

Economic Outlook of India

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Historical GDP Statistics

	1	1000	1500	1700	1820	1870	1950	1973	2001
Cina	26	23	25	22	33	17	5	5	12
India	33	29	24	24	16	12	4	3	5
Giappone	1	3	3	4	3	2	3	8	7
USA		na			2	9	19	27	22
Europa Occidentale	11	9	18	22	23	33	26	26	20

Fonte: Maddison (2003)

Political Economy in 1950-1979

Piani Quinquennali	Durata	Focus	Spese (rupie, mld)	Obiettivo di crescita del PIL (%)	Crescita del PIL (%)
Primo	1951-56	Agricoltura, Irrigazione Energia	20.69	2,1	4,2
Secondo	1956-61	Industria	48	4,5	2,8
Terzo	1961-66	Industrie di base	75	5,6	3,9
Piani Annuali	1966-69		42	5,5	3,4
Quarto	1969-74	Giustizia Distributiva	975	5,7	5,0
Quinto	1974-79	Eliminazione della povertà e auto sufficienza	1800	4,4	5,0

Investimenti Domestici						
Quota nel totale (%)						
		Settore Pubblico	Settore Privato	Settore Pubblico	Settore Privato	Totale
Primo	1951-56	33.2	66.8	3.5	7.1	10.7
Secondo	1956-61	42.4	57.6	6.1	8.4	14.5
Terzo	1961-66	47.6	52.4	7.4	8.1	15.5
Piani Annuali	1966-69	40.1	59.9	6.3	9.4	15.7
Quarto	1969-74	39.7	60.3	6.8	10.3	17.1
Quinto	1974-79	43.7	56.3	8.3	10.8	19.1
Piani Annuali	1978-80	43.9	56.1	10	12.7	22.7

Political Economy in 1980-Today

Piani Quinquennali	Durata	Focus	Spese (rupie, mld)	Obiettivo di crescita del PIL (%)	Crescita del PIL (%)
Sesto	1980-85	Riduzione della povertà	975	5,2	5,5
Settimo	1985-90	Generazione di occupazione	1800	5	5,8
Piani Annuali	1990-92			5,5	3,3
Ottavo	1992-97	Generazione di occupazione finalizzata al pieno impiego nel 2000	4341	5,6	6,8

Investimenti Domestici						
Quota nel totale (%)						
		Settore Pubblico	Settore Privato	Settore Pubblico	Settore Privato	Totale
Sesto	1980-85	47	53	9,7	11	20,7
Settimo	1985-90	43,8	56,2	10,3	13,2	23,4
Piani Annuali	1990-92	39,5	60,5	10	15,4	25,4
Ottavo	1992-97	33,2	66,8	8,6	17,4	26

Economic Growth

Crescita macroeconomica (tasso di crescita percentuale)							
	Fase I: 1951-2 to 1979-80	Sub-fase		Fase II: 1980-1 to 2001-2	Sub-fase		
		I A (1951- 64)	I B (1965- 79)		II A (1980- 91)	II B (1992- 2001)	
PIL	3.60%	4.40%	2.90%	5.70%	5.50%	6.00%	
PIL Pro Capite	1.40%	2.30%	0.60%	3.60%	3.30%	3.90%	
Consumo Privato	3.20%	3.70%	2.80%	4.70%	4.50%	4.90%	
Consumo Pubblico	5.80%	6.60%	5.10%	6.30%	6.00%	6.60%	
Investimenti	6.10%	7.90%	4.50%	6.30%	5.00%	7.80%	
Macchinari e apparecchiature	6.60%	9.70%	3.70%	8.90%	9.90%	7.90%	
Investimenti Privati	3.60%	3.50%	3.80%	8.50%	8.40%	8.60%	

Source: Virmani 2004

Productivity growth

Incremental Capital Output Ratio							
	Economia						
	Fase I: 1951-2 to 1979-80	Sub-fase		Fase II: 1980-1 to 2001-2	Sub-fase		
		I A (1951- 64)	I B (1965- 79)		II A (1980- 91)	II B (1992- 2001)	
Agricoltura	2.9	1.8	5.0	1.7	1.8	1.6	
Minerario	3.8	2.1	6.3	6.6	6.1	8.2	
Manifattura	5.7	4.2	7.9	8.0	8.0	8.0	
Registrata	7.7	6.5	9.6	7.5	6.9	8.3	
Non Registrata	2.4	0.7	4.8	8.3	10.4	5.9	
Elettricità, Gas e settore idrico	17.2	16.2	18.4	15.8	15.7	16.0	
Costruzioni	1.0	0.7	1.5	1.4	1.3	1.5	
Hotel, Commercio e ristoranti	1.6	0.8	2.7	1.1	1.5	0.7	
Trasporto, Storage e comunicazioni	12.8	14.3	11.4	6.3	7.6	5.0	
Ferrovie	23.1	27.9	17.1	10.6	8.9	15.0	
Altri mezzi di trasporto	10.9	10.0	11.8	6.2	7.3	4.9	
Comunicazioni	4.4	3.9	5.0	4.6	6.8	3.3	
Servizi (finanza, assicurazione, immobiliare, professionale)	11.3	13.8	9.5	3.5	3.5	3.4	
Banche e assicurazioni	0.7	0.6	0.8	1.1	0.8	1.5	
Totale	5.1	3.9	6.7	4.1	4.3	3.9	

Source: Virmani 2004

An alternative reading of economic growth

Tasso di Crescita economico dell'India (%)								
	1950s*	1960s	1970s	1980s	1990-91	1991/92- 1996/97	1997/98- 2002/03	2003/04- 2006/07
PIL	3.6	4	2.9	5.6	5.3	5.7	5.2	8.7
Agricoltura	2.7	2.5	1.3	4.4	4	3.7	0.9	4.9
Industria	5.8	6.2	4.4	6.4	5.7	7	4.1	8.3
Manifattura	5.8	5.9	4.3	5.8	4.8	7.5	3.9	9.1
Servizi	4.2	5.2	4	6.3	5.9	6.4	7.8	10.2
Investimenti/PIL	12.5	16.9	19.4	20.2	24.4	22.5	24.1	31.4
Risparmi Domestici/PIL	9.6	12.3	17.2	19	22.8	22.7	24.1	32.7
Gap fra Investimenti e Risparmi	-1.2	-2	-0.1	-1.8	-3.2	-1.2	-0.4	-0.3
Inflazione dei prezzi alla Produzione	1.2	6.4	9	8	10.3	9.6	4.6	5.5

Source: IMF, IIF

Source: Rakesh, 2008

Employment

Occupazione in India (%)

	Primario	Industria	Terziario
1950	72	11	17
1960	72	12	16
1970	72	11	17
1980	69	14	18
1990	67	13	21
2000	57	18	26
2006	52	19	28

GDP by supply

Composizione del PIL Indiano (%)

	Primario	Industria	Terziario
1950	58	1	28
1960	53	8	29
1970	46	22	32
1980	40	24	37
1990	32	27	49
2000	24	27	49
2006	17	28	55

Employment creation

Creazione e Distruzione di Lavoro 1999-2004

	Imprese Pubbliche	Imprese Private	Totale
Tasso di Creazione di Lavoro	20.6	14.3	14.4
Tasso di distruzione di Lavoro	-25.6	-14.4	-15.2
Creazione netta di occupazione	-5.0	0.0	-0.9
Tasso di turnover	46.1	28.7	29.6

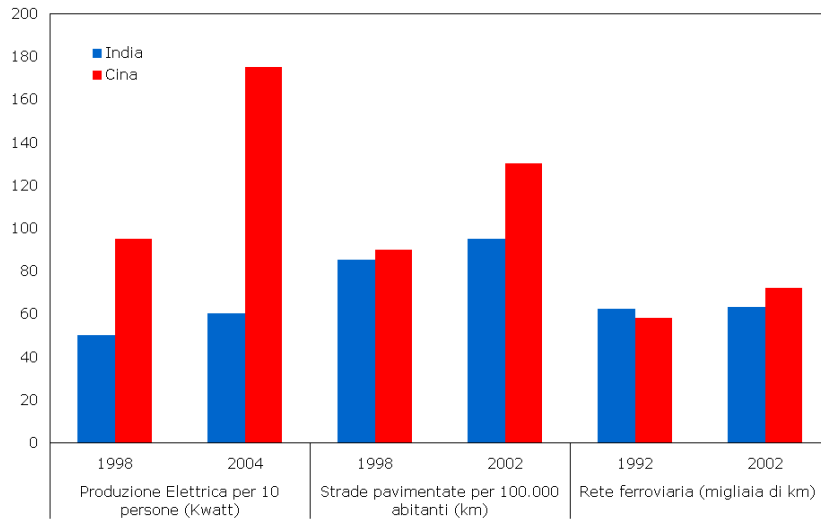
Fonte: OECD (2007)

Evoluzione dell'Occupazione in India

	1990	1993	1995	1998	2000	2003	2004
Occupazione (milioni)	340.5	371.9	377.7	378.4	410.1	442.3	454.3
	Distribuzione Settoriale (%)						
Occupazione Regolare	16	13.3	13.6	13.4	15	15.2	15.1
Settore Organizzato	7.9	7.3	7.4	7.4	6.8	6	n.a.
Settore Pubblico	2.7	2.5	2.5	2.6	2.4	2.1	n.a.
Imprese Pubbliche	2.9	2.7	2.6	2.5	2.3	2	n.a.
Imprese Private	2.3	2.1	2.3	2.3	2.1	1.9	n.a.
Imprese Private non organizzate	8.1	6	6.2	6	8.2	9.2	n.a.

Fonte: OECD (2007)

Infrastrutture



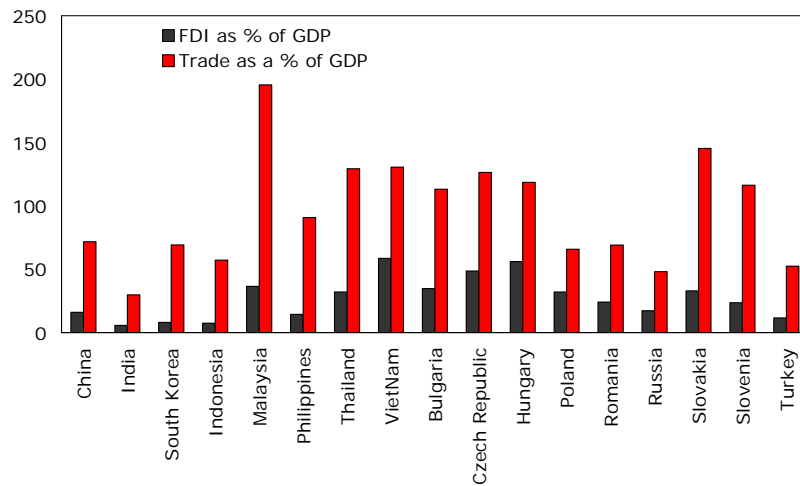
International openness

Grado di apertura commerciale dell'India, 1950-2005 (rapporto fra commercio e PIL)

Anno	%	Anno	%	Anno	%
1950	12,17	1970	7,72	1990	12,80
1955	12,14	1975	10,91	1995	17,86
1960	11,51	1980	13,61	2000	20,17
1965	8,93	1985	10,58	2005	36,60

* Media 2003-2005.

International comparison of international openness



International model of specialisation by sectors

	1995.0	2005.0
Settore Manifatturiero	0.9	0.9
Intensivi in Lavoro non qualificato	3.3	2.6
Tabacco e Bevande	0.4	0.4
Prodotti in Pelle	4.4	2.9
Prodotti in Legno e Sughero	0.2	0.2
Tessile	4.7	4.0
Articoli da viaggio e borse	3.4	2.1
Abbigliamento	4.3	3.4
Calzature	2.1	1.6
Manufatti non metallici	8.1	6.2
Produzioni Navali	0.0	1.2
Arredamento e Idraulica	0.1	0.2
Giocattoli, articoli plastici, da ufficio e vari	0.6	0.5
Intensivi in Capitale Umano	0.6	0.8
Oli essenziali, e prodotti per concia e colorazione	1.3	0.9
Prodotti in Gomma e plastica	0.5	0.6
Manufatti metallici e non metallici	0.8	1.3
Radio, televisioni e apparecchi sonori	0.1	0.1
Elettrodomestici	0.1	0.2
Mezzi stradali e ferroviari	0.3	0.3
Orologi, arte, gioielleria e strumenti musicali	1.2	2.7
Intensivi in tecnologia	0.3	0.4
Prodotti chimici, plastici e fertilizzanti	0.7	1.1
Prodotti Farmaceutici	1.6	0.9
Macchine di generazione di potenza	0.2	0.3
Macchine non elettriche	0.2	0.4
Macche da ufficio, elettroniche e da TLC	0.1	0.1
Macchine elettriche	0.2	0.4
Aereoplani	0.0	0.0
Apparecchi fotografici, ottici e cinematografici	0.1	0.2

International model of specialisation by end-use

Scomposizione del commercio estero per destinazione dei beni (Vantaggi comparati)

	1995		2005	
	Import	Export	Import	Export
Beni primari	2,43	0,67	3,92	0,83
Beni intermedi	1,38	1,37	1,08	1,54
Parti e componenti	0,65	0,29	0,50	0,37
Beni capitali	0,68	0,19	1,01	0,29
Beni di consumo	0,23	1,48	0,17	1,16

Fonte: elaborazione da UNCOMTRADE

FDI in India

Investimenti diretti esteri in India, 1990-2006 (milioni di dollari)

	1990-2000	2003	2004	2005	2006
Flussi					
in entrata	1.705	4.323	5.771	6.676	16.881
in uscita	121	1.879	2.179	2.495	9.676

Fonte: UNCTAD, *World Investment Report 2007: Transnational Corporations, Extractive Industries and Development*, UNCTAD, Geneva 2007.

Indian FDI

Investimenti diretti esteri dell'India, 1980-2006 (milioni di dollari)

	1980	1990	2000	2005	2006
Stock					
in entrata	452	1.657	17.517	44.019	50.680
in uscita	78	124	1.859	10.033	12.964

Fonte: ibid.

Evolution of Indian Banking Sector: 1960-1993

1967/69 e 1980: nationalization

Separation btw medium and short-term lending

'priority sector lending', in (33% degli impieghi al settore agricolo e alle PMI)

4x1 branches

Cash Reserve Ratio

Statutory Liquidity ratio

Capital Issues Act

In 1991, CRR + SLR were freezing 60%+ of deposits

Evolution of Indian Banking Sector: 1993-...

Loosen priority sector lending

Loosen CRR and SLR. Now political economy tools

Financial Infrastructures :

2004: Credit Information Companies (Regulation) Act

2002: Clearing Corporation of India Ltd

Debt Recovery Tribunals e Lok Adalats – people's courts);

Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act

National Stock Exchange of India + demutualisation

Capital Issues Act (1992) abrogated

Evolution of Indian Banking Sector

Evoluzione delle banche commerciali indiane

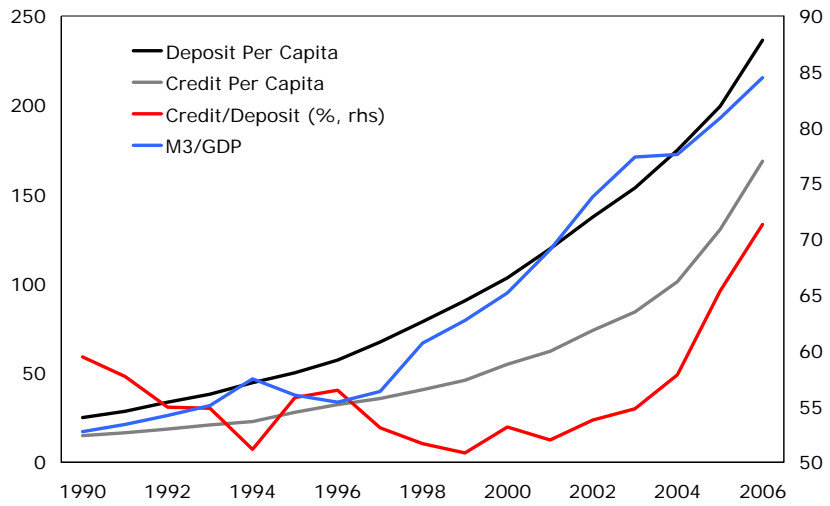
	1969	1980	1991	2006
Banche Commerciali	73	154	272	222
Filiali	8262	34594	60570	71177
di cui Rurali e semi urb	5175	23227	46115	46272
Popolazione/numero filiali	64	16	14	16
Depositi (% del PIL)	12	33.5	35.4	59.7
Crediti (% del PIL)	9.2	20.8	21.4	42.7

Performance delle Banche Commerciali (% delle attività)

	80-91	92-96	97-01	01-02	02-03	05-06	06-07
Profitti Netti	0.2	-0.2	0.6	0.8	1.0	0.9	0.9
Costi operativi	2.5	2.7	2.6	2.2	2.2	2.1	2.0

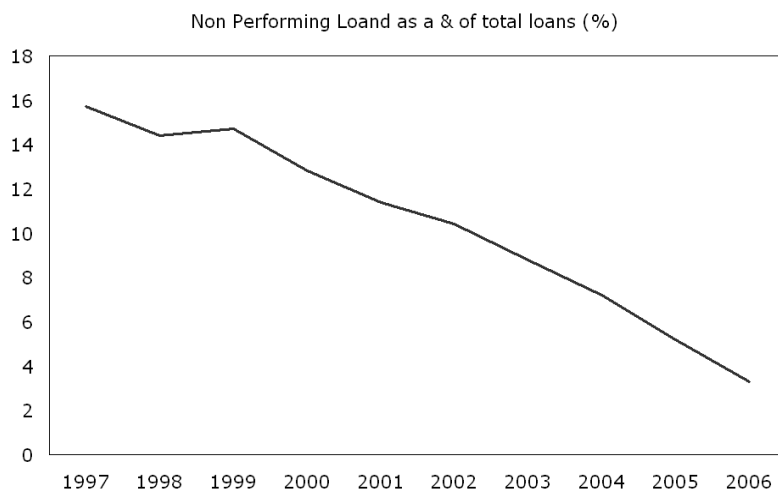
Source: RBI

Financial sector depth



Source: Thomson Financial DataStream

NPLs

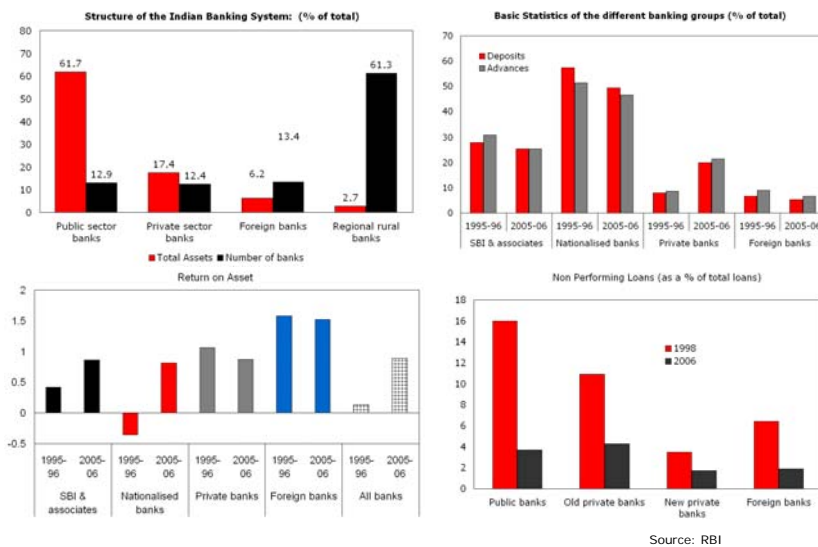


Source: Thomson Financial DataStream

International Comparison (ii)

	GDP per Capita	Per Capita Banking Loans	Per Capita Banking Deposits	Per Capita Banking Asset	Loans+Deposits/GDP	Loans/deposits
	euro	euro	euro	euro	%	%
China	1588	1501	1126	2332	158	133
India	632	273	407	525	103	67
South Korea	4538	8131	8418	4251	108	97
Indonesia	1302	188	319	440	37	59
Malaysia	1067	5653	5160	1753	228	110
Philippines	23744	254	389	2480	57	65
Thailand	2489	1569	2052	2595	139	76
Vietnam	574	239	263	372	84	91
Bulgaria	3268	1508	1813	2809	102	83
Croatia	7704	5816	5070	9172	141	115
Czech Republic	11066	4796	7286	11097	109	66
Hungary	8848	5376	4228	9279	109	127
Poland	7122	2485	2979	4971	77	83
Romania	4501	1314	1395	2404	60	94
Russia	5499	1635	1529	2836	58	107
Serbia	3281	1045	982	2174	62	106
Slovakia	8151	3586	4986	7690	105	72
Slovenia	14807	9546	8549	16800	122	112
Turkey	4365	1584	2186	3580	86	72
Ukraine	1807	857	644	1188	83	133

Structure of the banking sector



Bank penetration

Bank Penetration in India				
	1981	1991	2001	2005
Number of Offices of Scheduled Commercial Banks in India				
Rural	73.2	77.3	71.5	69.5
Urban	26.8	22.7	28.5	30.5
Number of Credit Accounts (% of Total Households)				
Rural	18	44.3	26.5	32.2
Urban	15.1	29.9	28.4	50.2
Credit (% of GDP)				
Rural	13.0	17.3	15.8	22.3
Urban	20.0	24.8	31.1	45.0
Deposits (% of GDP)				
Rural	26.3	32.2	44.4	47.1
Urban	29.3	37.3	46.0	61.2
Population (% of total)				
Rural	76.7	74.3	72.2	nd
Urban	23.3	25.7	27.8	nd

Source: Reserve Bank of India and Central Statistical Organisation Ministry of Statistics and Programme Implementation Government Of India

Concentration and openness to foreigners

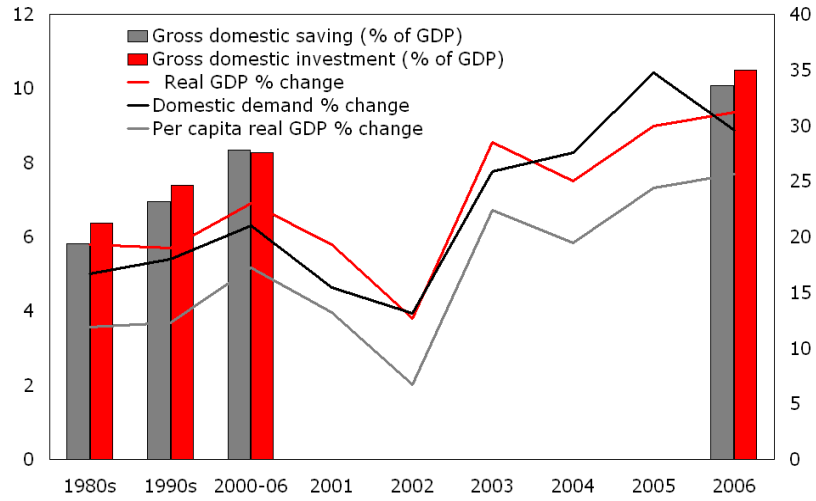
	Share of total assets of		
	top 5 banks	top 5 foreign banks	Islamic Banks
	Latest available data		
China	55.0	...	-
India	40.9	5.5	4
South Korea	73.1	22.4	na
Indonesia	40.4	23.2	1.42
Malaysia	69.0	18.3	11.8
Philippines	45.1	11.7	0.002
Thailand	62.2	11.2	na
Vietnam	68.0	0.0	na
Bulgaria	59.7	59.0	-
Croatia	72.6	72.6	-
Czech Republic	64.7	64.7	-
Hungary	54.4	54.4	-
Poland	51.2	41.3	-
Romania	62.0	61.8	-
Russia	42.4	4.8	-
Serbia	47.1	43.8	-
Slovakia	70.5	70.5	-
Slovenia	62.4	24.5	-
Turkey [^]	62.5	38.3	na
Ukraine	36.3	29.4	-

[^]: foreign banks refers to joint ventures banks

-: non applicable

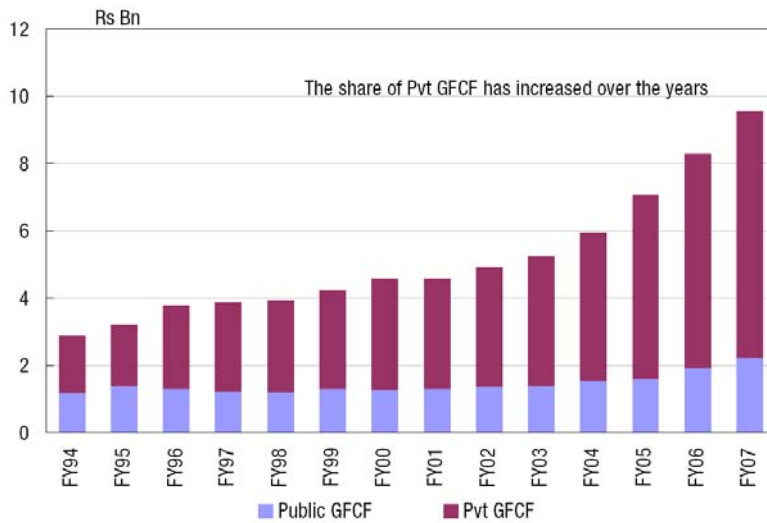
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GDP per capita



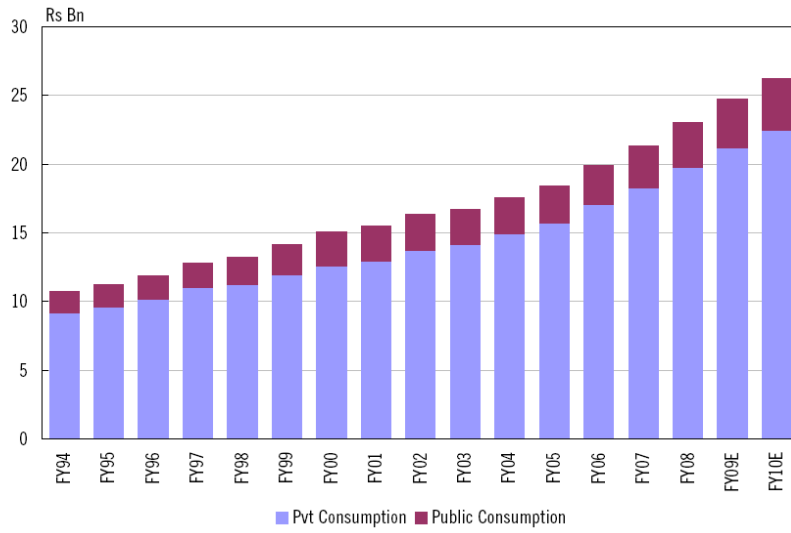
Source: IMF, IIF

Fixed Capital Formation



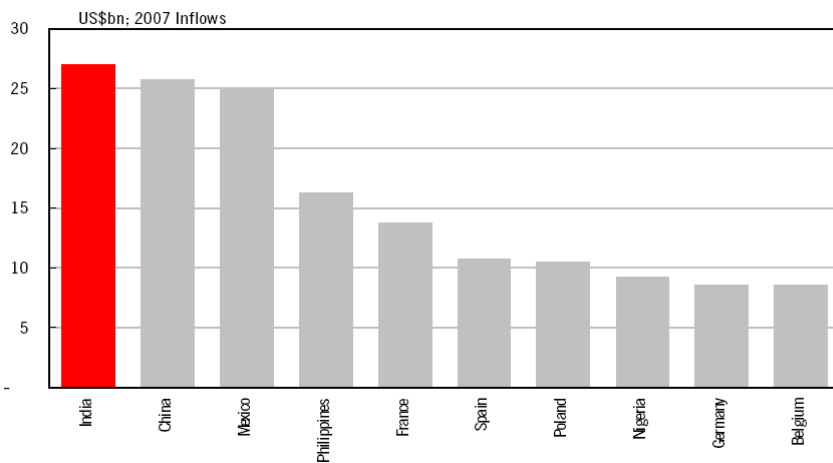
Source: Citi Investment Research

Consumption



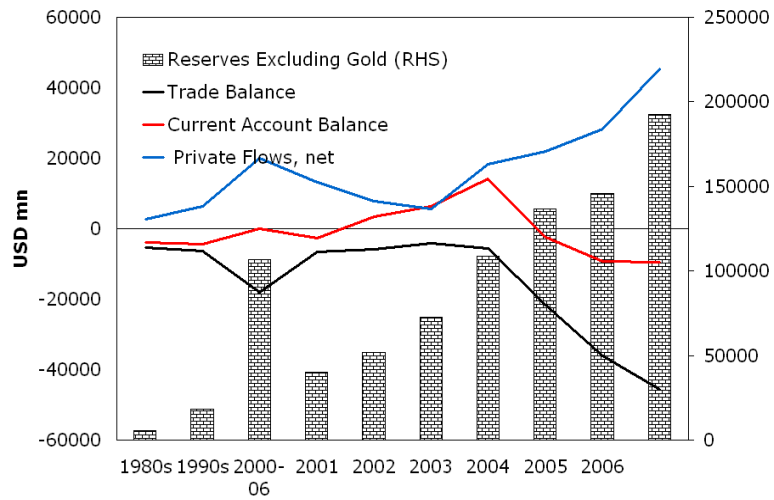
Source: Citi Investment Research

Top Ten Remittance Receiving Countries



Source: Citi Investment Research

Current Account Deficit



Source: IMF, IIF

Fiscal Policy

Bilancio Pubblico (% del PIL)						
	2001	2002	2003	2004	2005	2006
Saldo Primario						
Governo Centrale	-4.4	-4.4	-3.6	-2.5	-2.6	-2
Stati	-2.6	-2.2	-2.2	-1.2	-0.5	0
Totale	-7	-6.7	-5.8	-3.9	-3.1	-2.1
Deficit Fiscale						
Governo Centrale	-6.2	-5.9	-4.5	-4	-4.1	-3.7
Stati	-4.2	-4.2	-4.5	-3.5	-3.2	-2.6
Totale	-9.9	-9.6	-8.5	-7.5	-7.4	-6.3

Source: IMF, IIF

International comparison of emerging markets

Country	Starting Transition	GDP pc (USD)			GDP per capita (cagr %)		GDP (cagr %)	
		1993	2000	2006	1993-06	2000-06	1993-06	2000-06
Bulgaria	1991	526	1581	3995	16.9	16.7	1.7	5.1
China	1978	517	946	2001	11.0	13.3	9.7	9.8
Croatia	1990	2358	4206	9558	11.4	14.7	4.4	4.7
Czech Republic	1991	3552	5521	13848	11.0	16.6	3.2	4.1
Hungary	1992	3724	4692	11340	8.9	15.8	4.0	4.2
India	1992	315	455	797	7.4	9.8	6.6	7.0
Indonesia	1973	923	807	1640	4.5	12.6	3.7	4.8
Korea	1967	8195	10891	18392	6.4	9.1	5.2	4.6
Malaysia	1973	3419	3844	5718	4.0	6.8	5.5	4.7
Philippines	1973	825	994	1345	3.8	5.2	4.3	4.6
Poland	1991	2346	4455	8890	10.8	12.2	4.6	3.5
Romania	1992	1148	1676	5633	13.0	22.4	3.1	6.0
Russia	1992	1237	1768	6856	14.1	25.3	2.1	6.2
Slovak Republic	1990	2519	3781	10158	11.3	17.9	4.7	5.2
Slovenia	1990	12423	11400	18610	3.2	8.5	4.1	3.7
Thailand	1973	2084	1967	3136	3.2	8.1	3.9	5.1
Turkey	1991	3019	2995	5408	4.6	10.3	3.7	4.5
Ukraine	1990	568	639	2274	11.3	23.6	-0.4	7.6
Vietnam	1986	189	402	723	10.9	10.3	7.6	7.6

Source: UniCredit CEE Research, IMF, IIF

International comparison of emerging markets

Age structure (latest available)					
	Population by age			Elders for each 10 working-age population	Median age
	0-14	14-65	65+		
China	20.4	71.7	7.9	1.1	33.2
India	32.1	62.7	5.3	0.8	24.8
South Korea	20.0	71.0	9.0	1.3	35.8
Indonesia	28.3	66.2	5.5	0.8	26.9
Malaysia	32.4	63.0	4.6	0.7	24.4
Philippines	35.1	61.0	3.9	0.6	22.7
Thailand	23.8	69.1	7.1	1.0	32.4
Vietnam	29.5	65.0	5.4	0.8	26.4
Bulgaria	13.8	69.1	17.1	2.5	40.9
Croatia	16.0	67.1	16.9	2.5	40.6
Czech Republic	14.9	71.1	14.0	2.0	39.5
Hungary	15.6	68.8	15.6	2.3	38.9
Poland	16.7	70.2	13.1	1.9	37.3
Romania	15.9	69.4	14.7	2.1	36.9
Russia	14.6	71.1	14.4	2.0	38.2
Slovakia	17.1	71.2	11.7	1.6	36.0
Slovenia	14.4	70.3	15.3	2.2	41.0
Turkey	28.6	63.6	7.8	1.2	28.6
Ukraine	14.0	69.6	16.3	2.3	39.2

Source: UniCredit Research and Strategy, UniCredit New Europe Research Network, Eurostat, CIA Factbook

International comparison of emerging markets

	GDP per capita 2006		Population 2006	Households 2006	Share of income of the top and bottom 10% of the household		Average Income		Average Income PPP	
	PPP	USD			b10	t10	top 10 % of the household	top 10% of the population	top 10 % of the household	top 10% of the population
China	7,598	2,001	1,314,098,000	386,499,412	1.8	33.1	22,524	6,625	85,504	25,148
India	3,737	797	1,112,996,000	227,142,041	3.5	33.5	13,080	2,669	61,338	12,518
Korea	23,926	18,392	48,297,000	13,799,143	2.9	25.0	160,927	45,979	209,354	59,815
Indonesia	4,323	1,640	222,054,000	58,435,263	3.6	28.5	17,765	4,675	46,813	12,319
Malaysia	11,858	5,718	26,392,000	5,864,889	1.4	39.2	100,873	22,416	209,179	46,483
Philippines	5,314	1,345	86,965,000	18,782,937	2.3	31.1	19,361	4,182	76,523	16,526
Thailand	9,084	3,136	65,761,000	18,788,857	2.8	32.4	35,567	10,162	103,013	29,432
Vietnam	3,367	723	84,368,000	16,873,600	3.6	29.9	10,808	2,162	50,337	10,067
Bulgaria	9,799	4,118	7,680,156	2,844,502	2.9	25.4	28,240	10,459	67,201	24,889
Croatia	14,368	9,707	4,442,000	1,480,667	3.4	24.5	71,345	23,782	105,608	35,203
Czech Republic	23,100	13,944	10,267,000	4,106,800	4.3	22.4	78,084	31,233	129,361	51,745
Hungary	19,559	11,148	10,077,000	4,030,800	4.1	22.2	61,871	24,748	108,555	43,422
Poland	14,880	8,974	38,122,000	13,145,517	3.1	26.7	69,483	23,960	115,217	39,730
Romania	9,869	5,671	21,584,365	6,962,698	2.4	27.6	48,525	15,653	84,437	27,236
Russia	12,096	6,929	142,754,000	50,983,571	1.7	38.7	75,083	26,815	131,075	46,813
Slovak Republic	17,559	10,270	5,389,285	1,684,151	3.1	20.9	68,689	21,465	117,435	36,696
Slovenia	23,843	18,657	2,008,500	717,321	3.6	21.4	111,792	39,926	142,869	51,025
Turkey	9,107	5,500	72,974,000	16,216,444	2.3	30.7	75,981	16,885	125,812	27,958
Ukraine	7,637	2,277	46,929,500	18,049,808	3.4	25.7	15,214	5,852	51,029	19,627

Source: UniCredit Research and Strategy, UniCredit New Europe Research Network, IMF World Economic Outlook, Eurostat, CIA Fact book, United Nations Economic Commission for Europe, Encyclopedia Britannica

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