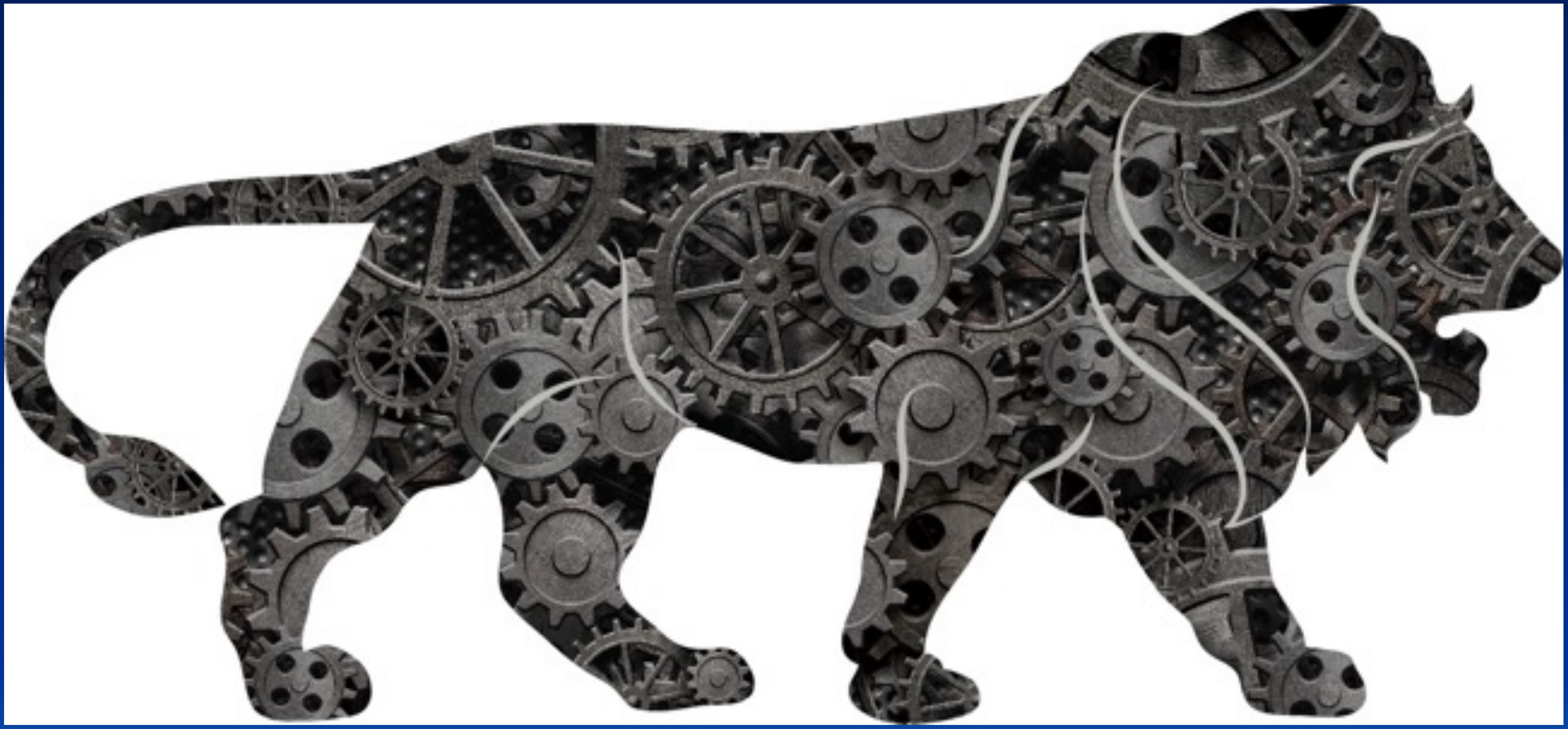
MAKE IN INDIA



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BILATERAL ECONOMIC COOPERATION

- Czech-Indian economic ties – beginning of the 20th century
- Czechoslovakia-one of the leading trading partners of India among the East European countries
- Bata shoe factory in Batanagar, West Bengal in 1930

POST INDEPENDENCE TIME

- The former Czechoslovakia-a pioneering role in the industralization of India
- About 60 major projects in India before 1990 (Mashine Tools and Heavy Engineering sector)
- Large contracts for Gas Pipelines (Kandla-Bhatinda), Thermal Power Plants (Ennore, Tamil Nadu) and number of highway projects

AFTER ECONOMIC LIBERALIZATION

- Main thriving sectors: Engineering, IT, Medical Equipment, Chemicals and Pharmaceuticals, Bio-technology and Nanotechnology, Science and Technology
- A new national initiative of PM of India Mr.Narendra Moodi – MAKE IN INDIA

Reasons for Doing Business in India

- Large & Fast Growing Market
- Global Outsourcing of Services
- Political Stability
- IPR Protection
- Large Educated Workforce
- Lower Costs
- Business & Policy Environment
- Tax Breaks & Subsidies

Legal Protection

- Double Taxation Avoidance Agreement signed in 1998.
- Protocol on Economic cooperation, signed on the occasion of the Joint Economic Commission September, 2012.
- Bilateral Investment Promotion Agreement (BIPPA) signed in 1996.
- Protocol on Amendments to BIPPA Agreement signed on 8.6.2010
- Social Security Agreement was signed during the visit of Vice President in June, 2010.

Entry Strategy

(i) By incorporating companies under companies Act of 1956

- -fully owned subsidiary
- -joint venture

(ii) Un incorporated entity

- -Liaison office
- -Branch office
- -Project office

FDI Route

- Automatic Route: No Government Permission, Reporting to RBI
- FIPB Route: Investment outside the automatic route
- Cabinet Committee on Investment route:

Investment proposal of more than Rs.6,000 million.

Current Status

- FDI inflows have increased significantly in India in the current fiscal. Net FDI inflows totalled US$ 14.1 billion in the first five months of 2014-15, representing a 33.5 per cent increase from the same period in 2013-14.
- Total FDI inflows into India in the period April 2000–November 2014 touched US$ 350,963 million. Total FDI inflows into India during the period April–November FY15 was US$ 18,884 million.
- Mauritius is again emerging as the largest source of FDI in India, accounting for an inflow of US$ 83,730 million in the April 2000-November 2014 period. According to official data, the inflow of foreign investment from Singapore amounted to US$ 29,193 million, followed by the UK at US$ 21,761 million and Japan at US$ 17,557 million during April 2000-November 2014
- since 2000 the Czech Republic invested in India 18.71 mil. USD and 66th place
- share of 0.01% of foreign investment in India

Foreign direct investment (bn. USD)

Years	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/4
Foreign Direct Investment	34.23	27.12	31.68	197.74	28.4	26:24	28

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THE MOST PROMISING SECTORS FOR INVESTMENTS

- ENERGY AND INFRASTRUCTURE
- AVIATION (L410 Aircraft)
- DEFENCE (Tatra Vectra Motors Ltd. Formerly called Tatra Trucks India)
- FOOD PROCESSING
- SERVICE DEVELOPMENT
- MINING
- AUTOMOTIVE INDUSTRY
- TECHNOLOGY FOR EVIRONMENTAL PROTECTION

Energy

- 100% FDI is allowed under the automatic route in the power sector (except atomic energy), subject to all the applicable regulations and laws.
- Economic growth, increasing prosperity, a growing rate of urbanization and rising per capita energy consumption has widened access to energy in the country.

Aviation

- 100% FDI is permitted for greenfield airport projects under the automatic route.
- Up to 74% FDI is permitted for existing airport projects under the automatic route, above 74% and up to 100% permitted under government approval route.
- Up to 49% FDI is permitted in domestic scheduled passenger airlines under the automatic route.
- Up to 100% FDI is permitted in maintenance and repair organizations; flying training institutes.

Defence Production

- India’s current requirements on defence are catered largely by imports.
- Up to 49% investment is allowed under the government route, above 49% on a case-to-case basis on approval by the Cabinet Committee on Security,
- Investments by foreign portfolio investors/FIIs (through portfolio investment) are permitted up to 24% under automatic route.
- The defence industry is subject to industrial licenses under the Industries (Development and Regulation) Act, 1951.

Mining

- FDI up to 100% is allowed in exploration, mining, minerals processing and metallurgy under the automatic route for all non-fuel and non-atomic minerals including diamonds and precious stones.
- India has vast minerals potential with mining leases granted for longer durations of 20 to 30 years.
- The power and cement industries also aid growth in the metals and mining sector.
- India’s strategic location enables convenient exports.

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Food Processing

- 100% FDI is permitted in the automatic route for most food products except for items reserved for micro and small enterprises.
- 100% FDI is permitted for alcoholic beverages, with the requirement of an industrial license.
- A rich agriculture resource base – India was ranked No. 1 in the world in 2012 in the production of bananas, mangoes, papayas, chickpea, ginger, okra, whole buffalo, goat milk and buffalo meat.
- India ranks second in the world in the production of sugarcane, rice, potatoes, wheat, garlic, groundnut (with shells), wheat and cow milk.

Auto Mobiles

- 100% FDI is allowed under the automatic route in the auto sector, subject to all the applicable regulations and laws.
- Global car majors have been ramping up investments in India to cater to growing domestic demand. These manufacturers plan to leverage India's competitive advantage to set up export-oriented production hubs.

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AUTO MANUFACTURING

- India expects to double its exports to $24 billion to emerge as the world´s largest auto exporter by 2020
- Top 5 cars exported from India in financial year 2014:
- Hyundai i10 – 109 074 units
- Nissan Micra – 78 383 units
- Hyundai i20 – 59 789 units
- Maruti Suzuki – 45 193 units
- Nissan Sunny – 37 730 units

Successful Czech Investments

- Czech Skoda Auto assembly plants located in Aurangabad and Pune
- Doosan Škoda Power plans to build a factory for the production of steam turbines
- Bonatrans plans to produce railway wheels
- construction and opening of the Czech company Gearspect (Apparatus for measuring gears) in Pune in January 2014
- The investment in India is also considered by the Czech company Zetor, Vitkovice company and other companies in the field of mining technology.

THE END

- Thank you for your attention