



Passport to Profit



Special Report No. 11

www.wtcak.org

February 2011

Another 'BRIC' In The Wall

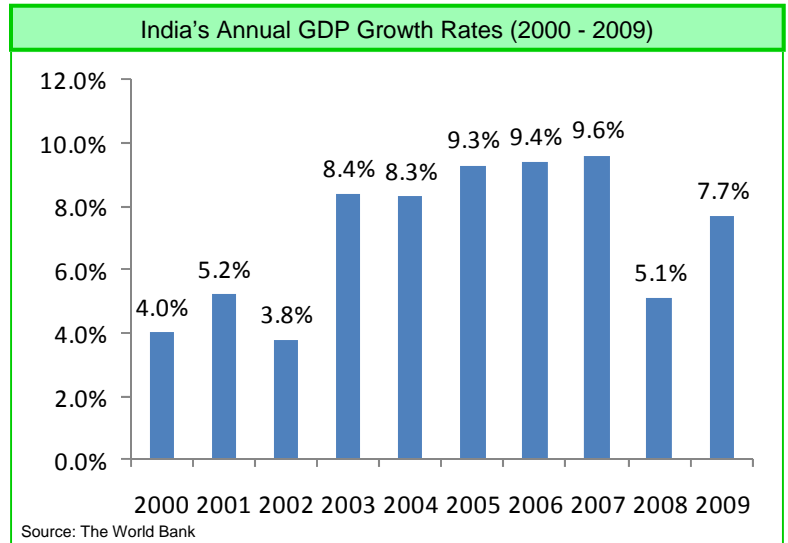
Is India on your radar screen yet?

By Greg Wolf

China's epic rise to economic prominence during the past three decades is certainly no secret and is very much an ongoing phenomenon. The Middle Kingdom's economic expansion has been a great source of benefit to Alaska's export industries as the country's near insatiable demand for natural resources of all kinds has created upwards pressure on prices that Alaskan producers receive for their commodities. The value of Alaskan exports to China has increased dramatically, growing from \$103 million in 2000 to \$923 million in 2010.

Somewhat overlooked in the media and analytical coverage has been the steady and impressive growth of India's economy. Along with Brazil, Russia and China, India is one of the so-called 'BRIC' economies, a term created in 2001 by Jim O'Neill, a well-known investment analyst at Goldman Sachs, the venerable investment banking firm. The acronym is now widely used to describe these four developing economies, their high growth trajectories, and the impact they will have on the global economy in the coming decades.

India's economy has been growing consistently in recent years, and while it has grown at a somewhat slower rate than China, for the past five years it has risen by more than 8% annually. Like China, the country is home to more than a billion people, has a large and growing middle class, and has a huge appetite for energy and other natural resources. Last fall, Indian Premier Manmohan Singh told the country's energy companies to scour the globe for fuel supplies, warning that the country's



demand for fossil fuels (oil, natural gas, and coal) is set to rise 40% over the next ten years. He said that his government is "encouraging national oil companies to pursue equity in oil and gas opportunities overseas." The country has massive infrastructure development needs and is devoting hundreds of billions of dollars to this effort. According to a recent report by McKinsey & Company, the country will build out 80% of its infrastructure within the next 20 years!

As part of World Trade Center Alaska's "New Markets-New Customers" trade development program, we have made India one of the focus areas of our work. Four years ago, we conducted the **Alaska-India and Singapore Business Conference** in Anchorage and, just two months ago, led the first **Alaska Trade Mission to Southeast Asia** that included a business stop in New Delhi. While in New Delhi, the Alaska delegation met with U.S. government trade officials and with senior officials of three Indian Government agencies: Ministry of Mining, Ministry of Commerce, and the Ministry of Petroleum and Natural Gas. We are now preparing a special report that examines the India opportunity for Alaska in greater detail.



Pictured above: Several members of the Alaska delegation following a meeting with the Indian Government's Ministry of Mining in New Delhi. At center is Mr. Sundeep Kumar Nayak, the Ministry's Joint Secretary.

To find out more about potential opportunities in the Indian market, and how your company can participate, contact WTCAK.