

# Why are investors looking at India as a lucrative market?

India is currently one of the most alluring emerging markets as far as investment is concerned. Our country has shown significant developments in terms of key macro-parameters. The rebound in GDP for FY22 has been remarkable, making it one of the fastest-growing countries globally. The Indian economy made a rapid stride in FY22 by climbing 8.7% YoY — the highest in a decade. Going forward, an increase in private consumption is likely to boost GDP. Broadly, so far in 2023, markets have performed volatile. That is because the Indian market is at a premium compared to developed and emerging peers. The government of India aims to achieve a GDP of \$5 trillion by FY 2025, which opens up numerous opportunities for investment across sectors.

Whether it is prioritising macroeconomic stability by establishing a framework to combat inflation, doing GST reforms, creating a common market, opening new sectors, privatisation, or infrastructure development, India has effectively overcome the current challenges with a strong political will. India is diverse, with a rich cultural heritage and a booming economy. Investing in India can be smart for those who want to diversify their portfolio and gain exposure to a dynamic and vibrant economy. Why exactly is India a booming garden of opportunities for probable investors?

- India has fastest growth rate in top 10 economies of the world, currently at number 5, which is expected to secure the third position in the upcoming six years.
- With this kind of growth rate a lot of new money is created and divided on new companies who are just coming to India
- Practically world's largest companies were established in USA and the same development is happening now in India.
- World's largest future corporation which will be most influential in next 20-30 years are born and growing right now in India.
- Investing in India can provide diversification benefits to your portfolio. India is not only a fast-growing economy but also a market that is relatively uncorrelated with

other major economies. Investing in India can reduce the overall risk of your portfolio.

- Attractive valuations: Despite its strong economic growth, India still offers attractive valuations compared to other emerging markets. This presents an opportunity for investors to enter the market at a reasonable price.
- The world's leading corporations are looking for investment opportunities in the Indian market. India's domestic market is also appealing, and there have been portfolio flows and reasonable inflows in recent months. Overall, India remains a very appealing destination for direct and portfolio investment, with investors appreciating the macroeconomic stability that this government has been willing to impose even in difficult circumstances. Global investors are interested in India due to its apparent stability in inflation, fiscal deficit, and growth.
- There is no denying that infrastructure is the foundation of the development arch. India has made tremendous progress in infrastructure development. Finance Minister Nirmala Sitharaman has proposed the National Infrastructure Pipeline to attract infrastructure investment. It is critical to reaching the goal of a \$5 trillion economy by 2025. India has one of the world's lowest manufacturing costs and scalability. According to a BCG report, India ranks second among world countries in terms of lowest manufacturing costs.
- India has one of the world's youngest populations, with more than half of the population under the age of 25 and more than 65% under the age of 35. This provides a consistent supply of labour at a low cost. India's skilled and semi-skilled workforce is a valuable human resource. Labour is cheap, which lowers production costs and increases competitiveness.
- The country's purchasing power is enormous. These elements will undoubtedly entice any investor. No multinational can overlook the fact that key manufacturing sites and key suppliers are easily accessible from Indian manufacturing hubs. As a result, the development cost is significantly reduced. India is rapidly implementing business reforms. Recent reforms have included changes to FDI policy, the implementation of the Goods and Services Tax (GST), and other business-related reforms that have improved the Ease of Doing Business.

- With appealing industrial policies, programmes such as Skill India and Digital India provides a favourable investment climate for manufacturing firms.

In all, the environment in India is ripe for impact-focused investments from socially impactful global companies with large target markets.