator (percentage)	FY21/22	FY22/23	FY23/24
Real GDP Growth, at constant market prices	8.7	6.9	6.6
Private Consumption	7.9	9.4	6.7
Government Consumption	2.6	4.1	5.1
Gross Fixed Capital Formation	15.8	9.5	8.2
Exports, Goods and Services	24.3	10.4	9.0
Imports, Goods and Services	35.5	15.4	10.2
Real GDP Growth, at constant factor prices	8.1	6.6	6.4
Agriculture	3.0	3.4	3.6
Industry	10.3	5.0	5.8
Services	8.4	8.4	7.6
Source: National Statistics Office and World Bank forecasts for FY22/23 and FY23/24			

Source: <https://www.worldbank.org/en/news/press-release/2022/12/05/india-better-positioned-to-navigate-global-headwinds-than-other-major-emerging-economies-new-world-bank-report#:~:text=The%20World%20Bank%20has%20revised,the%202022%2D23%20financial%20year.>

The Government of India's vision to make India atmanirbhar across the sectors along with the development of an innovative ecosystem through startups is working in its favor when the world is waiting for the biggest recession of the times after the massive layoffs by IT giants like Meta, Amazon, etc.

The stability of the Indian Rupee in the international market after a long and the timely address of the widening current account deficit by leveraging the power of its domestic market was also the highlight of the year. The policy interventions to minimize the imports across the sectors, especially the energy sector through rapidly shifting to renewable sources like solar, hydrogen, etc. The service sector once again attracted the highest Foreign Direct Investment (FDI) last year and served many global collaborations.

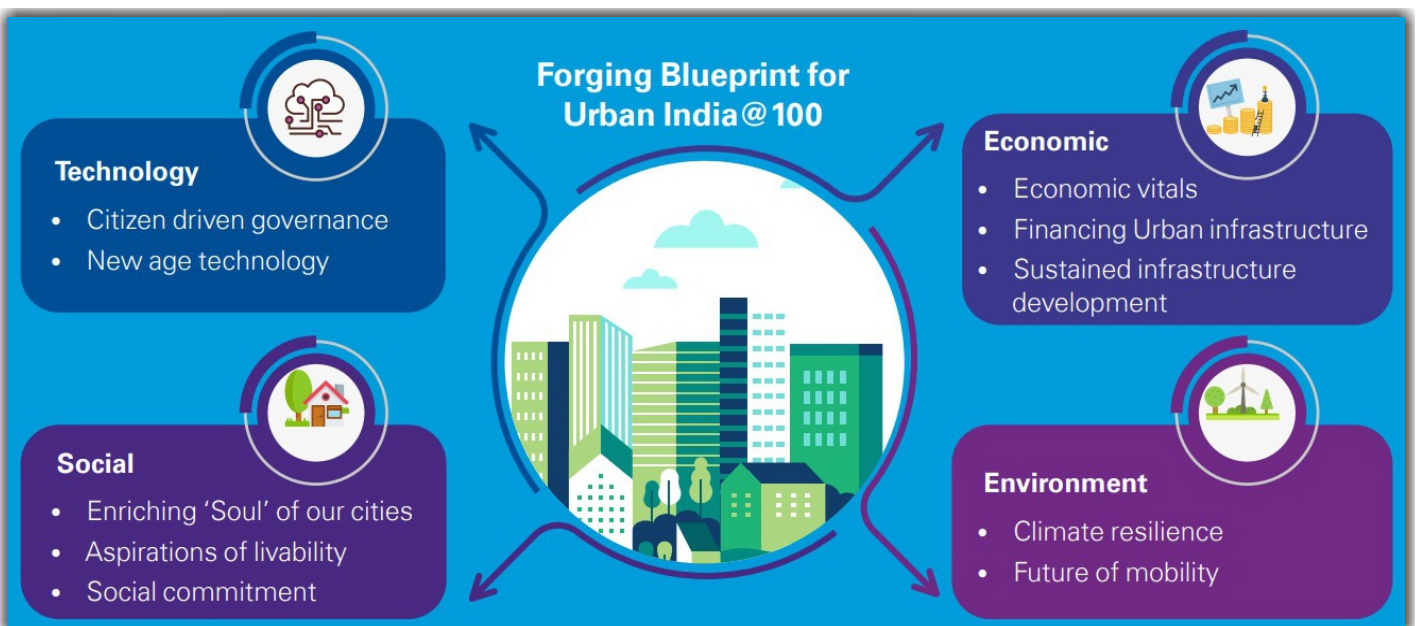
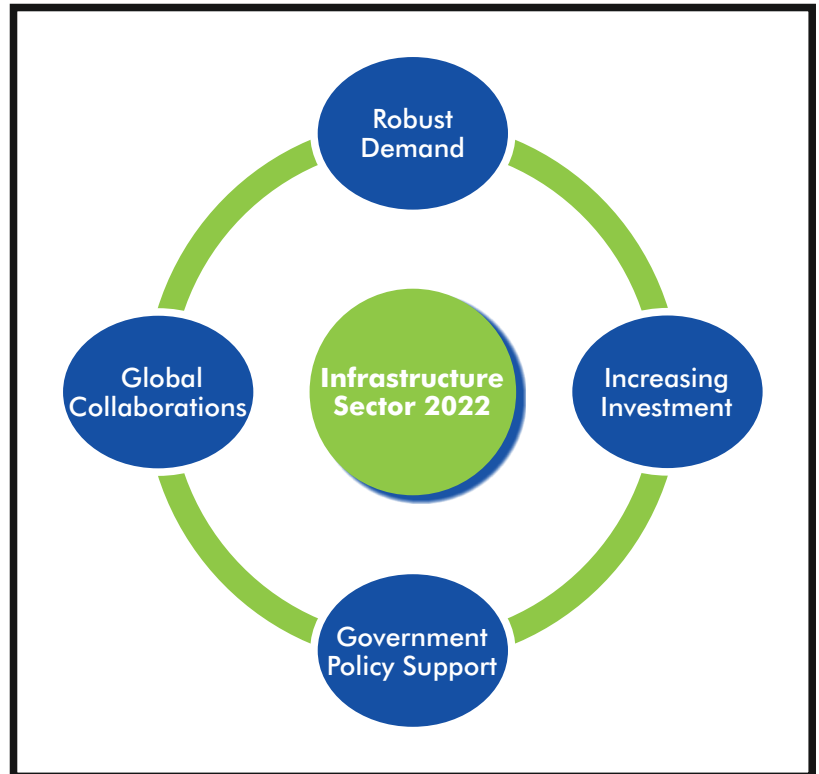
India's macroeconomic fundamentals are keeping it rock solid irrespective of external shocks. No doubt, the slow global economic growth and RBI's tight monetary policy have raised inflation and thus high commodity prices are increasing the burden of the urban poor and middle class. But still, allowing international trade settlement in Indian Rupees and oil purchases from Russia at discounted prices has eased this burden up to some extent in the interest of economic growth.



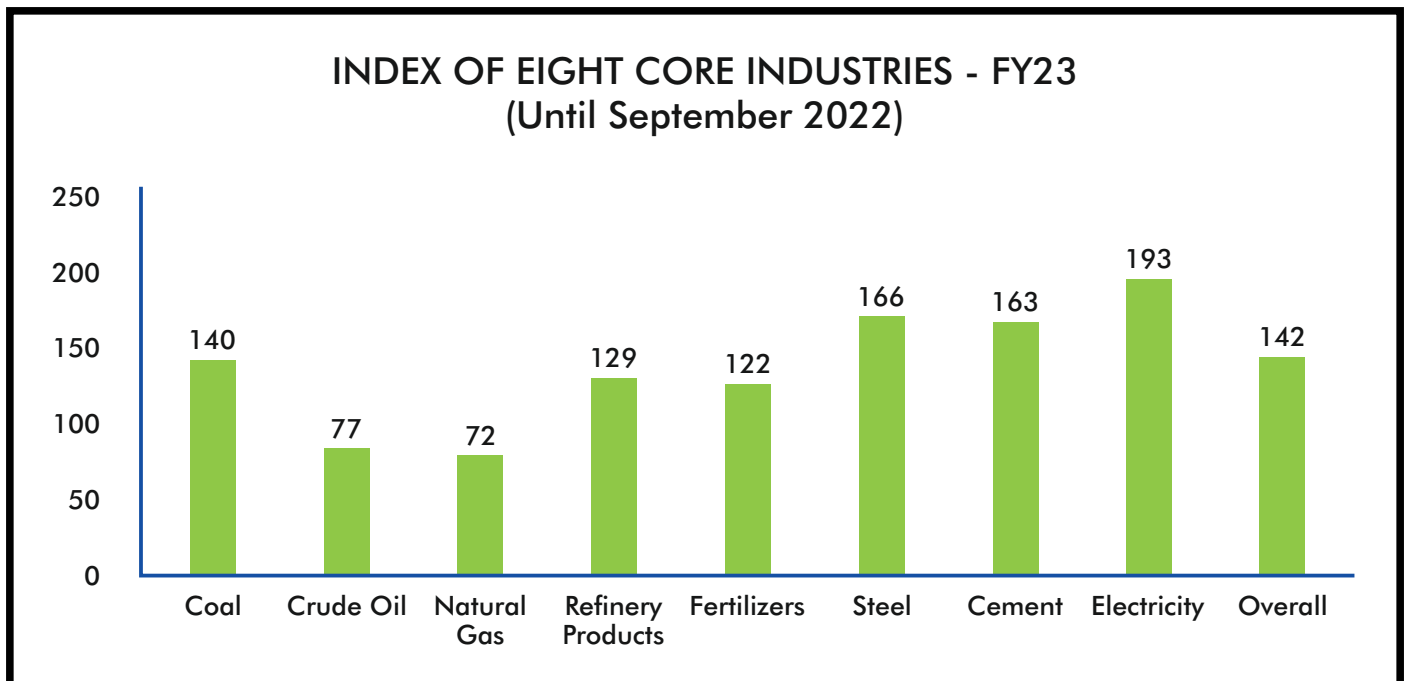
Infrastructure is the strongest pillar of an economy and thus deriving India's growth trajectory also. It is fuelling the growth of India's overall development at par with global standards with sustainable solutions. The infrastructure sector includes roads, railways, power, cement, urban development, etc, and impacts each sector of the economy. Last year has seen an increase of 5.4% year-on-year growth in the infrastructure output of India which nearly accounts for 40% of the country's total industrial output.

In 2022, India's infrastructure development has seen a massive upgrade after the launch of PM Gati Shakti Master Plan in October 2021 due to the presence of the following markers:

The government's inclination towards the timely completion of infrastructure projects worked as a catalyst for the economic growth and facilitation of industrial development in the country. The sector is the driving force to realize the vision of a US\$ 5 trillion economy by 2025 in which the National Infrastructure Pipeline, PM Gati Shakti Master Plan, 'Make in India' and 'Atmanirbhar Bharat' initiatives are playing their multi facet roles.



The government development framework for sustainable infrastructure growth has attracted major investment in the areas like housing, water, sanitation, digital infrastructure, urban transportation demands, etc along with the conventional fund allocation to transportation, electricity, etc in 2022.



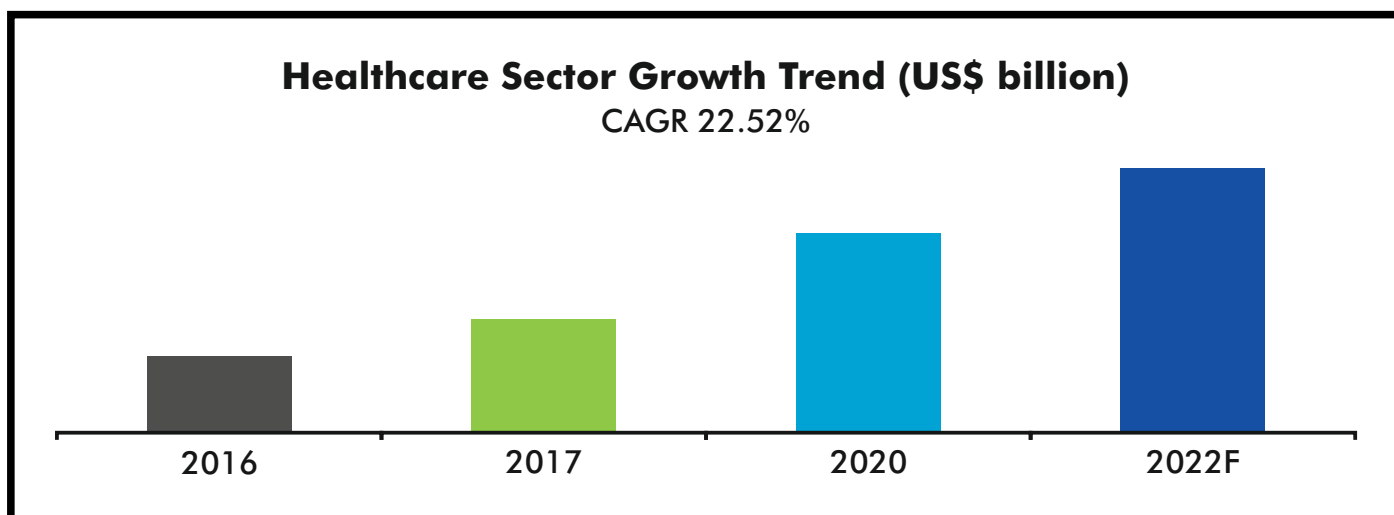
Source: <https://www.ibef.org/industry/infrastructure-sector-india>

The Union Budget 2022-23 has made a dedicated provision of around US\$ 130 billion to provide holistic development that includes road development, housing development, Gati Shakti Cargo Terminals for Multi-modal Connectivity enhancement in Indian Railways, connectivity of economic zones through roads, railways, and aviation under PM Gati Shakti plan, etc including telecom infrastructure upgrade through fiberoptic and augmentation of 5G technology.



The change in policy intervention in 2022 including the government's plan to invest US\$ 1.4 trillion in infrastructure upgrades between 2019-23 has paved the way for sustainable infrastructure development across India in 2022 to enhance the quality of life and rapid industrial growth. The policy initiatives in the sector were focused on India's demographic dividend and environmental concerns to record sustainable growth in the coming years.

The Covid 19 pandemic has brought a fresh focus on the healthcare industry across the globe and the scenario was the same in India with a lot more challenges with a large drive to administer booster shots to further ease the burden on India's primary healthcare system. In 2022, India has seen a rise in public expenditure on healthcare which accounts for 2.1% of India's GDP in FY 2021-22 against the 1.8% allocation in the previous year.




Source: <https://www.ibef.org/industry/healthcare-india/infographic>

In FY 2022, the Indian healthcare industry has expected to cross the mark of US\$ 350 billion. The last year has seen tremendous growth in health insurance premiums accounting for more than US\$ 9 billion which proved that health has taken a priority seat for Indians. The Government of India has also extended its e-medical visa facility to 156 countries last year to promote the medical tourism industry in India.

India's ancient knowledge of science and medical expertise especially in the areas of yoga, Ayurveda and Naturopathy including other modern medical procedures regained its momentum in 2022 and has seen a rise in medical and wellness tourism. After the global movement restrictions of two years, the industry served around 2 million patients last year and generated more than US\$ 4 billion worth of foreign reserves in India's kitty.

ANNOUNCEMENT

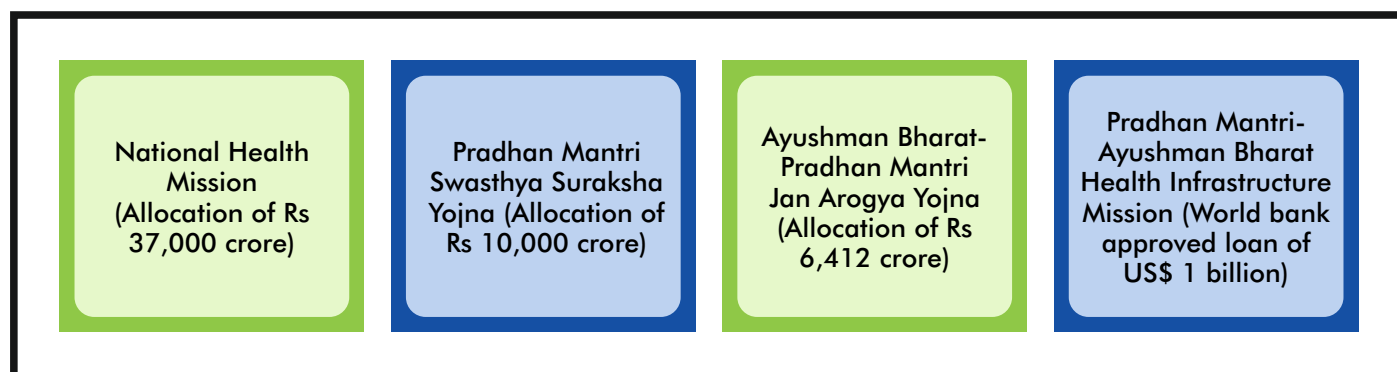
- ✓ Bharat Biotech has received approval from Drugs Controller General of India to conduct phase-3 trials of its intranasal SARS-CoV-2 vaccine, BBV154.
- ✓ The trials will evaluate BBV154 intranasal vaccine for both the 2-dose primary schedule and booster dose schedule.
- ✓ Intranasal vaccines are easier to administer in mass immunization campaigns and help reduce / stop transmission.



BHARAT
BIOTECH

Lead Innovation

The year has seen a benchmark growth in India's e-health market size with more than 8 crore teleconsultations on the government's free telemedicine service, eSanjeevani. The market is expected to become worth more than US\$ 10 billion by 2025 and support a wider acceptance of telemedicine over physical consultation. Along with this some of the major schemes to support and grow Indian healthcare to touch new avenues were as under:



The Ayushman Bharat Mission, increasing healthcare facilities with new fully functional AIIMS across the length and breadth of the country, standardization of treatment procedures for 51 common illnesses by ICMR, fixing of 84 drug formulations in retail counters by the National Pharmaceutical Company and phase 3 trials of India's first intranasal Covid 19 vaccine by Bharat Biotech has set the future of Indian healthcare industry for the well-being of Indian masses.

Thus, last year India set the stage for a renewed healthcare system that will work outside the four walls of the conventional healthcare system and physical consultations only. It has brought a sense of responsibility among healthcare practitioners and providers to adapt to technology and the growing demand for healthcare products as well as services along with medical expertise. The further innovation and use of AI-powered digital technology in the Indian healthcare system will unfold the future progression in the coming decades which was initiated in 2022 in the new normal post-Covid world.

5 Essentials for a Better Healthcare Infrastructure in India



2022 was a memorable year for Indian sports after its historic performance in Tokyo Olympics in 2021. The year has also seen the tourism industry regain its conventional business projection including staycation and adventure tourism showing an emerging trend with the rising work-from-home culture around the globe.

The year was full of sports adventures for the fans with the Indian Premier League, T20 World Cup, Commonwealth Games and Winter Olympics that set the stage with anxiety, happiness and hope of super fine performances by Indian sportsmen on global sports events. The golden boy Neeraj Chopra's gold in Diamond League after the historic performance in the Tokyo Olympic 2021 Javelin throw has motivated the Indian youths to share their interest beyond cricket.

The Commonwealth Games were also a major highlight for Indian sports in 2022, with India's best-ever performance on the event and added feathers of success with 22 gold medals in galore despite the absence of India's golden boy in the event. The Indian Women's Hockey team has given the 'Chak de India' moment to its fan with a historic win at FIH Women's Nations Cup 2022 against Spain was also marvelous.

While inspiring the Indian youth with these extraordinary performances, Indian tourism has also seen a rise in travel due to the government schemes which promote India as a culturally rich historical place. The Draft National Tourism Policy, National Strategy for Eco Tourism, YUVA Tourism Club along with ongoing schemes of the Ministry of Tourism like Swadesh Darshan, PRASAD, Dekho Apna Desh, etc have helped the industry to bounce back after the shock of Covid 19 pandemic due to blanket ban on travel and tourism.

The Ministry of Tourism has received Rs 24,000 crore budget allocation under Union Budget 2022-23, an 18.42% increase in the allocation from FY 2021-22. The ministry has sanctioned 76 projects worth more than Rs 5300 crore under the Swadesh Darshan scheme to develop tourism infrastructure in the country.

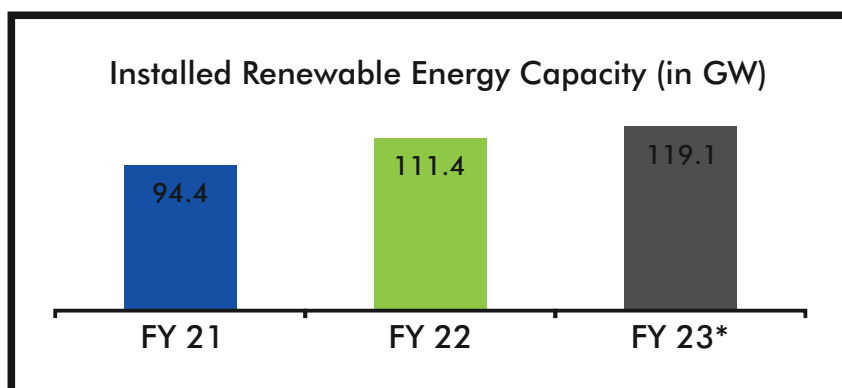
The development of circuit-based tourism destinations has also taken priority last year and shown a positive trend in attracting foreign tourists in August 2022 with a growth rate of around 437%. The FDI received by the sector between April- June 2022 was more than US\$ 16 billion and thus showed a flow of investment toward the Indian Tourism and hospitality sector with the hope of growth in the years to come.



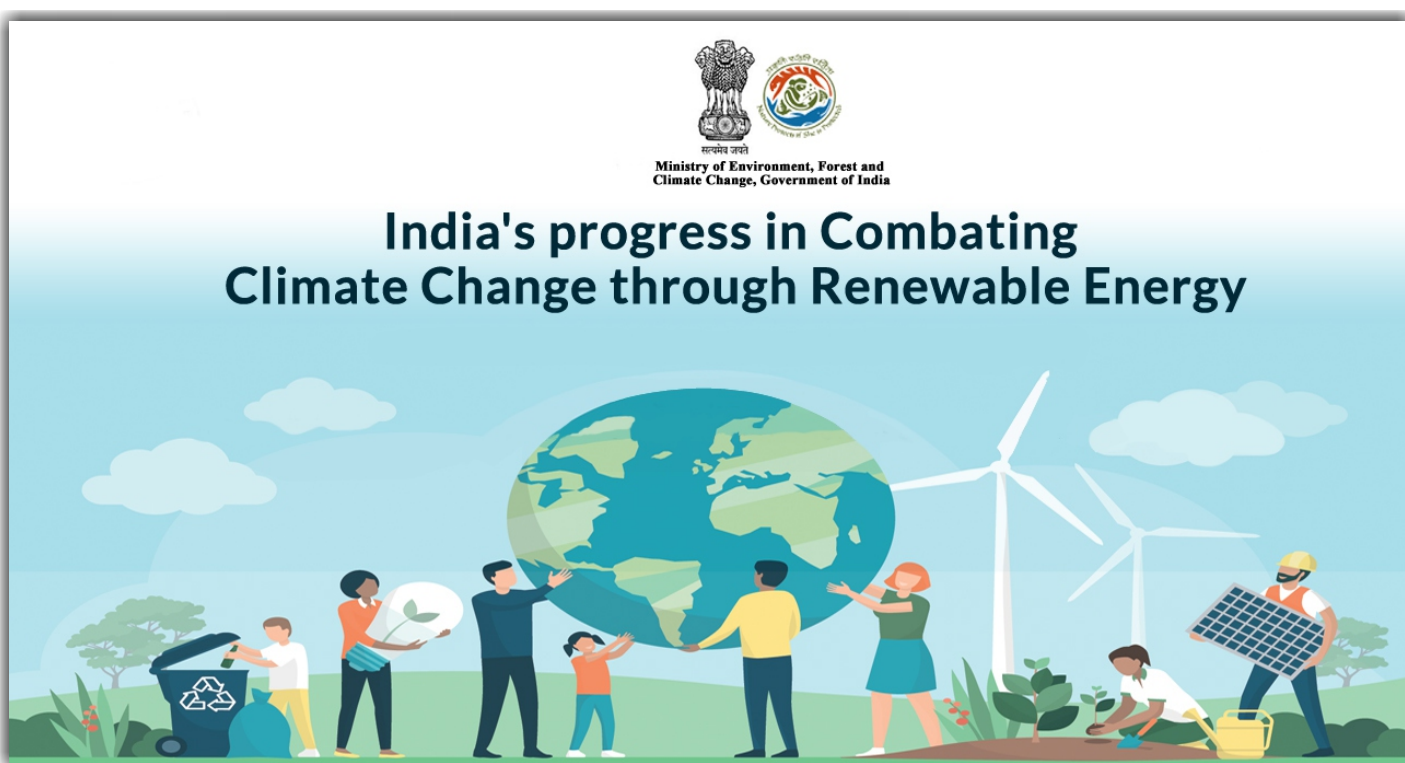
India with a large population and rapid industrialization has seen a surge in deteriorating climatic conditions and massive pollution in the air, water, soil, etc. Over time, with the rising income levels, India came to the forefront of greenhouse gas emissions in the world and that impacted its human health conditions, biodiversity, natural environment and ecology significantly. The scorching heat and chilly harsh winters in 2022 have shown the real impact of the climate change scenario on India's climate.

October 2022 has seen a surge in air pollution in the country, especially in the Delhi-NCR region despite the firecracker ban. The rapid use of fossil fuel-powered vehicles over electric mobility options and dependence on coal for electricity generation is the main reasons why India is losing its fabulous fight against climate change.

India's energy demands are rising every day and the government is trying its best to meet this additional demand through renewable energy sources. In 2022, India missed to achieve its 175 GW renewable energy target but still expanded the capacity with an unparalleled speed to achieve the target of 500 GW renewable energy capacity by 2030.



Source: <https://www.ibef.org/industry/renewable-energy/infographic>



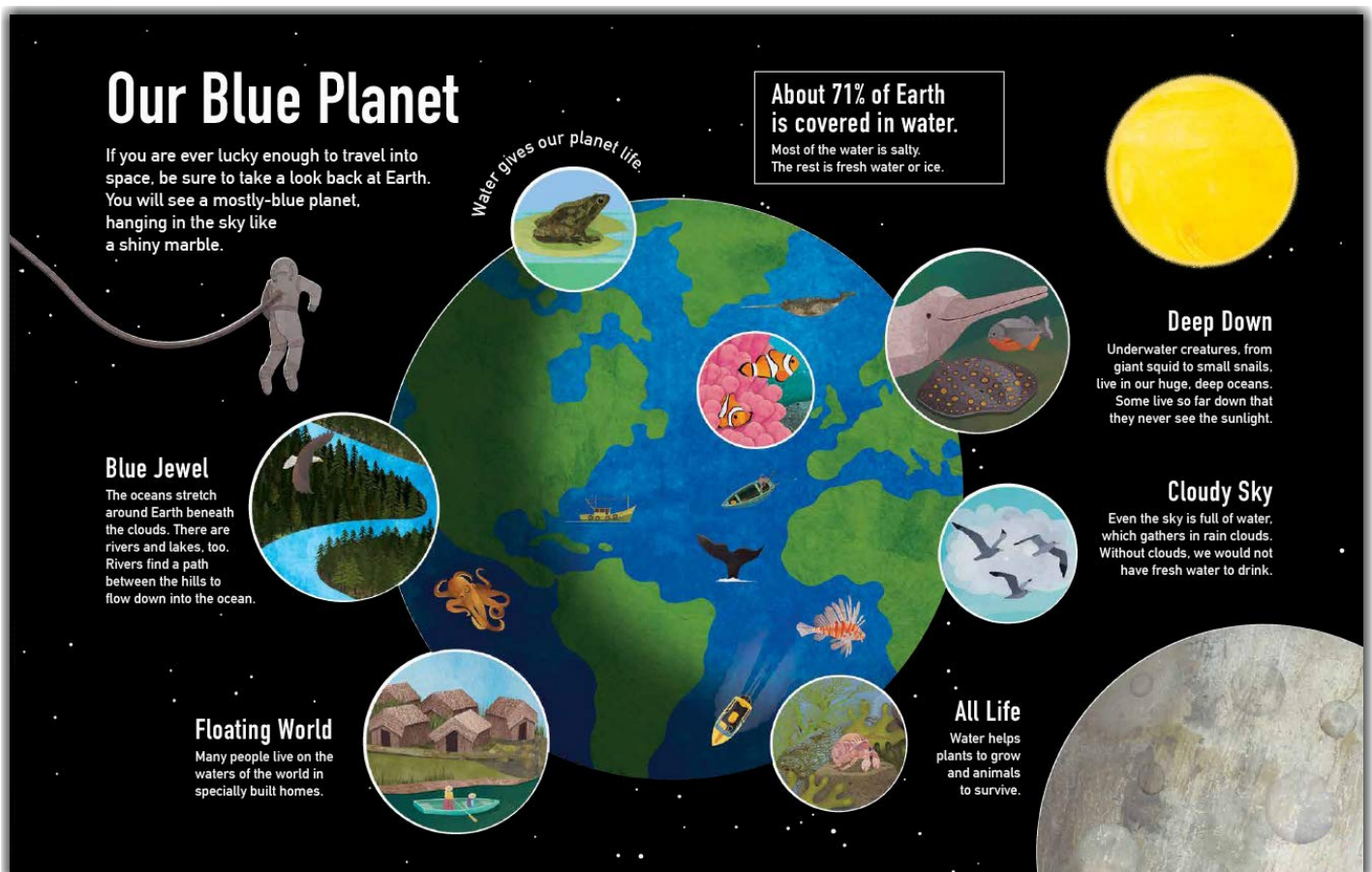
August 2022 has also witnessed the submission of India's updated NDC targets to mitigate the climate change scenario and increase the share of renewable sources in electricity generation. The three major highlights of India's updated NDC are:

Achieve the Emission Intensity Target of 45% below 2005 levels by 2030

Achieve 50% Total Electric Power Installed Capacity from Non-fossil Fuel Based Energy Sources by 2030

Creation of a Carbon Sink of 2.5 to 3 GtCO₂ equivalent through Additional Forest and Tree Cover by 2030

The government's push towards rapid adoption of electric vehicles by the Indian masses through schemes like Faster Adoption and Manufacturing of Electric Vehicles (FAME) and draft battery swapping policy rollout in 2022 has paved the way for a green and clean India. The year has seen a transformational shift in government policy through the 'LiFE' – Lifestyle for Environment movement to decouple the economic growth of the country from greenhouse gas emissions. The move will push India towards a circular economy for the well-being of the Indian masses and the better health of our beautiful blue planet 'Earth'.



India home to millions of people and the largest domestic and international market has a basket full of opportunities. 2022 has seen a policy shift towards a sustainable future to tap these enormous opportunities to realize the vision of a new India during the “Azadi ka Amrit Kaal” i.e. in the next 25 years.

With a holistic growth framework for stable economic performance, India has put its best foot forward toward the goal of becoming a developed nation by 2047. The integrated approach of development and the right mix of technology with people participation is enhancing the outcomes of each step while addressing the several challenges of a large democracy like India.

2022 has set the stage for India to play a key role and define its position on global platforms. The year 2023 will unfold India's unseen presence in regional as well as global geopolitics. It will prove to be a defining year further with the same momentum, growth and vision for more stable performance on macroeconomic indicators. The stability of the Indian currency in the international market, world-class healthcare and tourism industry, digital services powered by 5G technology, global vehicle and road safety measures, increased energy generation capacity from renewable sources along with large capital investment for a long term growth expectation will make brighter future of India in years to come.



GOALS OF AMRIT KAAL
INDIA AT 75 TO INDIA AT 100

UNION BUDGET 2022-23

- Focus on growth and all inclusive welfare
- Promoting technology enabled development, energy transition and climate action
- Virtuous cycle starting from private investment, crowded in by public capital investment

FOUR PRIORITIES

01 PM GatiShakti	04 Productivity Enhancement and Investment, Sunrise Opportunities, Energy Transition and Climate Action
02 Inclusive Development	
03 Financing of Investments	



Amrit Kaal: Vision 2047
25-year roadmap for India@100

Economy
2nd largest at USD 32 Tn

Per capita income
To grow 10x to USD 20,000

GDP
Manufacturing GDP to grow 15x to USD 6.2 Tn;
Services GDP to grow 13x to USD 20 Tn

FDI
To grow 12x to USD 1Tn

Exports
To grow 12x to USD 8 Tn

Human capital
Largest and youngest working population with a median age of 29

1. <https://www.india.gov.in/topics/foreign-affairs>
2. <https://pib.gov.in/FactsheetDetails.aspx?Id=148780>
3. <https://unfccc.int/sites/default/files/NDC/202208/India%20Updated%20First%20Nationally%20Determined%20Contrib.pdf>
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9. <https://www.worldbank.org/en/news/press-release/2022/12/05/india-better-positioned-to-navigate-global-headwinds-than-other-major-emerging-economies-new-world-bank-report>
10. <https://pib.gov.in/PressReleasePage.aspx?PRID=1885354>
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17. <https://www.ayush.gov.in/>
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20. <https://pib.gov.in/PressReleasePage.aspx?PRID=1881185>
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26. https://www.niti.gov.in/sites/default/files/2022-04/20220420_Battery_Swapping_Policy_Draft.pdf
27. <https://climateactiontracker.org/countries/india/>
28. <https://www.quantumrun.com/country-predictions/india/2023>

We expand your Horizon



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