

Quarter 2 | July 2023

 **INDIA**

OUTBOUND

ON-THE-ROAD





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Foreword

Richa Mahajan
Executive Director

T&A
we go beyond



As nations battle the impacts of the inflationary pressure, volatile energy and commodity prices and geopolitical tensions, that waned our optimism post the COVID-induced slowdown, there is a bright spot. Companies showed resilience and moved towards sustainable and greenfield options while investing cross-border, looking at long-term returns. Kearney's 2023 FDI Confidence Index reveals this cautious hope by investors; about 83% of responders of the survey consider FDI as increasingly important for their corporate profitability and competitiveness in the next three years. This is a welcome sign.

The focus is now to reconfigure to a new reality, where greenfield investments lead in the sectors of clean energy, finance, technology and artificial intelligence, besides supporting overseas skill development and employability. Such strategic and forward-looking moves foster a promising prospect for FDI globally.

Changing market dynamics provided unique opportunity for India as a global investor, with diversification across sectors. The polycrisis, however, had its effect on overseas foreign direct investment from India too – which fell from USD 2,449 million in April to USD 973 million in June 2023. In Q2 of 2023 (April-June), the value of total ODI stood at USD 4,716 million, of which more than half of the investments happened in April alone.

These figures are not be-all and end-all. The patterns in which Indian companies invested reveal a bigger and a better picture- RBI's data on overseas investment shows that there has been an increase in the investments in wholly owned subsidiaries (WoS) over joint ventures and other mergers. This entails geographical expansion by medium-scale and large-scale companies. Besides, the investment and export promotion policies such as the announcement

of Foreign Trade Policy (FTP) 2023 and bilateral treaties with United Kingdom, Australia, the United States of America, the European Union, and Mauritius in the past three months show an outward orientation of the government.

India also has a great future in emerging markets, especially those in the African subcontinent. In national and international platforms, India has spoken in favor of bolstering its existing relationship with Africa; and preferential access because of the African Continental Free Trade Area (AfCFTA) gives a unique opportunity for Indian participation in regional value chains, unlocking immense growth potential.

Several countries such as Senegal and Ivory Coast in the west of Africa, Tanzania and Kenya to the east are expected to register high real GDP growth rates. There is increased investor attention towards financial services, telecommunications, mining in these countries.

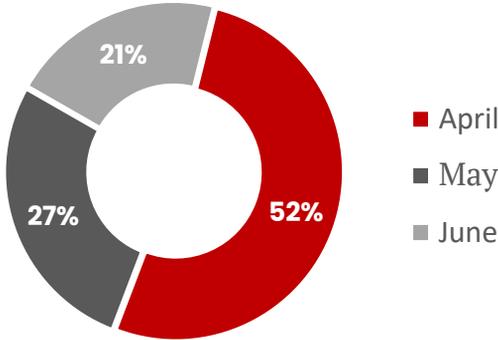
In this uncertain global politico-economic period, there is both need and a chance for companies to devise their FDI strategies that are forward-looking – to bring innovation & technology, to facilitate knowledge transfer, create quality jobs and also fill a gap in the value chain of the region they are investing.

Profitability and diversification plan at the core of investment. The new way ahead has a strong steer of sustainability on all facets of investments including “green” production process, reduction of carbon footprint in distribution, recyclability by embracing circular economy, advanced materials for light weighting, and finally new products which appeal to the environmentally conscious and discerning consumer.

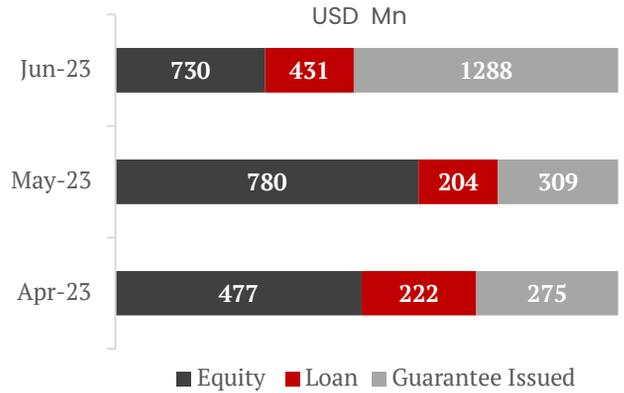
Quick View of Q2 2023

Total Volume of Outbound Investments from India : **USD 4,716 Million**

Month wise breakup of total outbound investments in Q2



Investment Breakup



In Q2 Top 5 companies accounted for **34%** of the total investments

1



USD 930 Mn

Energy



UAE

2



USD 236 Mn

Pharma



Singapore

3



USD 195 Mn

Manufacturing



Singapore

4



USD 148 Mn

Technology



Singapore

5



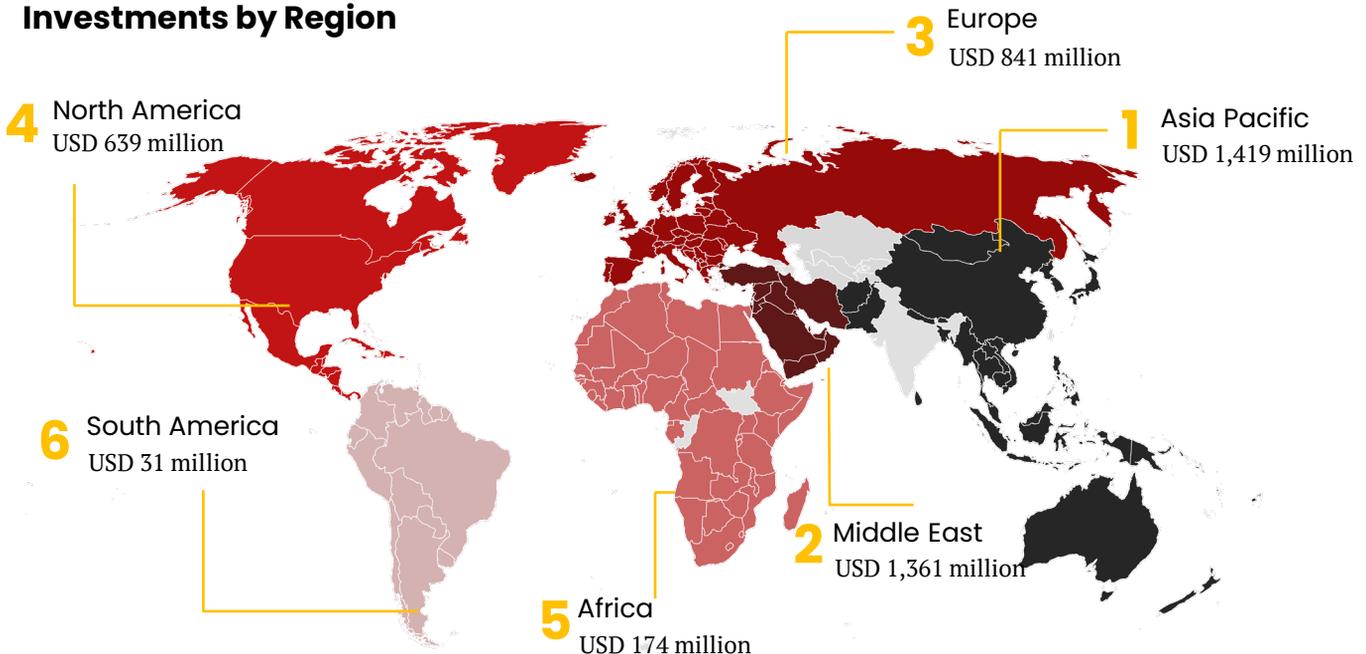
USD 113 Mn

Pharma



Switzerland

Investments by Region



Indian Investments Overseas

The table provides information about the FDI investment values of various countries in the second quarter of 2023 as compared to the same period in the previous year.

(USD Million)



Rank	Country (Rank)	Q2 23	Q2 22	%
1	UAE (+1↑)	1,323	1,059	25%
2	Singapore (-1↓)	1,185	1,841	-36%
3	USA (=)	394	718	-45%
4	Netherlands (=)	322	378	-15%
5	Cayman Islands (+7↑)	233	28	723%
6	Switzerland (+32↑)	209	5	3,762%
7	UK (-1↓)	182	239	-24%
8	Channel Islands (-)	110	0	NA
9	Mauritius (+1↑)	89	99	-10%
10	Thailand (+32↑)	51	3	1,354%

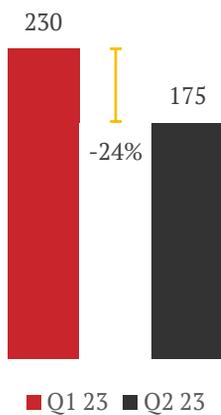
A surge in outbound investments from India to Switzerland has been observed. This significant rise can be largely attributed to five key investments, accounting for 95% of the total investments directed towards Switzerland. Notably, three out of these top five investments have been made in the pharmaceutical sector. As Indian companies, like Glenmark, continue to invest in their subsidiaries and R&D centers in Switzerland, they gain a competitive advantage in accessing cutting-edge research and technological advancements.

Company	Type	Sector	USD Mn	Canton
glenmark	WOS	Pharma	116	Neuchâtel
SENTISS	WOS	Pharma	38	Zurich
nbc	WOS	Precision Engineering	22	Zug
Dishman Carbogen Amcis	WOS	Pharma	12	Luzern
HCC infrastructure	JV	Engineering & Construction	9	Zurich

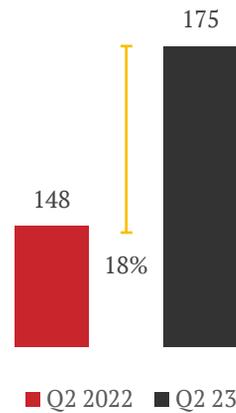
India – Africa Corridor

Total Outbound Investments from India to Africa in Q2 2023: **USD 175 Million.**

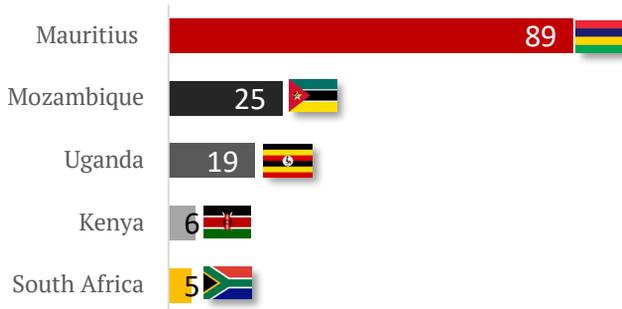
Quarter on Quarter growth % of total OFDI from India (USD Mn)



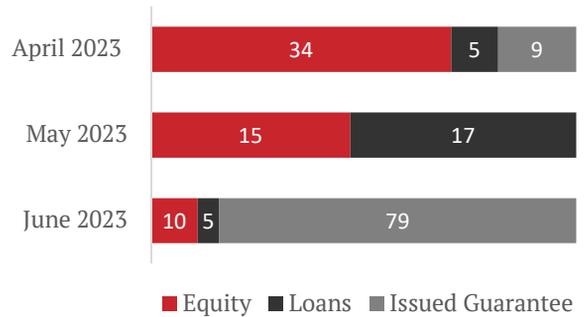
Year on Year growth % of total OFDI from India (USD Mn)



Top 5 African Countries with Most ODI from India (USD Mn)



Investment Breakup (USD Mn)



Top 5 Indian Investments in Africa in Q2 2023



AfCFTA – Indian Investments

The African Continental Free Trade Area (AfCFTA) opened new opportunities of investment for India in Africa. A comprehensive regional integration as its motto, the free trade agreement focused on streamlining FDI into the country to integrate into global value chains and build a resilient economy.

As AfCFTA gains ground, the intra-regional commerce is seen to increase from its current level of around 17% of all trade in Africa to an estimated 52% in five years. Exports from India to Africa are witnessing improvement. They rose by 79% from \$28,536 million in 2018-19 to \$ 51,194 million in 2022-23. With fewer trade restrictions, Indian companies can gain from operating in 230 SEZ's in the African subcontinent.

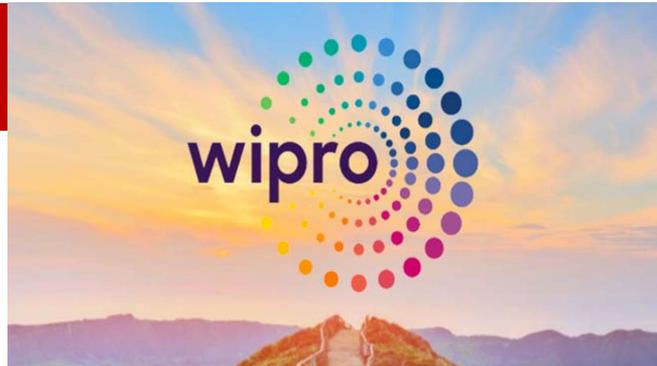
Historically, significant investments were made in various sectors across Africa, including manufacturing, telecommunications, infrastructure, and agriculture. These investments contributed to job creation, technology transfer, and economic growth in African countries. Future for India-Africa partnership lies in renewable energy and transformative green industrialization, food and nutrition security; investments that foster skill development and knowledge sharing across sectors.

Featured Deals

Wipro Expands Presence in South Africa, Inaugurates New Office in Cape Town

Sector: IT and ITES

Wipro, India's leading technology services and consulting company, has expanded its presence in South Africa by opening a new office in Cape Town. The new office is the company's third office in the country, the other two being in Johannesburg and Sandton. With over 20 years of operations in Africa, and the new investment is a sign of the company's continued commitment to the region. Wipro also has operations in Kenya, Uganda, Nigeria, Swaziland, Zambia, and Rwanda.



Rationale: Wipro has chosen to expand its presence in Africa for various reasons.

Firstly, Africa is a rapidly developing market with a growing economy and increasing investment opportunities.

Secondly, the Business Process Outsourcing (BPO) sector in the country is booming and currently more than 70,000 citizens of Cape town are employed in the industry, with the trend that it would increase exponentially. The company aims to tap into the growing opportunities, local talent, and potential in the region, while strengthening its relationships with existing clients and expanding its foothold in the market.

Other Investments

Company Name	Sector	Type	Value	Country
	Fintech	Greenfield	Not disclosed	Australia

Rationale - A first-of-its-kind AI-powered investment advisory service provider Jarvis Invest, which builds and manages equity portfolios for institutions and retail investors, launched Jarvis AI Analytics in Melbourne. The Mumbai-based firm partnered with an Australian firm AI Era to set up this regional headquarters and establish a strong distribution base. The rationale behind investing in Australia is to unlock and tap into the potential of technology, innovation, and investment ecosystem. This investment is expected to create 30 jobs in the next 3 years in Victoria.

	Technology	Acquisition	Not disclosed	USA
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Rationale - VideoVerse, is an AI-powered video editing suite for individual creators and enterprises acquired Reely for an undisclosed amount. Miami based Reely, is an AI based real-time video analysis platform that automates content creation and distribution for sports & esports. This acquisition will help the companies to enhance their capabilities to innovate through AI and cater to the growing audience in the gaming industry.

	Technology	Acquisition	Not disclosed	Malaysia
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Rationale In line with its focus on the South-East Asia region, Bangalore-based software-as-a-service, (SaaS) startup Betterplace has acquired Malaysian talent solutions firm Troppers for an undisclosed amount. Through this acquisition, the workforce management platform seeks to collaborate and provide comprehensive workforce management solutions for enterprises in Malaysia and the Southeast Asian region; along with working to solve problems such as high attrition rates and management costs.

	Media & Entertainment	Acquisition	USD 58.8 Mn	USA
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Rationale - Indian tech-conglomerate TATA's subsidiary TATA Communications acquired New York-based The Switch Enterprises via its Dutch wing. The Switch offers live production and transmission of events to viewers globally. Although Tata has a huge presence in the United States, this acquisition would help it enable them to tap in the existing customer network of the New York company. Through this, TATA also wants to be an edge platform which provides end-to-end managed services for the entertainment industry.



Company Name	Sector	Type	Value	Country
	Technology	Acquisition	Undisclosed	US and Canada

Rationale - In a bid to establish a foothold in the US and Canadian market, Bengaluru-based Urban Piper has acquired the North American business Ordermark for an undisclosed amount. Urban Piper is an SaaS platform provider for restaurants offering services to manage operations, and Ordermark also aids restaurants manage their third-party delivery partners through a single channel. Along with expanding its geographical and customer base, this acquisition would help the Indian firm to enhance its services for restaurants by offering a comprehensive solution.

	Ed-Tech	Acquisition	Undisclosed	Singapore
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Rationale - Unacademy Group's SaaS platform for creators and entrepreneurs, Graphy acquired Singapore-based Scenes, a community management platform that provides creators with a one-stop solution for overseeing, managing, and monetizing their communities. Graphy's aim is to expand its reach, magnify its services, and broaden its creator ecosystem

	Life Science	Greenfield	USD 50 Mn	USA
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Rationale - In its first expansion beyond India, Enzene Biosciences, a global biotech company and subsidiary of Alkem Laboratories, Ltd., shortlisted the state of New Jersey to establish a cutting-edge biopharmaceutical manufacturing plant in the US. It is scheduled to commence operations in June 2024. The company aims to employ 50 individuals initially, with future growth projections reaching 300 employees. This state-of-the-art facility will enable Enzene to bolster its manufacturing capabilities, catering to clients in North America, while optimizing supply chains, reducing turnaround times, facilitating efficient communication, and gaining greater control over the manufacturing process.

	Technology	Acquisition	Undisclosed	USA
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Rationale - Bengaluru-based B2B SaaS startup Capillary Technologies, which serves the engagement and loyalty incentive industry, has acquired TENERITY's Digital Connect Assets for an undisclosed amount. Connecticut-based TENERITY services millions of consumers in 15 countries. The rationale behind the acquisition is to gain the network and business ecosystem in markets like US and Europe. This marks the third acquisition in an interval of two months by Capillary Technologies, which reflects the ongoing trend of Indian companies acquiring overseas companies to leverage the pre-established customer network, strengthen their market share and access to crucial resources. This helps in establishing a global footprint and gain a competitive advantage in international markets.

Investment Promotion Activities

SIAL | Canada

8th - 10th May 2023

T&A Consulting, whilst representing a Canadian economic development agency, attended SIAL – one of the largest food innovation trade shows in North America. The event showcased Canadian agri-food industry. SIAL Canada is the national show to offer a full range of products dedicated to food under one roof. It had all the eminent businesses and stakeholders in Agri-products, retail, catering, and food processing. It provided an opportunity for T&A Consulting to connect, collaborate, and build relationships with the stakeholders within the industry and explore opportunities for collaboration.



Fintech Festival | Mumbai

16th May – 18th May 2023

T&A Consulting, the official representatives of the State of New Jersey's India Centre, participated in India's largest annual fintech event – the Fintech Festival, held in Bengaluru. During the event, the team had the opportunity to interact with the CXOs of Indian fintech companies and industry leaders highlighting the ecosystem of companies operating in the similar segment within the state of New Jersey, including blockchain, AI, lending, and identity verification and the support offered to international firms looking to set up operations within the state.



Collision Canada | Toronto

26-29 June 2023

Collision is a global technology conference that brings together industry leaders, startups, investors, and innovators. The participants include Fortune 500 companies as well as startups. It served as a great platform for **T&A Consulting's** team to network with potential investors and discuss the latest trends in the technology sector, from artificial intelligence and blockchain to cybersecurity. The event offered a platform to highlight potential opportunities for greenfield expansion in one of the provinces in Canada.



Investment Promotion Activities

Dublin Tech Summit | Ireland

31 May - 2 June 2023

The Dublin Tech Summit is a technology event that brings together industry leaders, entrepreneurs, innovators, and technology enthusiasts from around the world. **T&A Consulting** was a part of the summit to collaborate and network with companies/stakeholders which were evaluating expanding to Canada for their North American business.



Select USA | Maryland

1st – 4th May 2023

T&A Consulting participated as the official representative for New Jersey India & Europe Centers in the annual SelectUSA Investment Summit, a prominent event aimed at promoting foreign direct investment (FDI) in the United States. The summit provided an excellent platform to engage with CXOs and discuss their companies' plans for expansion in the US. During the event, T&A Consulting conducted over 40 qualified meetings with companies, showcasing the investment opportunities in New Jersey for greenfield expansion.

TUTTOFOOD | Italy

8th – 11th May 2023

Tuttofood, is a renowned international trade fair for the agri-food industry, serving as a significant event for the global food community. It brings together stakeholders from the entire food and beverage supply value chain, including producers, importers, and other industry representatives worldwide. **T&A Consulting** participated as the official representative for New Jersey Europe Centers and had meetings with a select group of European companies keen on expanding their operations to the United States, with a particular interest in the State of New Jersey.



Investors Roadshow/ Bilateral Meetings

Within India

Mandate	No. of days	Meetings Held	Cites	Sectors
US State EDO	3	10	Mumbai, Pune, Bangalore	Pharma, Cybersecurity, Space Tech, Advance Manufacturing
US State EDO	2	4	Pan India (Virtual)	Technology, Advance Manufacturing, Chemicals
Australian State EDO	-	9	Pan India (Virtual)	Technology and Life Sciences
Canadian State EDO	-	18	Pan India (Virtual)	Life Sciences and Technology

Global

Mandate	No. of days	Meetings Held	Country	Sectors
US State EDO	2	5	London, United Kingdom	Technology, Life Sciences, Manufacturing, Clean Energy, Food & Beverage
European EDO	4	15	Canada (Toronto, Ottawa)	AI, Fintech, Cleantech, Aviation, Biotechnology, Personalized Health, Advanced Manufacturing
Canada State EDO	-	16	UK, Germany, Ireland and Netherlands	Agri-Tech, Mining, Cleantech



Upcoming Investment Promotion Events

SPOTLIGHT EVENT

IME Frankfurt, Germany
14th – 15th September 2023

The Investment Management Exhibition (IME) is an international event dedicated to Foreign Direct Investment (FDI) that aims to bring multiple stakeholders across different countries and sectors together to learn from one another about current challenges and trends in FDI. It is one of the world's most efficient networking platforms for Investment Promotion Agencies (IPAs) that specializes in facilitating investments in countries, regions, or cities as well as promoting them as business locations.



National Ploughing Championship,
Ireland, September 19– 21

Medical Technology Ireland Expo and Conference, Ireland
September 20 - 21

World Argi- Tech Innovation Summit,
United Kingdom, September 26 -27

ASEAN Sustainable Energy Week
Thailand, August 30 - September 01

CPHI Seoul, South Korea
August 30 - September 01

The Battery Show North America, USA
September 12-14

Food Ingredients South America
Brazil, August 08-10

BIOMEDevice Boston, USA
September 20-21



About T&A

T&A has assisted numerous Investment Promotion Agencies (IPAs) from Europe, Asia and North America to develop prospects and project pipelines that have ultimately led to new investments and jobs growth, ranging from start-ups and scale-ups to manufacturing SMEs and larger companies. Through our efforts, for our clients we have secured over 2,500+ jobs and investment of over USD 800 million for our clients across multiple geographies.



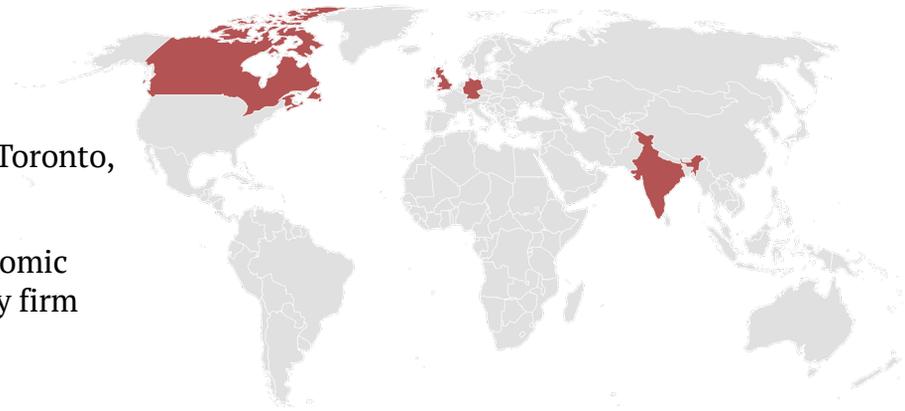
50 + people



4 offices: Gurugram, Toronto, Belfast, Berlin



Fully integrated economic development advisory firm



1

Market Intelligence

2

FDI Lead generation

3

Investment Seminar

4

Investment-led Roadshows

5

Due-Diligence

6

Delegation Visits

Are you looking forward to attract investments in your region?
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