

## Market Overview

India's GDP is growing (about 7.4% in 2014) and so is its demand for imported food items. For example, imports of consumer-oriented foods, such as tree nuts and fresh and dried fruits have doubled since 2009 to \$3.89 billion USD. As India's population grows, its middle class is expanding, partly accounting for a growth in consumer spending; a favorable condition for companies from the SUSTA region seeking to enter into this market. Nevertheless, the Indian government has made no efforts to remove barriers inhibiting trade. In fact, tariff prices have not been lowered for several years. In addition, India is considered a low income country by the World Bank, therefore exporters should try to introduce their products to the regions with the highest per capita incomes. These are: Delhi (\$3,308), Chandigarh (\$2,360), and Sikkim (\$2,654).

In spite of the aforementioned barriers, the growth of urban centers along with the rise in tourism makes India a promising market for SUSTA region companies. Total expenditures on food between 2009 and 2014 have increased by 64%; in 2014 expenditures on food were about \$365 billion USD. Interestingly, the dates of Diwali-India's Hindu festival of light (October or November) are the best dates to introduce new-to-market food products in India. Around this time there is a high demand for specialty food items, such as chocolates, dried fruits, and cakes. These are some of the other promising food categories: dairy, breads & cereals, snack foods, fruit & vegetables, and nuts. Exports of food products from the SUSTA region to India have hovered around \$150 million USD since 2010.

### Opportunities and Advantages

- India is a great opportunity for U.S. companies because of its rising consumer base. Increasing urbanization and a growing number of working women has led to a rise of dual-income households and income levels.
- Growing domestic and international tourism and a rise in food/lifestyle media is creating more and more opportunities for niche products.
- The Indian food processing sector is poised for significant growth in coming years, given investor interest and consumer preference. Food processors are also introducing new products and traditional recipes using improved technology, innovative packaging, and aggressive marketing.

### Market Challenges

- High tariffs and persistent sanitary/phytosanitary requirements can effectively prohibit or restrict imports.
- Competition from countries with a closer proximity and freight advantage.
- As a developing nation, individual incomes are relatively low, and high income consumers are spread throughout the country.

**SUSTA Sponsored Events in India:**  
Outbound Trade Mission

- [http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Exporters%20Guide\\_New%20Delhi\\_India\\_1-21-2016.pdf](http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Exporters%20Guide_New%20Delhi_India_1-21-2016.pdf)
- Euromonitor, Passport Site-Country Profile: India

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