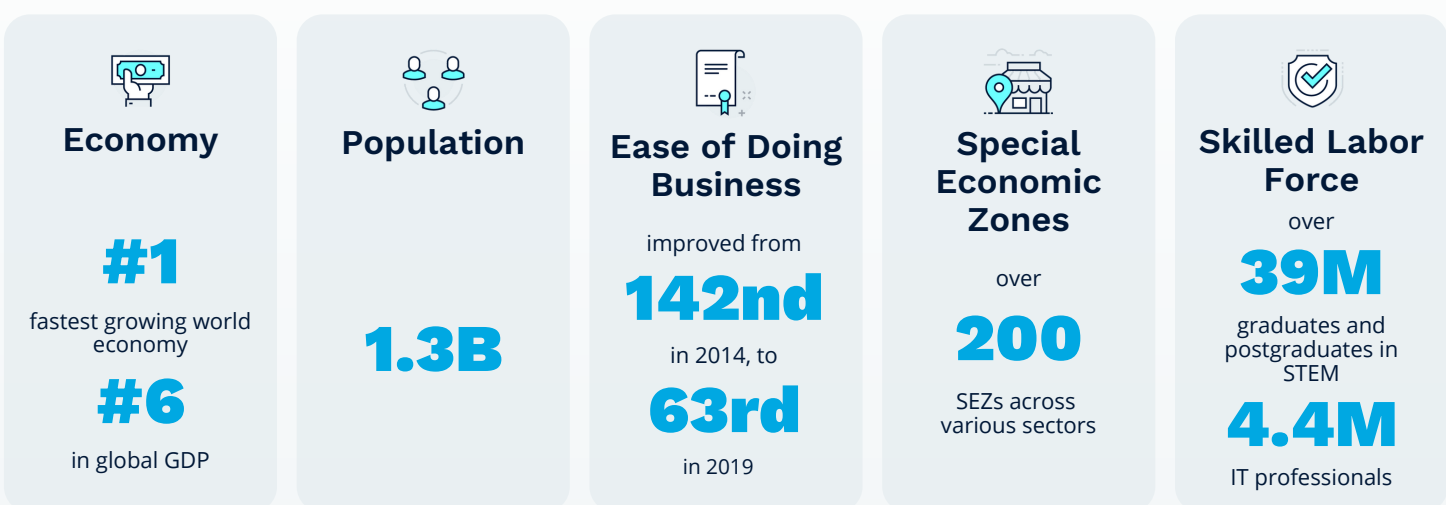


Manufacturing in India: Opportunities & Challenges

OPPORTUNITIES

Amidst rapid production expansion, manufacturers are drawn to India's advantages – cost-effective workforce, educated talent pool, government incentives, and a vast consumer market. However, while India is a great place to **operate** a production hub, it's not an easy place **establish** a production hub. Its unique business landscape presents often overlooked challenges. Rushing into the market without preparation risks underestimating these complexities.

What is the Opportunity of Manufacturing in India?



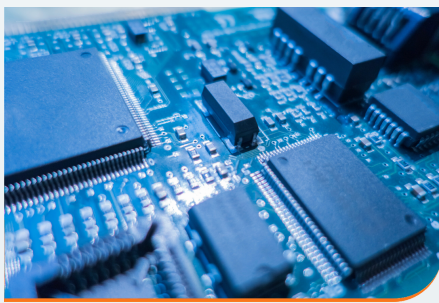
What is India Doing to Attract Foreign Investments?

The Indian government is putting big money behind its **"Make in India"** initiative, announced in 2014. There are many government programs focused on promoting **consumer electronics**, **semiconductor** and **EV manufacturers**.



Consumer Electronics

The size of India's electronics manufacturing industry will increase from \$87 billion USD in 2022 to more than \$300 billion USD in 2026.



Semiconductor Products

The Indian semiconductor market will grow from \$27.2 billion USD in 2021 to \$64 billion USD by 2026 – a CAGR of 19%.



Electric Vehicles

The EV market in India is expected to grow from \$3.21 billion USD in 2022 to \$114 billion USD in 2029 – a 66.5% CAGR.

CHALLENGES

What Hurdles Are Companies Facing?



Customs

India's trade compliance rules are lengthy and complex. And they may be different depending on the incentive scheme you are applying for. Understanding and navigating these rules can be overwhelming.



Legal

Operating in India requires obtaining various licenses, certificates, and registrations based on your business model. Navigating the paperwork and channels can be time-consuming and complicated.



Logistics

Despite being a large economy, India's logistics infrastructure ranks 38th globally. It's not uncommon for the Indian government to establish an area as a FTWZ, attract companies to invest, and only then clear the land and develop the surrounding roadways.



Culture & Language

India's diverse language landscape can create communication barriers, hindering bureaucratic interactions. Less than 60% of the population speaks Hindi, and fluent English speakers represent only 10%.

Trying to figure out these kinds of things on your own, from a foreign country, can be daunting.

SOLUTIONS

Follow a Phased Approach in Order to Reduce Risk

Test the Market

No legal entity. Low risk. Bring in limited inventory and distribute from a free trade zone warehouse as you assess the viability of the market.

Create Trading Company

Create a legal subsidiary in India and do your own tax and compliance filings and issue domestic invoices. You can also operate via a virtual office or establish a nonlegal entity that operates out of a Free Trade Warehousing Zone.

Manufacture in India

Establish a factory in India and realize the full advantages of India's incentive programs and large domestic market.

How will the right partner speed your expansion to India?

Here are some of the things to look for when choosing an advisor for your Indian expansion project:

- Knowledge of the incentive and tax deferral schemes available. The schemes can get quite specialized and it's not always easy to know which one suits you best.
- Ability to help set up a company – with assistance from a certified CPA firm.
- Help registering with various government departments.
- Good understanding of India's Customs processes and how they differ from port to port. You don't want an academic understanding here. Choose a partner that works with India Customs every day.
- Experience with Customs duty payment management. This includes Customs bookkeeping and rack management for debit/credit with India Customs departments, including annual filing and audit representations.
- Fluency in your chosen language. Understanding trade and tax compliance is complicated enough in your native tongue; it's doubly hard in another language. Find a partner with a knowledgeable staff member that speaks your language.

Unlock the Full Story:

Explore the Complete eBook!

Whether you're a company seeking guidance on entering India's market, eager to capitalize on its opportunities, or navigating the challenges, the answers await. Click the link below to dive into the full eBook and supercharge your understanding."

[Read the eBook](#)



Ready to Manufacture in India?

Partner with Dimerco for Your Expansion Project!

Dimerco is your gateway to success. Our proven track record in guiding businesses through Indian expansion projects sets us apart. Seamlessly navigate the complexities of manufacturing in India with our strategic insights, supply chain solutions, and local connections.

[Learn More](#)

