

# India: Observations from the ground

Published 17 April 2019

There are a lot of macro indicators we can use to track a country. But nothing compares to on the ground observations. I recently completed a weeklong trip to India. Here are a few of my observations from the trip.

## **Welcome, arrivals!**

Delhi's International Arrival Terminal T3 looks like any modern airport. Walking to baggage claim, you navigate through moving sidewalks, fancy lounges, and plenty of battery-operated vehicles. For a moment, it appeared I arrived somewhere in the West, only to be reassured that I was in India by the giant gracious silver statues of Mudra poses at the immigration counter.

## **Baggage claim & ground transportation**

Delhi has a state-of-the-art subway system which ensured a smooth ride to my hotel helping me also save a few bucks from an expensive cab ride.

Trains are tracked at every station. They have superb connectivity to Delhi and its neighbouring cities/suburbs. Like New York (or any big city) the subway system connects the airport to the railway station smoothly. You can even check luggage right at the railway station for a flight onwards from the airport.

Gurgaon - a satellite town of Delhi with the presence of more than 250 Fortune 500 companies -- even has an inter-office subway that connects to the Delhi subway. It runs from building to building. Shorter commute times helps to enhance productivity.

## **Domestic connections & tier 2 cities**

Even the airports at smaller cities (i.e. Prayagraj and Varanasi) are now much better run than before. A few years ago, these airports were tiny, and what used to be a two-room building is now a major complex. Moving into these cities, you will often find multi-lane roads with stretches of even six lanes occasionally cutting right through the city. Serpentine flyovers are everywhere, with subway lines running in the background. A few years back, I didn't see even half of these flyovers. The speed at which they were built is amazing.

Everywhere you go in the Delhi region you'll not just find small bazaars, but also enormous shopping malls filled with showrooms of luxurious Italian and French brands. Gurgaon alone has 26 large malls, one of which houses a full kilometre of shopping length at each floor. While global brands have always been in India's bigger cities, now the smaller towns have their turn. Whether fashion names like 'Prada' or 'Gucci' or food chains like 'Subway' or 'Pizza Hut' and their online food delivery apps, I was never away from names I see in New York City.

Beyond these ground observations, let's also highlight changes that have taken place in India's economy over last few years.

When Prime Minister Narendra Modi got a clean and decisive mandate in 2014, it was a structural shift in the way India voted. Unlike previous governments, this was the first time in three decades that a single political party got a clean mandate in India's typically fractured, fragmented and coalition-based political system. Expectations are sky high, and the Modi government did not disappoint. What India has achieved in last few years is truly staggering. Though there were thousands of reforms implemented in last five years, I will highlight the most fundamental changes.

Each of "changes" below could be a detailed article on its own:

### **Financial Changes**

Simplifying and Unifying India's complicated taxes under 'Goods & Services Tax (GST)'. This subsumed over 17 tax line items on every purchase to just one national tax. It made the country a true unified economic-zone.

- Implementation of the "bankruptcy code" to expedite liquidation and recovery of non-performing loans.
- Stimulating micro lending, as employment in unorganized sector account for nearly 86% of total employment, through a government backed micro-lending agency.
- Incentivizing savers to deposit money in banks by providing free life insurance, bringing financial inclusivity to every individual on the street.

### **Socio-Economic Changes**

Biometric-based unique identification for 1.3 billion people called "Adhaar", or finger prints and retina scans to its 1.3 billion people.

- Connecting biometric identification to bank accounts and mobile phones, creating a trinity of banking, identification, and connectivity. This makes India a gold mine for data in incubation, cutting middle men and leakages in government welfare schemes.

### **Employment Generation**

- Various economic zones and government backed semi-private setups to encourage manufacturing education.
- Giving large tax benefits to start-ups and smaller shops that employ fewer than 100 people.

### **Infrastructural Focus**

- An average 17 miles of roads were built every day in India over last 5 years.
- India achieved 100% electrification to its last village/hamlet over last 5 years.

I can go on and on about reforms/structural changes but that would require a book! I hope this has given some idea of the scale at which growth is happening in that part of the world.

From its 142 rank in World Bank's ease of doing business in 2013, India is now at 77 out of total of 190 countries tracked by the World Bank. No country had ever jumped 30 ranks, but when India did just that in 2017 alone (from 130 in 2016 to 100 in 2017), people started taking this country more seriously than they ever have.

### **Related blogs**

- + [India's growth may be the strongest of all large economies over the next 10 years](#)
- + [India bull run part I: Structural changes propelling India toward multiple-year bull market](#)
- + [India bull run part II: Household inflows propelling India toward multiple-year bull market](#)

## Important Risks Related to this Article

### Important Information

**Marketing communications issued in the European Economic Area (“EEA”):** This document has been issued and approved by WisdomTree Ireland Limited, which is authorised and regulated by the Central Bank of Ireland.

**Marketing communications issued in jurisdictions outside of the EEA:** This document has been issued and approved by WisdomTree UK Limited, which is authorised and regulated by the United Kingdom Financial Conduct Authority.

WisdomTree Ireland Limited and WisdomTree UK Limited are each referred to as “WisdomTree” (as applicable). Our Conflicts of Interest Policy and Inventory are available on request.

**For professional clients only. The information contained in this document is for your general information only and is neither an offer for sale nor a solicitation of an offer to buy securities or shares. This document should not be used as the basis for any investment decision. Investments may go up or down in value and you may lose some or all of the amount invested. Past performance is not necessarily a guide to future performance. Any decision to invest should be based on the information contained in the appropriate prospectus and after seeking independent investment, tax and legal advice.**

The application of regulations and tax laws can often lead to a number of different interpretations. Any views or opinions expressed in this communication represent the views of WisdomTree and should not be construed as regulatory, tax or legal advice. WisdomTree makes no warranty or representation as to the accuracy of any of the views or opinions expressed in this communication. Any decision to invest should be based on the information contained in the appropriate prospectus and after seeking independent investment, tax and legal advice.

This document is not, and under no circumstances is to be construed as, an advertisement or any other step in furtherance of a public offering of shares or securities in the United States or any province or territory thereof. Neither this document nor any copy hereof should be taken, transmitted or distributed (directly or indirectly) into the United States.

Although WisdomTree endeavours to ensure the accuracy of the content in this document, WisdomTree does not warrant or guarantee its accuracy or correctness. Where WisdomTree has expressed its own opinions related to product or market activity, these views may change. Neither WisdomTree, nor any affiliate, nor any of their respective officers, directors, partners, or employees accepts any liability whatsoever for any direct or consequential loss arising from any use of this document or its contents.