

Quarter 3 | July-Sept 2024

 **INDIA**

OUTBOUND





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Foreword

Richa Mahajan
Executive Director



As we enter Q4 2024, the global economy is stabilizing, with growth projected to hold at 3.2% for both 2024 and 2025. This trend is primarily driven by strong domestic demand in countries like the U.S., Canada, and emerging markets such as India and Brazil. However, challenges persist in regions like Europe, where Germany is expected to enter a technical recession due to weaker exports and tightening credit conditions.

Inflation rates are easing across the G20, with headline inflation forecast to drop from 6.1% in 2023 to 5.4% in 2024, reflecting lower food and energy prices. In response, central banks, including the U.S. Federal Reserve and the European Central Bank, are likely to reduce interest rates, creating a more supportive environment for investment. Yet, geopolitical risks and uneven regional performance may still influence outcomes in key markets.

The global FDI outlook for 2024 suggests a modest recovery, supported by easing financial conditions and investment facilitation efforts in national policies and international agreements. Despite ongoing geopolitical tensions, sectors like automotive and electronics are experiencing increased investments, particularly in regions with easy access to major markets. Global supply chains are undergoing restructuring, prompting companies to invest more heavily in strategic sectors tied to energy transition and digitization, resulting in FDI becoming more capital-intensive with higher commitments to announced projects.

In India, this trend is evident. While mergers and acquisitions were previously the dominant approach for entering international markets, Indian companies are now focusing primarily on greenfield investments, particularly in technology, followed by manufacturing, chemicals, and energy sectors.

According to the Reserve Bank of India data, India's FDI outflows showed a 39% increase from the previous quarter, with month-on-month

growth throughout Q3 (July-September) and September receiving the highest inflows. While traditional corridors such as Singapore, the U.S., UAE, Switzerland and the Netherlands remain dominant, notable investments have been made in hospitality in the Maldives by Restocraft Hospitality and in advanced manufacturing in Sweden by Tata Autocomp.

In this newsletter, we focus on Indian investments into the India-MENA corridor. Though ranked fifth with USD 616 million in outflows, Indian investments play a crucial role in the MENA region, as two key factors shape the region's outlook: first, the economic diversification efforts by several countries; and second, the urgent need for peace due to the ongoing humanitarian crisis in Gaza. Both factors underscore the importance of foreign capital investments as MENA nations restructure their economies. For India, opportunities exist across sectors like manufacturing, technology, and logistics.

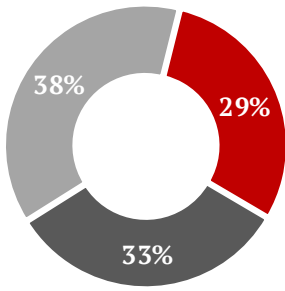
As MENA countries navigate this landscape, free zones are becoming key hubs for attracting foreign investment. Notable examples include Sohar Port & Free Zone in Oman, Abu Dhabi Global Market (ADGM), Ras Al Khaimah Economic Zone (RAKEZ) in the UAE, and Qatar's free zones. These zones are drawing significant Indian investments by offering advantages such as favorable ownership structures, economic stability, and enhanced market access through trade agreements.

At T&A, we remain committed to fostering international investment ties. This quarter, our teams participated in global trade events, exhibited at the State International Development Organization (SIDO) Conference in the USA, supported gubernatorial economic missions in Europe and North America, and conducted high-level visits to the Middle East. These efforts demonstrate our dedication to facilitating cross-border economic growth and collaboration.

Snapshot of Indian OFDI in Q3 2024

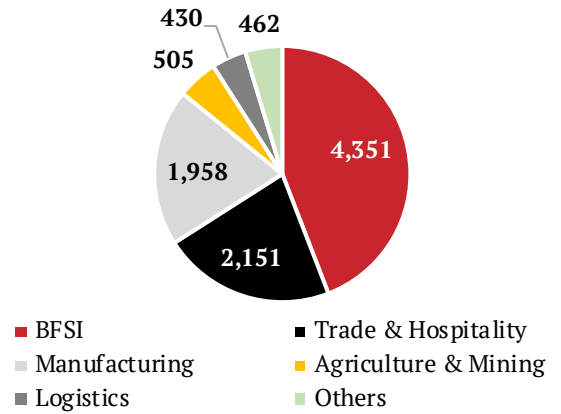
Total Volume of Outbound Investments from India : **USD 9,857 Million**

Month wise breakup of total outbound investments in Q3 2024



■ Jul-24 ■ Aug-24 ■ Sep-24

Investment breakup by sector (USD Million)



In Q3, **32%** of the total investments were made by these 5 companies. However, these investments are made in existing entities, and not towards establishing new ones.

1



USD 875 Mn
Steel
Singapore

2



USD 678 Mn
Petroleum
Netherlands

3



USD 620 Mn
Pharma
Switzerland

4



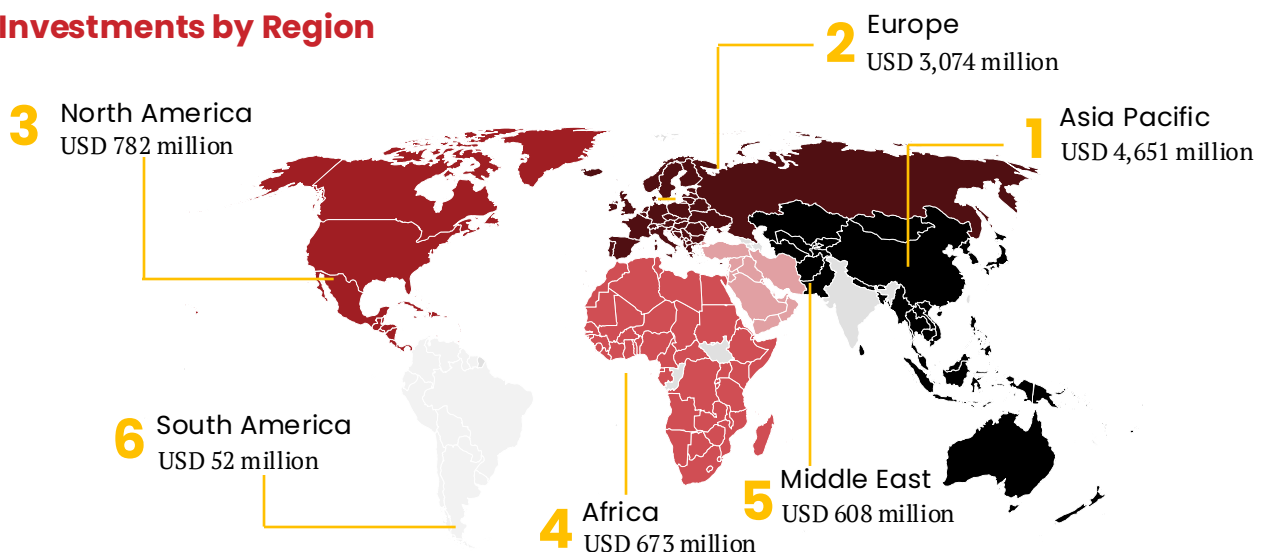
USD 515 Mn
Technology
Singapore

5



USD 507 Mn
Chemicals
Singapore

Investments by Region

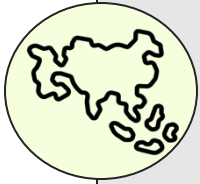


Indian Investments Overseas

The table presents data on FDI investments in leading countries for Q3 2024, compared to the same period in the previous year.

(USD Million)

Rank	Country	Q3 24	Q3 23	Inc./Dec
1	Singapore	3,469	1,077	↑
2	Netherlands	1,592	1,604	↓
3	Maldives	878	17	↑
4	USA	727	538	↑
5	Switzerland	686	213	↑



India's investments in the **APAC** region are driven by growth opportunities, economic stability, and strategic access to broader Asian markets. Countries like Singapore offer a favorable business environment, strong infrastructure, and robust intellectual property protection, making them attractive for Indian companies expanding regionally. The APAC region's key sectors, such as technology and hospitality, align with India's strengths. Additionally, trade agreements and a skilled workforce further enhance the appeal for long-term investments.



India's engagement with **Europe** is driven by strategic market access, economic partnerships, and favorable investment conditions. The Netherlands, as India's sixth-largest investment destination, hosts over 200 Indian companies and handles 20% of India's exports to Europe, reinforcing its role as a trade hub. In Switzerland, nearly 140 Indian firms, primarily in technology and life sciences, benefit from the country's political stability and strong economy. Bilateral agreements like TEPA further support Indian investments and expansion across Europe.



In **USA**, Indian companies are driven by the country's leadership in technological innovation, mature business ecosystems, and large market demand. The USA's strong business environment attracts both startups and established firms, enabling them to enhance capabilities in key sectors like artificial intelligence, biotechnology, and digital services. Additionally, US-based investors participate in 36% of venture capital funding rounds for Indian startups, with 17 Indian unicorns choosing the USA for their headquarters.

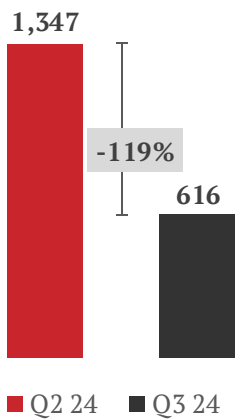
India – MENA Corridor

Total Outbound Investments from India to MENA* in Q3 2024:
USD 616 Million.

A decade ago, India’s presence in the Middle East and North Africa (MENA) was primarily centered on energy needs and a diaspora of construction workers. Today, this relationship has transformed into a robust partnership. The ‘Think West’ policy has facilitated deeper ties in technology, trade, and energy, forming a cornerstone of India’s foreign strategy.

Despite the ongoing humanitarian crisis involving Israel, India is advancing its relations with the country, advancing focus from defense cooperation to high-tech collaboration in artificial intelligence and cybersecurity. The UAE and Saudi Arabia—two of India’s key trading partners—are increasingly seeking Indian investments as they work to diversify their economies through initiatives like Saudi Vision 2030 and the UAE’s Clean Energy Strategy. Our analysis shows that in Q3 2024, these countries attracted the majority of investments in the region, particularly in sectors such as renewable energy, infrastructure, and technology.

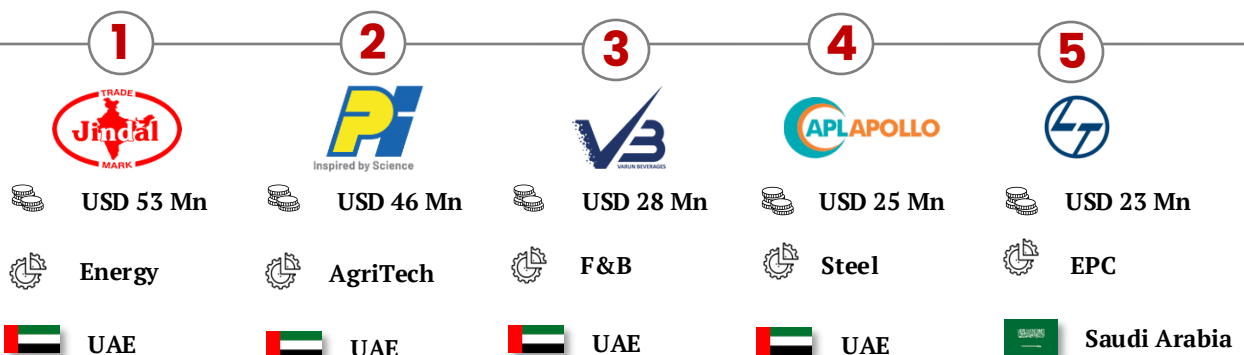
Quarter on Quarter % change of total OFDI from India to MENA (USD Mn)



Top 5 MENA Countries attracting Indian investments (USD Mn)

Rank	Country	Q3 24
1	United Arab Emirates	564
2	Saudi Arabia	28
3	Malta	8
4	Israel	5
5	Oman	4

Top 5 Indian companies investing in MENA in Q3 2024



*The Middle East and North Africa (MENA) is a geographic region that comprises the Middle East (also known as West Asia) and North Africa together. T&A considered 20 countries as part of MENA for this analysis.

Featured Deals

Xpro sets up manufacturing unit in RAKEZ

Sector: Advanced Manufacturing

Xpro India, a part of the Birla conglomerate and a manufacturer of dielectric films for capacitors, is establishing its first overseas manufacturing facility in the Al Ghail Free Zone of Ras Al Khaimah Economic Zone (RAKEZ), with an investment of USD 27 million and creating 80 new jobs in the region. Xpro's new plant will account for ~33% of the company's overall dielectric films output.



Rationale: One of the key rationale for choosing RAKEZ is the emirate's forward-looking business environment and advanced infrastructure that create an ideal setting for manufacturing.

Additionally, the UAE's Comprehensive Economic Partnership Agreement (CEPA) and its extensive network of Free Trade Agreements (FTAs) will facilitate easier access to international markets, particularly in the US, Europe, and the Far East.



India's crypto exchange CoinDCX acquires Dubai's BitOasis

Sector: Agritech

CoinDCX, India's leading cryptocurrency exchange, is expanding internationally by acquiring BitOasis, a digital asset platform in the Middle East and North Africa (MENA).

Rationale: This acquisition enables CoinDCX to tap into the growing MENA market, which has shown a strong interest in cryptocurrency investment. The region's mature financial ecosystem and favorable regulatory environment for digital assets present significant opportunities for CoinDCX to enhance its market presence.


By integrating BitOasis, CoinDCX aims to leverage local expertise and establish a robust foothold in a region that is increasingly becoming a hub for crypto trading, thereby diversifying its operations and mitigating challenges posed by India's stringent regulatory landscape.

Investment Snapshot

Company Name	Sector	Type	Value	Country
	Technology	Greenfield	NA	Poland


Rationale: Tata Consultancy Services (TCS) has opened a new delivery centre in Warsaw, Poland, with plans to double its workforce to over 1,200 within the next year.

This expansion allows TCS to leverage Poland's substantial ICT talent pool, enhancing its ability to support customers in specialized technology skills and cognitive business processes. The new centre reflects TCS's ongoing efforts to expand its near-shore delivery capabilities across Europe.

	Technology	Acquisition	USD 27 Mn	France
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Rationale: HCLTech acquired Paris-based software company Zeenea SAS.

The acquisition supports HCLTech's strategy to enhance its data and analytics business, particularly through its Actian division. By bringing Zeenea's expertise in data catalog and governance solutions into its portfolio, HCLTech aims to strengthen its presence in Europe and boost its capabilities in the rapidly expanding data management sector. This move is part of HCLTech's broader focus on leveraging its software services to drive growth across key business segments.

	Minerals	Acquisition	Not Disclosed	USA
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Rationale: Carborundum Universal Ltd. (CUMI) acquired 100% of Silicon Carbide Products (SCP), based in Horseheads, New York. SCP specializes in high-quality Nitride Bonded Silicon Carbide (NBSiC) products, which are used in industries like power generation, mining, and petrochemicals. The acquisition allows CUMI to leverage SCP's advanced furnace design and extensive customer network in the US, enhancing its market reach and supporting joint product development. This move aligns with CUMI's plans to strengthen its presence in critical thermal applications for power, steel, and mining sectors.

	Gaming	Greenfield	Not Disclosed	UK
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Rationale: Nazara Technologies has incorporated a new subsidiary, Nazara Technologies UK Ltd, to expand its operations in the United Kingdom.

This move aligns with Nazara's strategic goals to strengthen its presence in the UK gaming market, leveraging the region's growing demand for digital gaming. The new subsidiary will enable Nazara to tap into new opportunities, diversify its offerings, and cater to a wider audience in one of Europe's key gaming hubs.

Investment Snapshot

Company Name	Sector	Type	Value	Country
	Manufacturing	Greenfield	USD 1 Bn	USA

Rationale: Birla Carbon, a global manufacturer and supplier of carbon solutions, is investing in a 435,000-square-foot synthetic graphite production facility in South Carolina, aimed at producing 25,000 tons annually to support the electric vehicle, energy storage, and defense markets. This investment underscores the growing demand for sustainable materials and highlights South Carolina's favorable business environment, skilled workforce, and resources, making it an attractive destination for innovative companies.

	Technology	Greenfield	Not disclosed	Australia
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Rationale: Firstsource Solutions, part of the RP-Sanjiv Goenka Group, has launched operations in Australia and New Zealand, headquartered in Melbourne, aiming to create over 400 jobs in five years. The expansion is driven by the company's goal to enhance business margins and tap into the region's growth potential. By leveraging Australia's favorable business environment and advanced technologies like AI, Firstsource plans to increase its wallet share from existing clients and deliver greater value, further solidifying its presence in key global markets.

	Technology	Greenfield	Not Disclosed	Australia
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Rationale: LS Digital, a leading Indian digital business transformation company, has expanded into Australia with a new office in Melbourne as part of its global growth strategy. The expansion targets Australia's booming digital transformation market, particularly high-potential sectors like BFSI, energy, education, and e-commerce. The move leverages Australia's robust digital ecosystem and increasing demand for innovative tech solutions. By applying its Centre of Excellence (COE) model, LS Digital aims to deliver industry-specific services that meet Australia's unique market needs, supporting local businesses in achieving transformative growth and improved customer experiences.

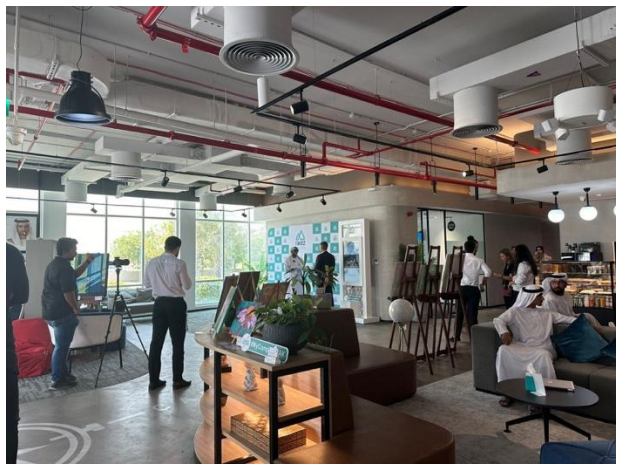
 BrowserStack	Technology	Acquisition	NA	Germany
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Rationale: BrowserStack, a software-as-a-service unicorn valued at about \$4 billion, has acquired Berlin-based bug reporting tool Bird Eats Bug to improve its testing solutions. This acquisition allows BrowserStack to strengthen its presence in the European market, particularly in Germany, which is known for its innovative software development. By integrating Bird Eats Bug's advanced features, BrowserStack aims to offer a more unified testing experience, meeting the growing demand for efficient testing solutions in Europe. This move expands BrowserStack's product range to 15 offerings and enhances its competitiveness in a region with a large community of developers.

Investment Promotion Activities

T&A team visits Ras Al Khaimah Economic Zone | UAE

T&A Consulting recently visited Ras Al Khaimah Economic Zone (RAKEZ), where the team got the opportunity to visit their facilities, including the free zone, warehouses, and strategic real estate developments on Marjan Island. The visit highlighted RAKEZ's diverse industry sectors, flexible business solutions, and advantages, such as low costs for living and business and a strategic location. This visit followed RAKEZ's appointment of T&A Consulting as its strategic advisor to organize a Foreign Direct Investment (FDI) Attraction Roadshow in Canada.



T&A team visits Sohar Port & Free Zone | Oman

T&A Consulting recently visited SOHAR Port and Freezone as its official India representative, where the team explored its ecosystem and connected with key leaders. The visit aimed to enhance the understanding of Sohar's strategic position for companies in the metals and minerals, plastics and petrochemicals, food and pharmaceuticals, and logistics sectors. It also gave an opportunity to engage with dedicated teams across departments, gaining insights into the robust infrastructure and support services offered. Sohar's commitment to environmental standards and its appeal to international businesses positions it as a premier global hub.



Investment Promotion Activities

New Jersey Governor Mission | Canada

8th- 10th September 2024

To enhance bilateral economic ties between New Jersey and Canada, fostering new opportunities in key sectors including fintech, AI, renewable energy, and film production, Choose New Jersey engaged **T&A Consulting** executed a week-long economic mission for the Governor of New Jersey, Mr. Phil Murphy, who was accompanied by First Lady Tammy Murphy and a 16-member delegation including business & academia representatives.



SIDO 2024 | USA

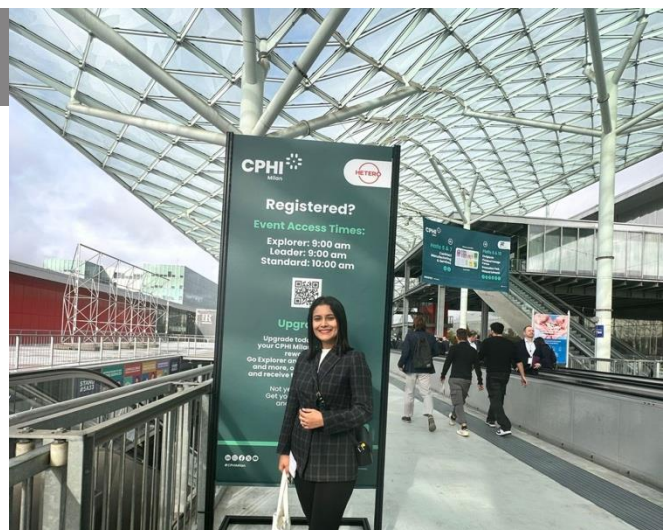
23rd- 25th September 2024

T&A Consulting participated in the three-day forum hosted by the State International Development Organizations (SIDO) to network with existing and new contacts, engage with international economic development professionals and officials in the US, and learn about their programs, experiences, challenges, and best practices. Over 45 states and territories convened to share best practices on promoting U.S. exports and attracting investment. SIDO is a non-profit and non-partisan entity dedicated to supporting governors' international trade agencies.

CPHI Milan | Italy

8th-10th October 2024

Representing one of the US states, **T&A Consulting** participated in CPHI, which drives growth and innovation in the global pharmaceutical industry, hosted in Milan. The event encompasses companies from every stage of the supply chain, from drug discovery to finished dosage. With over 450 Indian companies exhibiting, the team engaged in successful meetings with businesses exploring expansion to the United States.



Investment Promotion Activities

HDB Techceleration

Hubbali | 28th – 31st August 2024

T&A Consulting participated in Techceleration 2024; an event hosted by Karnataka's Digital Economy Mission (KDEM) focused on the HDB cluster's rapid transformation into a global hub for sectors like ESDM, AI, and electric vehicles. As part of the event, Tarun Gupta, CEO & Group Managing Partner of T&A, participated in a panel discussion titled "Can Emerging Cities Take the Lead as GCC Destinations?" He highlighted the parallels between the HDB cluster and New Jersey, emphasizing the importance of "PPP"—People, Place, and Prosperity—as key factors for emerging cities to succeed as destinations for Global Capability Centers (GCCs).



Global Innovation Alliance Meet

Bengaluru | 2nd – 5th September 2024

As an official representative of a US state in India, **T&A Consulting** was invited to join the Global Innovation Alliance (GIA). The team attended the first GIA Meet as partners, held as a curtain-raiser to the Bengaluru Tech Summit, scheduled for November 2024. The event featured participation from representatives of over 30 countries and regions, highlighting the global importance of this summit. Organized by the IT BT Department, Karnataka, the event provided an excellent opportunity to network with representatives of various regions.



BIMSTEC Business Summit

Delhi NCR | 11th - 13th September 2024

T&A Consulting attended the First BIMSTEC Business Summit in New Delhi, hosted by the Ministry of External Affairs, India. The summit aimed to strengthen regional collaboration through enhanced trade and investment relations among the member countries of the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC). With over 300 stakeholders from 7 countries and companies across sectors such as engineering, infrastructure, manufacturing, and renewable energy, the event provided an excellent platform for networking and fostering new business connections.



Investment Promotion Activities

Investor Roadshows

Within India

Mandate	No. of days	Month	Meetings Held	Cites	Sectors
US State EDO	4	July	13	Chennai, Bengaluru	Technology, Lifesciences
US State EDO	2	August	10	Kolkata	Technology, Lifesciences
US State EDO	1	October	4	Mumbai	Technology

Global

Mandate	No. of days	Month	Meetings Held	Country	Sectors
US State EDO	5	July	9	Germany (Berlin)	Governments and stakeholders
US State EDO	2	August	2	UK (Manchester, Liverpool)	Private stakeholders
US State EDO	4	September	15 (including roundtables)	Canada	Governments and private stakeholders
Middle Eastern Freezone	5	September-October	17	Canada	Automotive, F&B, Logistics, Manufacturing
Canadian EDO	3	October	15	USA (Detroit)	Battery, EV Supply Chain
US State EDO	2	October	9	Italy (Milan)	Life Sciences

Upcoming Investment Promotion Activities

SPOTLIGHT EVENT

CPHI & PMEC India

Delhi NCR, November 26-28

CPHI & PMEC India 2024 is a leading event in the pharmaceutical industry, bringing together key players from across South Asia to showcase pharmaceutical excellence. This premier platform facilitates networking and collaboration among industry experts, enabling them to share insights, discover innovative solutions, and advance their businesses. The event promises invaluable opportunities for attendees to expand their expertise and stay updated on industry trends.



International Mining & Machinery Exhibition Kolkata, October 23-26

SelectUSA Canada Conference Toronto, October 29

Bio Europe Stockholm, November 4-6

Bengaluru Tech Summit Bengaluru, November 19-21

London EV Show London, November 26-28

TiE Global Bengaluru, December 9-11



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.



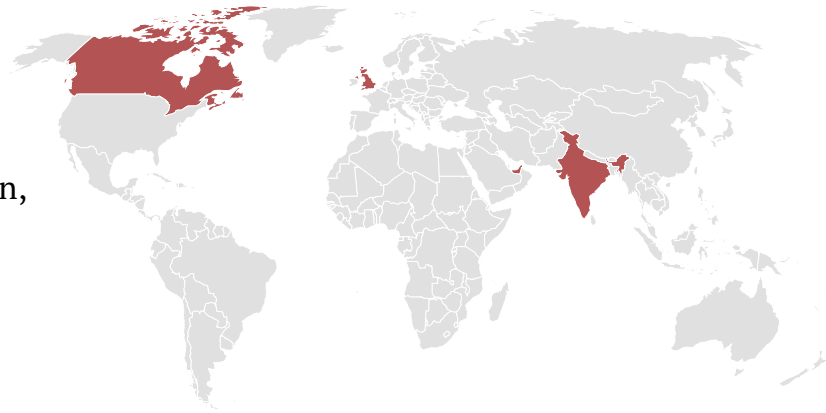
60 + people



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

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