

India

March 2022

Executive Summary

This country fact sheet provides key trade and investment related statistics for India. Specifically, it shows India's trade and investment flows including an analysis of top markets and products with both South Africa and the Western Cape, while highlighting the largest and fastest growing products and sub-sectors. It also analyses tourism trends between the country and South Africa. Key findings and trends are outlined below:

Economy

- The COVID-19 pandemic saw India's economy contracting by 7.3% in the 2021 financial year (1 April 2020 to 31 March 2021) despite well-crafted fiscal and monetary policy support.
- Following the deadly 'second wave,' growth in the 2022 financial year is expected to be nearer to the lower bound of the target range of 7.5 to 12.5 percent – still positioning India among the fastest growing economies in the world.
- The pace of vaccination, which is increasing, will determine economic prospects this year and beyond. The economy is expected to rebound - with a strong base effect materializing in the 2022 financial year - and growth is expected to stabilize at around 7% thereafter.

Trade

- In 2020, India's goods exports decreased by 14.78% y-o-y from USD323.25bn recorded in 2019 to USD275.49bn. In parallel, associated import costs decreased by 23.16% y-o-y from USD478.88bn in 2019 to USD367.98bn in 2020.
- Petroleum oils (excluding crude) dominated the country's goods export basket, accounting for 9.50% of total exports at a value of USD26.17bn in 2020. Petroleum oil (crude) dominated the import basket with a total import value of USD21.92bn and comprising a 17.55% share.
- South Africa's export receipts with India totalled ZAR61.92m in 2021, a 25.46% y-o-y increase from the 2020 value of ZAR49.36m. Associated import costs increased by 34.19% y-o-y to a value of ZAR78.91bn in 2021, up from ZAR58.49 incurred in 2020. South Africa's leading export product to India in 2020 was coal at a value of ZAR31.35bn.
- Western Cape export receipts from its trade with India stood at ZAR4.98bn in 2021, increasing by 113.38% y-o-y from the 2020 value of ZAR2.34bn. Import costs stood at ZAR17.91bn in 2020, 81.80% higher than the 2020 value of ZAR9.85bn. The Western Cape's leading export product to India in 2021 was petroleum oils (crude), at a value of at ZAR2.62bn.

Investment

- According to FDI Market statistics, a total of 13, 720 foreign direct investment (FDI) projects were recorded into India over the period 2003 – October 2021. These projects represented a total capital investment (capex) of USD723.72bn.
- In turn, India recorded 5, 737 outward FDI projects into the world over the said period with an associated capex value of USD270.68bn.
- There were 103 FDI projects (with ZAR81.71bn capex value) recorded from India into South Africa during the said period. Ten of these landed in the Western Cape.
- In turn, 32 FDI projects with a total capex value of ZAR12.45bn were recorded from South Africa into India over the same period; and ten of these were from the Western Cape.

Tourism

- South Africa received 18, 892 Indian tourist arrivals in 2020, a decline of 97.59% % from 95,621 recorded in 2019.
- Of this number, the Western Cape received 6, 093 arrivals, a decrease of 77.90% from 27, 566 recorded in 2019.

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1. ECONOMIC OVERVIEW

India's diverse economy encompasses traditional village farming, modern agriculture, handicrafts, a wide range of modern industries, and a multitude of services. Slightly less than half of the workforce is in agriculture, but services are the major source of economic growth, accounting for nearly two-thirds of India's output but employing less than one-third of its labour force. The country has capitalized on its large educated English-speaking population to become a major exporter of information technology services, business outsourcing services, and software workers. Nevertheless, per capita income remains below the world average. India is developing into an open market economy yet traces of its past autarkic policies remain. Economic liberalization measures, including industrial deregulation, privatization of state-owned enterprises, and reduced controls on foreign trade and investment, began in the early 1990s and served to accelerate the country's growth, which averaged nearly 7% per year from 1997 to 2017.

India was among the fastest-growing economies in the world in the decade before the pandemic, lifting millions out of poverty. While the economy was moderating prior to the COVID-19 shock, the pandemic led to unprecedented challenges. Two COVID-19 waves caused a health and economic crisis, although the economy is gradually recovering. Following the first wave, GDP contracted an unprecedented 7.3% in FY2020/21. The second wave resulted in another sharp fall in activity, albeit smaller and shorter, and recent high frequency indicators suggest an ongoing recovery. Inflation pressures have been elevated, yet inflation eased to 5.6% in July, returning to within the Reserve Bank of India (RBI)'s inflation target of 4% - 2%, driven by softer food prices and base effects. The authorities' economic response, which was swift and substantial, has included fiscal support, including scaled-up support to vulnerable groups, monetary policy easing, liquidity provision, and accommodative financial sector and regulatory policies. Despite the pandemic, the authorities have continued to introduce structural reforms, including labour reforms and a privatization plan.

Growth is projected at 9.5% in FY2021/22 and 8.5% in FY2022/23. Headline inflation is projected at 5.6% in FY2021/22, amid elevated price pressures. The contraction in economic activity, lower revenue, and pandemic-related support measures are estimated to have led to a widening of the fiscal deficit to 8.6 and 12.8 percent of GDP in FY2020/21 for the central and general governments, respectively. Fiscal policy continues to support the economy in FY2021/22. Despite policy support, bank credit growth has remained subdued, while large corporates have benefited from easier conditions in capital markets. Net inflows and improvement in the current account have supported an increase in foreign exchange reserves. The current account balance is projected to return to a deficit of about 1 percent of GDP in FY2021/22, due to a gradual recovery in domestic demand and higher oil prices. The economic outlook remains clouded due to pandemic-related uncertainties contributing to both downside and upside risks. A persistent negative impact of COVID-19 on investment, human capital, and other growth drivers could prolong the recovery and impact medium-term growth. While India benefits from favourable demographics, disruption to access to education and training due to the pandemic could weigh on improvements in human capital. At the same time, the recovery could also be faster than expected. Faster vaccination and better therapeutics could help contain the spread and limit the impact of the pandemic. In addition, successful implementation of the announced wide-ranging structural reforms could increase India's growth potential.¹

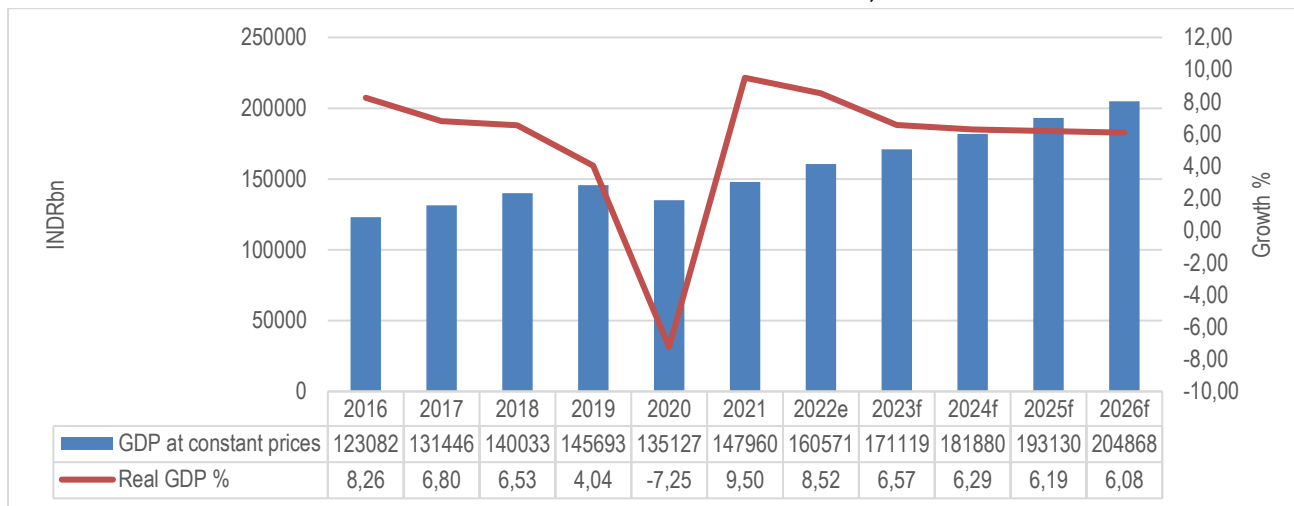
| TABLE 1: ECONOMIC INFORMATION | |
|--|------------------|
| GDP, constant prices (national currency) (2022 est.) | INR160, 571.08bn |
| Real GDP growth (2022 est.) | 8.52% |
| GDP per capita, constant prices (2022 est.) | INR182, 503.06 |
| Inflation, consumer average prices (2022 est.) | 4.88% |
| Policy Repo Rate (February 2021) | 4.00% |
| Unemployment rate (January 2022) | 6.57% |
| Total Exports (2020) | USD275.49bn |
| Total Imports (2020) | USD367.98bn |

Sources: IMF 2022; Reserve Bank of India, 2022; Trade Map 2022

¹ Source: CIA World Factbook, 2021; World Bank, 2022

The COVID-19 pandemic saw India's economy contracting by 7.3% in the 2021 financial year (1 April 2020 to 31 March 2021), despite well-crafted fiscal and monetary policy support. Following the deadly 'second wave,' growth in the 2022 financial year is expected to be nearer to the lower bound of the target range of 7.5% to 12.5% – still positioning India among the fastest growing economies in the world. The pace of vaccination, which is increasing, will determine economic prospects this year and beyond. The economy is expected to rebound - with a strong base effect materializing in the 2022 financial year - and growth is expected to stabilize at around 8% thereafter.²

FIGURE 1: INDIA REAL GDP AND GDP GROWTH RATE, 2016 – 2026F

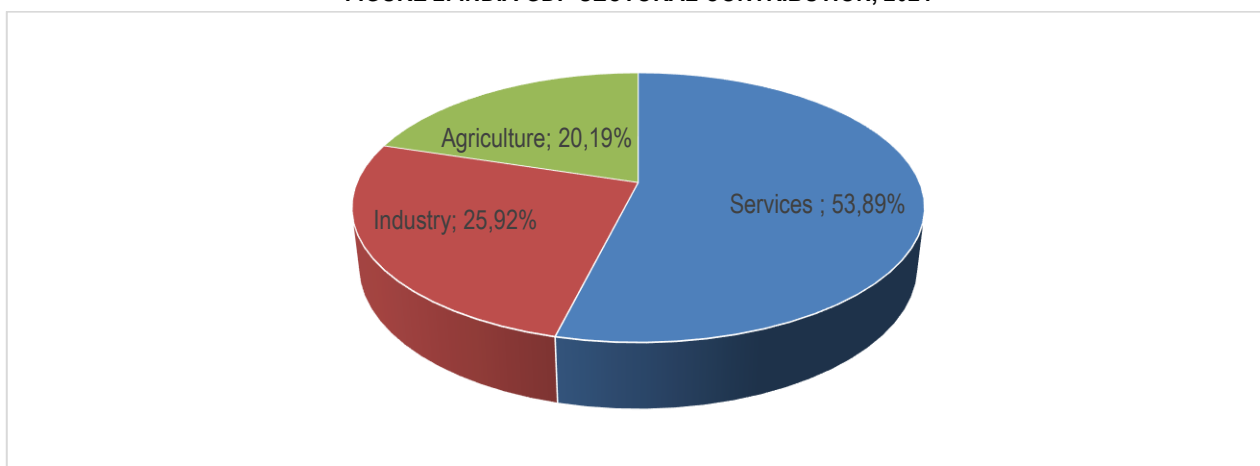


Source: IMF, 2022

India's GDP sectoral contribution is shown in Figure 2 below. These are some of the most important industries in India:

The services sector is the largest sector in India. Gross Value Added (GVA) at current prices for the services sector is estimated at INR96.54trn in 2020-21. The services sector accounts for 53.89% of total India's GVA of INR179.15trn. With GVA of INR46.44trn, the industry sector contributes 25.92%, while the agriculture and allied sector share 20.19%. Agriculture includes crops, horticulture, milk and animal husbandry, aquaculture, fishing, sericulture, aviculture, forestry, and related activities. Industry includes various manufacturing sub-sectors. India's definition of services sector includes its construction, retail, software, IT, communications, hospitality, infrastructure operations, education, healthcare, banking and insurance, and many other economic activities.³

FIGURE 2: INDIA GDP SECTORAL CONTRIBUTION, 2021



Source: Ministry of Statistics and Programme Implementation, 2021

² Sources: World Bank, 2022

³ Sources: Ministry of Statistics and Programme Implementation, 2021

1.1 MAJOR COMPANIES IN INDIA

The Forbes Global 2000 is an annual list of the world's 2000 largest publicly listed corporations. The largest publicly traded India companies as per the Forbes 2000 Global rankings in 2021 are tabled below:

| TABLE 2: LARGEST PUBLICLY TRADED INDIAN COMPANIES AS PER THE FORBES 2000 GLOBAL RANKING, 2021 | | | | | | |
|---|---------------------------|---------------|---------|----------------|----------------------|------------------------------|
| GLOBAL RANK | COMPANY | SALES (USDbn) | PROFITS | ASSETS (USDbn) | MARKET VALUE (USDbn) | SECTOR |
| 55 | Reliance Industries | 61.2 | 5.7 | 166.3 | 164.9 | Oil & Gas Operations |
| 110 | State Bank of India | 50.6 | 3.1 | 6381.1 | 40.8 | Banking |
| 116 | HDFC Bank | 20.7 | 4.1 | 233.6 | 105.9 | Banking |
| 182 | ICICI Bank | 21.3 | 2.0 | 207.9 | 52.7 | Banking |
| 220 | HDFC | 16.2 | 2.4 | 105.0 | 62.4 | Business Services & Supplies |
| 322 | Tata Consultancy Services | 22.1 | 4.4 | 17.9 | 158.9 | IT Software & Services |
| 366 | Larsen and Toubro | 17.8 | 2.1 | 42.0 | 25.7 | Construction |
| 447 | Kotak Mahindra Bank | 7.5 | 1.3 | 65.3 | 47.1 | Banking |
| 492 | Infosys | 13.5 | 2.6 | 14.8 | 7.5 | IT Software & Services |
| 513 | NTPC | 15.1 | 1.6 | 53.8 | 13.4 | Utilities |
| 585 | Axis Bank | 10.9 | 403.6m | 130.1 | 27.6 | Banking |
| 599 | Indian Oil | 48.9 | 651.5m | 44.8 | 11.4 | Oil & Gas Operations |
| 665 | Oil & Natural Gas | 47.3 | 122.6m | 68.8 | 18.2 | Oil & Gas Operations |
| 695 | HCL Technologies | 10.0 | 1.8 | 10.6 | 37.0 | IT Software & Services |
| 725 | Bharti Airtel | 13.5 | -2.8 | 45.8 | 39.9 | Telecommunications Services |
| 730 | Power Finance | 9.1 | 1.3 | 103.6 | 3.9 | Business Services & Supplies |
| 769 | Wipro | 8.3 | 1.5 | 11.4 | 35.9 | IT Software & Services |
| 770 | Coal India | 12.3 | 1.7 | 21.0 | 10.7 | Materials |
| 784 | Tata Motors | 30.2 | -2.1 | 41.8 | 16.1 | Consumer Durables |
| 792 | Bharat Petroleum | 30.0 | 541.8 | 20.6 | 12.1 | Oil & Gas Operations |

Source: Forbes 2000, 2021

Note: The Methodology

We compile our Global 2000 list using data from FactSet Research systems to screen for the biggest public companies in four metrics: sales, profits, assets and market value. Our market value calculation is as of April 18, 2019, closing prices and includes all common shares outstanding.

All figures are consolidated and in U.S. dollars. We use the latest-12-months' financial data available to us. We rely heavily on the databases for all data, as well as the latest financial period available for our rankings (the final database screen was run in early-April). Many factors play into which financial period of data is available for the companies and used in our rankings: the timeliness of our data collection/screening and company reporting policies, country-specific reporting policies and the lag time between when a company releases its financial data and when the databases capture it for screening/ranking. We quality-check the downloaded financial data to the best of our ability using other data sources, including Bloomberg and available company financial statements.

Publicly traded subsidiaries for which the parent company consolidates figures are excluded from our list. For most countries, the accounting rules for the consolidation of a subsidiary is when the parent's ownership (control) of the subsidiaries stock is more than 50%. Some countries accounting rules allow for the consolidation of a subsidiary at less than 50% ownership.

1.2 INDIA'S SOVEREIGN CREDIT RATING

“A sovereign credit rating is the credit rating of a country or sovereign entity. Sovereign credit ratings give investors insight into the level of risk associated with investing in a particular country and include political risks. At the request of the country, a credit rating agency will evaluate the country's economic and political environment to determine a representative credit rating” (Investopedia, 2020).

While a number of credit agencies exist, the three most recognised credit ratings agencies globally are Fitch Ratings, Moody's Investors Services (Moody's) and Standard & Poor's (S&P). Reasons for a country/sovereign to seek a credit rating from one of these three agencies include not only to access funding in international bond markets via the issuance of bonds in external debt markets, but it is a means to attract foreign direct investment. Obtaining a good sovereign credit rating instils confidence in investors seeking to invest in that country, with the credit rating a means for the country to demonstrate financial transparency and credit standing. Two key rating 'standards' exist, with the highest possible rating category being “AAA” according to S&P, which indicates that the rated country has extremely strong capacity to meet its financial commitments. A wide range of rating categories exists below this, with the categories ranging all the way down to SD (i.e., defaulted), which means the rated country has failed to pay one or more of its financial obligations when it came due.

On 16 November 2021, **Fitch Ratings** affirmed India's Long-Term Foreign-Currency Issuer Default Rating (IDR) at 'BBB-' with a negative outlook. India's rating balanced a still-strong medium-term growth outlook and external resilience from solid foreign-reserve buffers, against high public debt, a weak financial sector and some lagging structural issues. The country's rapid economic recovery from the COVID-19 pandemic and easing financial sector pressures are narrowing risks to the medium-term growth outlook. However, *the Negative Outlook* on the rating reflects lingering uncertainty around the medium-term debt trajectory, particularly given India's limited fiscal headroom relative to rating peers. The agency forecasted a robust GDP growth of 8.7% in the fiscal year ending March 2022 (2022 fiscal year) and 10.0% in the 2023 fiscal year, supported by the resilience of India's economy, which has facilitated a swift cyclical recovery from the Delta COVID-19 variant wave in quarter 2 of 2021. Mobility indicators have returned to pre-pandemic levels and high-frequency indicators point to strength in the manufacturing sector. The potential remains for a resurgence in coronavirus cases, though we anticipate the economic impact of further outbreaks would be less pronounced than previous surges, particularly given the sustained improvement in the COVID19 vaccination rate, which has now surpassed 1 billion doses administered. Moreover, India's strong medium-term growth outlook relative to peers is a key supporting factor for the rating and an important driver of the current baseline of a modestly declining public debt trajectory.

While on 5 October 2021 **Moody's** changed India's rating outlook to stable from negative; and affirmed the country's foreign-currency and local-currency long-term issuer ratings and the local-currency senior unsecured rating at Baa3. The decision to change the outlook to stable reflected Moody's view that the downside risks from negative feedback between the real economy and financial system are receding. With higher capital cushions and greater liquidity, banks and non-bank financial institutions pose much lesser risk to the sovereign than Moody's previously anticipated. And while risks stemming from a high debt burden and weak debt affordability remain, Moody's expects that the economic environment will allow for a gradual reduction of the general government fiscal deficit over the next few years, preventing further deterioration of the sovereign credit profile. The affirmation of the Baa3 ratings balances India's key credit strengths, which include a large and diversified economy with high growth potential, a relatively strong external position, and a stable domestic financing base for government debt, against its principal credit challenges, including low per capita incomes, high general government debt, low debt affordability and more limited government effectiveness.

On 13 July 2021, **Standard and Poor's** affirmed its rating on India's long-term foreign and local currency sovereign credit at the lowest investment-grade level and retained its stable outlook on the economy. India's long-term rating was affirmed at 'BBB-' with a stable outlook while the short-term rating was held at 'A-3'. The stable outlook reflected the expectation that India's economy will recover following the resolution of the COVID-19 pandemic. Also, that the country's strong external settings will act as a buffer against financial strains despite elevated government funding needs over the next 24 months. S&P said, however, it may lower the country's ratings if the economy recovers significantly slower than expected from fiscal year 2021/22, or if the general government deficits and associated indebtedness materially exceeds its forecasts. S&P said there was a risk that some damage to the real economy from India's deep economic downturn last year, and the more recent coronavirus outbreak, could be enduring but implementation and acceleration of key reforms could help to address this risk over the next few years. The government's ability to deliver and execute additional economic reforms, especially those that spur investment and job creation, will be important for India's ability to recover from the economic

slowdown. Existing vulnerabilities, including a relatively weak financial sector, rigid labour markets, and sluggish private investment, could hamper the economic recovery if not meaningfully addressed.⁴

India's credit ratings from the major agencies are as following:

| TABLE 3: INDIA' SOVEREIGN CREDIT RATINGS, 2021 | | | |
|---|-----------------------------|----------------------------------|----------------------|
| CREDIT RATING AGENCY | STANDARD & POORS | MOODY'S INVESTOR SERVICES | FITCH RATINGS |
| CREDIT RATING | BBB- | Baa3 | BBB- |
| OUTLOOK | Stable | Negative | Negative |
| DATE OF LAST CHANGE | 2021-07-13 | 2021-10-05 | 2021-11-16 |

Sources: S&P Global Ratings; Fitch Ratings, 2021; Moody's Investor Services, 2021

⁴ S&P Global Ratings; Fitch Ratings, 2021; Moody's Investor Services, 2021

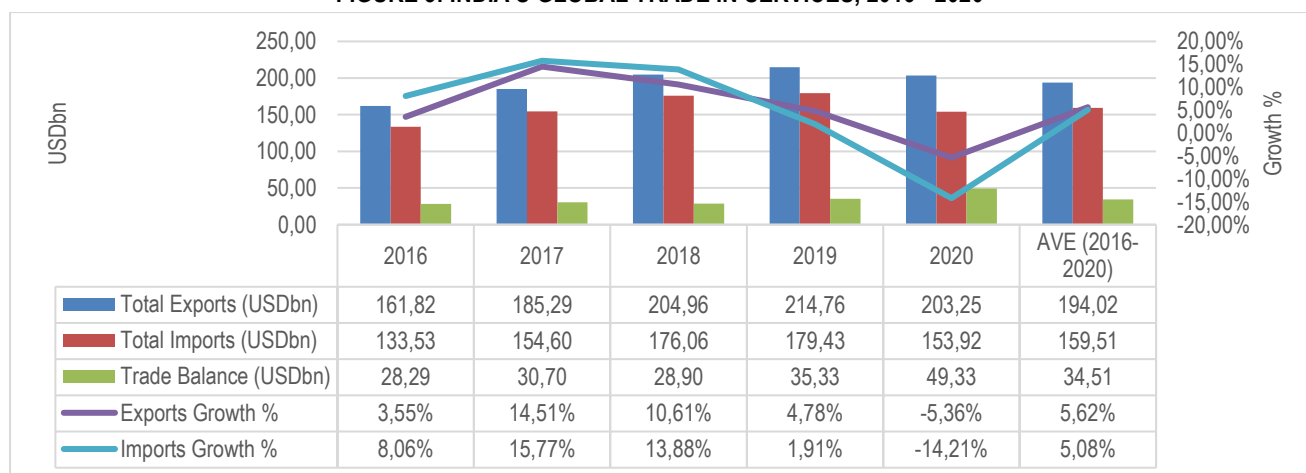
2. TRADE

3.1 INDIA TRADE IN SERVICES

The figure below presents India's global trade in services for the period 2016 to 2020. India's services exports consistently outpaced its services imports throughout the period under review, firmly establishing the country's position as a net exporter of services.

The impact of the COVID-19 pandemic and restrictions on movement of goods and services across borders is seen by the decline in the country's services exports and services imports in 2020. Services exports declined 5.62% y-o-y from USD214.76 to a value of USD203.25bn in 2020, while service imports decreased by 14.12% y-o-y from USD179.43bn recorded in 2019 to USD153.92bn in 2020. Overall, services export grew by an average 5.62% per annum from 2016 to 2020, while import growth increased by only 5.08% per annum over the same period. The services balance remained in surplus throughout the period monitored at an average of USD34.51bn for the said period.

FIGURE 3: INDIA'S GLOBAL TRADE IN SERVICES, 2016 - 2020



Source: TradeMap, 2022

Other business service was India's top exported service in 2020, accounting for 38.40% (USD78.04bn) of services exported by the country. This was followed by telecommunications, computer, and information services; and transport services in second and third place, accounting for 33.58% (USD68.25bn) and 10.23% (USD20.80bn), respectively in the same year. Further to this, services not allocated recorded the highest growth in export services, growing at an average annual rate of 50.98% over the period 2016 to 2020. Other services exports which experienced high growth were charges for the use of intellectual property (22.41%), and construction services (15.38%).

TABLE 4: INDIA – TOP 10 EXPORTED SERVICES, 2020

| | EXPORTED VALUE (USDbn), 2020 | % SHARE 2020 | AVE GROWTH (%), 2016 - 2020 |
|--|------------------------------|----------------|-----------------------------|
| Other business services | 78.04 | 38.40% | 9.30% |
| Telecommunications, computer, and information services | 68.25 | 33.58% | 4.50% |
| Transport | 20.80 | 10.23% | 7.88% |
| Travel | 13.04 | 6.41% | -3.38% |
| Services not allocated | 9.36 | 4.61% | 50.98% |
| Financial services | 4.10 | 2.02% | -4.33% |
| Construction | 2.80 | 1.38% | 15.38% |
| Insurance and pension services | 2.35 | 1.16% | 3.74% |
| Personal, cultural, and recreational services | 2.20 | 1.08% | 11.97% |
| Charges for the use of intellectual property | 1.25 | 0.62% | 22.41% |
| ALL SERVICES | 203.25 | 100.00% | 5.62% |

Source: TradeMap, 2022

Transport services dominated India's services imports basket in 2020, accounting for 34.96% (or USD53.81bn) of all services imported by the country. Other business services ranked second, comprising a 31.57% share (or USD48.60bn) of all service imports, while travel services ranked in third place, with a total import cost of USD12.57bn (or 8.17%) in 2020. In terms of the highest average annual growth rate, construction services came first, growing by 27.22% over the period 2016 to 2020. This was followed by telecommunications, computer, and information services (23.95%); and financial services (21.02%).

TABLE 5: INDIA – TOP 10 IMPORTED SERVICES, 2020

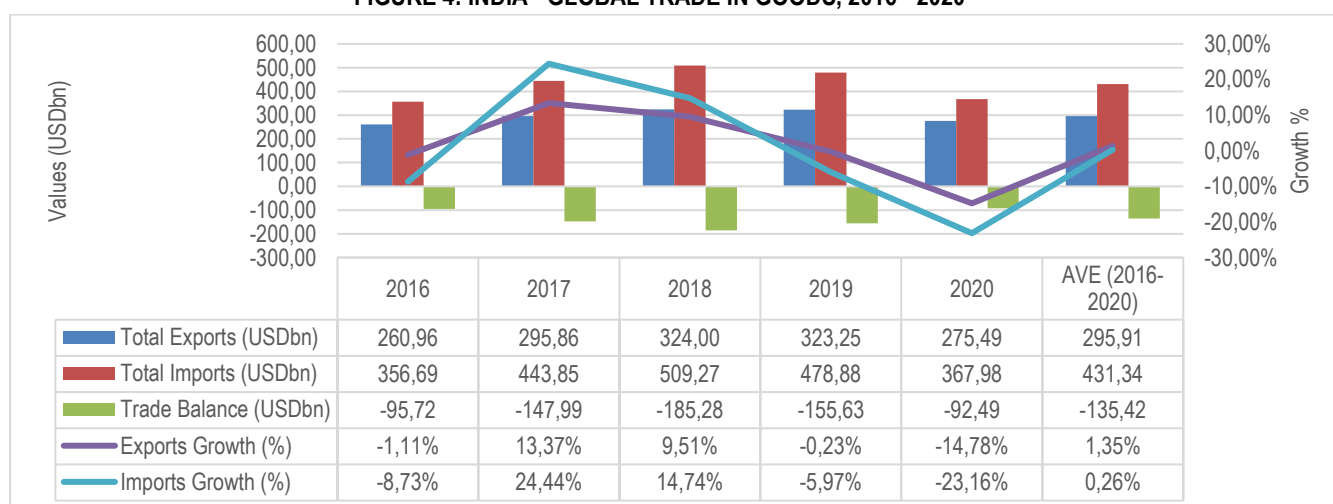
| | IMPORTED VALUE (USDbn), 2020 | % SHARE 2020 | AVE GROWTH (%), 2016 - 2020 |
|--|------------------------------|----------------|-----------------------------|
| Transport | 53.81 | 34.96% | 1.74% |
| Other business services | 48.60 | 31.57% | 10.36% |
| Travel | 12.57 | 8.17% | 0.19% |
| Telecommunications, computer, and information services | 11.01 | 7.15% | 23.95% |
| Charges for the use of intellectual property n.i.e. | 7.24 | 4.70% | 8.25% |
| Insurance and pension services | 5.69 | 3.69% | 2.53% |
| Financial services | 4.62 | 3.00% | 21.02% |
| Services not allocated | 3.02 | 1.96% | 4.55% |
| Personal, cultural, and recreational services | 2.75 | 1.79% | 15.89% |
| Construction | 2.60 | 1.69% | 27.22% |
| ALL SERVICES | 153.92 | 100.00% | 5.08% |

Source: TradeMap, 2021

3.2 INDIA TRADE IN GOODS

India's trade in goods paints a different picture to that of its trade in services. India recorded a trade deficit in goods trade throughout the period 2016 to 2020. The impact of the COVID-19 pandemic and restrictions on movement of goods and services can be seen in the declined exports and imports trade in 2020. Good exports fell by 14.78% y-o-y to a value of USD275.49bn from USD323.25bn in 2019, while imports fell by 23.16% to USD367.98bn from USD478.88bn incurred in 2019. Furthermore, over the last five years, exports growth increased at an average annual rate of 1.35% per annum, while imports growth increased at an average annual rate of 0.26% per annum from 2016 to 2020.

FIGURE 4: INDIA - GLOBAL TRADE IN GOODS, 2016 - 2020



Source: TradeMap, 2022

In terms of India's top traded products, petroleum oils (excluding crude) dominated the export basket, accounting for 9.50% of exports at a value of USD26.17bn in 2020. Medicaments followed in second place at an export value of USD16.64bn, accounting for 6.04% of exports in the same year. Diamonds came third (USD15.21bn or 5.52%). The export of telephone sets had the highest growth in exports, increasing at an average annual rate of 45.76% per annum from 2016 to 2020. Unwrought aluminium followed in second place with an average growth of 23.09%, while medicaments followed in third with a growth rate of 8.34% per annum.

TABLE 6: INDIA – TOP 10 EXPORTED GOODS, 2020

| | EXPORTED VALUE (USDbn), 2020 | % SHARE 2020 | AVE GROWTH (%), 2016 - 2020 |
|--|------------------------------|----------------|-----------------------------|
| Petroleum oils (excluding crude) | 26.17 | 9.50% | 1.27% |
| Medicaments | 16.64 | 6.04% | 8.34% |
| Diamonds | 15.21 | 5.52% | -5.73% |
| Rice | 7.98 | 2.90% | 6.11% |
| Articles of jewellery | 7.66 | 2.78% | -1.94% |
| Motor cars | 4.62 | 1.68% | -1.16% |
| Parts and accessories for tractors, motor vehicles | 4.15 | 1.50% | 1.99% |
| Telephone sets | 3.94 | 1.43% | 45.76% |
| Unwrought aluminium | 3.93 | 1.42% | 23.09% |
| Crustaceans | 3.88 | 1.41% | 5.29% |
| ALL PRODUCTS | 275.49 | 100.00% | 1.35% |

Source: TradeMap, 2022

In terms of key trade export markets, the United States was the leading destination market for India's exports at a value of USD49.32bn in 2020. China followed in second place, with exports reaching a total value of USD19.01bn, while the United Arab Emirates came third, with exports to this nation reaching a total value of USD17.95bn. Of the top 10 export markets, the fastest growing markets for India's exports over the five-year period leading up to and including 2020 were China (16.08%), the Netherlands (8.83%) and Bangladesh (8.47%).

South Africa was India's 23rd largest export market in 2020 at a value of USD3.50bn.

TABLE 7: INDIA – TOP EXPORT GOODS MARKETS (USDbn), 2020

| RANK | COUNTRY | VALUE 2020 (USDbn) | AVE GROWTH (%), 2016 - 2020 |
|----------------------|--------------------------|--------------------|-----------------------------|
| 1 | United States of America | 49.32 | 4.38% |
| 2 | China | 19.01 | 16.08% |
| 3 | United Arab Emirates | 17.95 | -8.29% |
| 4 | Hong Kong, China | 9.54 | -3.92% |
| 5 | Singapore | 8.30 | 4.35% |
| 6 | Bangladesh | 7.91 | 8.47% |
| 7 | United Kingdom | 7.77 | -2.33% |
| 8 | Germany | 7.66 | 2.15% |
| 9 | Netherlands | 6.26 | 8.83% |
| 10 | Malaysia | 6.19 | 6.15% |
| 23 | South Africa | 3.50 | -0.74% |
| TOTAL EXPORTS | | 275.49 | 1.35% |

Source: TradeMap, 2022

Turning to imports, petroleum oils (crude) was the largest imported good into India in 2020, reaching a total import value of USD64.58bn and comprising a 17.55% share of the entire import basket. Gold ranked in second place with a value of USD21.92bn (5.96%), while diamonds ranked in third with a value of USD15.90bn. Electronic integrated circuits had the highest growth in imports, increasing at an average annual rate of 60.81% per annum from 2016 to 2020. This was followed by petroleum oils (excluding crude) with an average growth of 10.06%, while petroleum gas and other gaseous hydrocarbons followed in third position with a growth rate of 8.38% per annum.

TABLE 8: INDIA – TOP 10 IMPORTED GOODS, 2020

| | IMPORTED VALUE (USDbn), 2020 | % SHARE 2020 | AVE GROWTH (%), 2016 - 2020 |
|--|------------------------------|----------------|-----------------------------|
| Petroleum oils, crude | 64.58 | 17.55% | 2.22% |
| Gold | 21.92 | 5.96% | -4.13% |
| Diamonds | 15.90 | 4.32% | 2.37% |
| Coal | 15.87 | 4.31% | 6.67% |
| Petroleum gas and other gaseous hydrocarbons | 15.25 | 4.14% | 8.38% |
| Telephone sets | 12.71 | 3.45% | -1.98% |
| Electronic integrated circuits | 8.42 | 2.29% | 60.81% |
| Automatic data-processing machines and units thereof | 7.28 | 1.98% | 7.45% |
| Petroleum oils (excluding crude) | 5.88 | 1.60% | 10.06% |
| Palm oil and its fractions | 5.12 | 1.39% | -2.11% |
| ALL PRODUCTS | 367.98 | 100.00% | 0.26% |

Source: TradeMap, 2022

China was the leading source market for India's imports at a value of USD58.80bn in 2020. The United States followed in second place with imports reaching a total value of USD26.62bn. The United Arab Emirates came third, with imports reaching a total value of USD23.90bn in 2020. Of the top 10 import markets, the fastest growing markets for India's imports over the five-year period leading up to and including 2020 were Hong Kong, China (22.42%), Singapore (16.83%), and Iraq (12.29%).

South Africa was India's 16th largest import market in 2020 at a value of USD6.67bn.

TABLE 9: INDIA – TOP IMPORT GOODS MARKETS (USDbn), 2020

| RANK | COUNTRY | VALUE 2020 (USDbn) | AVE GROWTH (%), 2016 - 2020 |
|----------------------|--------------------------|--------------------|-----------------------------|
| 1 | China | 58.80 | -0.34% |
| 2 | United States of America | 26.62 | 7.32% |
| 3 | United Arab Emirates | 23.90 | 4.58% |
| 4 | Saudi Arabia | 17.72 | -0.76% |
| 5 | Iraq | 16.17 | 12.29% |
| 6 | Hong Kong, China | 14.58 | 22.42% |
| 7 | Singapore | 12.31 | 16.83% |
| 8 | Korea, Republic of | 12.17 | 0.15% |
| 9 | Indonesia | 12.02 | -1.14% |
| 10 | Switzerland | 11.31 | -8.38% |
| 16 | South Africa | 6.67 | 2.65% |
| TOTAL IMPORTS | | 367.98 | 0.26% |

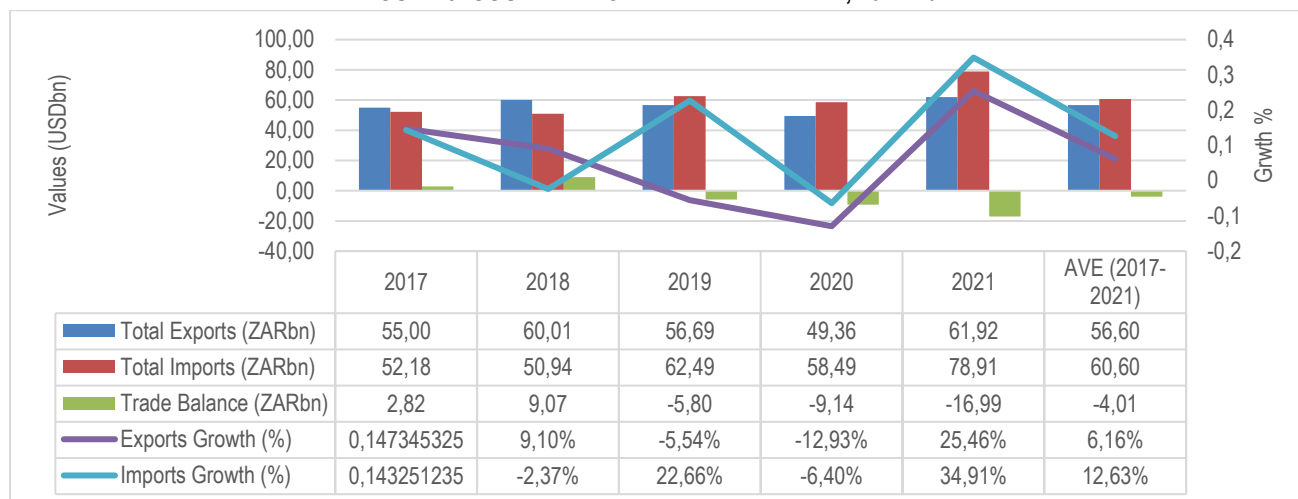
Source: TradeMap, 2022

3.3 TRADE WITH SOUTH AFRICA

South Africa's trade with India for the period 2017 – 2021 is shown in the figure below.

The 2020 declines seen in South Africa's trade with India were reversed in 2021, with South Africa's export receipts with India increasing by 25.46% to a value of ZAR61.92bn in 2021, up from the 2020 value of ZAR49.36bn. Similarly, South Africa's imports from the country increased by 34.91% y-o-y to a value of ZAR78.91 in 2021, from a cost of ZAR58.49 incurred in 2020. Overall, South Africa's export growth to India increased at an average annual rate of 6.1% per annum from 2017 to 2021, while imports increased at an average rate of 12.63% over the same period.

FIGURE 5: SOUTH AFRICA TRADE WITH INDIA, 2017-2021



Source: Quantec, 2022

Coal was South Africa's top export product to India in 2021 at a value of ZAR31,350.56m accounting for more than half of the export basket to the country. Manganese ore and concentrate followed by in second place, reaching a value of ZAR6,225.20m and accounting for 10.63% of total exports to India in 2021. Chemical wood pulp, dissolving grades came third at a value of ZAR6,081.56m (or 9.82%). Feldspar, leucite, nepheline and nepheline syenite had the highest growth in exports, increasing at an average annual rate of 90.20% per annum from 2017 to 2021. This was followed by unwrought platinum (76.42%), and unwrought nickel (52.19%).

TABLE 10: SOUTH AFRICA TOP 10 EXPORTS TO INDIA, 2021

| | EXPORTED VALUE (ZARm), 2021 | % SHARE 2021 | AVE GROWTH (%), 2017-2021 |
|--|-----------------------------|----------------|---------------------------|
| Coal | 31,350.56 | 50.63% | 3.70% |
| Manganese ores and concentrate | 6,225.20 | 10.05% | 34.80% |
| Chemical wood pulp, dissolving grades | 6,081.56 | 9.82% | 28.83% |
| Petroleum oils, crude | 2,677.21 | 4.32% | - |
| Iron ores and concentrates, including roasted iron pyrites | 15,18.33 | 2.45% | -8.45% |
| Diamonds | 1,073.29 | 1.73% | 29.60% |
| Unwrought nickel | 927.53 | 1.50% | 52.19% |
| Feldspar; leucite, nepheline and nepheline syenite | 921.87 | 1.49% | 90.20% |
| Platinum, unwrought | 772.51 | 1.25% | 76.42% |
| Chromium ores and concentrates | 735.01 | 1.19% | 24.29% |
| ALL PRODUCTS | 61,920.55 | 100.00% | 6.16% |

Source: Quantec, 2022

Turning to South Africa's import basket from India, petroleum oils (other than crude) dominated imports in 2021, at a cost of ZAR18,888.11m, which held the majority share of 23.94% of imports. This was followed by motor cars (ZAR14,093.19 or 17.86%) and telephone sets (ZAR1,844.03 or 2.34%). There has been exceptional growth in the imports of telephone sets, increasing at an average rate of 238.08% over the period 2017 to 2021. Also experiencing higher growth were self-propelled bulldozers, angledozers, graders, levellers (37.26%), and petroleum oils, other than crude (28.70%).

TABLE 11: SOUTH AFRICA TOP 10 IMPORTS FROM INDIA, 2021

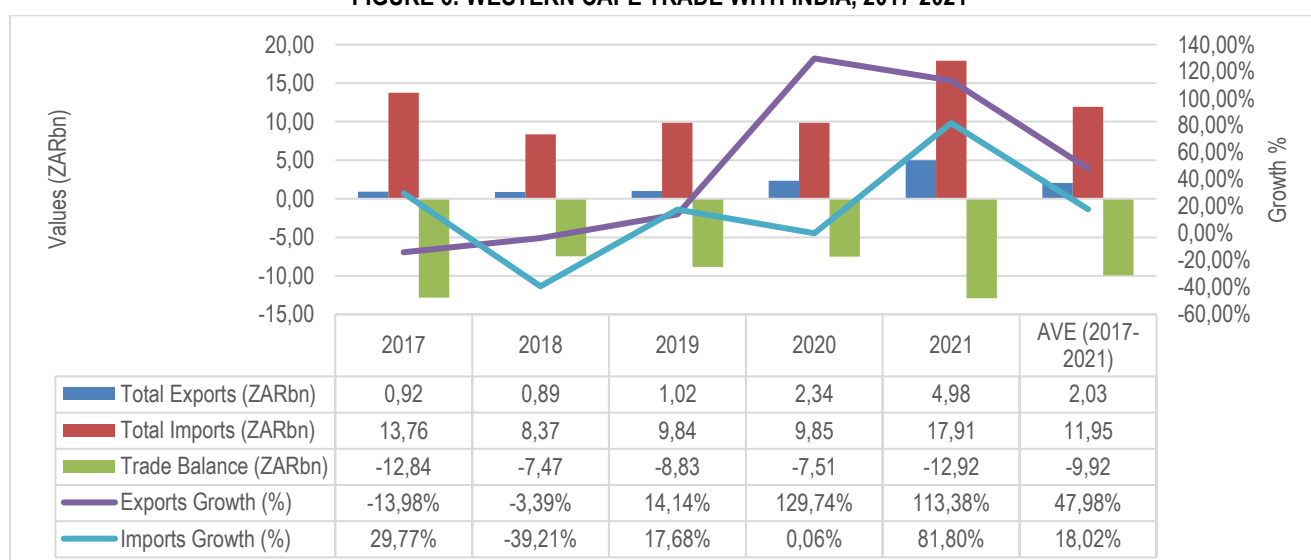
| | IMPORTED VALUE (ZARm), 2020 | % SHARE 2020 | AVE GROWTH (%), 2016 - 2020 |
|---|-----------------------------|----------------|-----------------------------|
| Petroleum oils, other than crude | 18888.11 | 23.94% | 28.70% |
| Motor cars | 14093.19 | 17.86% | 20.18% |
| Telephone sets | 1844.03 | 2.34% | 238.08% |
| Rice | 1733.72 | 2.20% | 5.16% |
| Original equipment components | 1560.17 | 1.98% | 19.66% |
| Motor vehicles for the transport of goods | 1541.45 | 1.95% | 21.09% |
| Self-propelled bulldozers, angledozers, graders, levellers | 944.39 | 1.20% | 37.26% |
| Parts and accessories of the motor vehicles | 920.99 | 1.17% | 21.61% |
| Tractors | 716.63 | 0.91% | 14.79% |
| Mixtures of odoriferous substances and mixtures (including alcoholic solutions) | 664.70 | 0.84% | 18.12% |
| ALL PRODUCTS | 78911.738 | 100.00% | 12.63% |

Source: Quantec, 2022

3.4 WESTERN CAPE TRADE WITH INDIA

The Western Cape registered exceptional growth in its trade with India in 2021. Exports increased by more than 100 per cent from the 2020 value of ZAR2.34m to ZAR4.98m in 2021, while imports increased by 81.80%, from a value of ZAR9.85m in 2020 to ZAR17.91m in 2021. Overall, the Western Cape's export growth to India increased by an average annual rate of 47.98% from between 2017 and 2021, while imports grew by an average rate of 18.02% over the same period.

FIGURE 6: WESTERN CAPE TRADE WITH INDIA, 2017-2021



Source: Quantec, 2022

The Western Cape's dominant export product to India in 2021 was petroleum oil (crude) at a value of ZAR2,677.21m. This was equivalent to 53.72% of all export receipts earned by the Western Cape from trade with India in the year. Coal placed second at a value of ZAR525.44m (10.54%), followed by apples, pear and quinces at ZAR371.13m (7.45%). The Western Cape's fastest growing export product categories over the five-year period leading up to and including 2021 were recovered (waste and scrap) paper or paperboard (63.54%), citrus fruit (50.56%), and apples, pears and quinces (31.05%).

TABLE 12: WESTERN CAPE TOP 10 EXPORTS TO INDIA, 2021

| | EXPORTED VALUE (ZARm), 2021 | % SHARE 2021 | AVE GROWTH (%), 2017-2021 |
|--|-----------------------------|----------------|---------------------------|
| Petroleum oil, crude | 2,677.21 | 53.72% | - |
| Coal | 525.44 | 10.54% | - |
| Apples, pears and quinces | 371.13 | 7.45% | 31.05% |
| Waste (including noils, yarn waste and garnetted stock) of man-made fibres | 293.06 | 5.88% | - |
| Ferrous waste and scrap | 268.42 | 5.39% | 11.73% |
| Recovered (waste and scrap) paper or paperboard | 205.84 | 4.13% | 63.54% |
| Citrus fruit | 186.21 | 3.74% | 50.56% |
| Manganese ores and concentrates | 167.00 | 3.35% | - |
| Vegetable alkaloids, natural or reproduced by synthesis, and their salts, ethers, esters and other derivatives | 27.98 | 0.56% | - |
| Apricots, cherries, peaches (including nectarines) | 21.16 | 0.42% | 15.37% |
| ALL PRODUCTS | 4,983.81 | 100.00% | 47.98% |

Source: Quantec, 2022

Petroleum oils, other than crude; dominated products imported by the Western Cape from India in 2021 at a cost of ZAR12,259.85m. This was equivalent to 68.64% of all import costs incurred by the Western Cape with the country in 2021. Rice placed second at a cost of ZAR204.56m (1.14%), followed by medicaments at ZAR179.69m (1.00%). There were three notable product categories which experienced significant growth over the period 2017 to 2021, namely human blood; animal blood prepared for therapeutic, prophylactic or diagnostic uses which topped the list at an average annual growth rate of 1710.39% per annum, crustaceans (71.16%) and bread, pastry, cakes, biscuits, and other bakers' wares (38.14%).

TABLE 13: WESTERN CAPE TOP 10 IMPORTS FROM INDIA, 2021

| | IMPORTED VALUE (ZARm), 2021 | % SHARE 2021 | AVE GROWTH (%), 2017-2021 |
|---|-----------------------------|----------------|---------------------------|
| Petroleum oils, other than crude | 12259.85 | 68.46% | 31.99% |
| Rice | 204.56 | 1.14% | 32.88% |
| Medicaments | 179.69 | 1.00% | -6.85% |
| Crustaceans | 176.51 | 0.99% | 71.16% |
| New pneumatic tyres, of rubber | 151.12 | 0.84% | 14.47% |
| Bed linen, table linen, toilet linen and kitchen linen | 134.28 | 0.75% | 9.47% |
| Bread, pastry, cakes, biscuits, and other bakers' wares | 125.84 | 0.70% | 38.14% |
| Women's or girls' suits, ensembles, jackets, blazers, dresses, skirts, divided skirts, trousers, bib and brace overalls, breeches, and shorts (other than swimwear) | 120.08 | 0.67% | 9.43% |
| T-shirts, singlets, and other vests, knitted or crocheted | 111.68 | 0.62% | 9.69% |
| Human blood: animal blood prepared for therapeutic, prophylactic, or diagnostic uses | 84.99 | 0.47% | 1710.39% |
| ALL PRODUCTS | 17907.73 | 100.00% | 18.02% |

Source: Quantec, 2022

4. CUSTOMS, REGULATIONS AND STANDARDS

4.1 TRADE AGREEMENTS

India actively engages in regional and bilateral trade negotiations to diversify and expand its export markets while ensuring access to the raw materials, intermediates, and capital goods needed to stimulate value-added domestic manufacturing. Presently, India shares preferential market access and economic cooperation through trade agreements with over 50 countries.

The following table lists the major bilateral and regional agreements that India has signed and implemented:

| S.No. | Acronym | Grouping | Member Countries | | FTA/PTA |
|-------|-----------------|--------------------------------------|------------------|--|---------|
| | | | Number | Names | |
| 1 | APTA | Asia Pacific Trade Agreement | 6 | Bangladesh, China, India, Lao PDR, Republic of Korea, Sri Lanka. | PTA |
| 2 | India ASEAN TIG | India ASEAN Trade in Goods Agreement | 11 | Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, Vietnam, and India. | FTA |
| 3 | GSTP | Global System of Trade Preferences | 42 | Algeria, Argentina, Bangladesh, Benin, Bolivia, Brazil, Cameroon, Chile, Colombia, Cuba, Republic of Korea, Ecuador, Egypt, Ghana, Guinea, Guyana, India, Indonesia, Iran, Iraq, Libya, Malaysia, Mexico, Morocco, Mozambique, Myanmar, Nicaragua, Nigeria, Pakistan, Peru, Philippines, Republic of Korea, Singapore, Sri Lanka, Sudan, Thailand, Trinidad and Tobago, Tunisia, Tanzania, | PTA |

| | | | | | |
|----|--------|--|---|---|-------------------|
| 4 | IBSA | India Brazil and South Africa | 3 | India, Brazil, and South Africa. | Under negotiation |
| 5 | SAFTA | South Asia Free Trade Agreement | 7 | India, Pakistan, Nepal, Sri Lanka, Bangladesh, Bhutan, and the Maldives | FTA |
| 6 | ISLFTA | Indo Sri Lanka Free Trade Agreement | 2 | Sri Lanka, India | FTA |
| 7 | IMCECA | Indo Malaysia Comprehensive Economic Cooperation Agreement | 2 | Malaysia, India | FTA |
| 8 | ISCECA | India Singapore Comprehensive Economic Cooperation Agreement | 2 | Singapore, India | FTA |
| 9 | JICEPA | Japan India Comprehensive Economic Partnership Agreements | 2 | Japan, India | FTA |
| 10 | IKCEPA | India Korea Comprehensive Economic Partnership Agreements | 2 | South Korea, India | FTA |

Source: International Trade Administration, 2022

4.2 TARIFFS

The table below shows tariffs imposed by India on South Africa's exports in 2021.

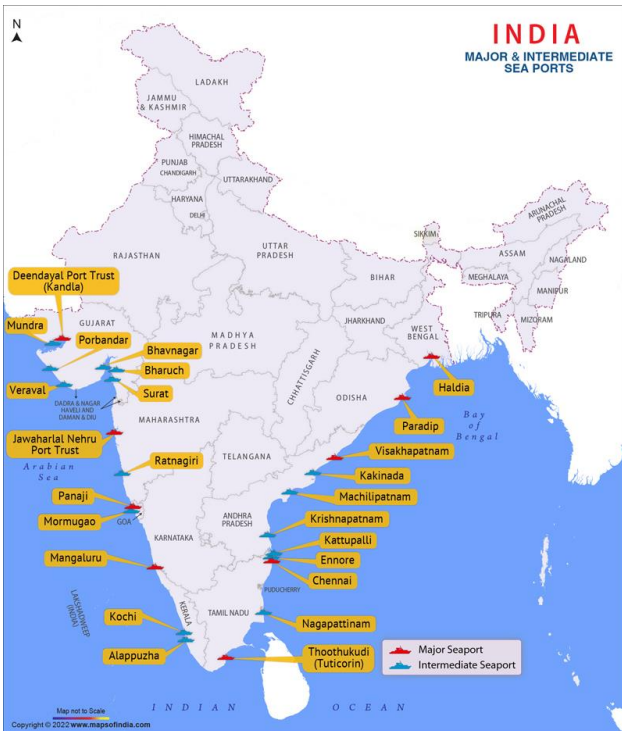
| TABLE 14: TARIFFS IMPOSED ON SOUTH AFRICAN EXPORTS BY INDIA, 2022 | | | | | |
|---|------------|---|------------|--|------------|
| HS CODE AND PRODUCT DESCRIPTION | TARIFF , % | HS CODE AND PRODUCT DESCRIPTION | TARIFF , % | HS CODE AND PRODUCT DESCRIPTION | TARIFF , % |
| H01: Live animals | 30 | H33: Essential oils, perfumes, cosmetics, toiletries | 18 | H65: Headgear and parts thereof | 10 |
| H02: Meat and edible meat offal | 38 | H34: Soaps, lubricants, waxes, candles, modelling pastes | 11 | H66: Umbrellas, walking-sticks, seat-sticks, whips | 10 |
| H03: Fish, crustaceans, molluscs, aquatic invertebrates | 30 | H35: Al8.uminoids, modified starches, glues, enzymes | 13 | H67: Bird skin, feathers, artificial flowers, human hair | 10 |
| H04: Dairy products, eggs, honey, edible animal product | 35 | H36: Explosives, pyrotechnics, matches, pyrophorics | 10 | H68: Stone, plaster, cement, asbestos, mica, articles | 10 |
| H05: Products of animal origin | 30 | H37: Photographic or cinematographic goods | 10 | H69: Ceramic products | 9 |
| H06: Live trees, plants, bulbs, roots, cut flowers | 30 | H38: Miscellaneous chemical products | 8 | H70: Glass and glassware | 10 |
| H07: Edible vegetables and certain roots and tubers | 31 | H39: Plastics and articles thereof | 9 | H71: Pearls, precious stones, metals, coin | 11 |
| H08: Edible fruit, nuts, peel of citrus fruit, melons | 32 | H40: Rubber and articles thereof | 12 | H72: Iron and steel | 9 |
| H09: Coffee, tea, mate and spices | 93 | H41: Raw hides and skins (other than fur skins) and leather | 7 | H73: Articles of iron or steel | 10 |
| H10: Cereals | 45 | H42: Articles of leather, animal gut, harness, travel goods | 11 | H74: Copper and articles thereof | 5 |
| H11: Milling products, malt, starches, inulin, wheat gluten | 33 | H43: Fur skins and artificial fur, manufactures thereof | 3 | H75: Nickel and articles thereof | 0 |
| H12: Oil seed, oleagic fruits, grain, seed, fruit, | 29 | H44: Wood and articles of wood, wood charcoal | 9 | H76: Aluminium and articles thereof | 7 |
| H13: Lac, gums, resins, vegetable saps and extracts | 30 | H45: Cork and articles of cork | 10 | H78: Lead and articles thereof | 5 |
| H14: Vegetable plaiting materials, vegetable products | 30 | H46: Manufactures of plaiting material, basketwork, etc. | 10 | H79: Zinc and articles thereof | 6 |
| H15: Animal, vegetable fats and oils, cleavage products, | 16 | H47: Pulp of wood, fibrous cellulosic material, waste | 4 | H80: Tin and articles thereof | 5 |
| H16: Meat, fish and seafood food preparations | 49 | H48: Paper & paperboard, articles of pulp, paper and board | 10 | H81: Other base metals, cermet's, articles thereof | 6 |
| H17: Sugars and sugar confectionery | 66 | H49: Printed books, newspapers, pictures | 8 | H82: Tools, implements, cutlery, of base metal | 10 |
| H18: Cocoa and cocoa preparations | 30 | H50: Silk | 10 | H83: Miscellaneous articles of base metal | 10 |
| H19: Cereal, flour, starch, milk preparations and products | 31 | H51: Wool, animal hair, horsehair yarn and fabric thereof | 8 | H84: Nuclear reactors, boilers, machinery | 6 |
| H20: Vegetable, fruit, nut food preparations | 34 | H52: Cotton | 8 | H85: Electrical, electronic equipment | 5 |

| | | | | | |
|---|-----|--|----|---|----|
| H21: Miscellaneous edible preparations | 87 | H53: Vegetable textile fibres paper yarn, woven fabric | 9 | H86: Railway, tramway locomotives, rolling stock, equipment | 10 |
| H22: Beverages, spirits and vinegar | 120 | H54: Manmade filaments | 14 | H87: Vehicles other than railway, tramway | 76 |
| H23: Residues, wastes of food industry, animal fodder | 19 | H55: Manmade staple fibres | 12 | H88: Aircraft, spacecraft, and parts thereof | 3 |
| H24: Tobacco and manufactured tobacco substitutes | 32 | H56: Wadding, felt, nonwovens, yarns, twine, cordage | 10 | H89: Ships, boats and other floating structures | 12 |
| H25: Salt, sulphur, earth, stone, plaster, lime and cement | 6 | H57: Carpets and other textile floor coverings | 11 | H90: Optical, photo, technical, medical apparatus | 6 |
| H26: Ores, slag and ash | 3 | H58: Special woven or tufted fabric, lace, tapestry | 12 | H91: Clocks and watches and parts thereof | 10 |
| H27: Mineral fuels, oils, distillation products, | 3 | H59: Impregnated, coated or laminated textile fabric | 10 | H92: Musical instruments, parts and accessories | 10 |
| HS28: Inorganic chemicals | 7 | | 10 | H94: Furniture, lighting, signs, prefabricated buildings | 10 |
| H29: Organic chemicals | 6 | H61: Articles of apparel, accessories, knit or crochet | 12 | H95: Toys, games, sports requisites | 11 |
| H30: Pharmaceutical products | 10 | H62: Articles of apparel, accessories, not knit or crochet | 11 | H96: Miscellaneous manufactured articles | 10 |
| H31: Fertilizers | 6 | H63: Other made textile articles, sets, worn clothing | 10 | H97: Works of art, collectors pieces and antiques | 10 |
| H32: Tanning, dyeing extracts, tannins, derivatives, pigments | 9 | H64: Footwear, gaiters and the like, parts thereof | 20 | H99: Commodities not elsewhere specified | 0 |

Source: TradeMap, 2022

NOTE: Exporters should not take the HS2 tariff as conclusive and as the actual tariff that will be applied to the exported product. The tariffs indicated above are average tariffs and for products within the category it may be higher or lower than indicated. Where the tariff is zero it can be assumed that there is zero tariff applicable to all products within that HS code. Tariffs are determined according to the importing country's national tariff line from the HS6 level and upwards. Exporters are advised to visit www.macmap.org to determine the exact tariff applicable to the product at HS6.

4.3 PORT-TO-PORT RATES



Covering a majority of the Indian subcontinent, India is an Asian country that is at the heart of trade across vital shipping routes.

It is surrounded by water on 3 sides and is flanked by the Bay of Bengal to the East, the Arabian Sea to the West, and the Indian Ocean to the South. It has a coastline of over 7,000 kilometres, and one of the largest Exclusive Economic Zones (EEZ) in the world. The primary ports in India are 13 major harbours that are well connected and have state-of-the-art facilities.

Known as **Nhava Sheva, JNPT** is the largest container port in India and one of the most important harbours on the Western coast of the subcontinent. Opened in 1989, it processes nearly 55% of the total container cargo passing through India. It has consistently crossed 4 million TEUs annually and aims to reach the 10 million mark by 2021. The major exports through JNPT include textiles, machinery, meat, chemicals, and pharma products. Plastics, machinery, edible oils, aluminium, and non-ferrous metals are the imports through here. As the largest private port in India, **Mundra** is a major hub for containers and bulk cargo. The port operates 10 berths for dry bulk, 3 for liquid bulk, 6 container berths, 3 mechanized import berths, and

2 for SPM crude oil imports. The major shipments passing through here include fertilizers, agricultural produce, liquid bulk, crude oil, chemicals, edible oil, coal, automobiles, project cargo and minerals.⁵

The table below shows the most important ports in India. It also shows the **distance** and **time** it takes goods to travel from Cape Town Port terminal to these ports.

| TABLE 15: CAPE TOWN PORT TERMINAL TO MAIN SEA PORTS IN INDIA | | |
|--|-------------|------------------|
| FRENCH PORTS | DISTANCE | TRANSIT TIME |
| Cochin Port | 8026.83 km | 13 days 21 hours |
| Jawaharlal Nehru Port | 8483.36 km | 14 days 16 hours |
| New Mangalore Port (Karnataka) | 8125.36 km | 14 days 1 hour |
| Mormugao Port (Goa) | 8242.69 km | 14 days 6 hours |
| Mumbai Port | 8481.93 km | 14 days 16 hours |
| Cuddalore | 8535.18 km | 14 days 18 hours |
| Dahej | 8689.41 km | 15 days 0 hours |
| Kandla Port | 8670.05 km | 15 days 0 hours |
| Chennai Port | 8691.73 km | 15 days 1 hour |
| Vishakapatnam Port | 9277.56 km | 16 days 1 hour |
| Port Blair, Andaman Is | 9454.65 km | 16 days 8 hours |
| Paradip Port (Orissa) | 9701.3 km | 16 days 18 hours |
| Calcutta | 10014.21 km | 17 days 7 hours |
| Madras | 8707.47 km | 15 days 1 hour |

Source: Sea-Rates, 2022

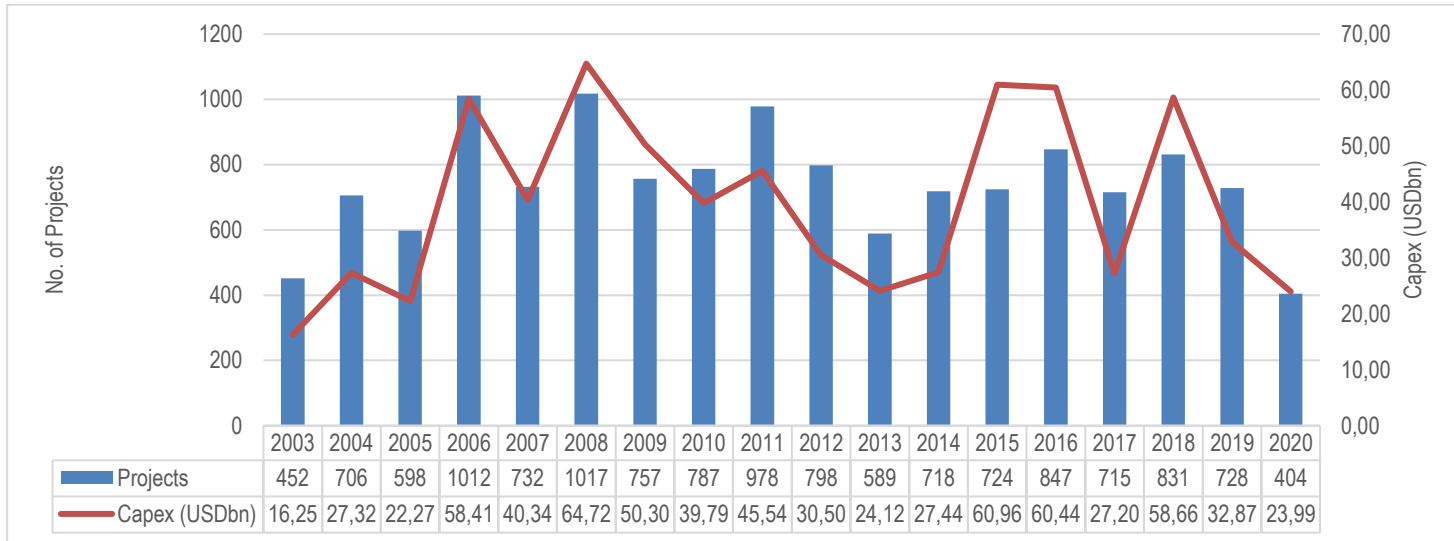
⁵ Source: Marine Insight, 2022

6. FOREIGN DIRECT INVESTMENT

6.1 GLOBAL FDI INTO INDIA

According to FDI Market statistics, a total of 13, 270 foreign direct investment (FDI) projects were recorded into India between January 2003 and October 2021. These projects represented a total capital investment (capex) of USD723.7bn, which equated to an average investment of USD52.7m per project. During the period, 3, 927, 457 jobs were created.

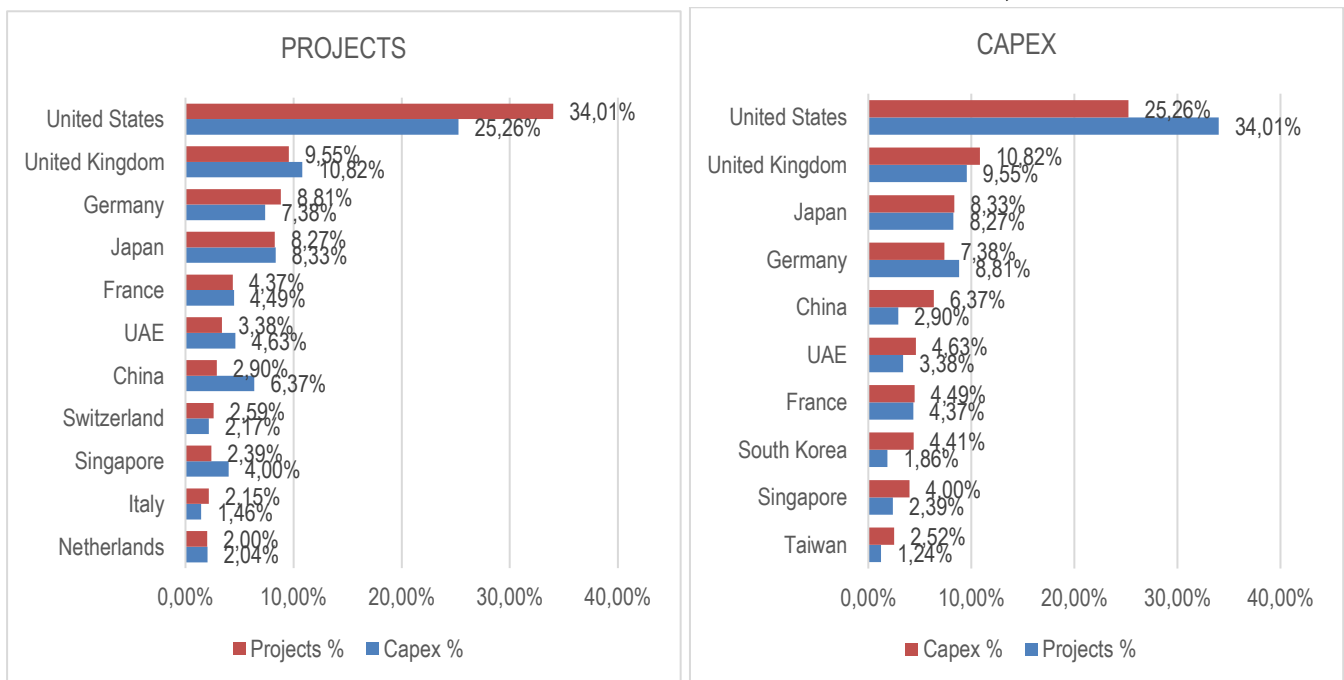
FIGURE 7: FDI INTO INDIA (BY YEAR, PROJECTS AND CAPEX), 2003 - 2021



Source: FDI markets, 2022

In terms of the largest source markets for inward investment into India, the United States clinched the number one position in terms of the number of projects invested over the said period. These projects accounted for 34.01% (4, 666 projects) of total global FDI projects into India between January 2003 and October 2021. The United States took the number one position also in terms of the largest capex value over the said period, accounting for 25.26% of total capital investment (capex) or USD182.78bn.

FIGURE 8: PERCENTAGE SHARE OF FDI INTO INDIA BY SOURCE MARKET, 2003 - 2021

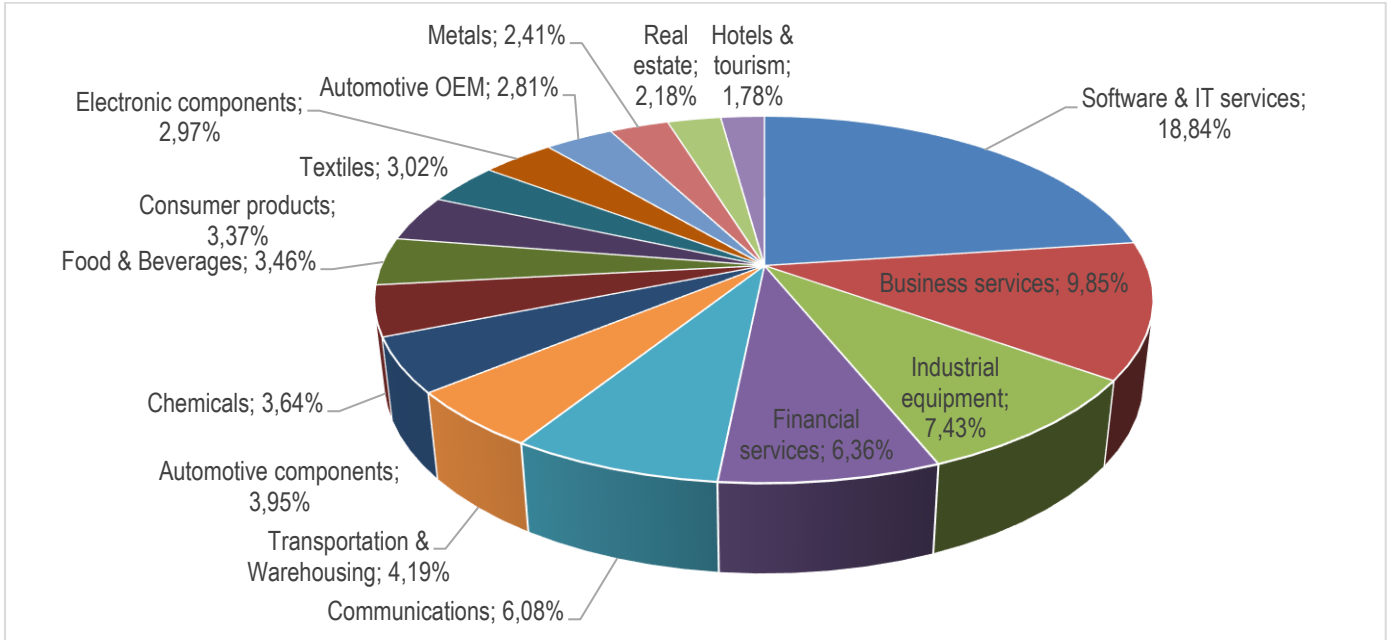


Source: FDI Markets, 2022

Classification of FDI

The figure below presents global FDI into India's economic sectors by number of projects. The software and IT services sector was the largest recipient of FDI investment in terms of projects, and the sector's contribution was equivalent to 18.84% of the total number of inward projects received over the review period. This was followed by the business services sector (9.85%), and the industrial equipment sector (7.43%).

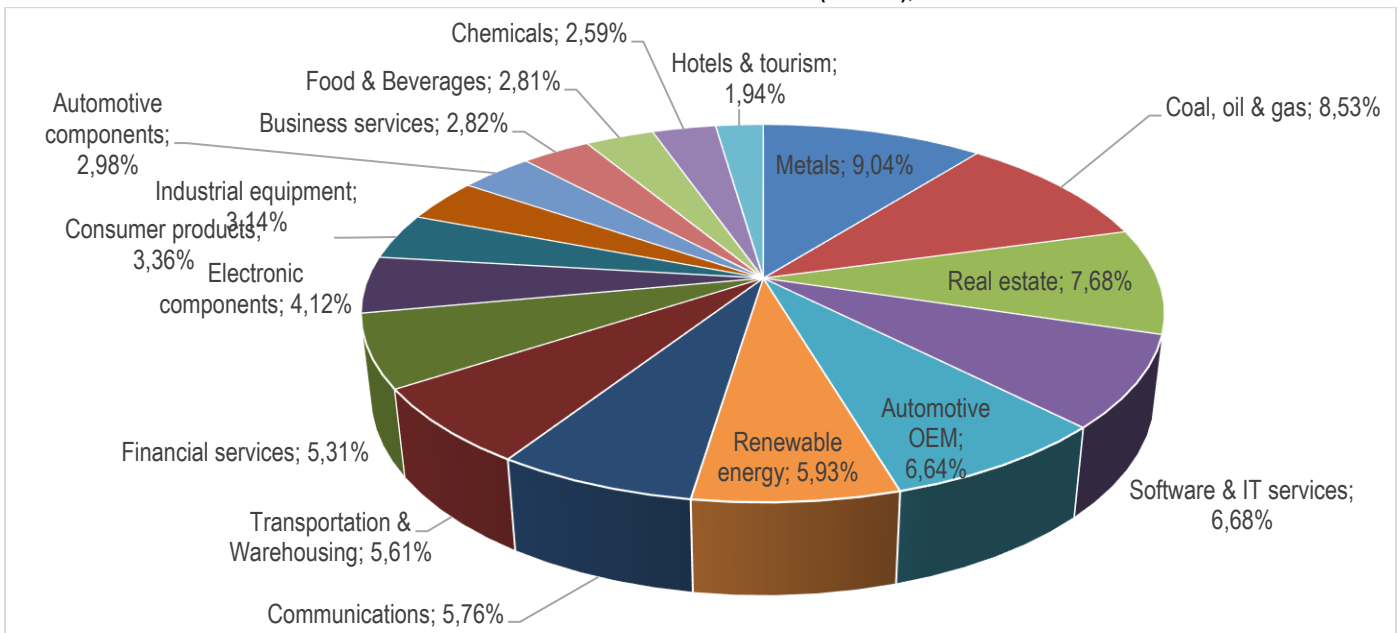
FIGURE 9: INWARD FDI INTO INDIA BY SECTOR (PROJECTS), 2003 - 2021



Source: FDI Markets, 2022

In terms of sector classification of FDI by capex over the January 2003 – October 2021 period, the metals sector was the largest recipient of FDI, which was equivalent to 9.04% of total capex. The coal, oil and gas sector placed second at 8.53%, followed by the software and IT services sector at 6.68%.

FIGURE 10: INWARD FDI INTO INDIA BY SECTOR (CAPEX), 2003 - 2021



Source: FDI Markets, 2022

The top 10 global companies investing into India by projects from 2003 to October 2021 are shown below. UAE Exchange Centre from the UAE invested the most projects (108 projects) into India over the period.

TABLE 16: TOP 10 COMPANIES, FDI INTO INDIA (BY PROJECTS), 2003 - 2021

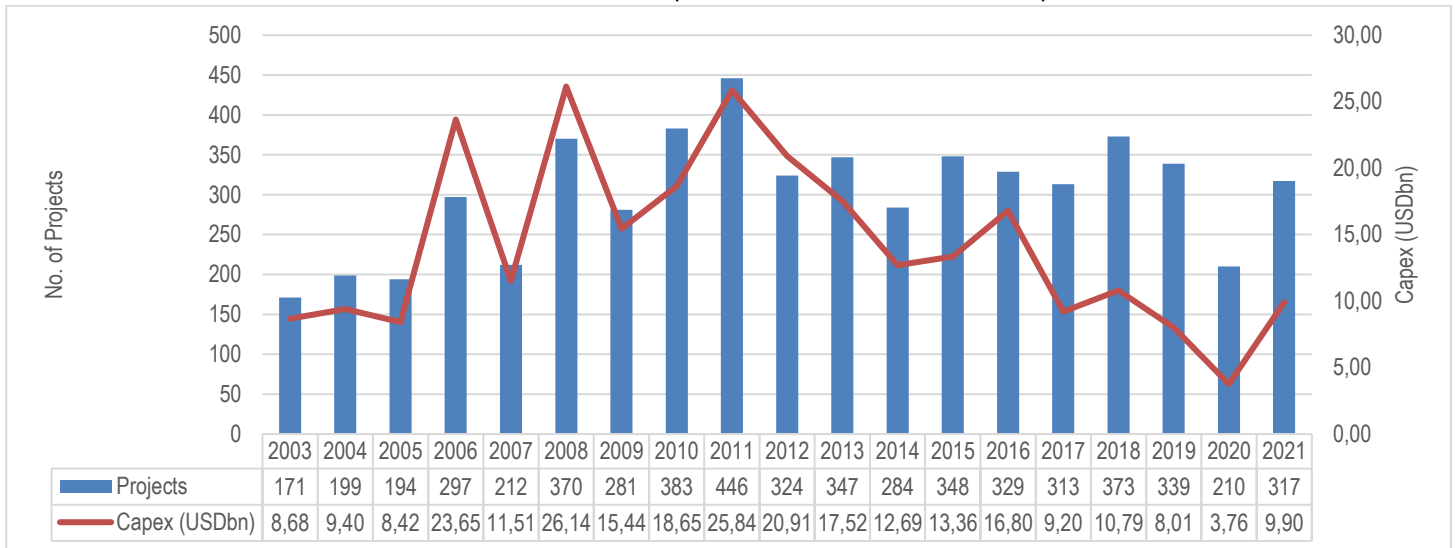
| RANK | INVESTING COMPANY | SOURCE COUNTRY | SECTOR | PROJECTS | CAPEX (USDm) |
|--------------|---------------------------------------|--------------------------|------------------------|-----------------|---------------------|
| 1 | UAE Exchange Centre | UAE | Financial services | 108 | 3 354 |
| 2 | International Business Machines (IBM) | United States of America | Software & IT services | 58 | 1 006 |
| 3 | Amazon India | United States of America | Consumer products | 48 | 8 157 |
| 4 | Suzuki Maruti India | Japan | Automotive OEM | 34 | 5 468 |
| 5 | Oracle | United States of America | Software & IT services | 33 | 456 |
| 6 | Future Generali India Insurance | Italy | Financial services | 29 | 1 179 |
| 7 | Amazon.com | United States of America | Consumer products | 28 | 3 911 |
| 8 | Siemens | Germany | Industrial equipment | 28 | 1 215 |
| 9 | Cognizant Technology Solutions | United States of America | Software & IT services | 27 | 525 |
| 10 | Microsoft | United States of America | Software & IT services | 27 | 430 |
| TOTAL | | | | 13 720 | 723 723 |

Source: FDI Markets, 2022

6.2 OUTWARD GLOBAL FDI FROM INDIA

Turning to outward investment by India into the global economy from January 2003 to October 2021, some 5,737 outward investment projects were undertaken, with a total capital expenditure of USD270.68bn. This equated to an average investment of USD47.2m per project. During the period, 824,619 jobs were created.

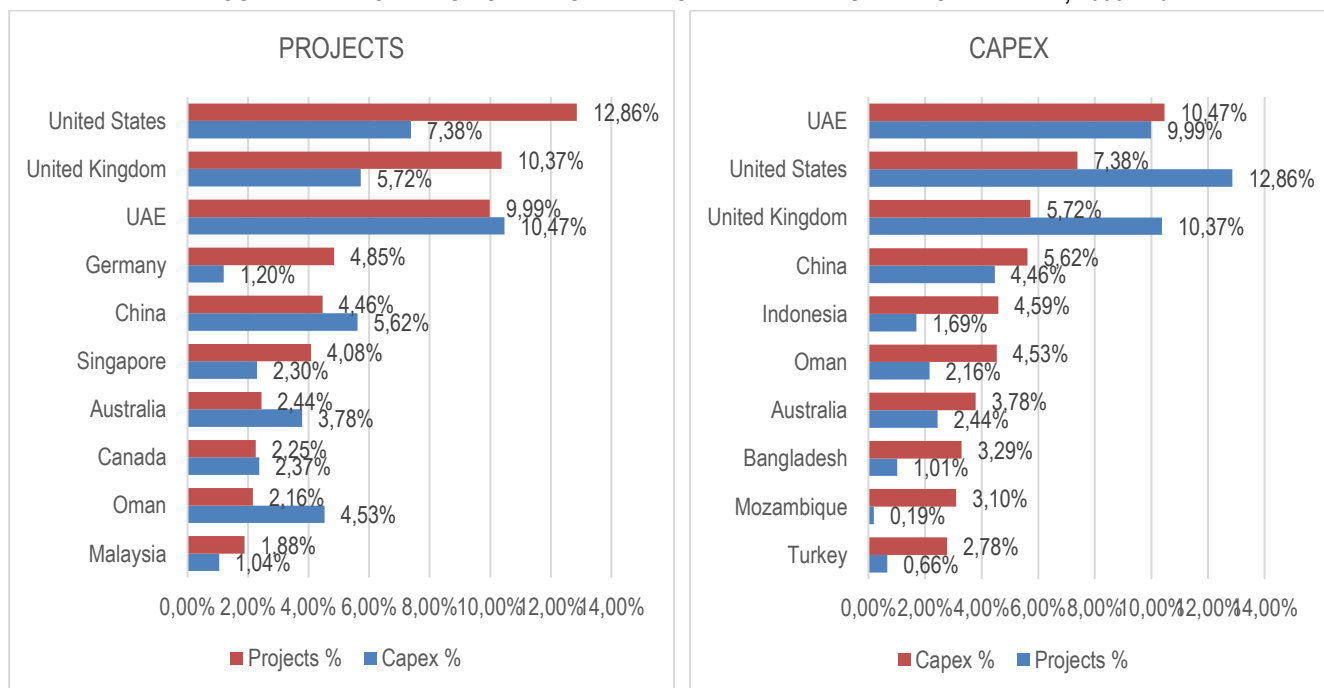
FIGURE 11: OUTWARD FDI FROM INDIA (BY YEAR, PROJECTS AND CAPEX), 2003 - 2021



Source: FDI Markets, 2022

In terms of largest destination markets for outward investment from India, the United States took the number one position in terms of the number of projects during the period under review. These projects (738 in total) accounted for 12.86% of total outward FDI projects from India between January 2003 and October 2021. The UAE secured the number one position in terms of the largest capex value (USD28.32bn) over the said period, accounting for 10.47% of total capex.

FIGURE 12: PERCENTAGE SHARE OF FDI FROM INDIA BY DESTINATION MARKET, 2003 - 2021

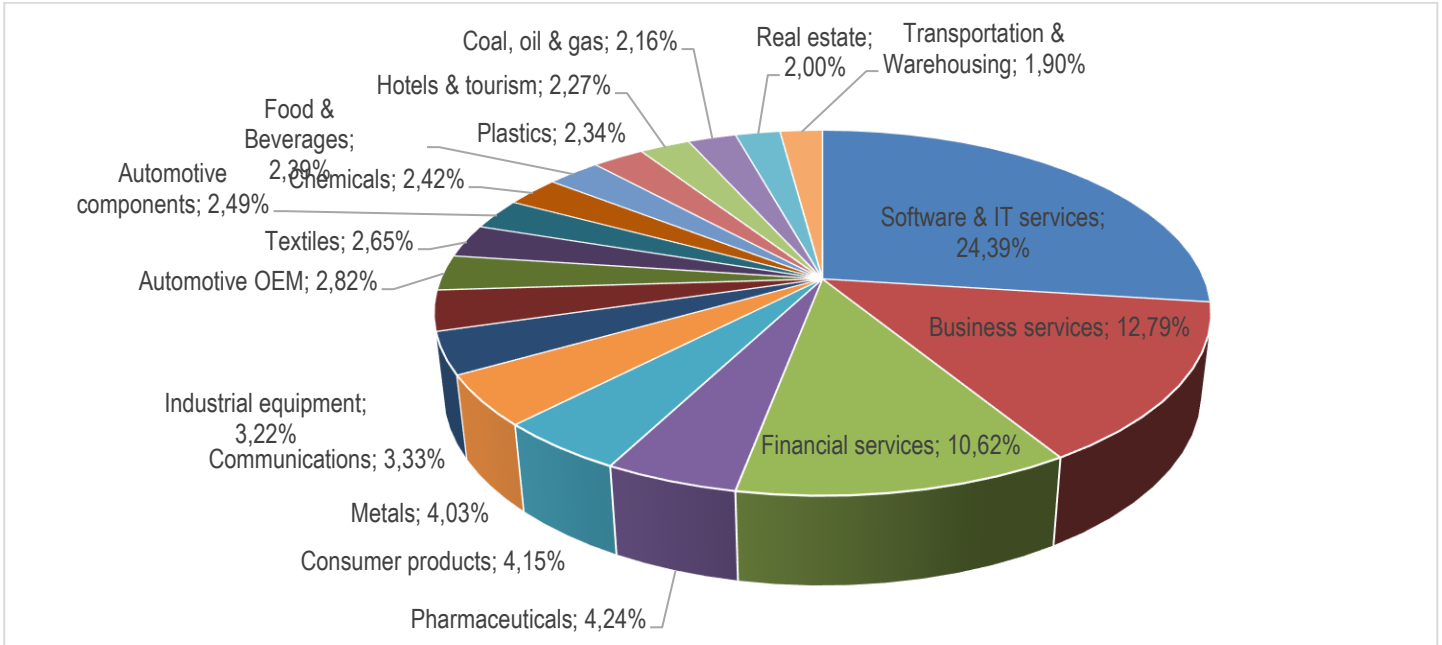


Source: FDI Markets, 2022

Classification of FDI

The figure below presents which sectors India has invested in from a projects perspective. The software and IT services sector received the largest share of outward FDI from India in terms of projects, equivalent to 24.39% of the total number of outward FDI projects over the review period. This was followed by the business services sector (12.79%), and in third position, the financial services sector (10.62%).

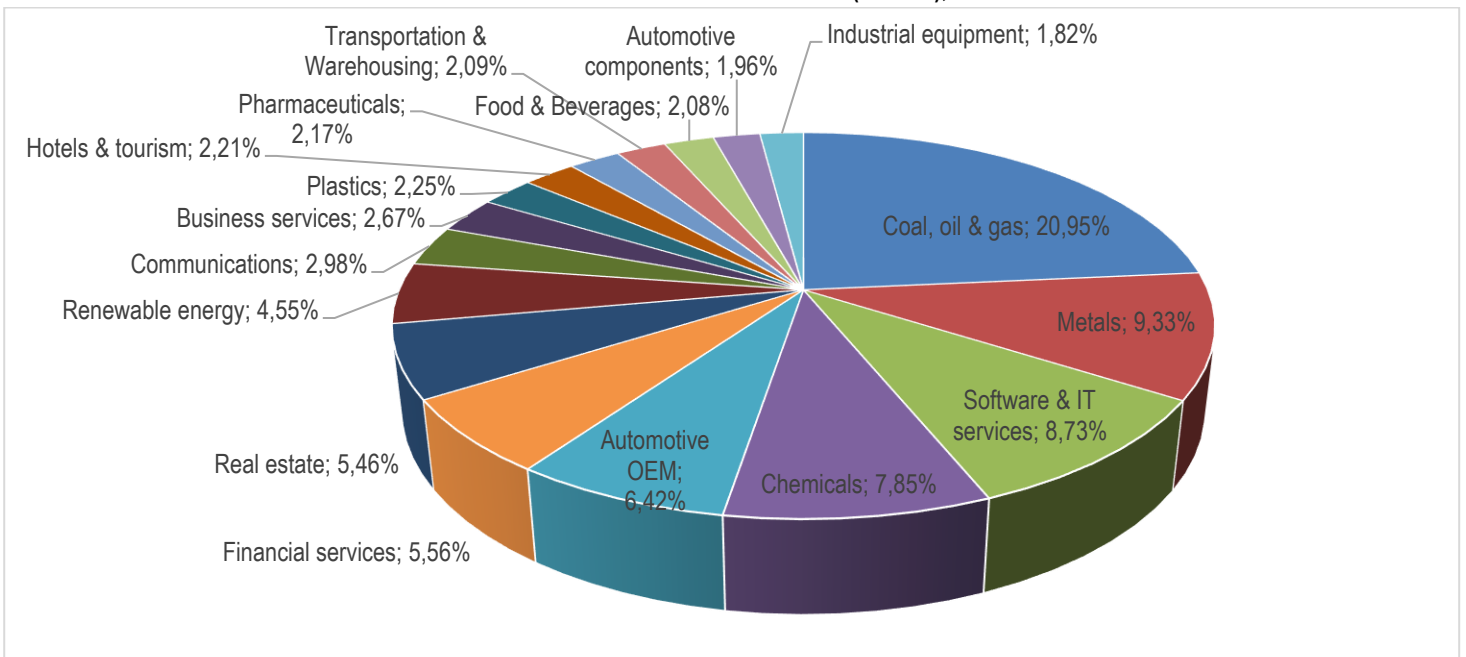
FIGURE 13: OUTWARD FDI FROM INDIA BY SECTOR (PROJECTS), 2003 - 2021



Source: FDI Markets, 2022

In terms of outward FDI as measured by capex, coal, gas and oil dominated at 20.95%, followed by metals (9.33%), and software and IT services (8.73%).

FIGURE 14: OUTWARD FDI FROM INDIA BY SECTOR (CAPEX), 2003 - 2021



Source: FDI Markets, 2022

The top 10 Indian companies as ranked by the number of outward FDI projects undertaken globally over the period 2003 – October 2021 are tabled below.

TABLE 17: TOP 10 COMPANIES, FDI FROM INDIA (BY PROJECTS), 2003 - 2021

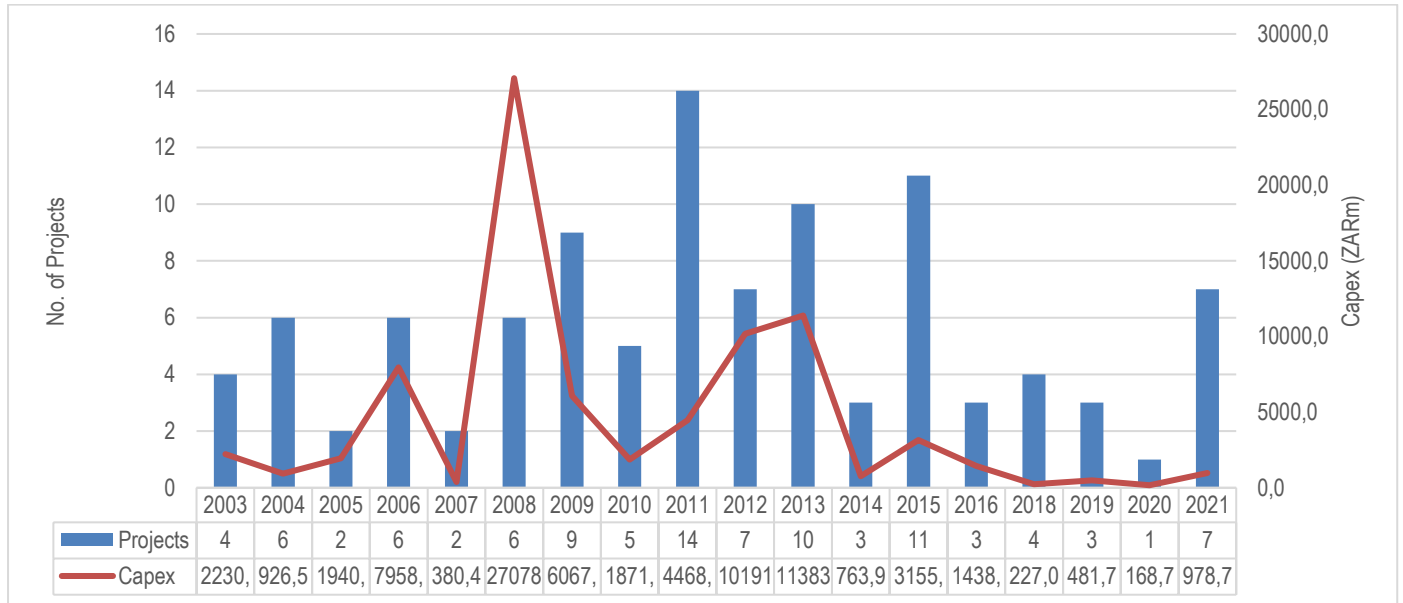
| | INVESTING COMPANY | SECTOR | PROJECTS | CAPEX (USDm) |
|--------------|--|------------------------|-----------------|---------------------|
| 1 | Tata Consultancy Services (TCS) | Software & IT services | 107 | 3 080 |
| 2 | Infosys Technologies | Software & IT services | 72 | 3 067 |
| 3 | State Bank of India (SBI) | Financial services | 70 | 2 152 |
| 4 | Jaguar Land Rover | Automotive OEM | 65 | 9 567 |
| 5 | Bank of Baroda | Financial services | 63 | 1 191 |
| 6 | HCL Technologies | Software & IT services | 56 | 2 491 |
| 7 | Malabar Gold and Diamonds | Consumer products | 54 | 990 |
| 8 | Tech Mahindra | Software & IT services | 52 | 1 360 |
| 9 | Wipro | Software & IT services | 50 | 1 581 |
| 10 | Mahindra Satyam (Satyam Computer Services) | Software & IT services | 44 | 2 183 |
| TOTAL | | | 5 737 | 270 678 |

Source: FDI Markets, 2022

6.3 INDIA FDI INTO SOUTH AFRICA

Between January 2003 and October 2021, India undertook a total of 103 FDI projects into South Africa. These projects generated an estimated capex of ZAR81.71bn, leading to the creation of about 12,732 jobs.

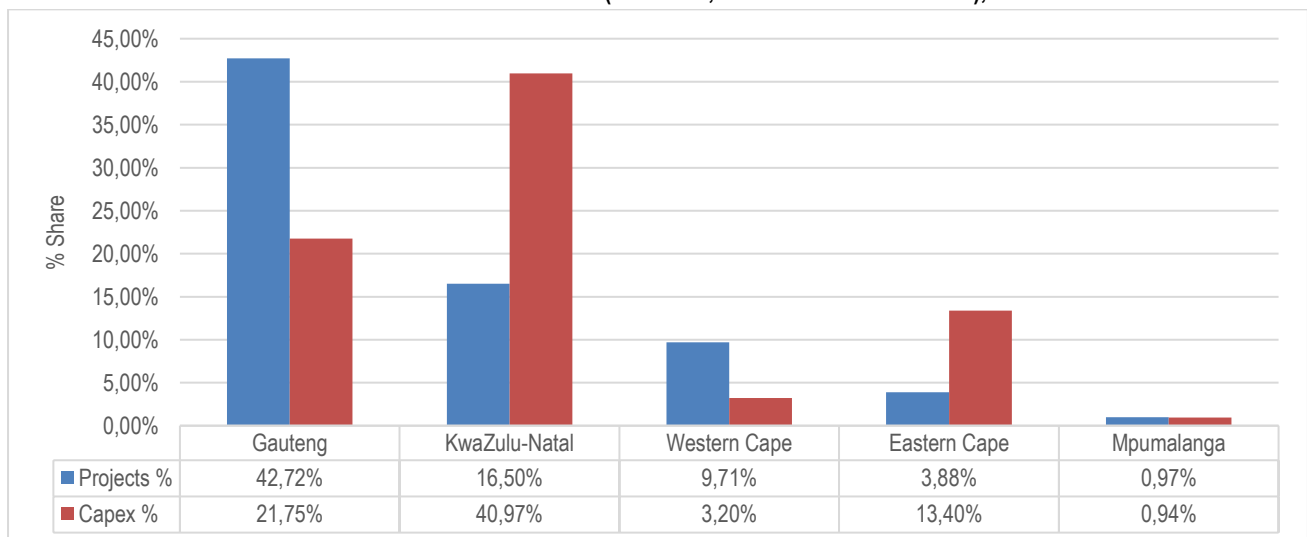
FIGURE 15: FDI FROM INDIA INTO SOUTH AFRICA (BY YEAR, PROJECTS AND CAPEX), 2003 - 2021



Source: FDI Markets, 2022

From a **provincial perspective**, as represented below, Gauteng was the largest recipient of Indian FDI into South Africa over the review period, in terms of the number of projects (42.67%). This was followed by KwaZulu Natal which accounted for 16.50% of all projects made by India into South Africa. In terms of capex, KwaZulu-Natal was the largest recipient of Indian FDI into South Africa. Gauteng followed in second position, accounting for 21.75% of capital expenditure.

FIGURE 16: FDI FROM INDIA INTO SA (BY YEAR, PROJECTS AND CAPEX), 2003 - 2021

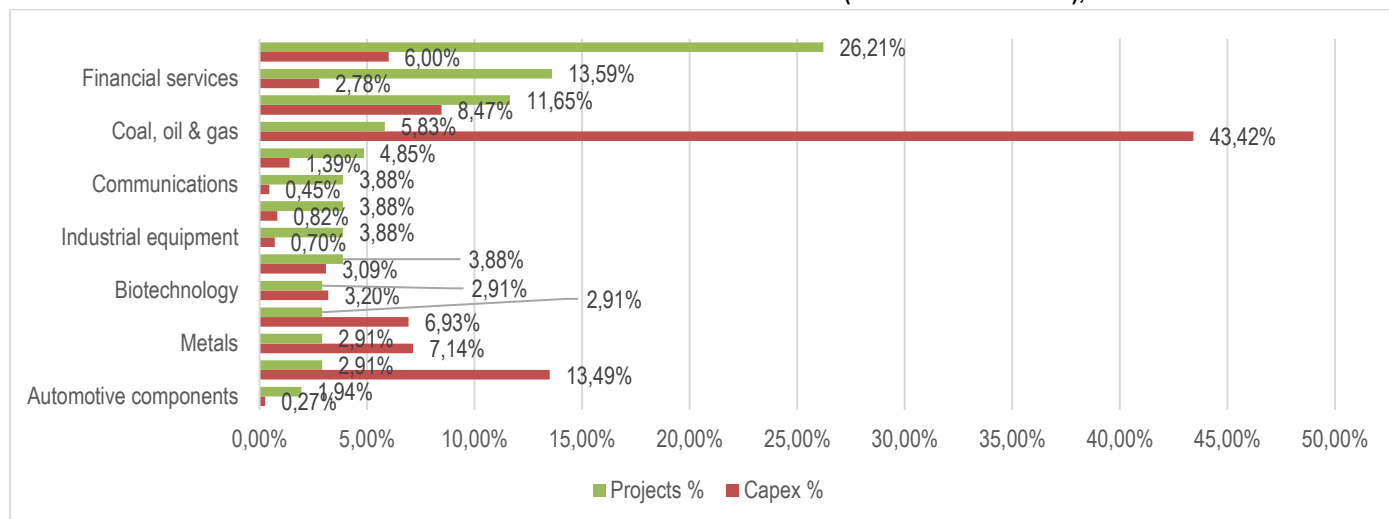


Source: FDI Markets, 2022

In terms of the sector classification of outward FDI by India into South Africa as measured primarily by the number of projects (with the CAPEX value as the secondary value), the following South African sectors were the key recipients of Indian FDI over the period, January 2013 – October 2021:

- Financial services with 27 projects accounted for 26.21% of total outward FDI projects by India into South Africa. The relative share of capex stood at 6.00%.
- Software and IT services sector with 14 projects (13.59%) and 2.78% of capex.
- Automotive OEM with 12 projects (11.65%) and a relative capex share of 8.47%.

FIGURE 17: FDI FROM INDIA INTO SOUTH AFRICA BY SECTORS (PROJECTS & CAPEX), 2003 - 2021



Source: FDI Markets, 2022

The table below shows the top Indian companies investing in South Africa over the period 2003 to October 2021:

TABLE 18: TOP 10 COMPANIES, INDIA FDI INTO SA (BY PROJECTS), 2003 - 2021

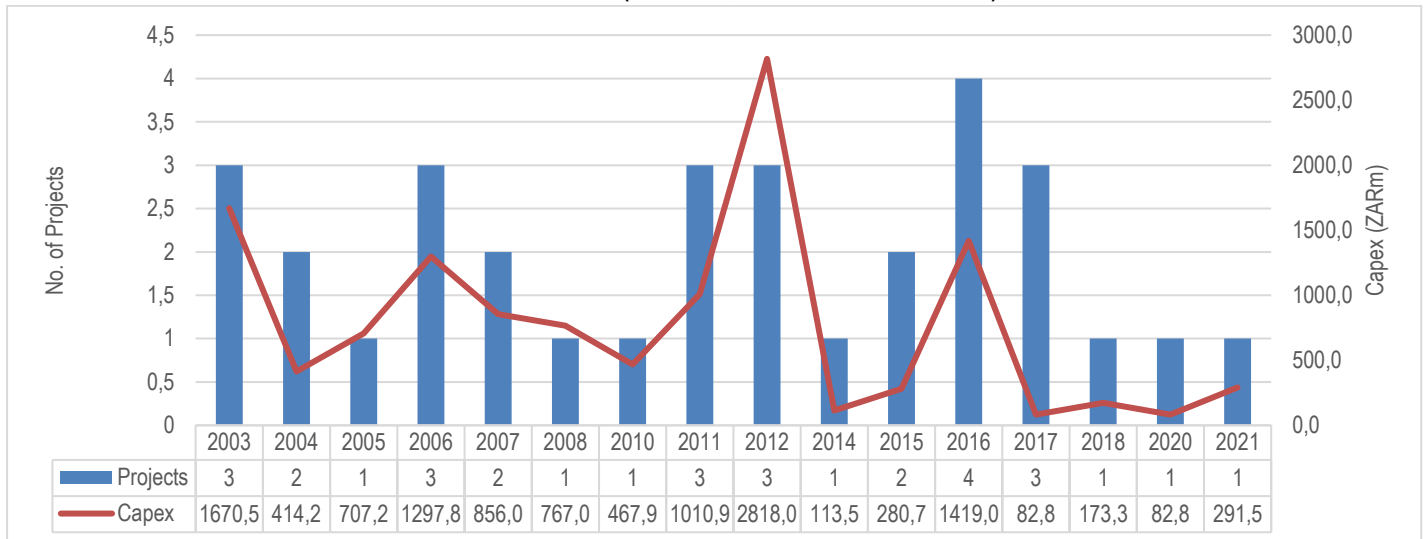
| RANK | COMPANY | SECTORS | PROJECTS | CAPEX (ZARm) | JOBS |
|--------------|----------------------------------|------------------------|------------|---------------|---------------|
| 1 | Mahindra & Mahindra South Africa | Automotive OEM | 5 | 735 | 215 |
| 2 | State Bank of India (SBI) | Financial services | 5 | 798 | 97 |
| 3 | Apollo Tyres | Rubber | 4 | 2 525 | 862 |
| 4 | Indian Hotels | Hotels & tourism | 3 | 5 665 | 718 |
| 5 | Mahindra & Mahindra (M&M) | Automotive OEM | 3 | 623 | 469 |
| 6 | Wipro | Software & IT services | 3 | 311 | 353 |
| 7 | Zoho (AdventNet) | Software & IT services | 3 | 239 | 24 |
| 8 | Aegis Limited | Business services | 2 | 368 | 539 |
| 9 | Bank of India (BOI) | Financial services | 2 | 337 | 42 |
| 10 | Cennergi | Renewable energy | 2 | 10 667 | 138 |
| TOTAL | | | 103 | 81 710 | 12 732 |

Source: FDI Markets, 2022

6.4 SOUTH AFRICA FDI INTO INDIA

Investments made by South Africa into India between January 2003 and October 2021 are shown in the figure below. A total of 32 FDI projects were recorded from South Africa into India over the review period. These projects represented a total capital investment of ZAR12.45bn, which equated to an average investment of ZAR389.6m per project. During the period 6, 001 jobs were created.

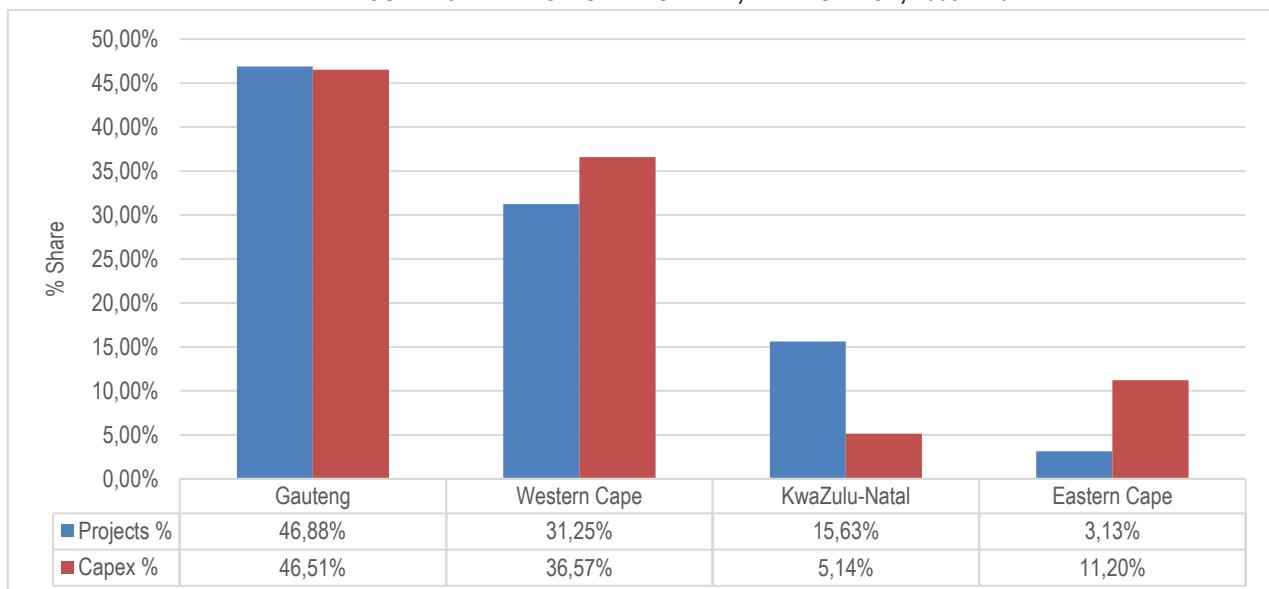
FIGURE 18: FDI FROM SA INTO INDIA (BY YEAR, PROJECTS AND CAPEX), 2003 - 2021



Source: FDI Markets, 2022

From a **provincial perspective**, as represented in Figure 26, Gauteng was the largest source market of South African FDI into India over the review period, both in terms of the number of projects (46.88%) and capital expenditure (46.51%). The Western Cape followed in second position accounting for 31.25% of projects and 36.57% of capital expenditure.

FIGURE 19: FDI FROM SA INTO INDIA, BY PROVINCE, 2003 – 2021

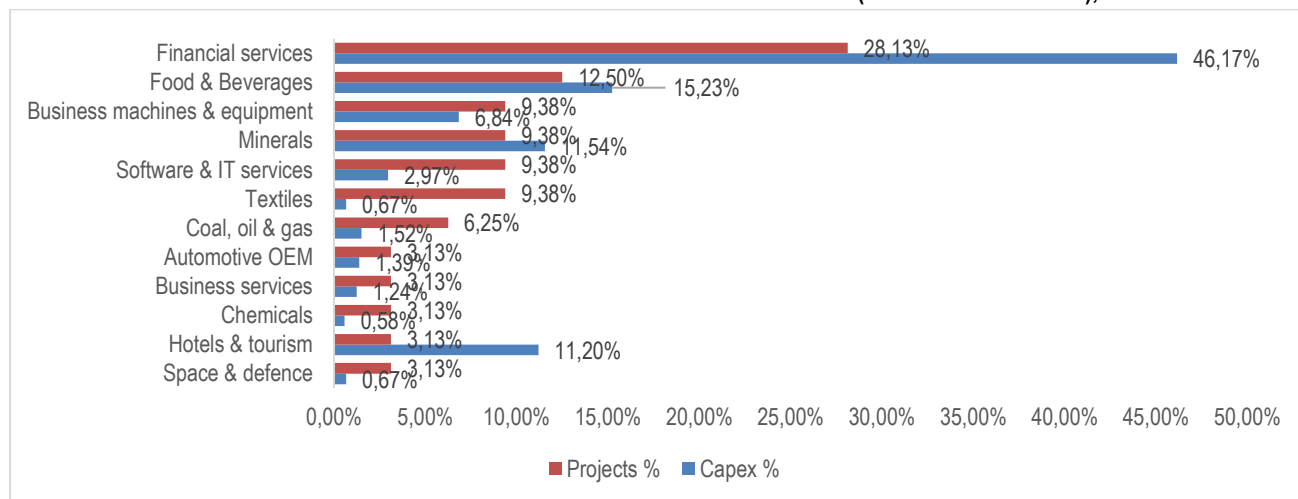


Source: FDI Markets, 2022

In terms of the sector classification of outward FDI by South Africa into India as measured primarily by the number of projects (with the CAPEX value as the secondary value), the following Indian sectors were the key recipients of South African FDI over the period, January 2013 – October 2021:

- Financial services with 9 projects accounted for 28.13% of total outward FDI projects by India into South Africa. The relative share of capex stood at 46.17%.
- Food and beverages sector with 4 projects (12.50%) and 15.23% of capex.
- Business machines and equipment with 3 projects (9.38%) and a relative capex share of 6.84%.

FIGURE 20: FDI FROM SOUTH AFRICA TO INDIA BY SECTORS (PROJECTS & CAPEX), 2003 - 2021



Source: FDI Markets, 2022

Top 10 South African companies investing into India from January 2003 to October 2021 are tabled below:

TABLE 19: TOP 10 COMPANIES, SA FDI INTO INDIA (BY PROJECTS), 2003 - 2021

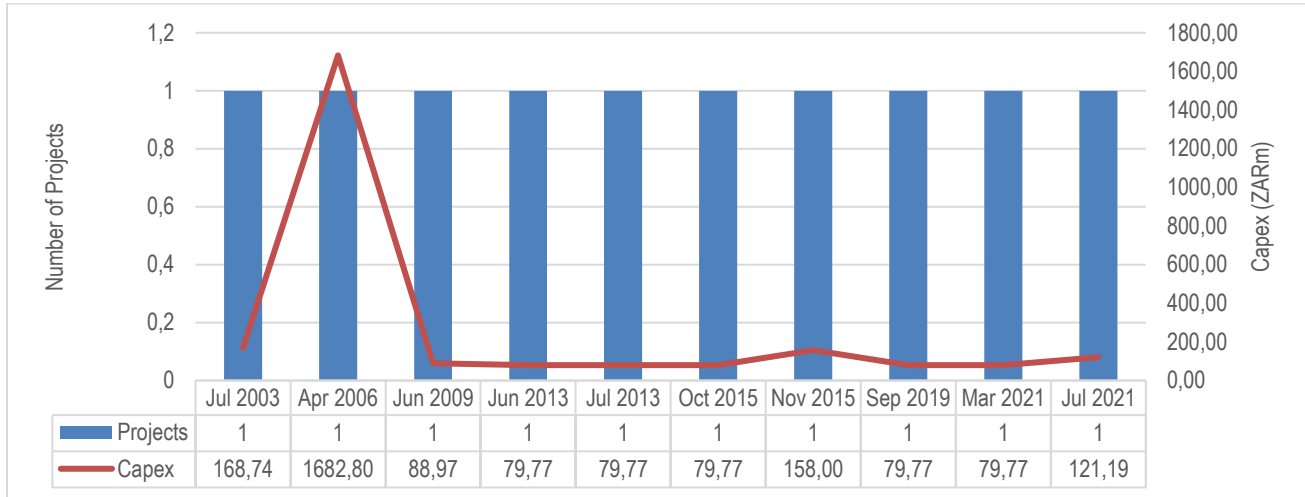
| RANK | COMPANY | SECTORS | PROJECTS | CAPEX (ZARm) | JOBS |
|--------------|---|-------------------------------|-----------|---------------|--------------|
| 1 | Belgotex | Textiles | 3 | 83 | 126 |
| 2 | De Beers | Minerals | 3 | 1 437 | 179 |
| 3 | Sahara Computers and Electronics (SCEL) | Business machines & equipment | 3 | 851 | 1 086 |
| 4 | FirstRand | Financial services | 2 | 1 513 | 296 |
| 5 | Shriram Life Insurance | Financial services | 2 | 1 335 | 712 |
| 6 | Axiom-Bio products | Chemicals | 1 | 72 | 18 |
| 7 | CKR Consulting Engineers | Business services | 1 | 155 | 156 |
| 8 | Cockett Marine Oil | Coal, oil & gas | 1 | 89 | 9 |
| 9 | Datacraft | Software & IT services | 1 | 130 | 284 |
| 10 | Dynamic Technology Holdings (DTH) | Software & IT services | 1 | 126 | 52 |
| TOTAL | | | 32 | 12 453 | 6 001 |

Source: FDI Markets, 2022

6.5 INDIA FDI INTO WESTERN CAPE

Over the period 2003 to October 2021, 10 FDI projects, with a total capex of ZAR2.62bn, were recorded from India into the Western Cape. These projects created 626 jobs in total.

FIGURE 21: FDI FROM INDIA INTO THE WESTERN CAPE (BY YEAR, PROJECTS AND CAPEX), 2003 – OCT 2021



Source: FDI Markets, 2022

The following investments were made by Indian companies into the Western Cape between January 2003 and October 2021:

TABLE 20: FDI INVESTMENTS MADE BY INDIA INTO THE WESTERN CAPE, 2003 – OCT 2021

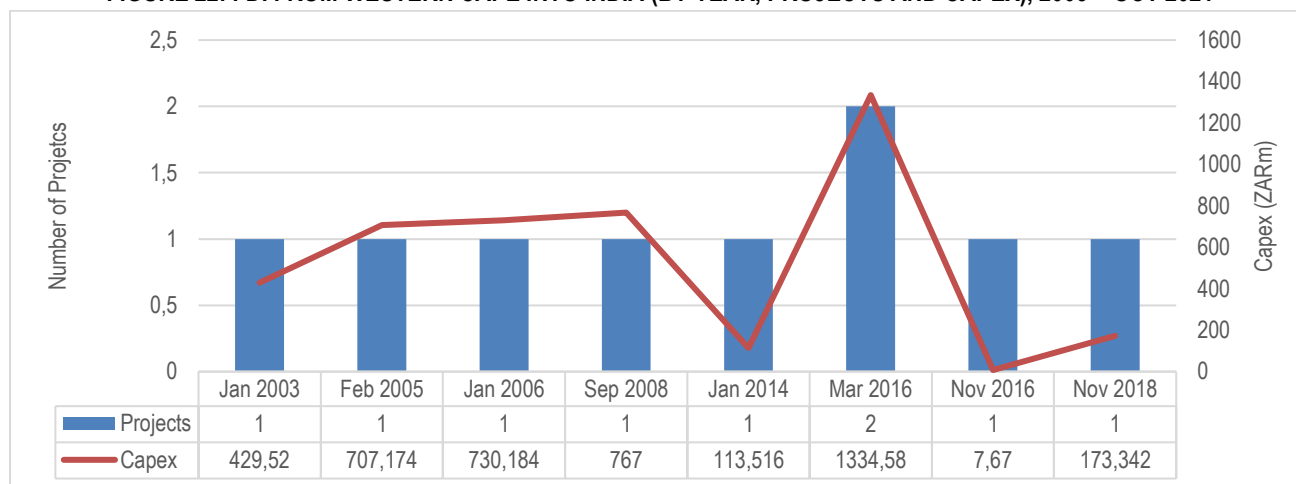
| DATE | INVESTING COMPANY | INDUSTRY SECTOR | BUSINESS ACTIVITY | CAPEX (ZARm) | JOBS |
|--------------|---------------------------|------------------------|--|-----------------|------------|
| Jul 2021 | Wipro | Software & IT services | Business Services | 121.19 | 231 |
| Mar 2021 | Zoho (AdventNet) | Software & IT services | Sales, Marketing & Support | 79.77 | 8 |
| Sep 2019 | Zensar Technologies | Software & IT services | Sales, Marketing & Support | 79.77 | 8 |
| Nov 2015 | Cipla Medpro | Pharmaceuticals | Logistics, Distribution & Transportation | 157.85 | 45 |
| Oct 2015 | RateGain | Software & IT services | Sales, Marketing & Support | 79.77 | 8 |
| Jul 2013 | Zomato.com | Software & IT services | Sales, Marketing & Support | 79.77 | 8 |
| Jun 2013 | Vserv.mobi. (Vserv) | Software & IT services | Sales, Marketing & Support | 79.77 | 8 |
| Jun 2009 | Systeme | Software & IT services | Sales, Marketing & Support | 88.97 | 9 |
| Apr 2006 | Indian Hotels | Hotels & tourism | Construction | 1,682.80 | 280 |
| Jul 2003 | State Bank of India (SBI) | Financial services | Business Services | 168.74 | 21 |
| TOTAL | | | | 2,618.38 | 626 |

Source: FDI Markets, 2022

6.6 WESTERN CAPE FDI INTO INDIA

During the period under review, 9 FDI projects, with a total capex of ZAR4.26bn, were recorded from the Western Cape to India. These projects created 2, 420 jobs in total.

FIGURE 22: FDI FROM WESTERN CAPE INTO INDIA (BY YEAR, PROJECTS AND CAPEX), 2003 – OCT 2021



Source: FDI Markets, 2022

The following investments were made by companies from the Western Cape into India between January 2003 and October 2021:

TABLE 21: FDI INVESTMENTS MADE BY WESTERN CAPE COMPANIES INTO INDIA, 2003 – OCT 2021

| DATE | INVESTING COMPANY | INDUSTRY SECTOR | BUSINESS ACTIVITY | CAPEX (ZARm) | JOBS |
|--------------|------------------------|------------------------|----------------------------|-----------------|-------------|
| Nov-18 | OLX | Automotive OEM | Sales, Marketing & Support | 173.34 | 24 |
| Nov-16 | Naspers | Financial services | Business Services | 7.67 | 1 |
| Mar-16 | Shriram Life Insurance | Financial services | Sales, Marketing & Support | 667.29 | 356 |
| Mar-16 | Shriram Life Insurance | Financial services | Sales, Marketing & Support | 667.29 | 356 |
| Jan-14 | Mxit | Software & IT services | Sales, Marketing & Support | 113.52 | 96 |
| Sep-08 | Sanlam Group | Financial services | Business Services | 767.00 | 103 |
| Jan-06 | Sanlam Life Insurance | Financial services | Sales, Marketing & Support | 730.18 | 233 |
| Feb-05 | Lourensford Wines | Food & Beverages | Manufacturing | 707.17 | 939 |
| Jan-03 | Shoprite | Food & Beverages | Retail | 429.52 | 312 |
| TOTAL | | | | 4,262.99 | 2420 |

Source: FDI Markets, 2022

7. TOURISM

7.1 INDIA TOURISM MARKET OVERVIEW

TABLE 22: INDIA TRAVE MARKET, 2017 - 2021

| Overview of the Indian Travel Market | |
|---|----------------------------|
| Largest Cities | 1. Mumbai: 12.7 million |
| % of total population, number of people | 2. Delhi: 10.9 million |
| (2021 estimate) | 3. Bengaluru: 5.1 million |
| | 4. Kolkata: 4.6 million |
| | 5. Chennai: 4.3 million |
| Disposable income (INR million) | 177.6 (2021) |
| Savings | 26.2% (2021) |
| As % of disposable income | |
| Median Age | 29.0 years (2021 estimate) |
| Outbound Departures ('000 trips) | 1. 2017: 18,541.2 |
| | 2. 2018: 19,725.5 |
| | 3. 2019: 23,770.4 |
| | 4. 2020: 5,634.9 |
| | 5. 2021: 9,548.5 |
| Type of Outbound Trips (2021) | Leisure: 67.7% |
| | Business: 32.3% |

Top 10 Outbound Departures by Destination

| '000 trips | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|----------------------|---------|---------|---------|---------|---------|---------|
| Saudi Arabia | 1,656.2 | 1,581.2 | 1,440.2 | 3,623.3 | 766.7 | 2,467.3 |
| United Arab Emirates | 2,262.6 | 2,605.7 | 2,554.2 | 2,536.4 | 1,092.9 | 1,160.0 |
| United States | 1,206.8 | 1,285.5 | 1,378.0 | 1,473.5 | 336.0 | 690.7 |
| Thailand | 1,077.0 | 1,281.7 | 1,562.9 | 1,962.2 | 261.8 | 400.5 |
| United Kingdom | 484.1 | 693.2 | 678.6 | 691.6 | 225.6 | 386.8 |
| France | 551.8 | 592.6 | 451.3 | 461.1 | 129.0 | 254.0 |
| Qatar | 340.1 | 333.7 | 400.7 | 400.4 | 183.6 | 219.7 |
| Bahrain | 442.4 | 511.8 | 533.3 | 481.6 | 96.1 | 199.2 |
| China | 682.6 | 753.4 | 702.9 | 859.4 | 94.2 | 176.0 |
| Oman | 299.6 | 319.0 | 358.8 | 413.9 | 105.6 | 174.6 |

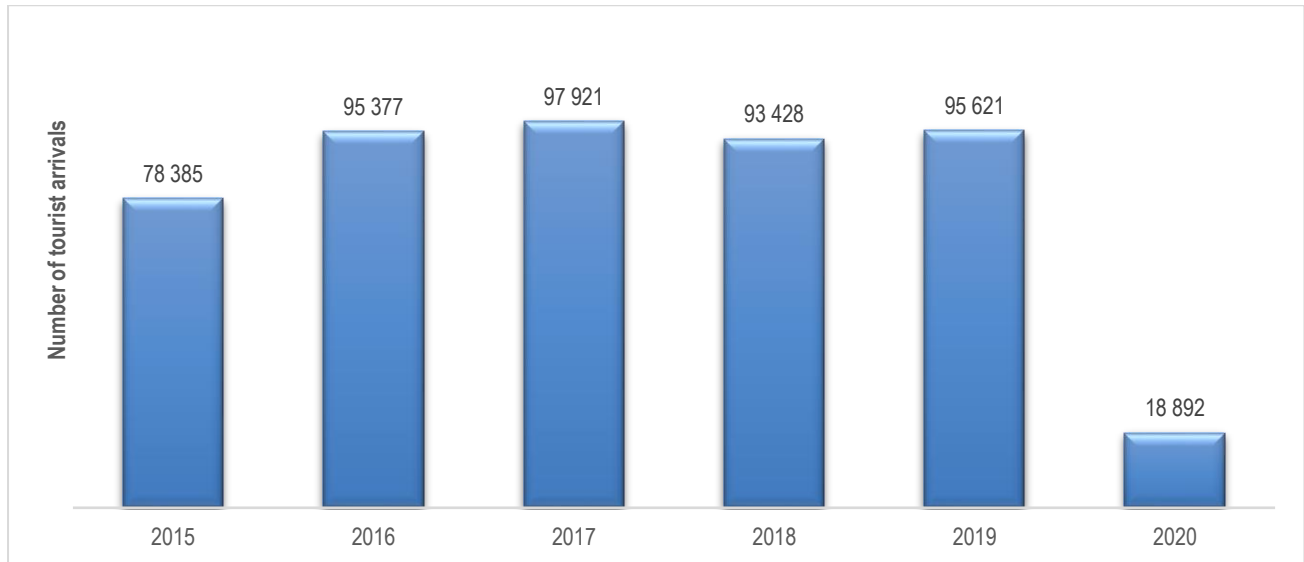
Source: SA Tourism, 2021

7.2 INDIA TOURIST ARRIVALS INTO SOUTH AFRICA

The graph below shows total tourist arrivals from India into South Africa from 2015 - 2020. In 2020, South Africa saw a decline of 97.59% in Indian tourist arrivals as a result of the impact of the pandemic on international travel.

Indian visitors who travelled to South Africa in the year 2020 predominantly visited for the purpose of holiday (26,8%), MICE (24,7%) and business travel (23,3%). Their top 5 activities undertaken in the country included business (ranking in the top position), theme parks, visiting natural attractions, wildlife and adventure.

FIGURE 23: INDIAN TOURIST ARRIVALS TO SOUTH AFRICA, 2015 - 2020

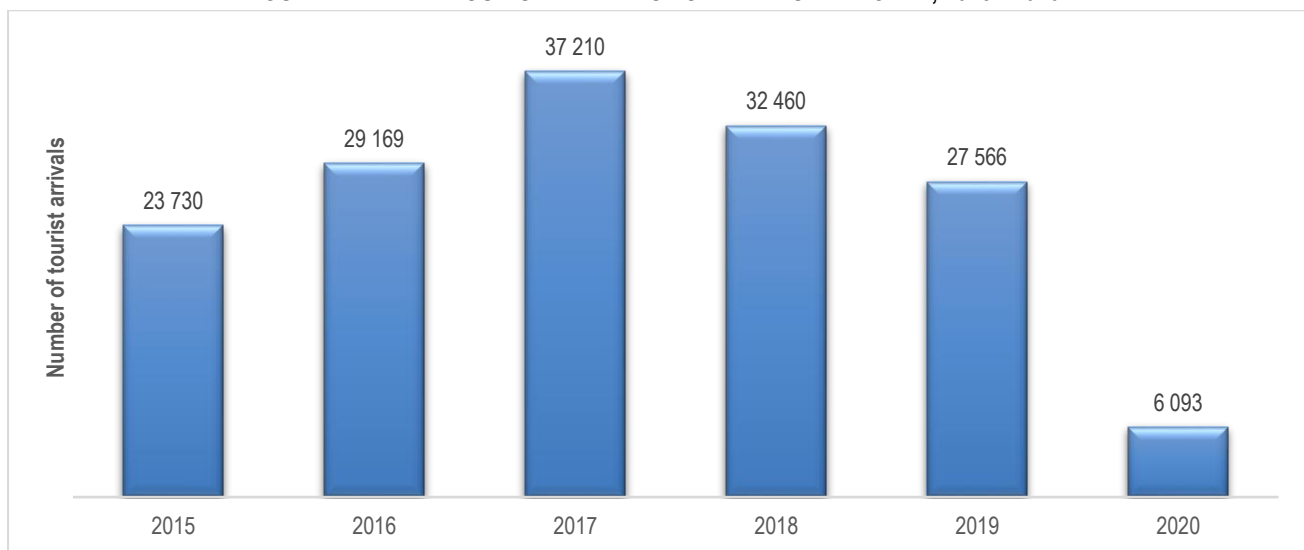


Source: SA Tourism, 2021

7.3 INDIAN TOURIST ARRIVALS INTO THE WESTERN CAPE

Figure 24 presents Indian tourist arrivals into the Western Cape between 2015 and 2020. In a similar manner to the national trend, the Western Cape saw a 77.90% decline in Indian tourist arrivals in 2020, owing to the impact of the pandemic on international travel.

FIGURE 24: INDIAN TOURIST ARRIVALS TO THE WESTERN CAPE, 2015 - 2020

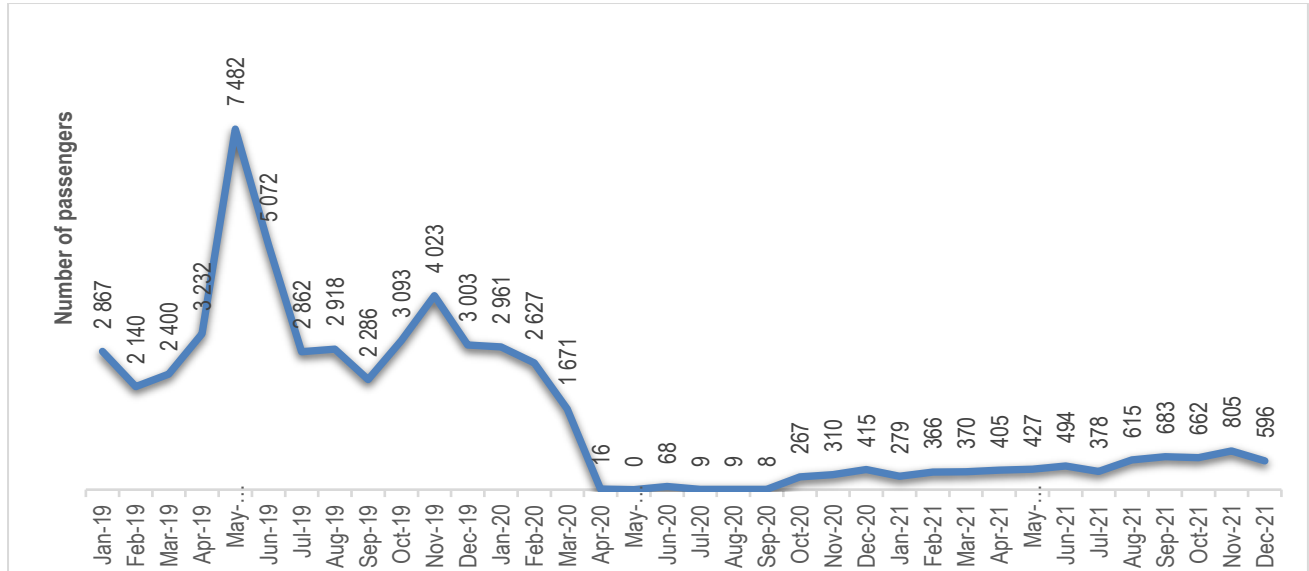


Source: SA Tourism, 2021

7.4 INDIAN PASSENGER MOVEMENT THROUGH CAPE TOWN INTERNATIONAL AIRPORT

Indian passenger movement through the Cape Town International Airport came to a complete standstill during May 2020 resulting in no passengers recorded for the month. The month of June 2020 reflected 68 Indian passengers which then again plummeted to a mere 9 passengers between July and August 2020. Indian passengers into 2021 are showing a promising recovery with the highest number recorded in November 2021 (805). However, recovery is still at a slow pace when compared to the passenger levels recorded in 2019.

FIGURE 25: INDIAN PASSENGER MOVEMENT THROUGH CAPE TOWN AIRPORT, JAN 2019 – DEC 2021



Source: OAG Traffic Analyzer, 2021

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