



STRATEGIC ANALYSIS INC.

ECONOMIC DEVELOPMENT ZONES IN INDIA

**FIRST COMPREHENSIVE ANALYSIS AND COMPARISON
OF DEVELOPMENT OPPORTUNITIES IN THE
22 MAJOR STATES OF INDIA**

**VISIT SAI'S WEBSITE FOR MORE INFORMATION
www.strategicanalysis.com**

BACKGROUND

India is becoming an increasingly important investment opportunity for international companies because of its rapidly growing economy, as a low cost manufacturing and out-sourcing base.

With its vast pool of scientific talent, the second largest English speaking work force in the world and a large domestic market, international companies are:

1. Positioning themselves to serve the rapidly growing domestic markets
2. Taking advantage of low cost production to serve not only India and Asia but also other global markets
3. Positioning to defend against strengthening local competition in India that if not checked will definitely spread to other parts of the world

Interest in India has been further strengthened with India's impending entry into the WTO effective January 1, 2005 and the rapid implementation of the intellectual property regimen.

In order to develop an effective strategy for growth in India, corporations need a complete understanding of financial, economic, legal and governmental issues impacting on their decision to select local sites for production, warehouses and so forth.

As a result, SAI India's staff is developing the first comprehensive comparison of the 22 major states throughout India, which contribute around 87% of the country's gross domestic product

STUDY GOALS AND OBJECTIVES

The objective of the study is to provide the first comprehensive analysis of the major 22 states in India.

This comprehensive analysis of several hundred pages will allow subscribers to:

1. Cost effectively compare the major 22 states in India and quickly identify the most attractive states for development
2. Understand better competitors' existing and planned construction plans at sites in the major 22 states in India
3. Quickly review and advise business units within the corporation about the general benefits of the major 22 states in India

A preliminary outline of the study is provided in Table 1.

Strategic Analysis will use its on-the-ground staff of 36 professionals in its offices located in Mumbai, Delhi, Vadodara and Bangalore, to comprehensively:

1. Survey all published information from local, state and federal government agencies
2. Access SAI's non-confidential databases developed over ten years of assisting clients in India
3. Conduct field interviews with key members of various statutory authorities, throughout India, including those responsible for economic and industrial development, corporations who have successfully set up base in these states and other knowledgeable industry experts to develop a comprehensive understanding of the benefits of locating in the various states of India

SAI's staff of experts conducting the project has on average over ten years of industry experience in India. Most have technical backgrounds and business degrees, and have worked with multinational corporations to assist them in developing strategies for growth in India, including identification and evaluation of plant sites.

STRATEGIC ANALYSIS INC.

SAI, a leading international consulting firm, has been in business for over 30 years and has 260 employees in 12 offices around the world. With its headquarters in the Greater Philadelphia area, SAI has international centers of operations in Brussels, Mexico City; Tokyo; Singapore and Mumbai.

SAI's India operation, headquartered in Mumbai with offices in Delhi, Vadodara and Bangalore has operated for ten years. SAI has a staff of over 36 professionals with technical degrees in chemical and mechanical engineering, chemistry and polymer science; and graduate business degrees. SAI's staff comprises Indian nationals with understanding of business practices, local culture and appropriate language skills that allow them to effectively develop the information and analysis required for this unique subscription service.

SAI's staff in India also works with multinational corporations around the world to:

- Develop strategies for India
- Identify and evaluate sites for production facilities
- Assess market opportunities for products and services
- Identify and evaluate acquisition and joint venture partners
- Develop complete understandings of the distribution systems and the most effective approach to the market
- Analyze customer segments throughout India to understand the best approach and value proposition
- Identify and analyze raw material sources

IF YOU WOULD LIKE TO SUBSCRIBE

This unique analysis is scheduled for publication in early 2006 and is available at a very attractive, pre-publication price of US\$4,900. After publication, the price of the study will increase to US\$7,000. The subscriber will be provided with a CD and one hard copy of the final report.

If you have questions about the program, please contact the following people:

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Table 1

PRELIMINARY OUTLINE

ECONOMIC DEVELOPMENT ZONES IN INDIA FIRST COMPREHENSIVE ANALYSIS AND COMPARISON OF DEVELOPMENT OPPORTUNITIES IN THE TWENTY TWO MAJOR STATES OF INDIA

I. OVERVIEW OF INDIA

- Economic facts
- Demographics
- Legal systems
- Political systems
- Languages
- Leading industries
- Foreign investment
- Convertibility of currency

II. LAWS

- Foreign investment in India
- Intellectual property protection
- Trademark protection
- Running economic enterprises in India
- Foreign ownership of existing Indian companies
- Corporate tax and Income tax
- Value added tax (VAT)
- Double taxation avoidance treaties
- Incorporating an economic enterprise in India
- Ways in which an international company can operate in India

III. ANALYSIS OF 22 STATES (FOR EACH STATE, THE FOLLOWING INFORMATION)

- **GENERAL DEMOGRAPHICS**
 - Location
 - Population
 - Geographic coverage
 - Temperature
 - Other
- **ECONOMIC DEVELOPMENT**
 - Total gross domestic product (GDP)
 - Foreign investment
 - Foreign trade
 - Site history
 - Investment parameters

- **MAJOR FOCUS OF THE STATE**
- **GOVERNANCE**
- **TAXES AND DUTIES**
 - Property taxes
 - Income taxes and investment incentives
 - Import duty for equipment
 - Import duty for raw materials
 - Export tax and duty on finished products
 - Value-added tax
 - Other taxes
- **DUTIES AND FEES**
 - Business licenses
 - Administrative fees
 - Industrial insurance
- **LABOR**
 - Availability of qualified employees and recruiting issues
 - Unskilled labor costs
 - Skilled labor costs
 - Management labor costs
- **MAJOR URBAN CONGLOMERATIONS**
- **SUPPORT SERVICES**
 - Accounting and tax service
 - HR services
 - Mechanical shops
 - Infrastructure
 - Other
- **TRANSPORTATION**
 - Cost of shipping
 - Land transportation
 - Additional shipping fees
 - Availability of shipping companies
 - Port access
 - Other
- **UTILITIES**
 - Electricity
 - Coal
 - Steam
 - Ability to build and own thermal power plants
 - Natural gas
 - Environmental waste water treatment facilities

- **LEGAL**
 - Rule of law
 - Protection of intellectual property
 - Predictability of law and government policy
 - Licensing regulations

- **QUALITY OF LIFE FOR EXPATS**
 - Facilities for expats
 - Housing costs
 - Transportation costs
 - Other living costs
 - Typical education charges for children

- **MAJOR PROJECTS/COMPANIES IN THE STATE**

- **TYPICAL TIMING FOR PROJECT APPROVAL**

- **ENVIRONMENTAL ISSUES**
 - Availability of water
 - Air admission
 - Solid waste disposal
 - Pollution and environment
 - Approval process for projects
 - Other

- **OVERVIEW OF TOP FIVE OR SIX INDUSTRIAL ZONES WITHIN THE STATE**
 - Major companies and activities
 - Assessment of the zone
 - Overall assessment

- **OVERALL ASSESSMENT**
 - Degree of user friendliness
 - Degree of satisfaction of existing companies
 - Best
 - Worst
 - Average
 - Conclusions
 - Recommendations to investors