

Quarter 2 | April-June 2024

 **INDIA**

OUTBOUND

(The word 'OUTBOUND' is reflected below it in a faded, semi-transparent style.)





In this Issue

- Foreword
- Snapshot of Indian OFDI in Q2 2024
- Indian Investments Overseas
- India – APAC Corridor
- Featured Deals
- Investments Snapshot
- T&A's Success
- Investment Promotion Activities
- Upcoming Investment Promotion Events
- About T&A

Foreword

Richa Mahajan
Executive Director

T&A
we go beyond



The global economy in 2023 faltered against expectations of high performance, with various indicators painting a less optimistic picture. Geopolitical disruptions caused supply-chain issues, leading to a global energy and food crisis and a significant rise in inflation. Despite predictions of an impending recession, the world managed to avoid it, with the banking system proving largely resilient and emerging market economies escaping sudden stops. Remarkably, as swiftly as global inflation rose, it began to decline, offering a glimmer of stability.

Looking ahead to second half of 2024, expectations have moderated, with growth projected to hold steady around 3.2% for 2024 and 2025. New opportunities emerged, particularly with the acceleration towards net-zero emissions. Technological breakthroughs in renewables and batteries, which necessitate the extraction, processing, and use of critical minerals, are paving the way for economic growth and the achievement of Sustainable Development Goals (SDGs), particularly in mineral-rich developing economies.

Global foreign direct investment (FDI) flows are set to rebound in 2024, fueled by a recovering global economy and renewed investor confidence. This resurgence is highlighted by better-than-expected economic performance in key markets like the United States, a consistently top destination for investors, and improving prospects in major emerging economies.

India's outbound investments in Q2 (April-June) stood at USD 7,099 million, with Singapore, the US, UAE, UK, and Switzerland being the top destinations. Notably, Belgium and Ireland emerged as new entrants in the top 10 destinations, driven by significant acquisitions in Belgium and robust investments in clinical research and biotechnology in Ireland. Indian investors are banking on advanced technological infrastructure and improving economic conditions, particularly in manufacturing sectors such as pharmaceuticals and IT/ITeS infrastructure.

This positive outlook extends to the Asia-Pacific (APAC) region, which has become the top geography for Indian investments, overtaking the Middle East from Q1 2024, supported by 8% growth in outflows from the previous quarter. Although, the Middle East also saw major acquisitions by Indian companies this quarter.

In Q2 2024, India invested USD 2,045 million in APAC, with Singapore leading the list of key destinations, followed by Sri Lanka, China, and Myanmar. The APAC region offers a diverse landscape for investments, with large companies committing significant funds to infrastructure and energy projects, and smaller companies are leveraging these opportunities for expansion and gaining market access. Indian companies are playing a crucial role in supporting IT transformation in smaller Asian countries and are expanding their retail presence in the automotive, healthcare, and nutrition sectors.

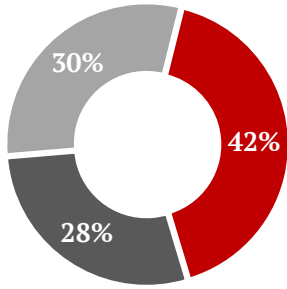
FDI patterns in the past two decades can be understood in three key aspects. First, the growth of FDI (and that of Global Value Chains or GVCs) has lost pace with GDP and trade – their growth paths have disconnected. Second, there is a widening gap in investment trends between manufacturing and services sectors. Third, investment patterns in China have delinked from the rest of the world.

In this evolving landscape, investment is not just about capital flows; it is about human potential, environmental stewardship, and the enduring pursuit of a more equitable and sustainable world. Indian outbound investments reflect this broader perspective, particularly in the APAC region. The resilience and adaptability of the global economy, coupled with investments in transformative sectors, underscore the potential for inclusive growth across regions, ensuring that the benefits of globalization are equitable.

Snapshot of Indian OFDI in Q2 2024

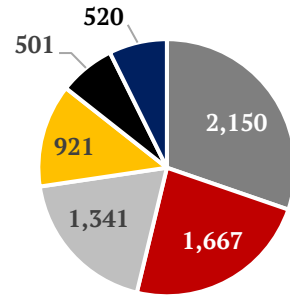
Total Volume of Outbound Investments from India : **USD 7,099 Million**

Month wise breakup of total outbound investments in Q2 2024



■ Apr-24 ■ May-24 ■ Jun-24

Investment Breakup (by sector)

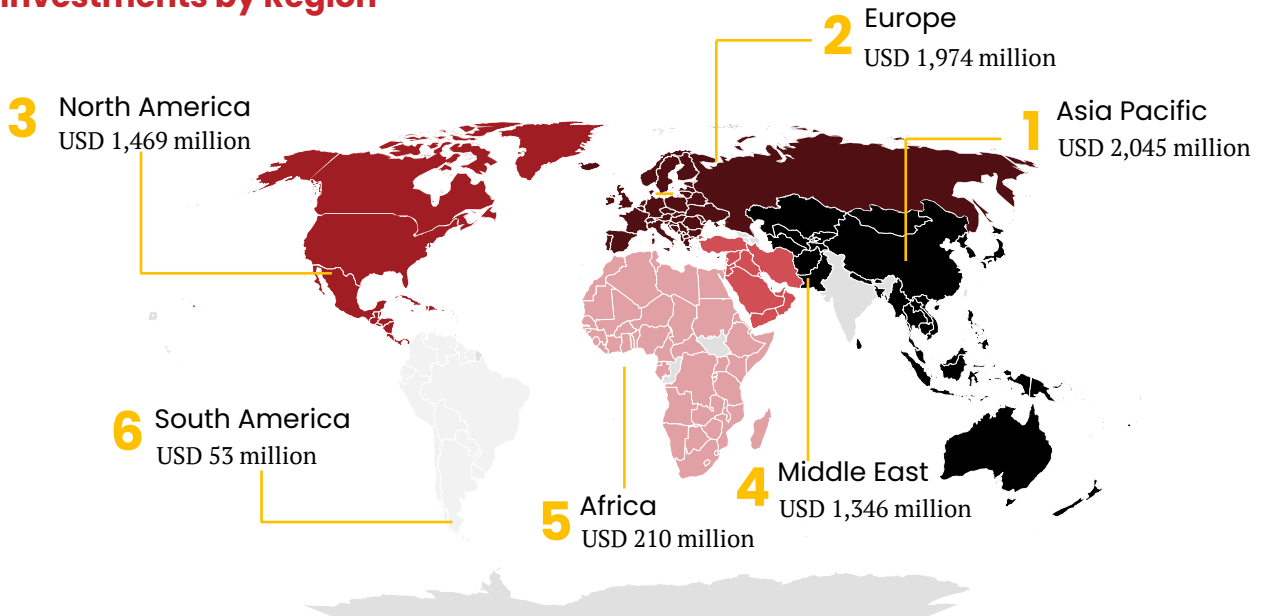


■ BFSI ■ Manufacturing
 ■ Trade & Hospitality ■ Logistics
 ■ Agriculture & Mining ■ Others

In Q2, **25%** of the total investments were made by these 5 companies:

1	2	3	4	5
USD 440 Mn	USD 397 Mn	USD 385 Mn	USD 312 Mn	USD 262 Mn
Pharma	Energy	Pharma	Technology	ICT

Investments by Region



Indian Investments Overseas

The table provides information about the FDI investment values of various countries in Q2 2024 as compared to the same period in the previous year.

(USD Million)

Rank	Country (Rank)	Q2 24	Q2 23	% change
1	Singapore	1,615	1,185	36%
2	USA	1,373	395	248%
3	UAE	1,296	1,324	-2%
4	UK	580	183	217%
5	Switzerland	409	210	95%
6	Netherlands	388	323	20%
7	Belgium	304	1	31,438%
8	IFSC Gift City	218	29	648%
9	Ireland	178	20	794%
10	Mauritius	72	89	-20%

~79% of Indian investments in the APAC region are directed to Singapore, home to over 8,000 Indian companies, including firms like Tata, Wipro, Mahindra and AdGroup. As a key trade and investment partner in ASEAN, Singapore serves as a gateway to emerging APAC markets. Its advanced infrastructure, enabling investment environment, and supply deficit for IT expertise make it an attractive destination for Indian businesses seeking regional expansion. Additionally, Singapore has established a comprehensive and robust intellectual property (IP) regime, recognized as one of the best in the world, protecting patents, trademarks, copyrights, and trade secrets, thereby supporting innovation and economic growth.

Indian companies are significantly increasing their investments in the USA, representing **93%** of their total investments in North America, driven by the USA's technological innovation, well-developed business ecosystems, and substantial market demand. Both startups and established firms are attracted to the USA's robust business environment and extensive growth opportunities, which particularly focus on advancing their capabilities in evolving industries such as artificial intelligence and biotechnology. Additionally, 36% of venture capital funding rounds for Indian startups involve US-based investors, resulting in 17 Indian unicorns choosing the country for setting up headquarters.

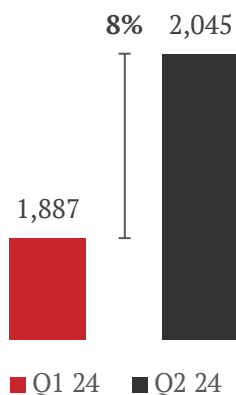
India – APAC Corridor

Total Outbound Investments from India to APAC in Q2 2024:
USD 2,045 Million.

India's Look East policy, initiated in 1992, initially focused on Southeast Asia and later expanded to include East Asia and Oceania. This policy has successfully fostered closer economic, strategic, and cultural ties with these regions. Significant milestones in this initiative include free trade agreements with ASEAN, Japan, Korea, and Australia, which have substantially boosted trade, investment flows, and technical cooperation. These relationships reflect India's strategic objective to enhance its role in regional supply chains and assert its geopolitical influence.

As part of this evolving strategy, India's investment patterns in Asia have undergone a notable shift. Traditionally, Indian investments were concentrated in financial services, insurance, wholesale and retail trade, and real estate. However, with the strengthening of supply chains in the Asia-Pacific region, there has been a significant pivot towards sectors such as IT, automotive, healthcare, and advanced manufacturing. This shift aims to strengthen economic links within the region and reduce dependence on China by positioning India as a key alternative supplier.

Quarter on Quarter % change of total OFDI from India to APAC (USD Mn)



Top 5 APAC Countries attracting Indian investments (USD Mn)

Rank	Country (Rank)	Q2 24
1	Singapore	1,615
2	IFSC Gift City*	218
3	Sri Lanka	59
4	China	23
5	Indonesia	23

Top 5 Indian companies investing in APAC in Q2 2024

1	2	3	4	5
USD 397 Mn	USD 313 Mn	USD 263 Mn	USD 154 Mn	USD 108 Mn
Energy	Technology	Steel	Steel	Energy
Singapore	Singapore	Singapore	Singapore	International Financial Services Centre IFSC Gift City

GIFT City is India's first International Financial Services Centre (IFSC) under Special Economic Zone Act, 2005 ("SEZ Act 2005"). It is being developed as a global financial services hub.

Featured Deals

Synechron acquires Australian firm for enhancing technological capabilities

Sector: IT/ITes

Synechron, company offering digital transformation solutions for financial services and tech firms, acquired iGreenData, a modern, data-centric digital solutions company based in Melbourne, Australia. This acquisition capitalizes on iGreenData's specialization in cloud technology, data engineering, and blockchain, and enhances Synechron's payments capabilities. By integrating iGreenData's expertise, Synechron aims to deliver innovative and customized solutions, strengthening its global leadership in digital transformation. Synechron also acquired Adelaide-based Chamonix IT and Exposé, to establish greater presence.



Rationale: Australia's location enables Synechron to provide seamless support for its clients across time zones in Asia, the Americas, and Europe.



Hectar Global expands operations in Bangladesh

Sector: Agritech

Hectar Global, a B2B cross-border agri trade startup, expanded into Bangladesh by establishing a headquarters in Dhaka and a pulses processing factory in Faridpur. The move aligns with Hectar Global's overseas expansion plan to enhance its downstream trade capabilities by setting up direct operations in key origination or destination markets. The expansion targets high demand in Bangladesh for spices and pulses, including dry red chilies, turmeric, red lentils, chickpeas, and yellow peas. The expansion will include a broader range of products such as non-basmati rice, maize, oilseeds, and sugar.




Rationale: Bangladesh's significant reliance on food imports—spending over USD 15 billion annually on agricultural commodities, Hectar's establishment aims to streamline the sourcing process for local businesses and manufacturers. By combining their global platform with a local presence, the company seeks to offer cost benefits and convenience in cross-border purchasing, while also adding value through its processing facility.

Investment Snapshot

Company Name	Sector	Type	Value	Country
	Advanced Manufacturing	Acquisition	USD 78 Mn	Japan
<p>Rationale: Vedanta’s acquisition of an additional 46.5% stake in Japan’s AvanStrate aligns with its vision of diversifying into hi-tech manufacturing and expanding in high-growth markets. Acquiring AvanStrate, a leading manufacturer of glass substrates for electronic devices, allows Vedanta to strengthen its supply chain to India’s electronics manufacturing industry. Vedanta aims to enhance its capabilities in the hi-tech electronics manufacturing industry, catering to the growing demand for electronic devices both in India and globally.</p>				
	Manufacturing	Acquisition	Not Disclosed	Austria
<p>Rationale: Naxnova’s acquisition of Austria-based Advanced Thermal Technologies (ATT) further enhances its global expansion and technological capabilities. Austria’s robust industrial ecosystem and central location in Europe provide access to advanced manufacturing ecosystem, skilled talent, and a gateway to prestigious clients like Porsche, Airbus, and Daimler. Integrating ATT’s expertise in thermal management solutions aligns with Naxnova’s commitment to innovation and customer satisfaction. This acquisition strengthens Naxnova’s portfolio, accelerates product development, and positions the company to deliver superior quality across diverse industries globally.</p>				
	Technology	Greenfield	Not Disclosed	UAE
<p>Rationale: Almonds Ai’s expansion into UAE, marks a key milestone in its global growth strategy as Dubai’s market, location, and robust business infrastructure provide an ideal environment for fostering stronger relationships with existing clients and forging new partnerships. The new office will enhance localized expertise and support, boosting channel sales and marketing initiatives. Almond Ai received an undisclosed funding amount from Dubai-based investors and will utilize these funds to fulfill regional resource requirements and enhance technology. This move underscores Almonds Ai’s commitment to delivering transformative AI-powered loyalty and channel engagement solutions, driving sustainable growth.</p>				
	Financial Services	Greenfield	Not Disclosed	UAE
<p>Rationale: Bajaj Finserv launched its Technology Services hub in the UAE at the Dubai International Financial Centre (DIFC), a strategic move to tap into the Middle East’s digital and financial market. Dubai’s advanced digital agenda and strategic location make it an ideal choice for global expansion. This highlights Bajaj Finserv’s commitment to driving digital transformation globally, leveraging its expertise in custom applications, data engineering, and cloud services. The new office aims to forge strong regional partnerships and contribute to the digital transformation of businesses in financial services, retail, e-commerce, and government sectors.</p>				

Investment Snapshot

Company Name	Sector	Type	Value	Country
	Logistics	Greenfield	Not disclosed	UAE

Rationale: DCGpac's expansion into the UAE market marks a strategic milestone in its global growth plan and was driven by the rising demand for high-quality packaging solutions in the region. Dubai's strategic location, robust infrastructure, and business-friendly environment make it an ideal hub for DCGpac's operations. Setting up an innovation center and QC lab in Dubai enables DCGpac to provide innovative packaging solutions to UAE businesses, paving way for future expansions into the US and European markets.

	Automotive	Greenfield	Not Disclosed	Italy
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Rationale: TVS Motor company's expansion into Italy, via its branch office TVS Motor Italia, marks a strategic move to strengthen its global presence. Italy, known for its robust automotive market and passion for two-wheelers, offers a prime location for TVS to introduce its thermic and electric scooters and motorcycles. This expansion enhances TVS's footprint in Europe, aligning with its goal to cater to diverse consumer needs globally, adding to its already established presence in over 80 countries.

	Logistics	Greenfield	USD 39.5 Mn	Tanzania
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Rationale: Adani Ports and Special Economic Zone (APSEZ) expanded its global footprint by signing a 30-year concession agreement with the Tanzania Ports Authority to operate and manage a terminal at Dar es Salaam Port. This deal marks APSEZ's entry into Tanzania and is part of its broader ambition to become one of the largest port operators globally by 2030. This expansion is aimed at enhancing trade volumes and economic cooperation between Indian ports and East Africa, transforming Dar es Salaam Port into a world-class facility, and supporting regional economic growth.

T&A's Success

Indian Biosimilars firm Biocon Biologics expands in New Jersey

Sector: Lifesciences



T&A Consulting is the official representative of Choose New Jersey in India. The New Jersey India Center (NJIC), established in 2019 during the visit of Governor Phil Murphy to India, serves as Choose New Jersey's first point of contact for Indian businesses interested in expanding their operations in the State of New Jersey.

NJIC played a pivotal role in setting up Biocon Biologics' first North American headquarters in New Jersey. The NJIC team facilitated connections and provided guidance to expand its operations in Bridgewater, Somerset County. The team addressed Biocon Biologics' concerns about high operational costs and talent retention. Additionally, they reconnected Biocon Biologics with the New Jersey Economic Development Authority (NJEDA) to explore potential incentive programs for their ongoing expansion and helping in identifying suitable sites for further growth, including the Merck Campus in Kenilworth.



Swiss chemicals company Sika opens a production plant in New Jersey

Sector: Chemicals

T&A Consulting, the official representative of Choose New Jersey in the European Market since 2020, plays a pivotal role in facilitating the expansion of European companies in the state.

A notable success is the recent announcement by Sika Corp., a global leader in construction solutions, to build a state-of-the-art, 250,000-square-foot mortar production plant in Upper Deerfield Township, Cumberland County. This expansion is the result of a collaborative effort between Choose New Jersey and the New Jersey Europe Center. Choose New Jersey first invited Sika at the Select USA 2023 Night Cap event. Following the event, NJEC engaged with the Swiss company, leading to further discussions with senior members of Choose New Jersey. These continued dialogues ultimately led to Sika's decision to expand in the state. The new facility, expected to be operational by late 2025, will create 50 jobs and serve as Sika's Northeast anchor facility, further solidifying New Jersey's status as a prime production hub.

Investment Promotion Activities

Select USA IRA Roadshow | Europe

3rd - 11th April 2024

T&A Consulting participated in IRA roadshow organized by SelectUSA in partnership with the Department of Energy, across five European cities. The team participated in meetings alongside a delegation from a US-based economic development organization, connecting with key stakeholders and exploring innovative tax incentives and grant programs introduced by the Inflation Reduction Act. This engagement aimed to attract European FDI and strengthen ties in the US clean energy sector.



Global Offshore Wind | UK

18th– 19th June 2024

Representing one of the foreign economic development organization in Europe, **T&A Consulting** attended the Global Offshore Wind 2024 (GOW24) event held at Manchester. The event, which is the largest UK offshore wind conference, brought together industry leaders, innovators, and policymakers to discuss advancements in offshore wind technology and sustainable development. During the networking discussions, T&A explored strategic partnerships, contributing to discussions on cutting-edge technologies like floating wind and digitalization.

SelectUSA Investment Summit | USA

19th – 23rd February 2023

T&A Consulting attended the SelectUSA Investment Summit, hosted by the U.S. Department of Commerce. A premier event that connected investors, companies, Economic Development Organizations (EDOs), and industry experts, the event facilitated a platform for networking, and gaining insights into the U.S. investment landscape. It enabled T&A to further its goals and foster new business opportunities.



Investment Promotion Activities

Pharmalytica | India

17th - 19th January 2024

T&A Consulting attended the 10th edition of Pharmalytica in Hyderabad, India. This international trade fair provided a pivotal platform for T&A to explore the latest trends and innovations in the pharmaceutical industry. Networking with leading global suppliers and engaging in discussions with companies, T&A leveraged this event to stay updated on advancements in pharmaceutical R&D, particularly in AI and ML applications in drug discovery. The expo featured over 300 brands within the Pharma Machinery & Packaging, Lab Analytical, and Cleanroom segments.



India USA Trade Connect | India

26th - 28th February 2024

T&A Consulting participated in the Indo-USA Trade and Investment Connect Expo in Chennai, organized by the Indo-American Chamber of Commerce of Tamil Nadu Branch. The event served as an excellent platform for T&A to engage with Indian companies already trading with the USA. The team had enriching interactions with key stakeholders from Tamil Nadu, discussing the various advantages and opportunities for expanding into the U.S. market. The event also featured panel discussions and breakout sessions, providing valuable insights into international trade and investment trends.



New Jersey International Week

6th-10th May 2024

T&A Consulting, representing Choose New Jersey's India office, participated in International Week 2024 to engage with companies and stakeholders. They attended presentations by key figures from the NJEDA and the NJ Business Action Center aiming to understand the ecosystem and the support extended to international firms. The team also visited innovative hubs, academic institutions such as HAX, EqualSpace and Princeton University which support research and innovation for potential collaborations. NJIC team also had an opportunity to meet Governor Phil Murphy to discuss New Jersey's favorable business environment.



Investment Promotion Activities

Investor Roadshows

Within India

Mandate	No. of days	Month	Meetings Held	Cites	Sectors
US State EDO	1	April	5	Mumbai	Life Sciences & Clean Energy
US State EDO	2	June	4	Chennai	Technology

Global

Mandate	No. of days	Month	Meetings Held	Country	Sectors
US State EDO	2	April	8	Germany (Berlin)	Governments and stakeholders
US State EDO	3	April	9	UK (Cambridge, London)	Life Sciences
US State EDO	2	May	6	UK (Birmingham, London)	-
US State EDO	1	June	2	UK (Oxford)	Life Sciences



Upcoming Investment Promotion Activities

SPOTLIGHT EVENT

Investment Management Exhibition Frankfurt, September 23-24

The Investment Management Exhibition (IME) is a premier international event dedicated to FDI, held annually in Frankfurt, Germany. The event aims to gather multiple stakeholders from various countries and sectors to share insights and discuss current challenges and trends in FDI. Attendees experience a dynamic blend of renowned speakers, engaging exhibitors, and productive networking sessions, creating an ideal environment for high-quality learning and intensive networking.



India EV International Show Chennai, September 6-8

Raw Mat Expo Coimbatore, September 10-12

Anuga Select India Mumbai, August 28-30

FachPach Nuremberg, September 24-26

CPHI Europe Italy, October 8-10

Gitex Global Dubai, October 14-18

India Chem Mumbai, October 17-19



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, ranging from start-ups and scale-ups to manufacturing SMEs and larger companies. Through our efforts, we have secured over 2,500+ jobs and investment of over USD 800 million for our clients across multiple geographies.



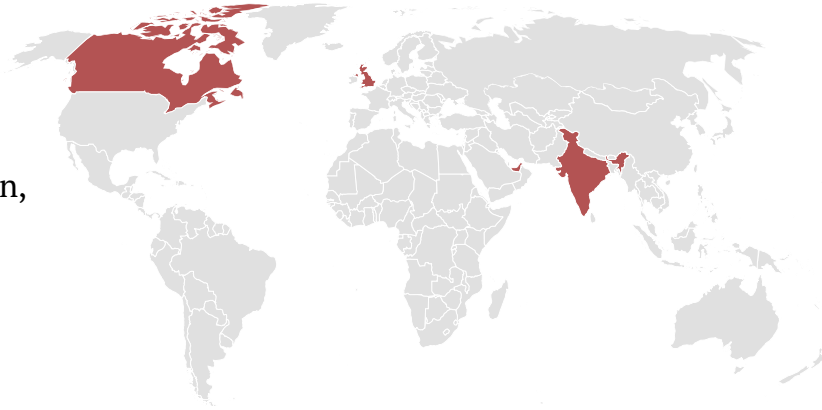
60 + people



5 offices: Gurugram, Bengaluru, Toronto, London, Dubai



Fully integrated economic development advisory firm



1

Gubernatorial Visits

2

In-market representation

3

Lead Generation

4

Investor Roadshow

5

FDI Research

6

Investor Due Diligence

7

Digital Engagement

8

FDI Workshops

T&A Consulting

416, 04th Floor, Emaar Digital Greens-A, Golf Course Ext Road, Sector 61, Gurugram, India
Tel: +91-124-4314960

T&A Consulting- Americas

Suite No 501, 77 City Centre Drive, Mississauga, Ontario L5B1M5, Canada
Tel: (+1) 437 9838483

T&A Consulting- UAE Representative Office

P. O. Box 123234, The Old Town, Downtown Dubai, UAE
Tel: (+971) 50 6190351

rmahajan@taglobalgroup.com

skhanna@taglobalgroup.com

pdayal@taglobalgroup.com

