

Tomorrow's India States - Example

Global Demographics Limited
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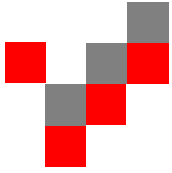


Table of Contents

SUMMARY	4	LIFECYCLE PROFILE OF THE POPULATION	22
OVERALL POPULATION TRENDS	6	Profile and Implications	23
Total Population	7	Growth of Lifecycle Stages	24
Relative To Other States	8	URBANISATION	25
Current and Future Age Profile	9	Overall Trend	26
Current and Future Age Profile (Con憶)	10	Urbanisation Relative To Other States	27
Age Profile Relative To The Other States	11	EDUCATION	28
Factors Affecting Total Births	12	Education Profile of Adults	29
Projected trend in total Births	13	Projected Demand for Education Facilities	30
Death Rates and Trends	14	Indexed Value Relative To Other States	31
Overall Population Dynamics	15	EMPLOYMENT	32
Population Growth Rate Relative To Other States	16	Working Age Population and Employed Population	33
THE HOUSEHOLD	17	Relative Propensity to be Employed by Gender	34
Number of Households ?Urban and Rural	18	Dependency Ratio	35
Household Size	19	Dependency Ratio Relative To Other States	36
Household Size Relative To Other States	20	Productivity Trend and GDP Implications	37
Presence of Children In The Household	21	Return on Wages	38

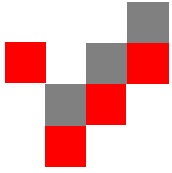
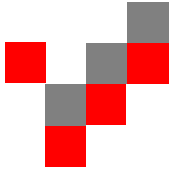


Table of Contents (Con't)

HOUSEHOLD INCOMES	40
Overall Trend in Average Household Income	41
Relative Average Household Income	42
Changing Distribution of Households by Income	43
Expenditure Pattern by Income Group Total Households	44
Expected Trend in Average Urban Household Expenditure	45
Expenditure Pattern by Income Group All Households	46
Expected Trend in Total Household Expenditure	47
Total Category Growth (Urban Households) 2010 to 2030	48
COUNTRY SUMMARY PROFILE	49
Country Summary Profile	50
COPYRIGHT	51



Summary

The total population of Example in 2010 is 16.56 million persons. It is projected to grow to 16.9 million by 2020 and 17.1 million by 2030. This represents growth rates of 0.2% pa to 2020 and 0.1% pa for 2020 to 2030. This compares with 0.5% pa for 2000 to 2010.

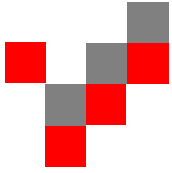
This slower population growth rate is a reflection of the projected change in total births per annum. In 2000 there were 194 thousand births pa and this reduced to 162.3 thousand per annum in 2010. The long term projection shows that total births per annum is reducing and by 2030 there is expected to be 151 thousand births per annum. Also over the next 20 years total deaths per annum is expected to increase from 104 thousand per annum in 2010 to 125 thousand per annum in 2030.

As a result of the change in births and deaths per annum, the overall age profile of Example changes over the next two decades. The proportion of the population that is under 25 years of age is projected to decline from 29.8% in 2010 to 25.5% in 2030. In the context of a grow total population this does mean that the total youth population reduces from 4,936 thousand in 2010 to 4,356 thousand in 2030.

In a similar vein the proportion of the population aged between 40 and 64 years (inclusive) is expected to decline from 35.7% in 2010 to 32.4% in 2030. This means that this age group reduces in absolute size from 5,920.7 thousand in 2010 to 5,525 thousand in 2030, a -6.7% decrease in absolute size. Finally, the 65 yr + age segment is of some growing importance at 14.5% of the total population in 2010.

Education is the other key variable (apart from birth rates and death rates) to substantially shape the future nature of a population. It influences the propensity to have children, age of marriage, wellness, urbanisation, occupation and of course, earning power.

The proportion of the adult (15 +) population with secondary and above education is the key variable to consider. In the case of Example this category is 92.9% in 2010. It is projected to continue to increase through to 2030 by when it is projected that 93.7% will have a vocational or tertiary qualification. With the improving standard of education so the proportion of the population that is in urban areas is projected to increase.



Summary

At present 66.5% are urban residents. That is 11.0 million persons. Given the projected improvement in education, the level of urbanisation is expected to be 71.4% in 2030. That means a total of 12.2 million urban residents.

These changes in age profile, birth rates and education also impact the nature and number of households. One impact of a reducing birth rate and improved education, is a reducing average household size. In 2010 the average household had 2.28 persons in it. This is projected to decline to 2.26 by 2030.

This decline in average household size, combined with the projected grow total population means that the total number of households will increase over the next 20 years. From 7.3 million in 2010 to 7.53 million in 2030. That is a 3.6% increase in the absolute number of households.

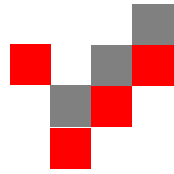
With increased urbanisation, the number of urban households is projected to increase at a faster rate than total households. From 4,883 thousand in 2010 to 5,431 thousand in 2030. A 11.2% increase.

The changing age profile and education standard of the population impacts the number of persons of working age, their propensity to work (be employed) and their productivity.

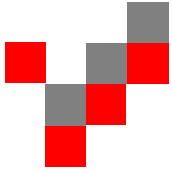
The total employed population is projected to decrease by -184 thousand to reach 8,244 thousand in 2030. Overall, productivity per worker is expected to increase by 1.4% per annum over the next two decades.

This increase in productivity has a positive impact on household incomes. Real average household income is projected to increase from rupee 50,583 in 2010 to rupee 64,563 in 2030. This is a 1.2%pa increase.

Furthermore the absolute number of households with an income in excess of rupee 5,001 is projected to increase, from 399 thousand in 2010 to 7,062 thousand in 2030.



Overall Population Trends

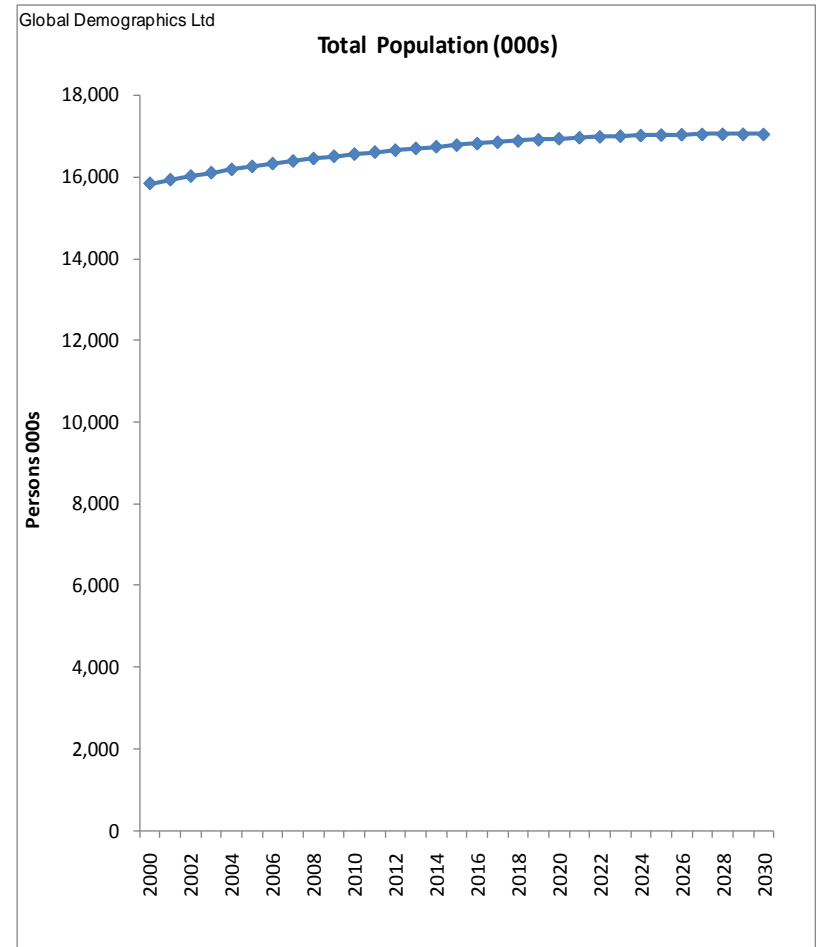


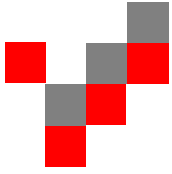
Total Population

The total population of Example is currently 16.56 million persons.

Based on projected trends in births and deaths, as discussed later in this report, the population is expected to grow at 0.2% per annum to 2020 and then grow at 0.06% pa to 2030.

Persons Mns	Absolute % Change	CAGR
2000	15.83	
2010	16.56	2000-2010 4.6%
2015	16.78	2010-2015 1.3%
2020	16.94	2015-2020 1.0%
2025	17.04	2020-2025 0.6%
2030	17.05	2025-2030 0.0%



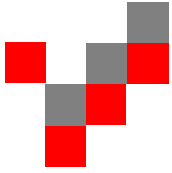


Relative To Other Provinces

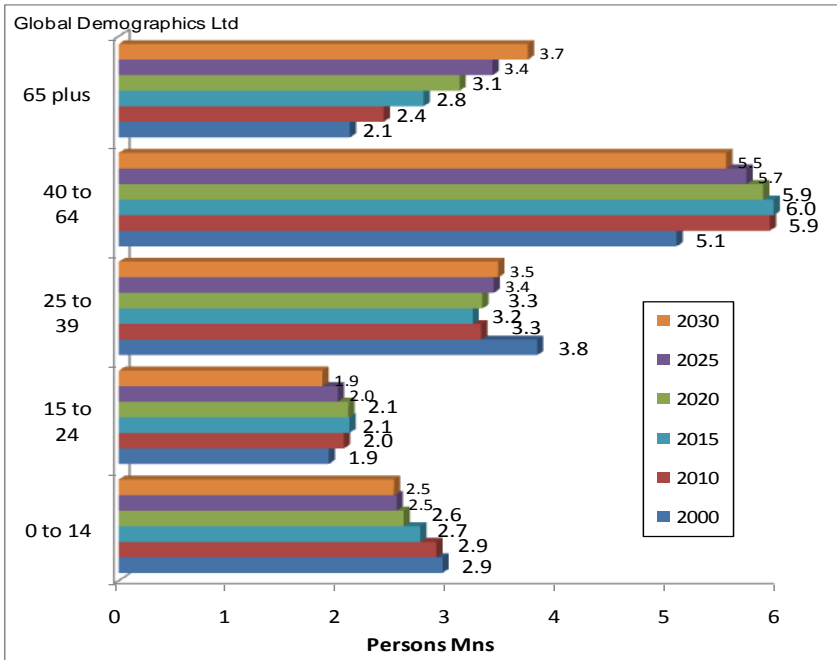
#N/A

Example accounts for 4.3% of the India's population.

	Population 000s	Rank	Share of Total
Uttar Pradesh	189,267	1	16.6%
Maharashtra	107,108	2	9.4%
Bihar	92,443	3	8.1%
West Bengal	87,318	4	7.7%
Andhra Pradesh	80,845	5	7.1%
Madhya Pradesh	69,763	6	6.1%
Tamil Nadul	65,391	7	5.7%
Rajasthan	63,170	8	5.5%
Karnataka	56,954	9	5.0%
Gujarat	56,166	10	4.9%
Orissa	39,646	11	3.5%
Kerala	32,752	12	2.9%
Jharkhand	31,208	13	2.7%
Assam	29,748	14	2.6%
Punjab	25,941	15	2.3%
Haryana	24,578	16	2.2%
Chattisgarh	23,192	17	2.0%
Delhi	17,529	18	1.5%
J&K	11,604	19	1.0%
Uttaranchal	9,562	20	0.8%
Himachal Pradesh	6,634	21	0.6%
Tripura	3,336	22	0.3%
Meghalaya	2,565	23	0.2%
Nagaland	2,360	24	0.2%
Manipur	2,315	25	0.2%
Goa	1,478	26	0.1%
Arunachal Pradesh	1,190	27	0.1%
Chandigarh	1,150	28	0.1%
Pondicherry	996	29	0.1%
Mizoram	989	30	0.1%
Sikkim	609	31	0.1%
A&N	423	32	0.0%
Example	16,562	#N/A	4.3%



Current and Future Age Profile



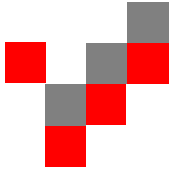
In 2010 an estimated 29.8% of the population is under 25 years of age. This reduces to 25.5% by 2030. In the context of an increasing total population this means the total number of such persons reduces by -0.58 million persons.

For the same time period the number of persons aged 25 to 39 increases as a proportion of the population (from 19.9% to 20.2%) and in absolute number increases by 0.15 million.

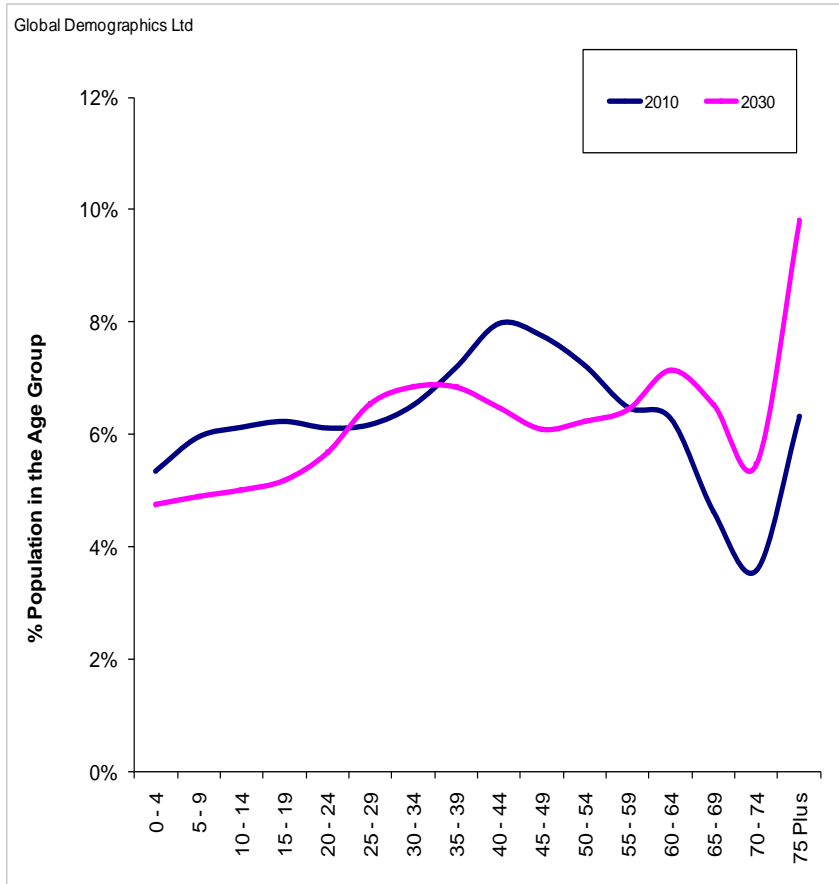
The 40 to 64 age group is projected to reduce in absolute size by -0.40 million persons, taking it from 35.7% of the population to 32.4%.

Finally, as for nearly every country in the world, the 65+ age group increases as a proportion of the total population. In the case of Example it is from 14.5% to 21.8%, an increase of 1.3 million persons.

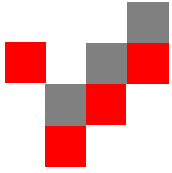
% Population in age group	Age Group				
	0 to 14	15 to 24	25 to 39	40 to 64	65 plus
2000	19%	12%	24%	32%	13%
2010	17%	12%	20%	36%	15%
2015	16%	13%	19%	35%	17%
2020	15%	12%	20%	35%	18%
2025	15%	12%	20%	34%	20%
2030	15%	11%	20%	32%	22%



Current and Future Age Profile (Con't)

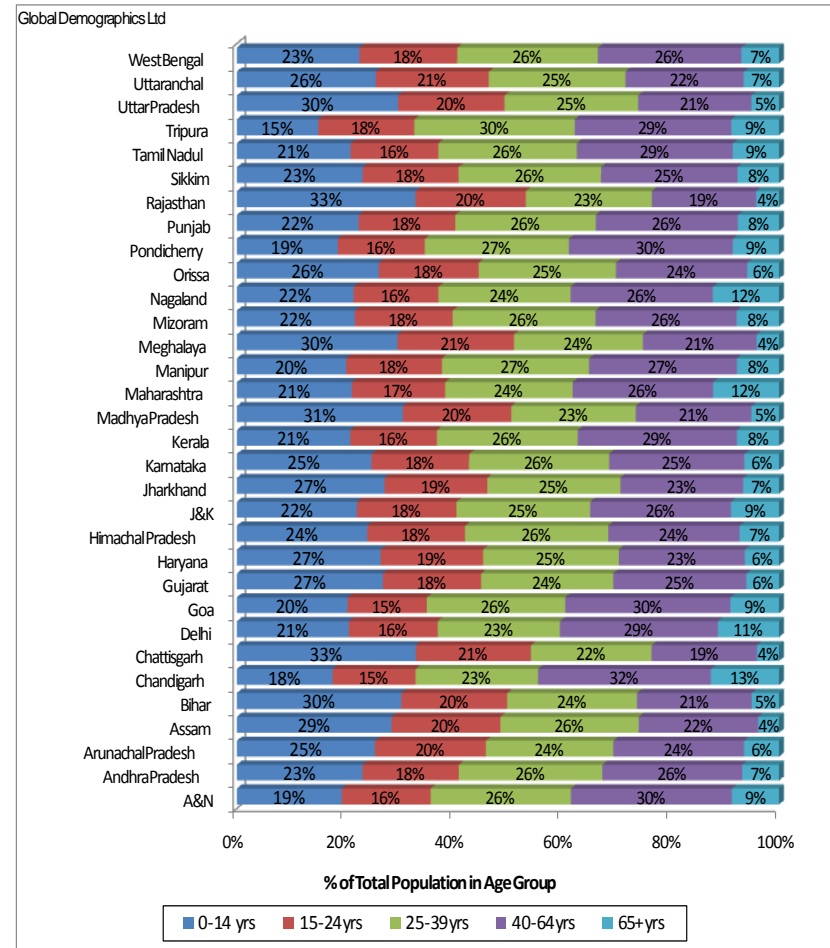


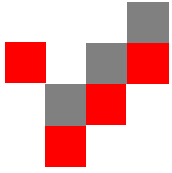
This chart summarizes the future shape of the age profile of Example's population. In 2010, the average age of is 35.8 and it is expected that in 20 years time, it will be 37.5 years.



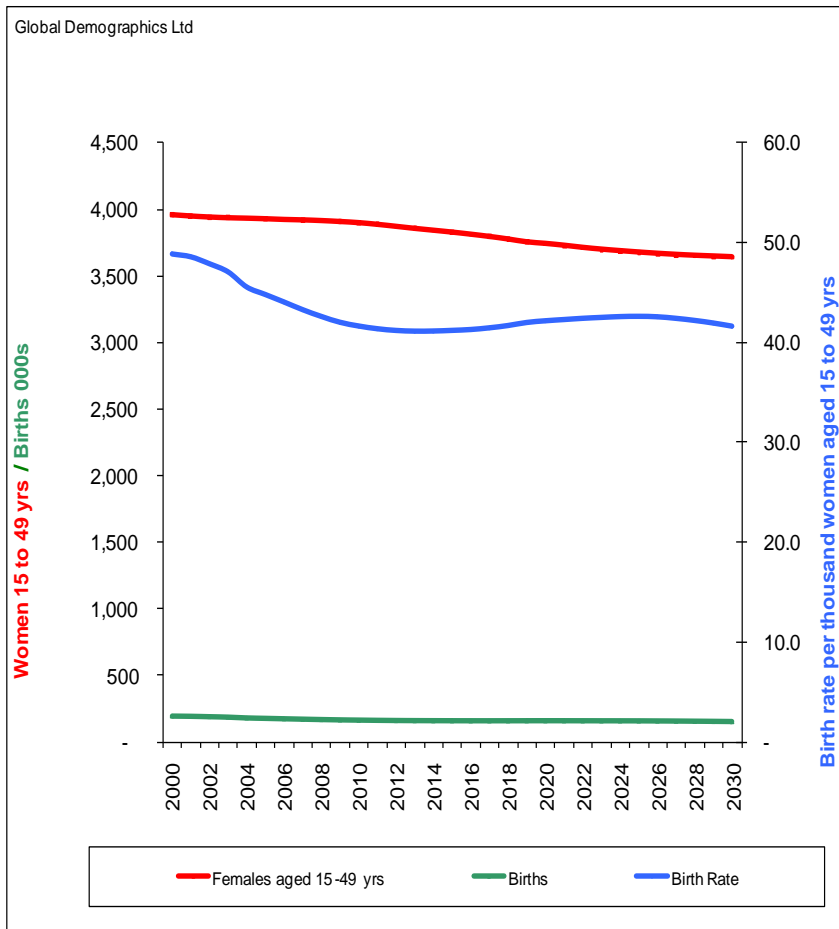
Age Profile Relative To Other Provinces

Example's population is biased to older in terms of age profile. It has 50.3% of its population over the age of 40, compared with the national average of 32.6%. Conversely it has 17.4% under 15 years compared with the national average of 24.2%.





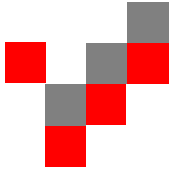
Factors Affecting Total Births



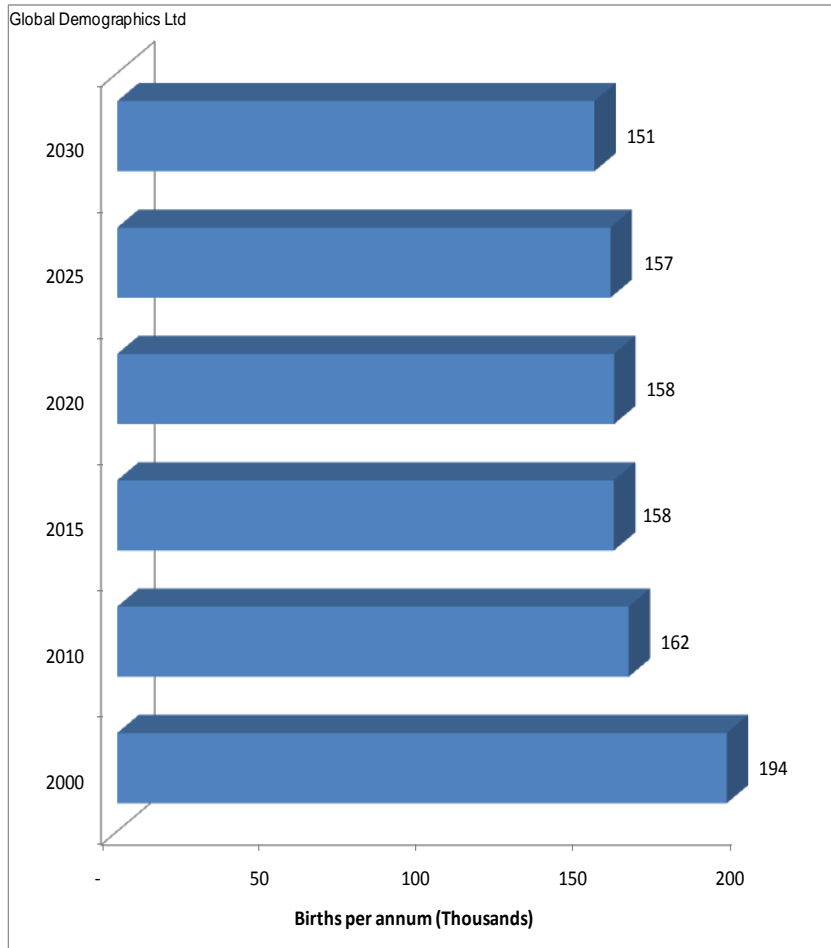
The number of women of child bearing age – defined as 15 to 49 years inclusive - and the propensity of those women to have children, determine total births in a country.

The propensity to have children has steadily declined to 2010 and is projected to show a increase for the next decade.

In addition the number of women of childbearing age is expected to decline in number in the next decade. By 2030, the number of women in this age group will be 3.6 million person compared with 3.9 million in 2010 - a drop of -6.7% in 20 years.

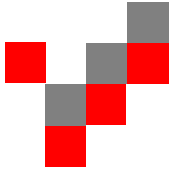


Projected Trend in Total Births



In 2010 there are estimated to be 162 thousand births. Down -16.1% from 194 thousand in 2000, reflecting the combination of a decrease in propensity to have children and a decrease in the number of women of childbearing age.

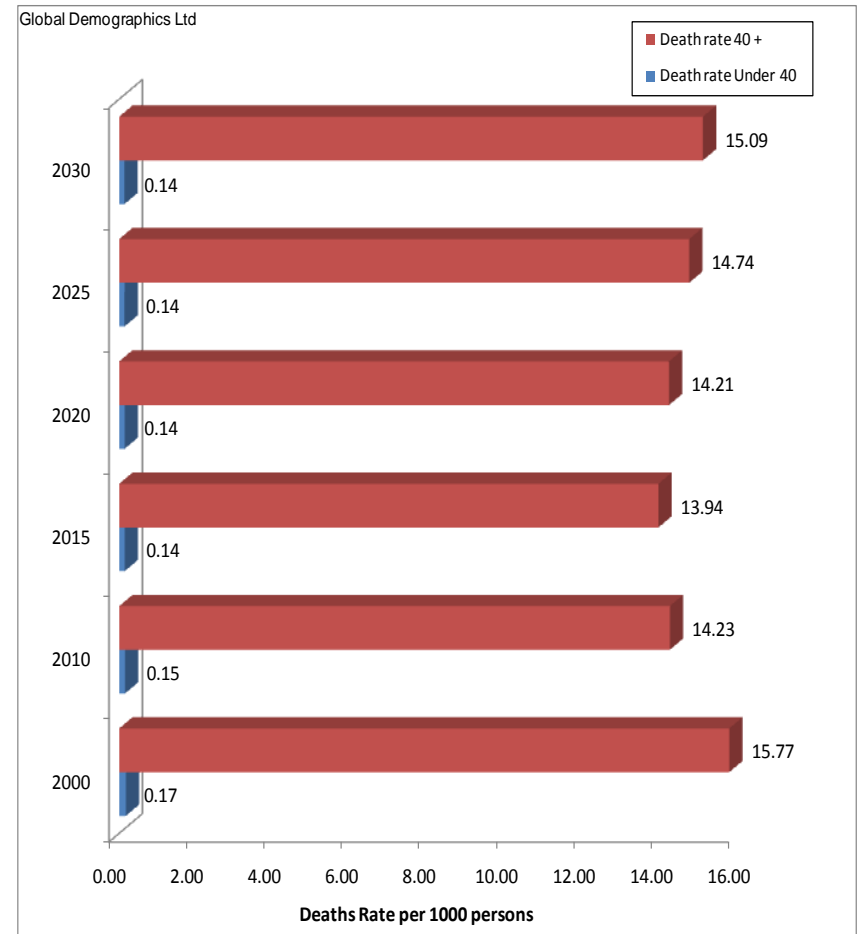
By 2020 total births per annum are expected to be 158 thousand and by 2030 they will total 151 thousand per annum. In total over the next 20 years to 2030 the total number of women of child bearing age will decrease by -6.7%. Over the same period their propensity to have a child is projected to decrease by 0.0%.

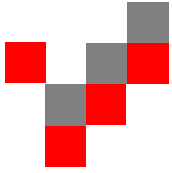


Death Rates and Trends

Total deaths are a function of the death rate per thousand persons in each age group and the relative age profile of the population. The more older persons the greater the total number of deaths and also the average death rate. As such in an ageing population it is possible to get an increasing number of total deaths even though the death rates within each 5 year age group is declining.

Over the next two decades the under 40s death rate is expected to decrease at -0.5% per annum to reach 0.14 deaths per thousand in 2030 compared with 0.15 deaths per thousand in 2010. For the over 40 age group, the death rate per thousand increases from 14.23 in 2010 to 15.1 in 2030. This reflects the fact that an increasing proportion of this age group is in the over 60 age range which has a higher death rate.



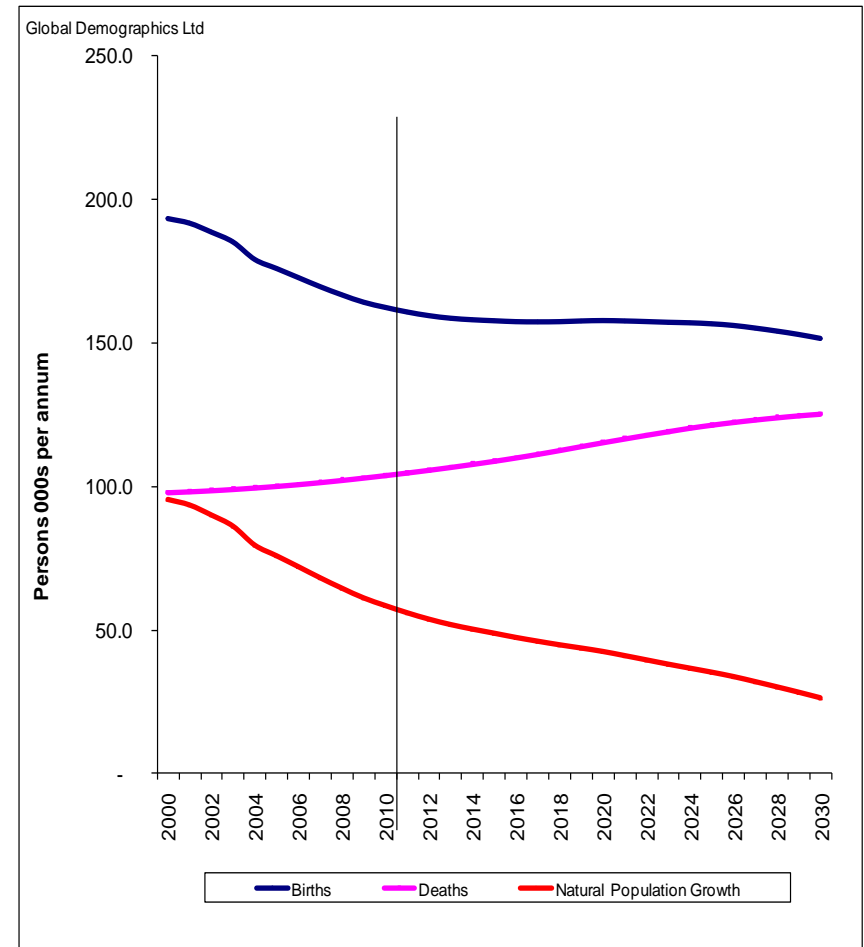


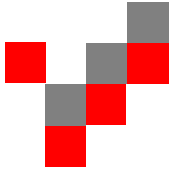
Overall Population Dynamics

Total deaths are projected to increase by 20.6% for the next two decades from 104 thousand pa in 2010 to 125 thousand pa in 2030 as an increasing proportion of the population is over 40 years of age.

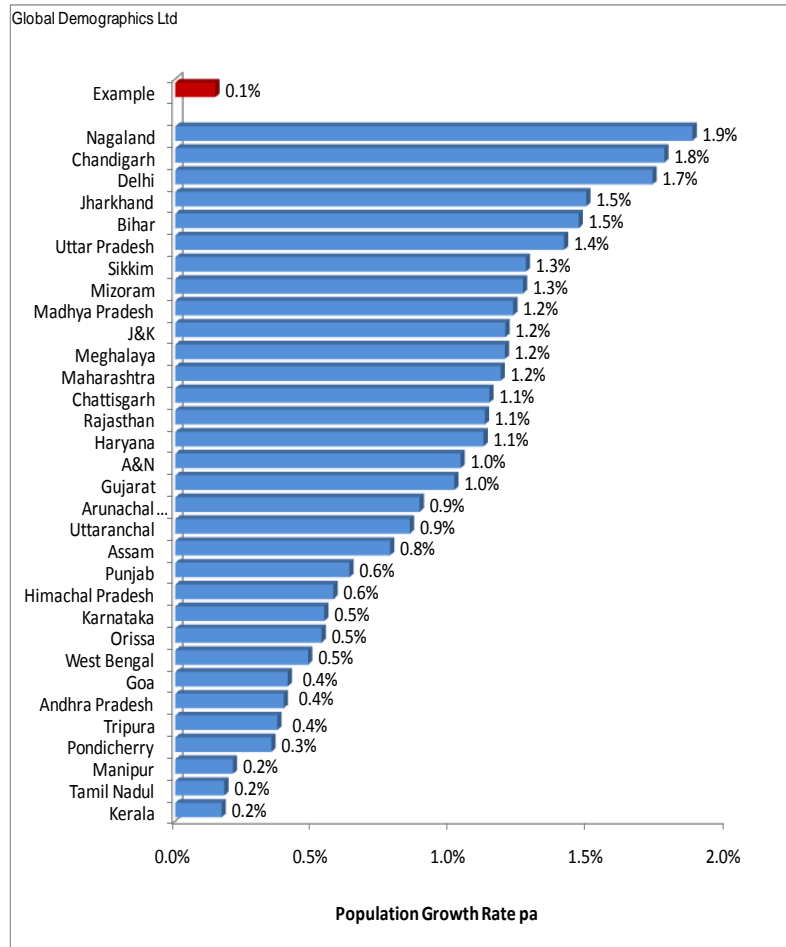
As explained earlier, births are expected to show a -2.8% decrease over the next decade (from 162 thousand pa in 2010 to 158 thousand pa) – and then decrease by -4.0% between 2020 to 2030 to reach 151 thousand pa.

As a consequence, natural population growth (births minus deaths and excluding migration) decreases. In 2010 the net annual change to the population was an additional 58,398 persons. By 2020 this is projected to decline to 42,341 per annum and by 2030 decline to 26,134 persons per annum.

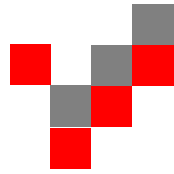




Total Population Growth Rate Relative To Other Provinces

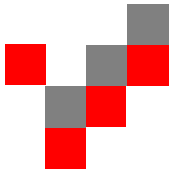


Example's population growth rate of 0.1% pa is slow relative to India average.

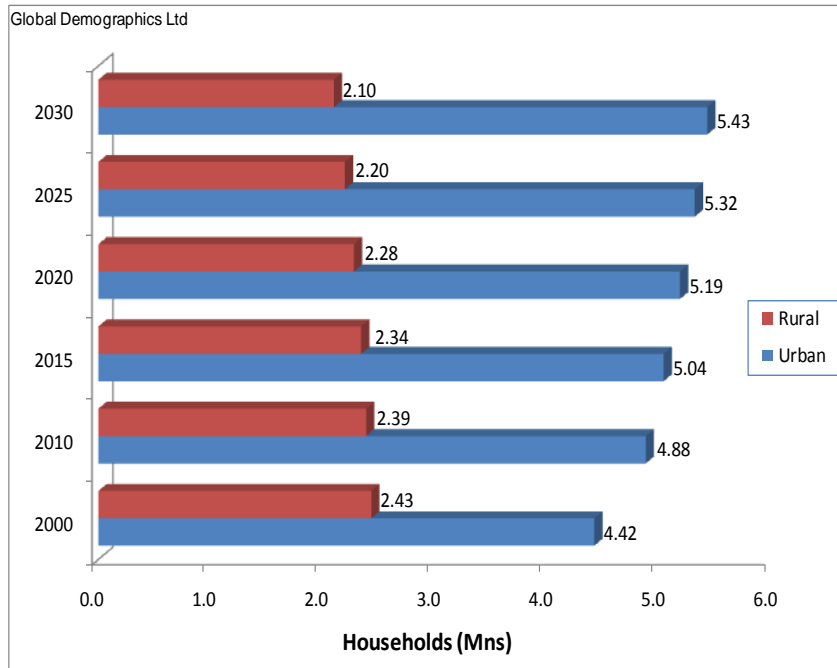


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The Household



Number of Households – Urban and Rural

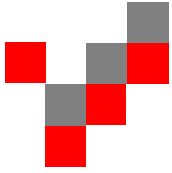


Example has a total of 7.3 million households in 2010, and with a projected -0.6% decline in average household size for reasons discussed subsequently, the total number of households increases through to 2030, when there are expected to be 7.5 million.

The combined effects of increased urbanisation of the population and continued decline in urban household size means that the number of urban households will grow from 4.9 million in 2010 to reach 5.4 million in 2030. This is a 3.6% increase. By 2030 Urban accounts for 72.1% of all households.

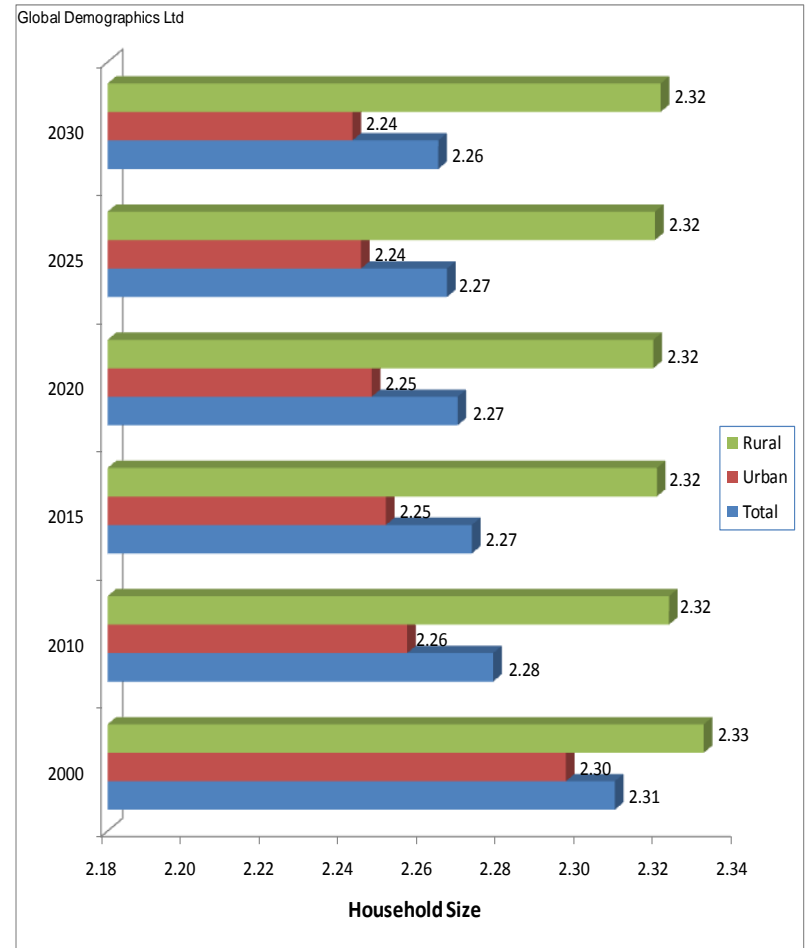
The number of rural households decreases from 2.39 million in 2010 to 2.10 million in 2030 - a -12.06% decrease.

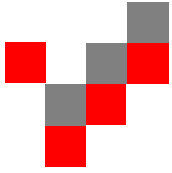
Households Mns	Total	Urban	Rural	Urban %
2000	6.86	4.42	2.43	64.5%
2010	7.27	4.88	2.39	67.2%
2015	7.39	5.04	2.34	68.3%
2020	7.47	5.19	2.28	69.5%
2025	7.52	5.32	2.20	70.8%
2030	7.53	5.43	2.10	72.1%



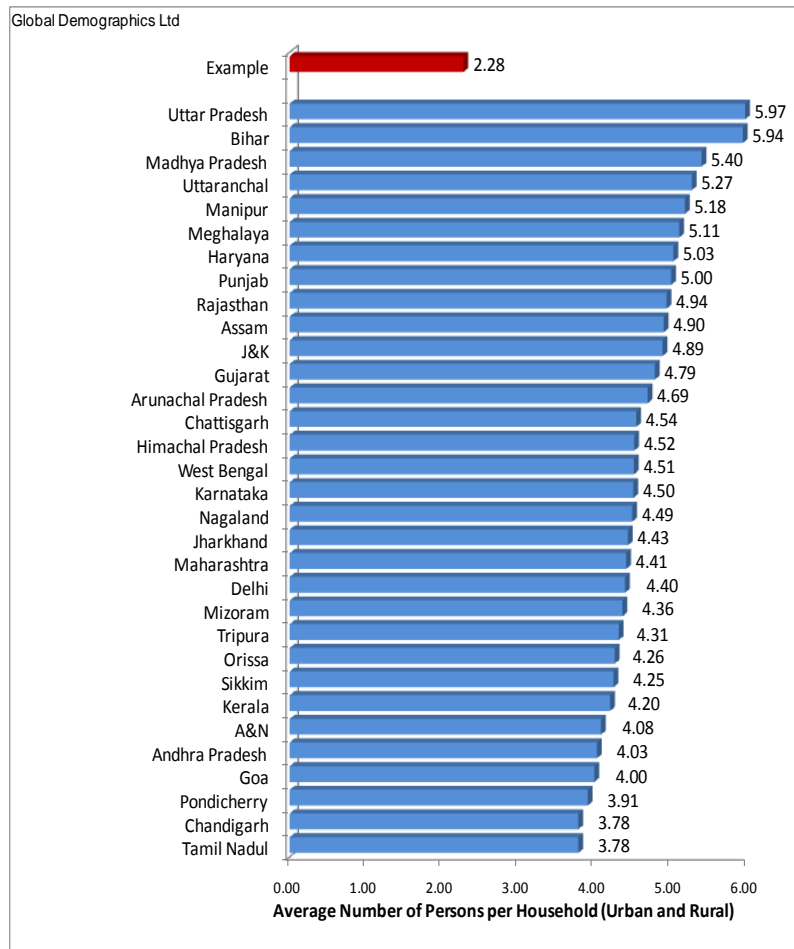
Household Size

In 2010 the average households size is 2.28 persons. Urban Households are at 2.26 persons and rural households at 2.32 persons. By 2030 it is projected that urban household size will have decreased to 2.24 persons. Rural will have decreased to 2.32 persons per households.



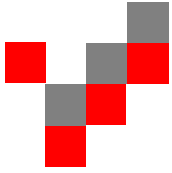


Household Size Relative To Other Provinces

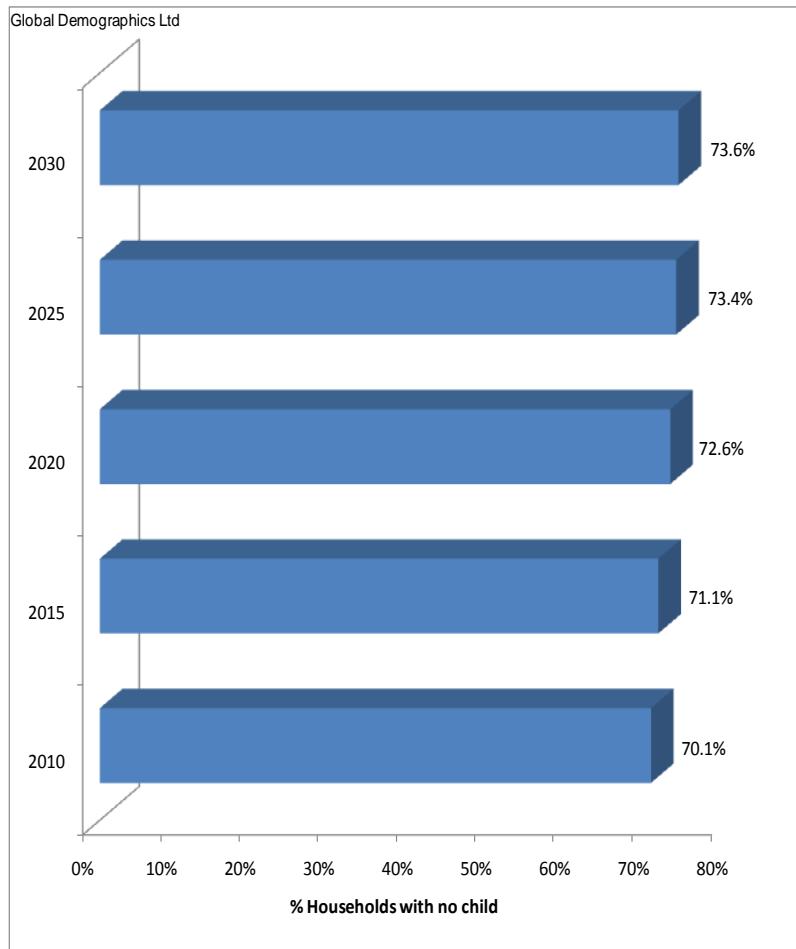


With an average household size of 2.28 persons in 2010, Example is currently biased to the lower end of the states of India in terms of household size .

As explained, this is an important variable as it does impact per capita incomes and is a good indicator of household structure – such as an increasing number of older two person households and fewer family households.



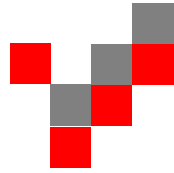
Presence of Children In The Household



Using data on probability of being married/in a relationship and probability of having a child in the last 18 years it is possible to estimate the proportion of households that have at least one child under 18 years of age in them, and by default the proportion that have none.

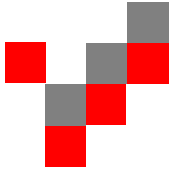
At present, the proportion of households without children in them is just 70.1%. However with the reduction in the birth rate and an increasing number of families reaching the point where the children have left home, this proportion increases. By 2030 it is expected to be 73.6% of all households.

In the context of an increasing number of households, this means that between 2010 and 2030 the number of childless households increases from 5.1 to 5.5 million.

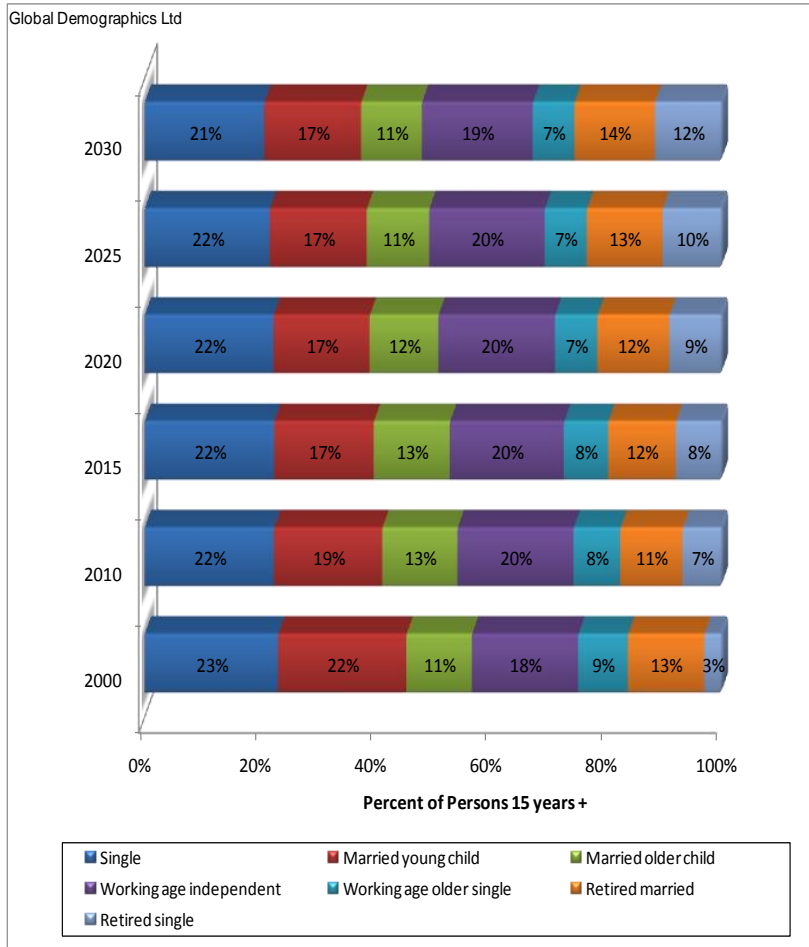


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Lifecycle Profile of the Population

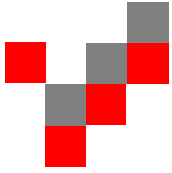


Profile and Implications



This chart shows how rapidly the consumer market of might be expected to change. In 2010 the family stages account for 31.7% of all adults. (Married with young child and married with older child at home). By 2030 this is projected to decrease to 27.3%.

Conversely the older lifecycle stages will increase in importance – and particularly the older working age adult . At present they are 28.2% of all adults and by 2030 they are expected to be 26.4%. In the context of a increasing total population, in absolute size it goes from 3.9 million persons to 3.8 million. That is a -0.4% decrease. This is an important segment with higher discretionary expenditure, and therefore worth paying attention to.

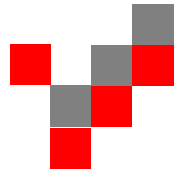


Growth of Lifecycle Stages

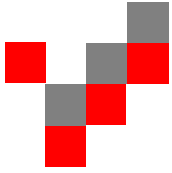
This charts shows the absolute (in persons thousands) change in the size of each lifecycle stage for the next two decades and reinforces how dramatic the change in size of the different lifecycle stages will be.

Perhaps the important point to be taken from this chart is that the growth in the ‘opportunity’ segment of working age adults with no children. This increases by -53.8 thousand in the next decade, and a further -3.2 thousand for the subsequent decade.

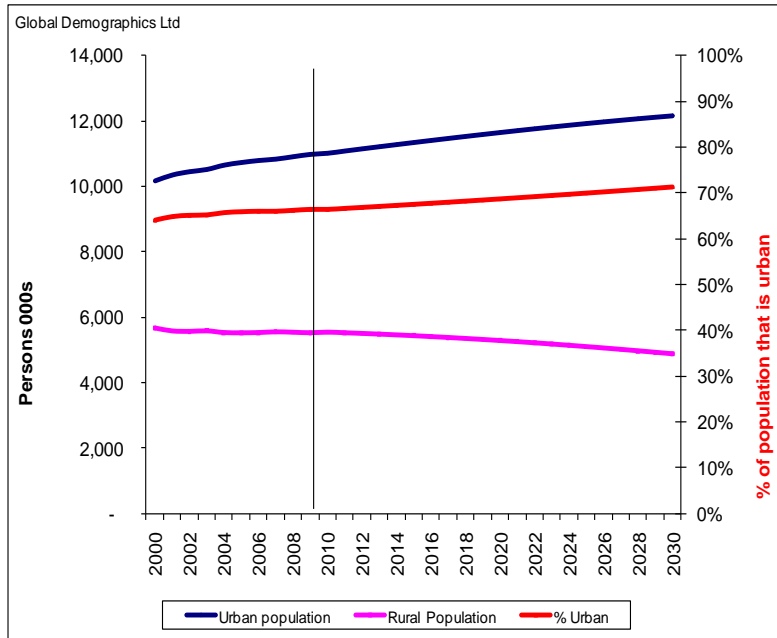
	Absolute Change Lifecycle Stage								Total
	Single	Married young child	Married older child	Working age independent	Working age older single	Retired married	Retired single		
Persons 000s in age group									
2000-2010	86	- 302	318	374	1	- 231	537	785	
2010-2015	87	- 142	74	24	- 35	173	190	371	
2015-2020	57	- 36	- 145	125	- 19	138	190	311	
2020-2025	- 64	52	- 138	2	2	114	185	153	
2025-2030	- 128	1	- 37	- 110	- 5	125	195	40	



Urbanisation



Overall Trend



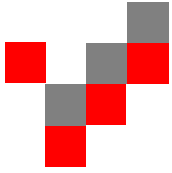
Urbanisation is a major issue in India as an increasing proportion of the population moves from agricultural based employment to urban based employment. Not surprisingly this is driven by improvements in the level of education of the population.

In Example urbanisation has been increasing quite steadily. In the last decade the urban population has increased by 8.4%, to reach 11.0 million people.

With improving education the trend will continue and by 2030 it is expected that 71.4% of the total population will be living in an urban area (66.5% in 2010). This takes the total urban population from 11.0 million persons in 2010 to 12.2 million in 2030.

Persons (Mns)			%
Total	Urban	Rural	

2000	15.8	10.2	5.7	64.2%
2010	16.6	11.0	5.5	66.5%
2015	16.8	11.3	5.4	67.6%
2020	16.9	11.7	5.3	68.8%
2025	17.0	11.9	5.1	70.1%
2030	17.1	12.2	4.9	71.4%

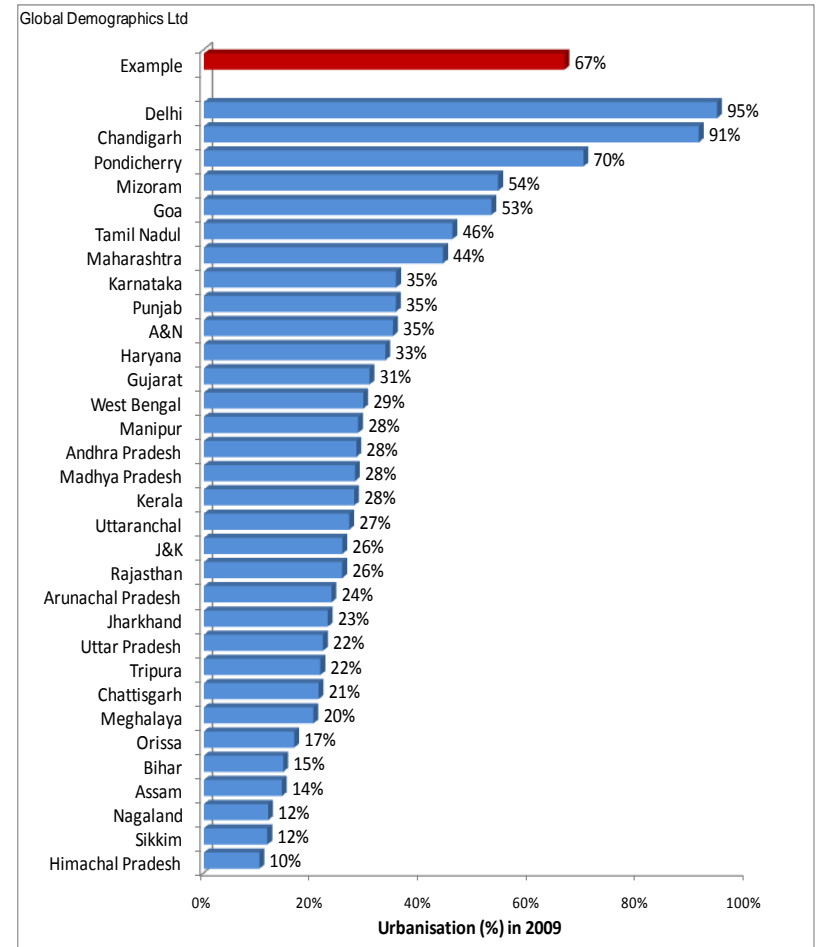


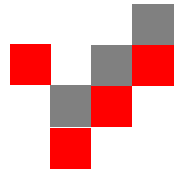
Urbanisation Relative To Other States

Overall at 66.5% Example appears to be above average (32.9%) in terms of urbanisation when compared to the rest of India.

Based on the rural age profile of the population in this province, their propensity to move to urban areas in the last 5 years as well as migration trends, Example will rank 33 out of 31 states in terms of rate of urbanisation increase.

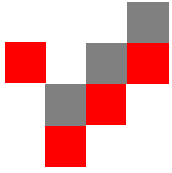
As a result by 2030, 71% of its population will be living in urban areas.





GlobalDemographics

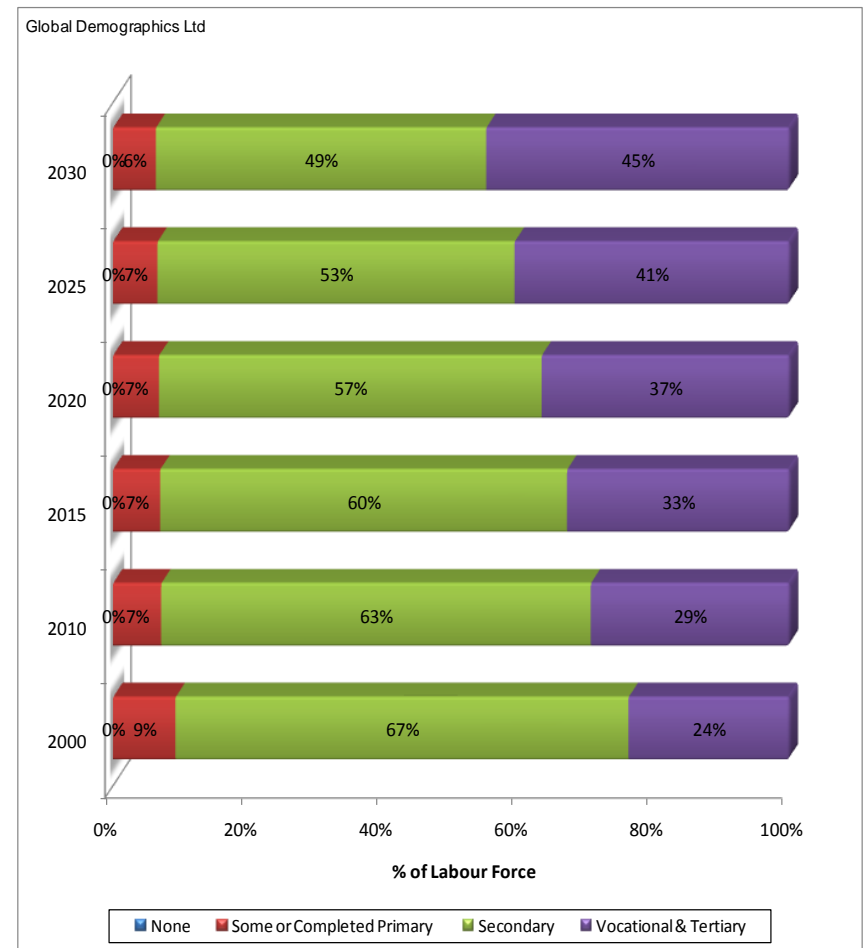
Education

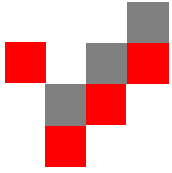


Education Profile of Adults

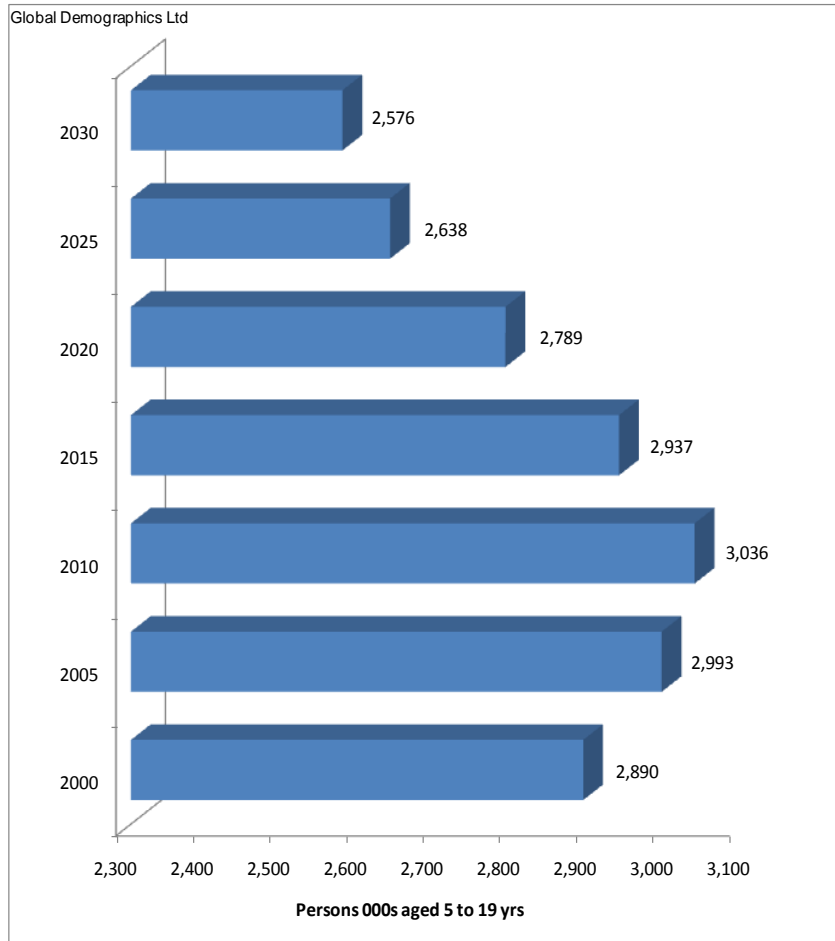
In the last decade the proportion of Example's labour force that has secondary and above education increased from 91% to 93%.

Given the profile of persons leaving the education system, by 2020 this is expected to reach 93.2% and by 2030 reach 93.7%.



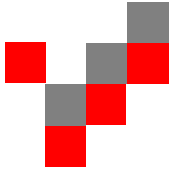


Projected Demand for Education Facilities



A good measure of the demand for educational facilities (Schools, teachers etc) is the number of persons aged between 5 and 19 years inclusive. These are the ones attending primary, secondary, vocational and, to some extent, tertiary.

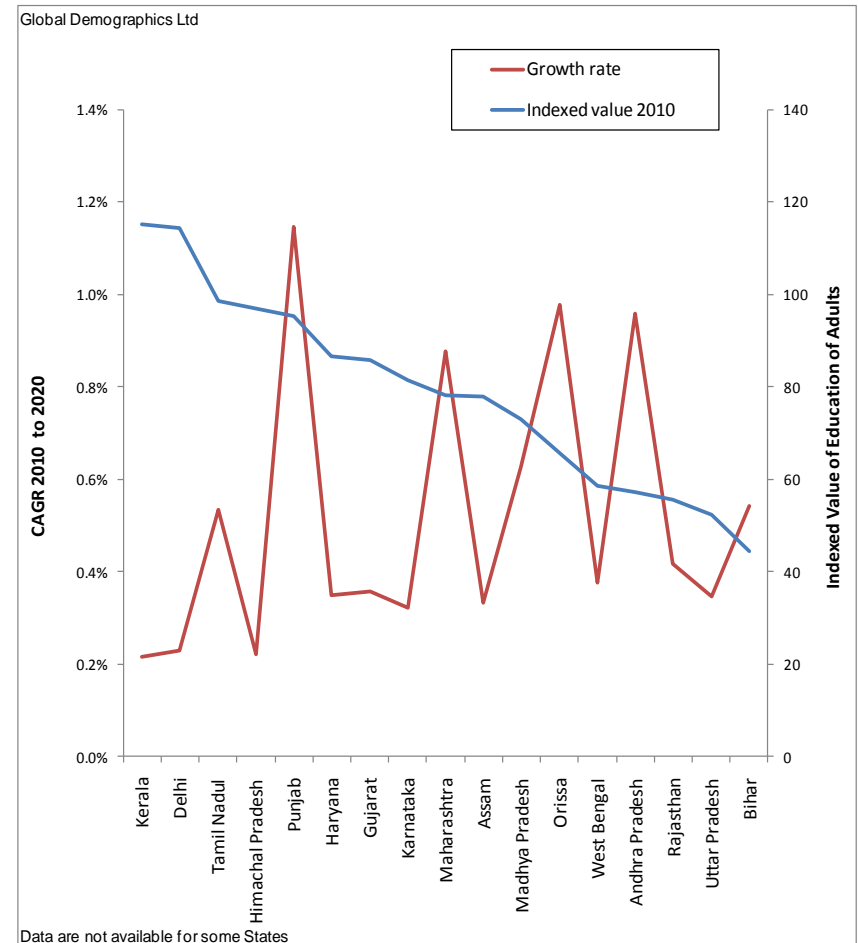
Given the changing age profile of the population as discussed earlier, the demand for education facilities is going to decrease. In 2010 there are 3,036 thousand people of school age. By 2020 there are projected to be 2789 thousand and by 2030 it is projected to be 2,576 thousand.

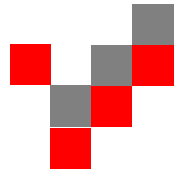


Indexed Education Value Relative To Other Provinces

At an indexed value of 86 for the education profile of the adult (15 yrs +) population, Example is a reasonably well educated States.

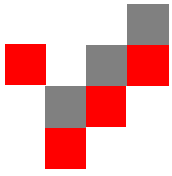
However, it should be noted that Example has one of the reasonably well rates of improvement in the projected education index value and this means it achieves a value of 230 in 2020 and 239 in 2030 which should have implications for economic growth.



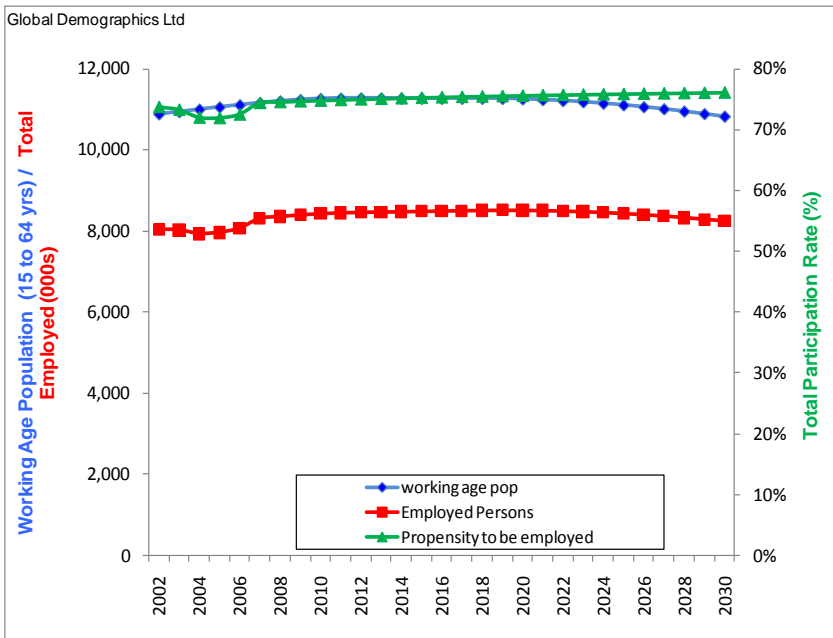


GlobalDemographics

Employment



Working Age Population and Employed Population



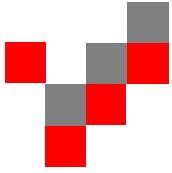
The size of a States' labour force is determined by the number of persons it has of working age (defined as ages 15 to 64 inclusive) and their propensity to be employed.

The 'working age population' is of course determined by the age profile of the population, and it is projected to grow through to 2012 when it peaks at 11.28 million persons and then declines to 10.83 million in 2030.

The propensity to be employed is quite stable in India – as it is in most countries, with there being a marginal increase for females.

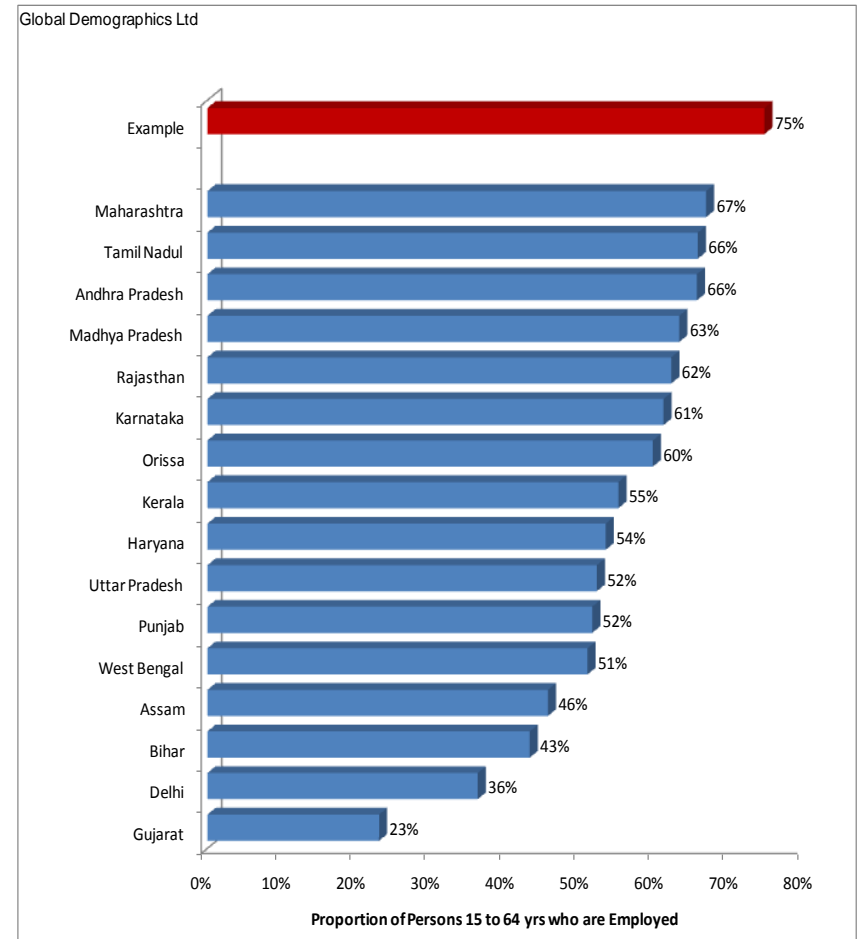
As a consequence the labour force is expected to grow through to 2019 when it peaks at 8.5 million persons and then declines to 8.2 million in 2030.

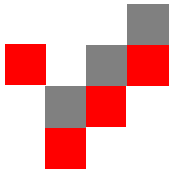
Employment	Working age Persons mns	Propensity to employ	Employed Persons mns
2000	10.79	72.3%	7.80
2010	11.26	74.8%	8.43
2015	11.27	75.3%	8.49
2020	11.25	75.6%	8.51
2025	11.06	76.0%	8.40
2030	10.83	76.1%	8.24



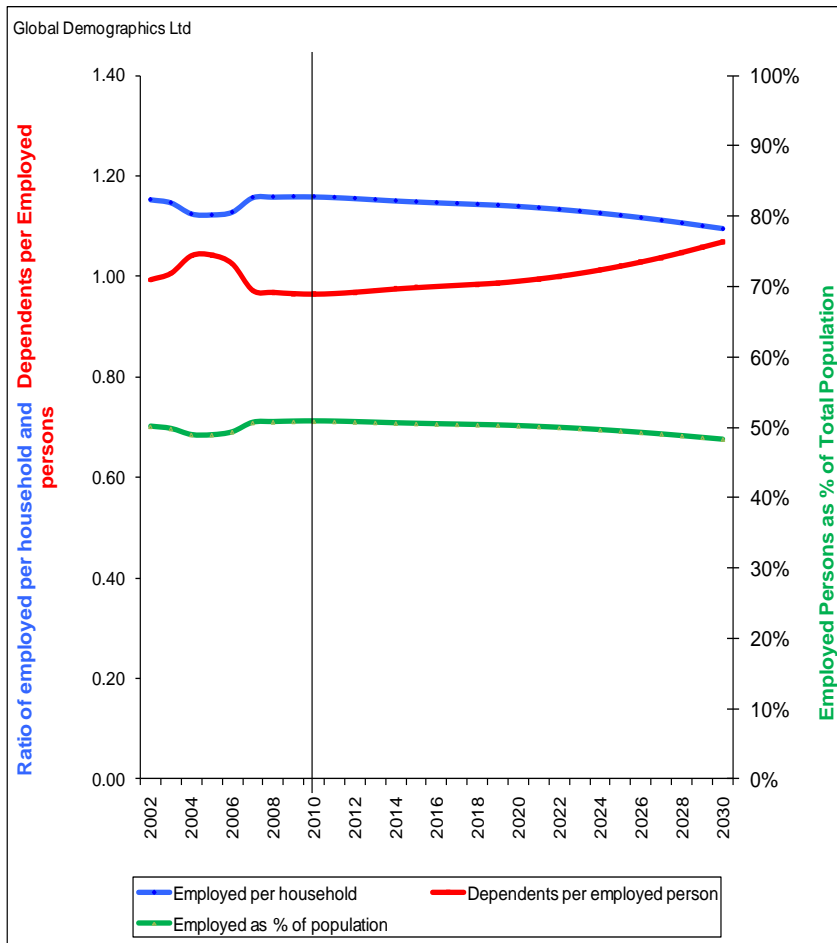
Propensity to be Employed Relative To Other Provinces

At 75%, Example has an above average rate of labour participation compared with India nationally.





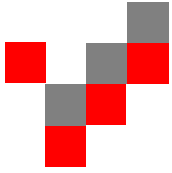
Dependency Ratio



The proportion of the population that is working age (15 to 64 years) is 68.0% and this is projected to decrease to 63.5% by 2030.

As the propensity of these people to be employed is relatively stable over time this means that the proportion of the population that is in the labour force will also decrease.

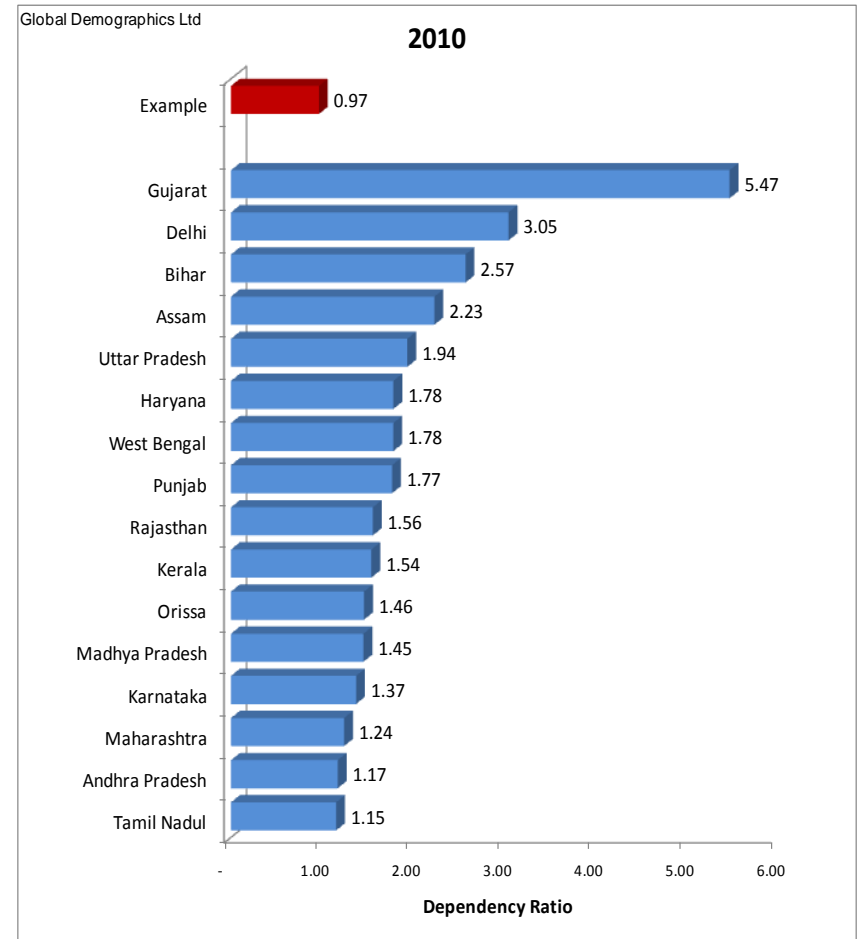
The number of dependents per worker (which directly impacts per capita income) is projected to continue to increase for the next decade to 2020 from 1.0 dependents per worker to 0.99. For the decade to 2030 it is projected to increase further to 1.07 dependents per worker.

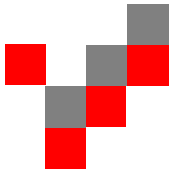


Dependency Ratio Relative To Other Provinces

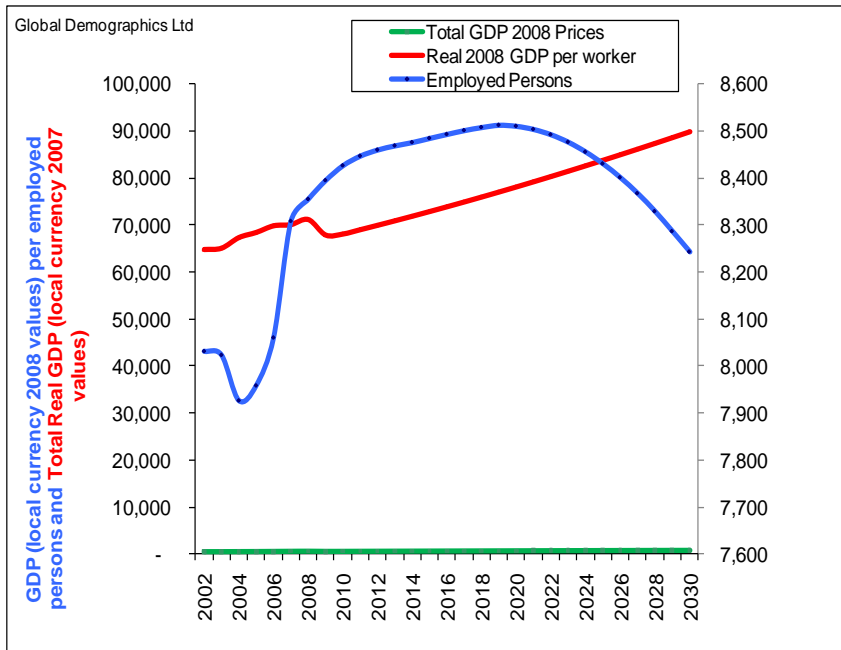
Example has a relatively low rate of dependency ratio as compared with the rest of India.

The market definitely has a strong ability to lift its GDP per capita given the high proportion of its population that is of working age.





Productivity Trend and GDP Implications

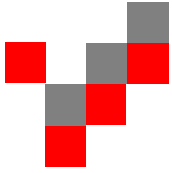


One approach to forecasting total real GDP of a country is to combine the projected trend in the number of employed persons with the projected trend in the productivity per worker. There is a good historic fit between Gross productivity per worker – as measured by total GDP divided by number of workers – and the education index discussed earlier which is projected to improve quite rapidly.

The projected trends in the education index of Example gives an expected productivity growth of 1.4% pa to 2015 and 1.4% pa to 2020. This, multiplied by the increasing number of workers over the same time period gives a total real GDP growth of 1.5% pa to 2015 and 1.5% pa to 2020.

	Total GDP Bn 2008	GDP per Employed	Employed (000)	CAGR	TL GDP Bn 2007	GDP per Employed	Employed Persons
2010	574	68,066	8,427	2000-2010			
2015	618	72,875	8,486	2010-2015	1.5%	1.4%	0.1%
2020	665	78,138	8,511	2015-2020	1.5%	1.4%	0.1%
2025	707	83,840	8,431	2020-2025	1.2%	1.4%	-0.2%
2030	741	89,935	8,244	2025-2030	1.0%	1.4%	-0.4%

After 2020 the total real GDP growth rate slows to 1.1% pa as there is a decline in the number of workers, although their productivity is still expected to be increasing.

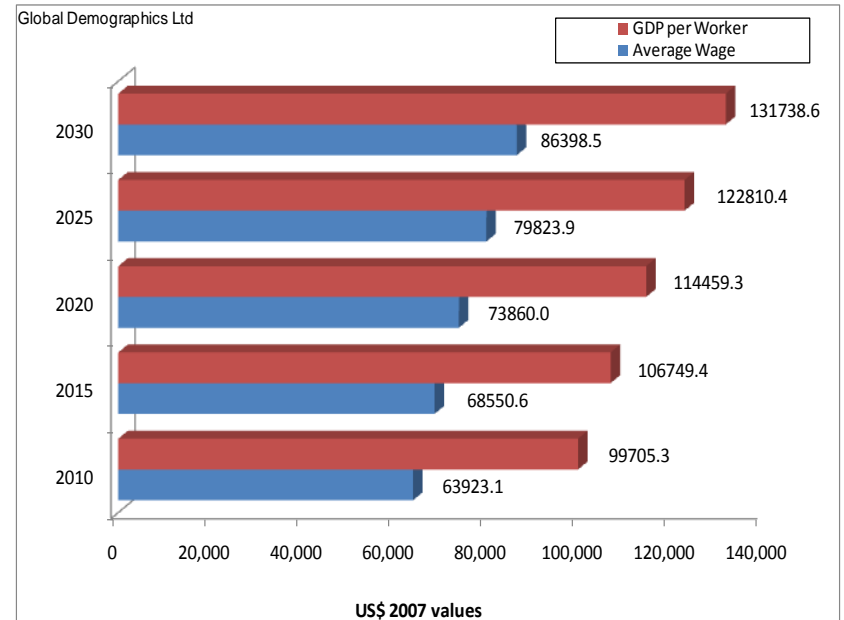


Return on Wages

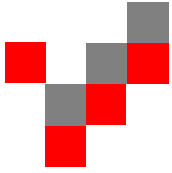
It is useful to understand how the efficiency of the labour force has developed over time. The best measure for this is the return a country gets from each worker for every dollar of income/wage paid to the worker.

Average Household income multiplied by number of households and divided by number of employed persons gives the average wage of the country. Output per worker is total real GDP divided by the number of workers.

However projected trends in real GDP (previous page) and number of workers and households mean that this declines to rupee 1.52 by 2030 and Example becomes less competitive.

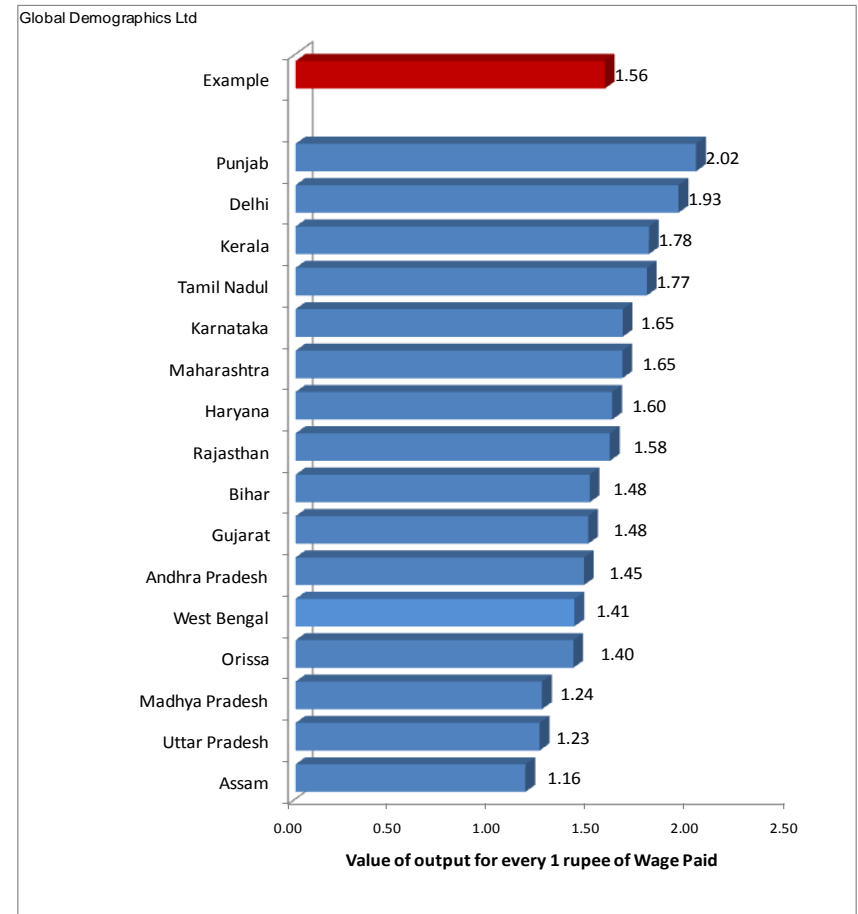


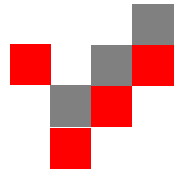
rupee	Average Wage	GDP per Worker	Output per \$ Wage
2010	63923	99705	1.6
2015	68551	106749	1.6
2020	73860	114459	1.5
2025	79824	122810	1.5
2030	86399	131739	1.5



Return on Wages Relative To Other Provinces

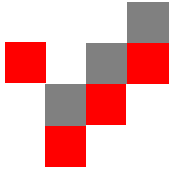
Example currently has an above average return to its overall economy for every rupee 1 paid in wages.





GlobalDemographics

Household Incomes

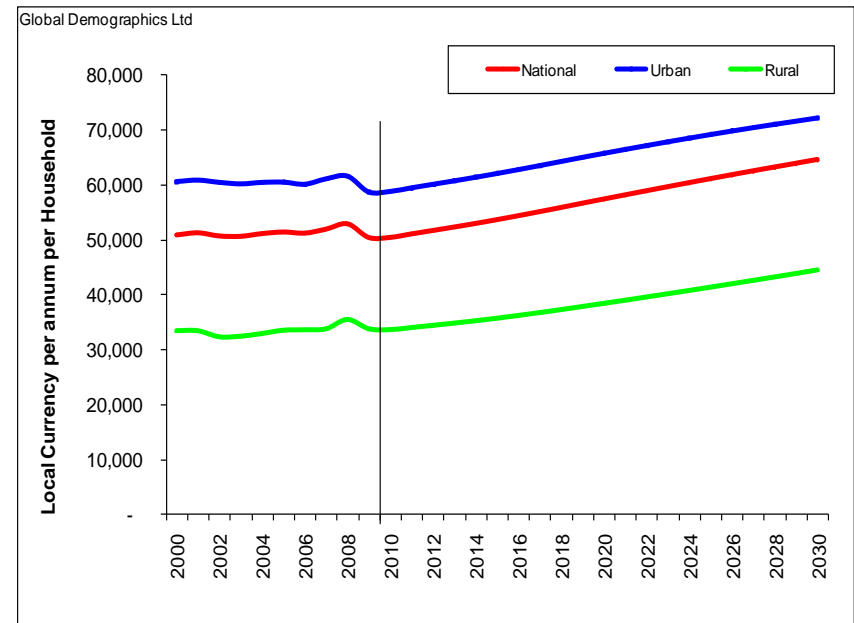


Overall Trend In Average Household Income

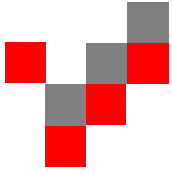
In local currency terms real average household incomes increased by -0.1% per annum for the last decade although rural grew at a faster rate than urban.

For the next decade real urban household incomes are projected to grow at 1.1% and real rural household incomes at 1.3%. Growth will continue for the next decade as well albeit at slower rates.

As rural incomes grow at a faster rate than urban incomes, the gap between urban and rural household income reduces.



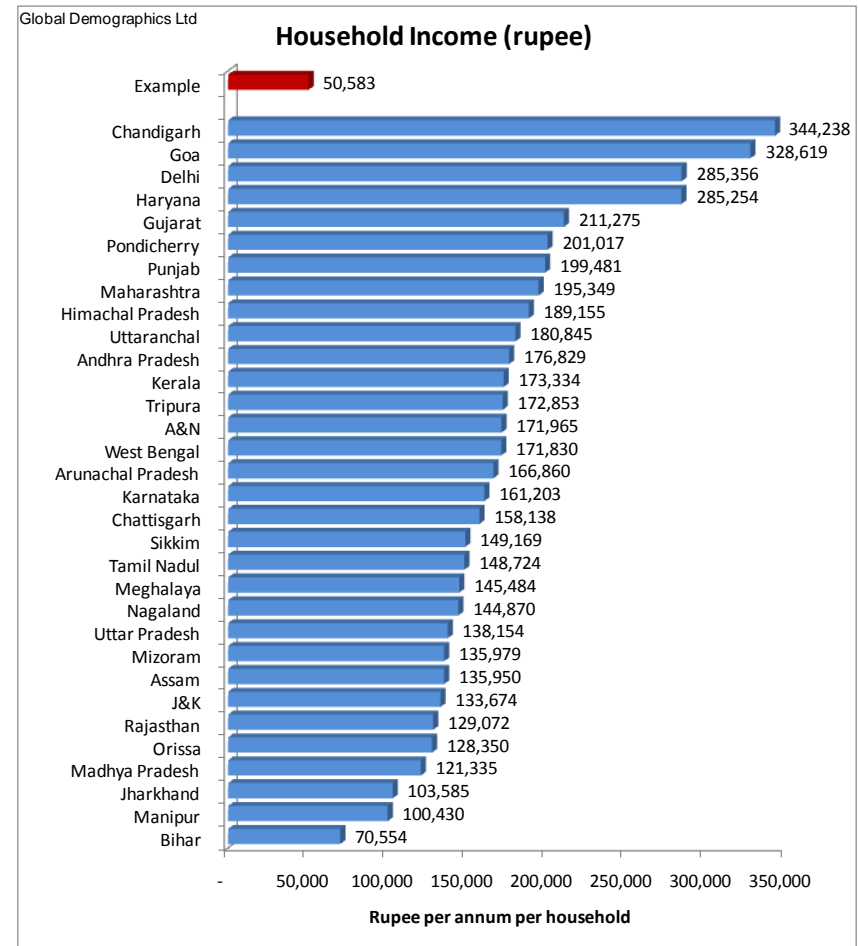
	National	Urban	Rural	CAGR	National	Urban	Rural
2000	51,021	60,627	33,563				
2010	50,583	58,816	33,748	2000-2010	-0.1%	-0.3%	0.1%
2015	53,766	62,097	35,839	2010-2015	1.2%	1.1%	1.2%
2020	57,468	65,782	38,543	2015-2020	1.3%	1.2%	1.5%
2025	61,122	69,228	41,505	2020-2025	1.2%	1.0%	1.5%
2030	64,563	72,264	44,646	2025-2030	1.1%	0.9%	1.5%

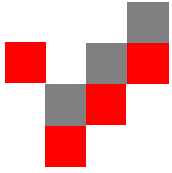


Average Household Income Relative To Other Provinces

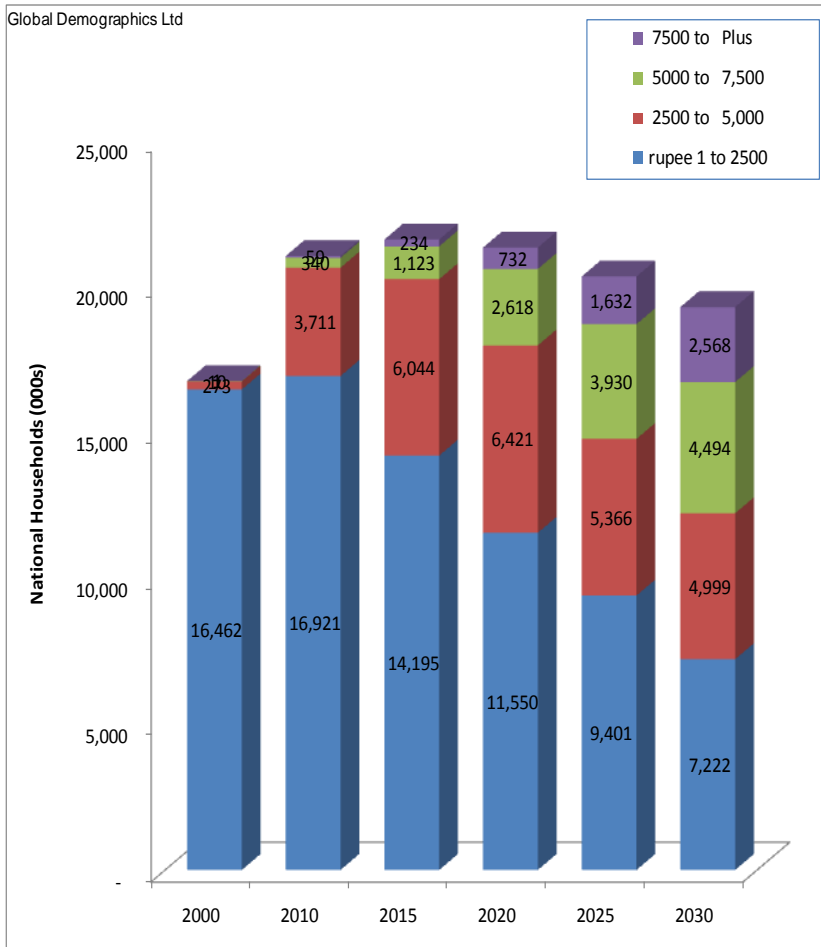
At rupee 50583 Example has a below average household income when compared with national average.

Its rank position is 33 out of 32 states.





Changing Distribution of Households by Income - National

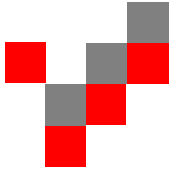


In 2010 an estimated 0.3% of all households earned an income over rupee 7,500. The combination of a reducing total number of households and increasing affluence, means that the proportion of households with an income over rupee 7500 (in 2007 values) is projected to increase to 3.4% by 2020 and 13.3% by 2030.

This means the absolute number of 'affluent' households increases from 59 thousand in 2010 to 2,568 thousand in 2030.

It might be noted that 2.1% of these affluent households are urban in 2010. This increases to 63.4% by 2030.

In contrast the absolute number of national households with an income less than rupee 5000 (in 2008 values) goes from 20,632 thousand in 2010 to 12,220 thousand in 2030.



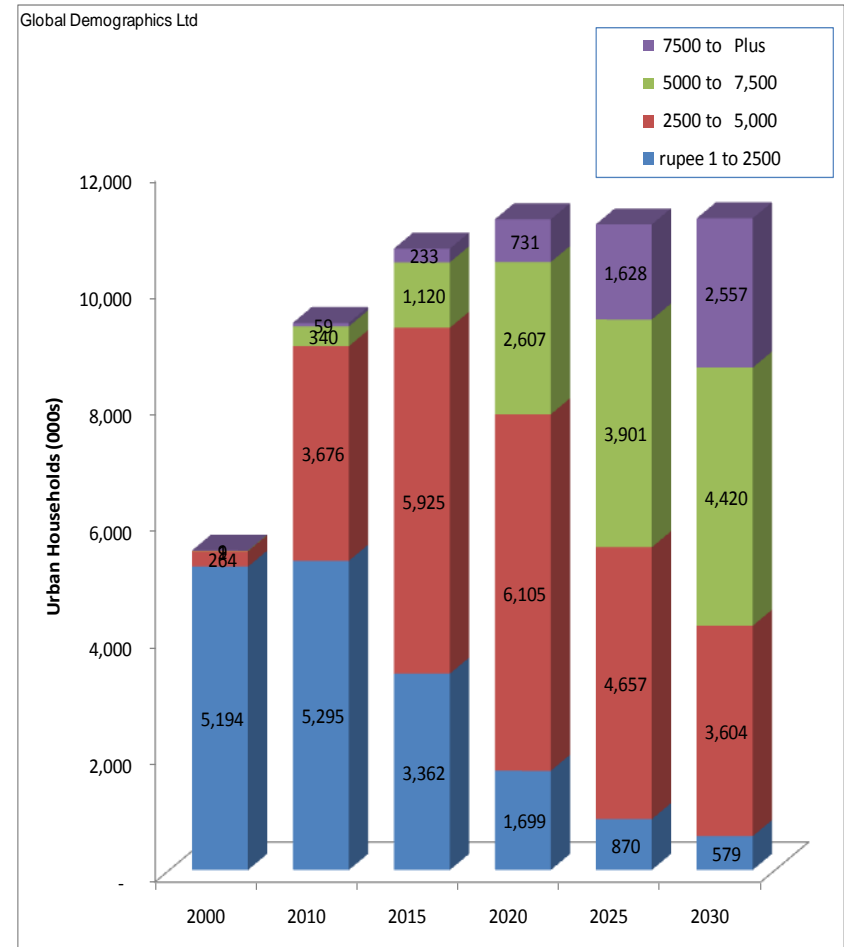
Changing Distribution of Households by Income - Urban

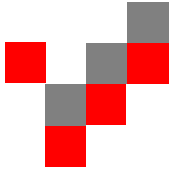
In the urban areas the proportion of households with an income over rupee 7500 per annum is 0.0% in 2010. This increases to 14.7% by 2030.

This means that the absolute number of affluent urban households increases from 1 thousand to 1,628 thousand in the next twenty years.

The number of households with an income between rupee 5000 and rupee 7500 pa is projected to increase. From 340 in 2010 to 4,420 thousand in 2030.

Finally, the number of urban households with an income below rupee 5000 per annum is projected to go from 8,972 thousand to 4,183 thousand. A - 53.4% reduction.



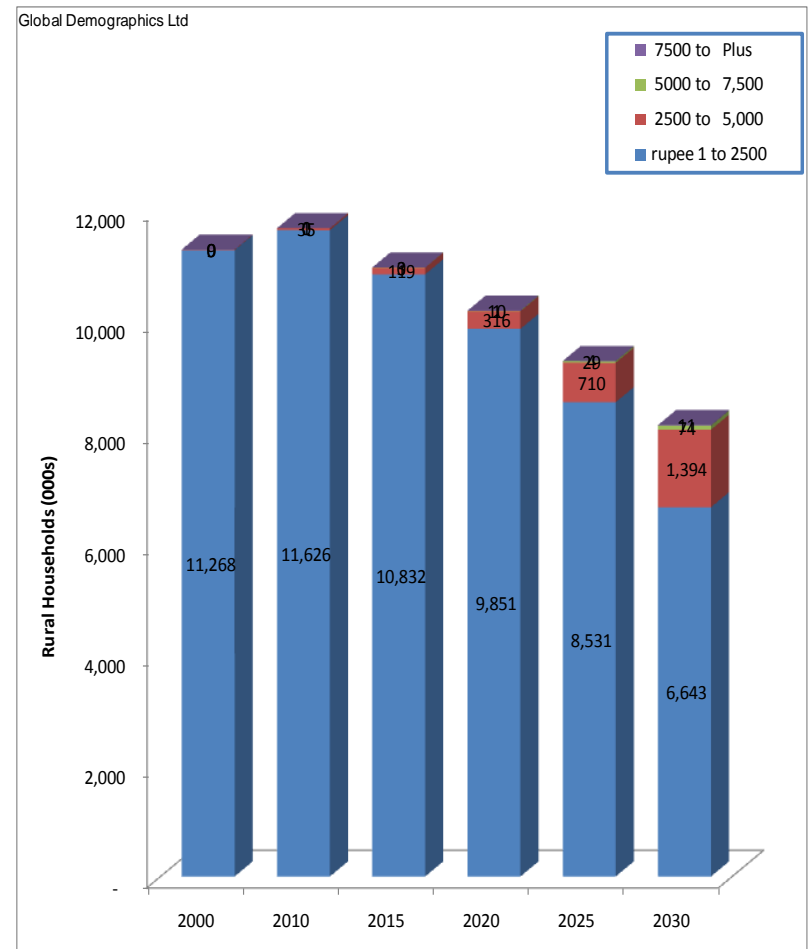


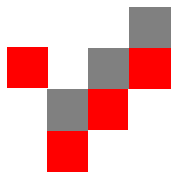
Changing Distribution of Households by Income - Rural

In the rural areas the number of household with an income of rupee 25000 and above is the growth segment.

However, it is only 0.3% of all rural households in 2010 increasing to 18.2% by 2030.

In absolute number this segment increases from 36 thousand rural households to 1,479 thousand in 2030.





Expenditure Pattern by Income Group

All Households

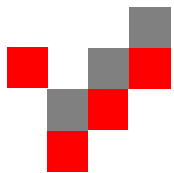
It is not surprising that as income increases so the proportion of total expenditure that is spent on food declines. In this State, it is 43% of total expenditure of the lowest income group (earning less than rupee 2,500) reducing to 34% for the highest income group (over rupee 7,500 pa). However, this decrease does provide 'room' for other categories to grow in both proportion of expenditure as well as absolute amount spent.

Of the different categories listed in this table, Other is the one that increases most with income. As a percentage of total income it increases from 0.0% of the lowest income group's total expenditure, to 0.0% of the highest income segment's expenditure. In absolute terms it increases from rupee 0 per annum per household for the lowest income group to rupee 0 per annum per household for the highest income group.

Total expenditure rupee	1- 2500	2500- 5000	5000- 7500	7500- Plus
Total Exp	9,764	28,153	44,082	58,480
Food	4,237	10,723	15,622	19,850
Clothing	846	2,977	4,702	6,299
Household ops/Facilities	1,385	3,360	5,237	6,955
Healthcare	600	1,899	3,146	4,299
Transport and Communications	908	3,102	5,251	7,232
Recreation and Education	1,141	4,000	6,640	9,075
Residence	370	1,055	1,798	2,486
Other	276	1,037	1,686	2,284

Share of Expenditure (%)

Food	43%	38%	35%	34%
Clothing	9%	11%	11%	11%
Household ops/Facilities	14%	12%	12%	12%
Healthcare	6%	7%	7%	7%
Transport and Communications	9%	11%	12%	12%
Recreation and Education	12%	14%	15%	16%
Residence	4%	4%	4%	4%
Other	3%	4%	4%	4%

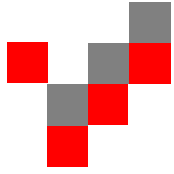


Expected Trend in Total Household Expenditure Over Time

Household Expenditure rupee	2010	2015	2020	2025	2030
Number of Households (000s)	21,059	21,718	21,772	21,602	21,842
Average Household Income after tax	19,988	27,160	36,984	49,844	64,443
Estimated Tax paid	-	-	-	-	-
Estimated Savings	6,202	8,942	12,929	18,486	25,260
Average Household Total Expenditure	13,786	18,218	24,056	31,358	39,183
Food	5,636	7,138	9,092	11,476	13,928
Clothing	1,309	1,768	2,378	3,152	3,998
Household ops/Facilities	1,821	2,367	3,087	3,987	4,946
Healthcare	888	1,215	1,649	2,200	2,804
Transport and Communications	1,394	1,942	2,669	3,594	4,615
Recreation and Education	1,771	2,445	3,342	4,484	5,742
Residence	524	735	1,010	1,354	1,729
Other	443	609	830	1,111	1,421
Share of Expenditure (%)					
Food	41%	39%	38%	37%	36%
Clothing	9%	10%	10%	10%	10%
Household ops/Facilities	13%	13%	13%	13%	13%
Healthcare	6%	7%	7%	7%	7%
Transport and Communications	10%	11%	11%	11%	12%
Recreation and Education	13%	13%	14%	14%	15%
Residence	4%	4%	4%	4%	4%
Other	3%	3%	3%	4%	4%

This table shows the expected average expenditure of all households over time. The driver for change here is increasing average household income – as shown in the first row.

The pattern of change over time is not dissimilar to that by income group as shown on the previous page. This assumes that the historic trend in propensity to spend continues. It might well accelerate over time as India becomes more liberal in its attitude towards consumerism and also develops a better social safety net thereby reducing the need to save.



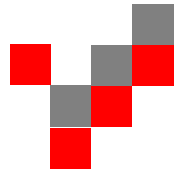
Total Category Growth (Urban Households) 2010 to 2030

This final table looks at the potential impact of an increasing number of households and the increasing affluence of these households on the total market value (total households multiplied by average spend on category) of key product categories. As is to expected the growth is quite significant.

Expenditure on food is projected to lift from rupee 118.7 Bn in 2010 to rupee 197.9 Bn in 2020 (up 66.8%) and then reach rupee 304.2 Bn in 2030 (a further 53.71% increase).

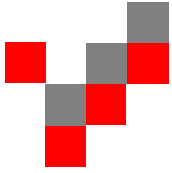
Overall, Recreation and Education and Transport and Communications are the two major categories that are projected to experience the most rapid growth in the next two decades.

	TI expenditure value rupee Bn			CAGA		Absolute change	
	2010	2020	2030	2010-20	2020-30	2010-20	2020-30
Food	118.7	197.9	304.2	5.2%	4.4%	67%	54%
Clothing	27.6	51.8	87.3	6.5%	5.4%	88%	69%
Household ops/Facilities	38.4	67.2	108.0	5.8%	4.9%	75%	61%
Healthcare	18.7	35.9	61.2	6.7%	5.5%	92%	71%
Transport and Communications	29.4	58.1	100.8	7.1%	5.7%	98%	73%
Recreation and Education	37.3	72.8	125.4	6.9%	5.6%	95%	72%
Residence	11.0	22.0	37.8	7.1%	5.6%	99%	72%
Other	9.3	18.1	31.0	6.8%	5.6%	94%	72%



GlobalDemographics

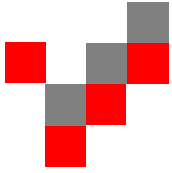
Country Summary Profile



Country Summary Profile

Example - Historic and Projected Demographic Profile					Average Growth Rate per Annum		
	2005	2010	2015	2020	2005 to 2010	2010 to 2015	2014 to 2020
The Population and Household							
Total Population (persons 000s)	16,254	16,562	16,784	16,944	0.4%	0.3%	0.2%
0-14 yrs (000s)	2,988	2,889	2,741	2,590	-0.7%	-1.0%	-1.1%
15-24 yrs (000s)	1,944	2,047	2,099	2,089	1.0%	0.5%	-0.1%
25-39 yrs (000s)	3,565	3,296	3,219	3,307	-1.6%	-0.5%	0.5%
40-64 yrs (000s)	5,549	5,921	5,954	5,859	1.3%	0.1%	-0.3%
65+ yrs (000s)	2,207	2,409	2,772	3,099	1.8%	2.8%	2.3%
Average age	35.73	36.44	37.17	37.95			
% Living in Urban Areas	66.0%	66.5%	67.6%	68.8%			
Total Number of Households (000s)	7,091	7,270	7,386	7,468	0.5%	0.3%	0.2%
Average Household Size	2.29	2.28	2.27	2.27			
Labour Force and Education							
Employed Persons (000s)	7,959	8,427	8,486	8,511	1.2%	0.1%	0.1%
Proportion of labour force with							
Primary or Under	7%	7%	7%	7%			
Secondary	66%	63%	60%	57%			
Vocational/Tertiary or above	26%	29%	33%	37%			
Occupation Profile							
White Collar	14%	14%	14%	14%			
Production	25%	24%	24%	24%			
Agriculture & Other	2%	2%	2%	2%			
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Example - Historic and Projected Demographic Profile					Average Growth Rate per		
	2005	2010	2015	2020	2005 to 2010	2010 to 2015	2014 to 2020
National Income (at 2007 constant value)							
Total GDP in USD (Bn)	677	840	906	974	-4.2%	-1.5%	-1.4%
Total GDP in local currency (Bn)	544	574	618	665	-1.0%	-1.5%	-1.4%
GDP per capita (USD)	41,654	50,735	53,968	57,495	-3.9%	-1.2%	-1.3%
GDP pc in local currency	33,495	34,636	36,843	39,250	-0.7%	-1.2%	-1.3%
Average Household income							
US\$	75509	74095	78758	84180	-0.4%	1.2%	1.3%
in local currency	51,548	50,583	53,766	57,468	-0.4%	1.2%	1.3%
Households earning income over rupee 2,501 pa							
Number of Households	7,076	7,254	7,371	7,455	0.5%	0.3%	0.2%
Percent of Households	100%	100%	100%	100%			
Households earning income over rupee 5,001 pa							
Number of Households	7,026	7,202	7,325	7,415	0.5%	0.3%	0.2%
Percent of Households	99%	99%	99%	99%			
Average Household Expenditure pa							
In US\$	47,924	47,249	49,572	52,243	-0.3%	1.0%	1.1%
in local currency	32,716	32,255	33,841	35,665	-0.3%	1.0%	1.1%
Expenditure Pattern							
Food and Clothing	54%	49%	48%	47%			
Household Related	16%	17%	17%	17%			
Health & Education	17%	20%	21%	21%			
Transport & Communication	10%	11%	11%	11%			
Others	3%	3%	3%	4%			
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