

Investment Institute

India's great transformation: opportunities for global investors

NOVEMBER 2025

Amundi
Investment Solutions

Transforming manufacturing through Make in India

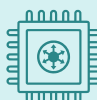


Electronics

75% to 0%

Change in mobile handset imports (from 2014 to 2024)

Production-linked incentives and global partnerships have driven local assembly and export growth



Semiconductors

\$18.2bn

Total investment in semiconductor projects underway

Aim to close the technology gap to reduce reliance on imports in this critical sector



Defence

60%

Defence procurement now sourced domestically

Policy reforms encourage private sector innovation and mandate local sourcing

Shifting consumption patterns



From basics to discretionary

Rising incomes shift spending from essentials to aspirational goods and services

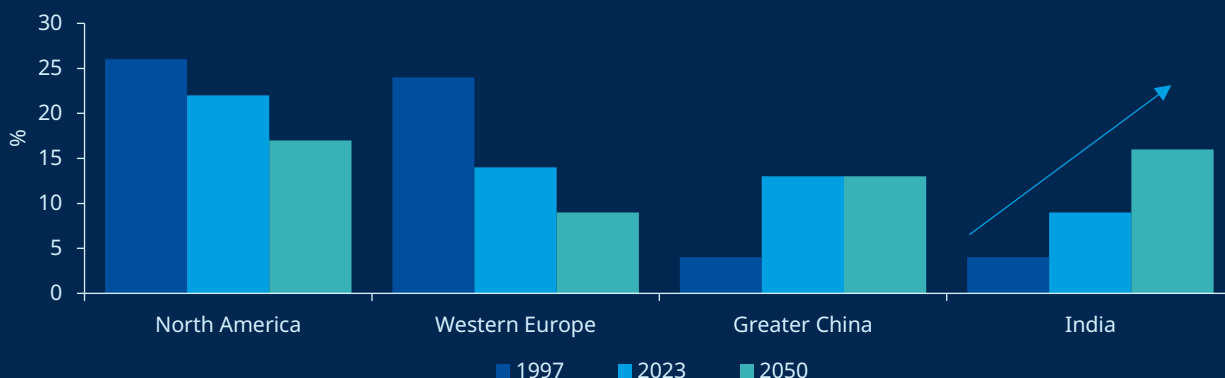


From entry-level to premium

Higher-income groups upscale consumption, favouring premium and feature-rich products



Contribution to global consumption, 1997-2050



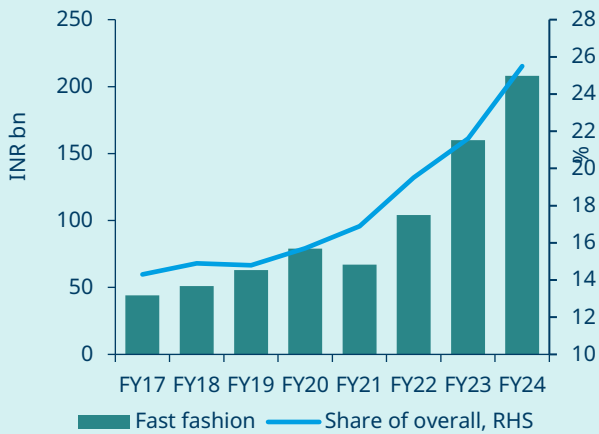
Source: Amundi Investment Institute, McKinsey. Data is as of 22 October 2025.



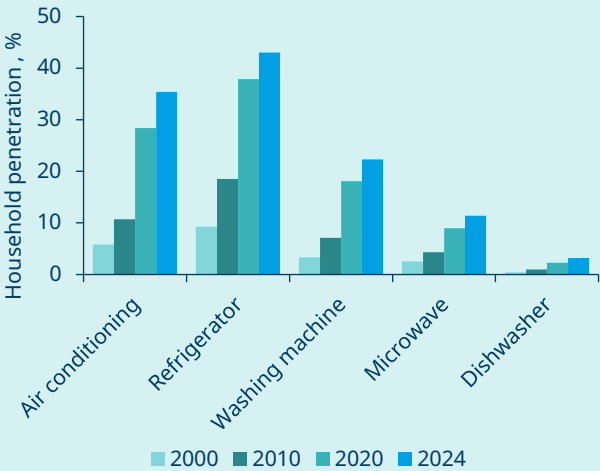
Changing consumption patterns

As incomes rise, the pattern of consumption moves away from basics towards more discretionary products.

Trends in fashion sales



Household penetration of main appliances



Source: SBI MF, CMIE, Motilal Oswal, EuroMonitor, Morgan Stanley. Data is as of 8 October 2025.

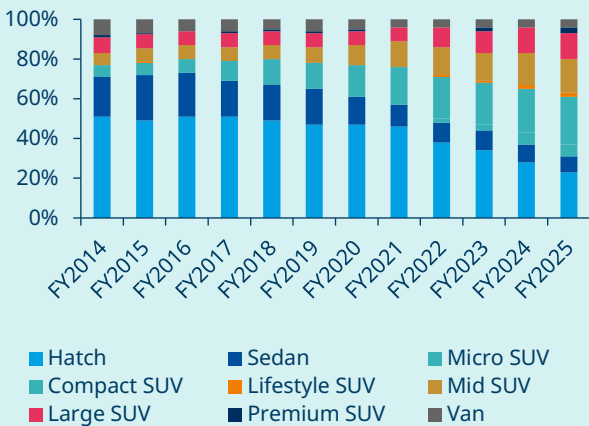
“The Indian consumption story is undergoing an interesting transformation. The journey is shaped along two main paths: India consumption moving from being basics-heavy to being more discretionary and a further move towards more premium categories of consumption, particularly within the higher-income bracket.”

High-income consumers scaling the premiumisation ladder

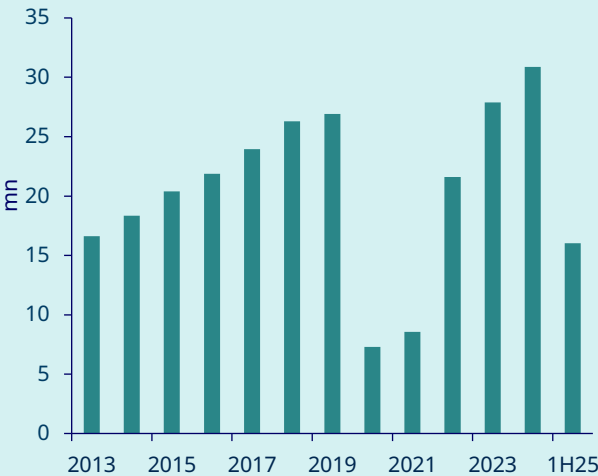


One of the most visible aspects of this shift is **the category movement in automotive vehicles**. Another example of this scaling up is the **steady rise in international tourism**.

India passenger vehicle industry segments




Indian national departures

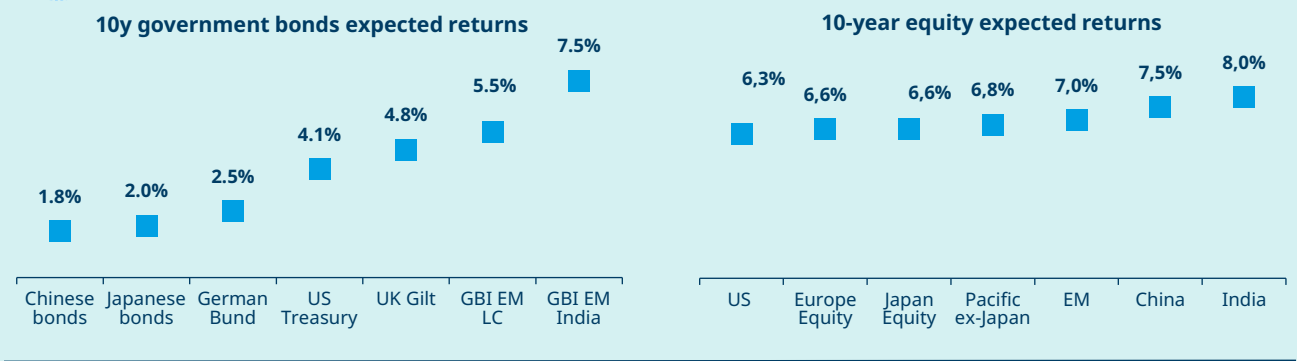


Source: SBI MF, SIAM, Company Data, Morgan Stanley, Ministry of Tourism, CLSA. Data is as of 8 October 2025.

Three reasons to allocate to India



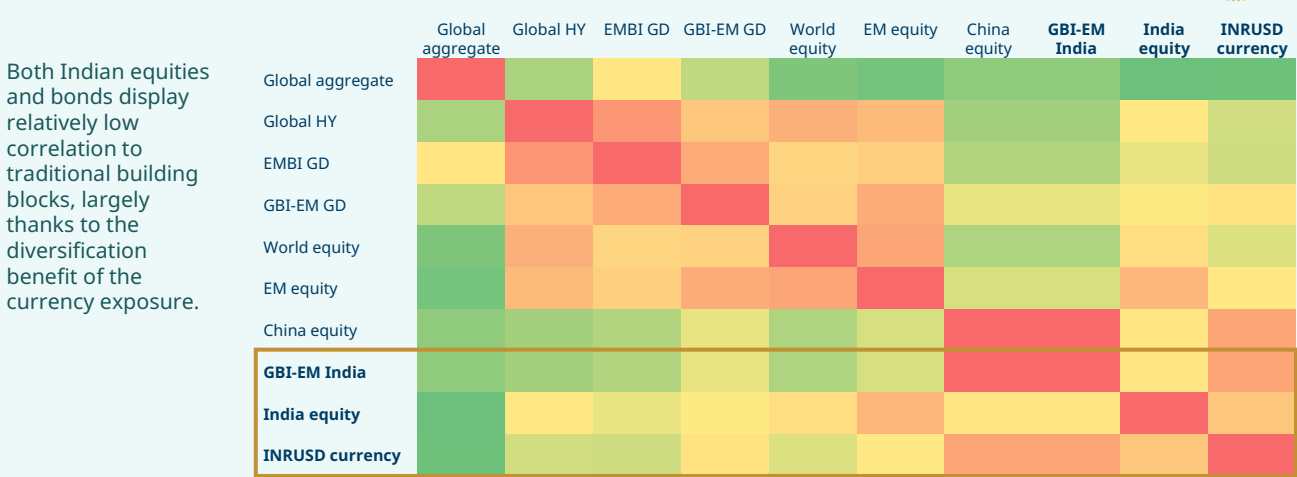
1 | Strong growth potential



Source: Amundi CASM Model, Quant Solutions and Amundi Investment Institute teams. Fixed-income assets expected return is broken down into: **Carry**: proxied by the government or credit yield; **FX**: performance associated with FX exposure against the USD; and **Others**, which include elements such as valuations, rolldown, valuation, and sovereign/currency risk). For further information see full document.

2 | Diversification benefits





Source: Amundi Quant Solutions calculations, MSCI, Bloomberg. The table shows the long-term correlation between different asset classes. Assets are expressed in USD, foreign assets are hedged to USD if fixed income. The Global aggregate and the global HY indices are hedged, otherwise unhedged to USD. Correlation between asset classes can range between -1 (perfect decorrelation, deep green) and +1 (perfect correlation, red). Data is as of 30 September 2025. Long-term sample from end-2002. EMBI GD (Global Diversified is the benchmark for the EM Local Currency Sovereign Emerging Markets Debt. GBI-EM GD (Global Diversified) refers to EM sovereign and quasi sovereign debt, Hard Currency. Correlation may vary from -1 (deep green) to +1 (red). For further information see full document.



3 | Rising and diversified investor base to make India more investable



Inclusion of Indian government bonds in the JP Morgan GBI-EM Index markedly increased passive foreign demand for local paper.



Reduction of time needed to get an Indian Foreign Portfolio Investment license



Domestic savings and institutional demand are rising, improving **market depth and stability**

Amundi Investment Institute

In an increasing complex and changing world, investors need to better understand their environment and the evolution of investment practices to define their asset allocation and help construct their portfolios.

This environment spans across economic, financial, geopolitical, societal and environmental dimensions. To help meet this need, Amundi has created the Amundi Investment Institute.

This independent research platform brings together Amundi's research, market strategy, investment themes and asset allocation advisory activities under one umbrella; the Amundi Investment Institute. Its aim is to produce and disseminate research and Thought Leadership publications which anticipate and innovate for the benefit of investment teams and clients alike.

Visit us on



Visit our Research Center

CHIEF EDITORS

MONICA DEFEND
HEAD OF AMUNDI INVESTMENT INSTITUTE

VINCENT MORTIER
GROUP CHIEF INVESTMENT OFFICER

PHILIPPE D'ORGEVAL
DEPUTY GROUP CHIEF INVESTMENT OFFICER

EDITORS

CLAUDIA BERTINO
HEAD OF AMUNDI INVESTMENT INSIGHTS AND PUBLISHING, AII*

LAURA FIOROT
HEAD OF INVESTMENT INSIGHTS AND CLIENT DIVISION, AII*

FRANCESCA PANELLI
INVESTMENT INSIGHTS AND CLIENT DIVISION, AII*

CHIARA BENETTI
DIGITAL ART DIRECTOR AND STRATEGY DESIGNER, AII*

* Amundi Investment Institute

IMPORTANT INFORMATION

The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties (including, without limitation, any warranty of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages. (www.mscibarra.com). The Global Industry Classification Standard (GICS) SM was developed by and is the exclusive property and a service mark of Standard & Poor's and MSCI. Neither Standard & Poor's, MSCI nor any other party involved in making or compiling any GICS classifications makes any express or implied warranties or representations with respect to such standard or classification (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of such standard or classification. Without limiting any of the foregoing, in no event shall Standard & Poor's, MSCI, any of their affiliates or any third party involved in making or compiling any GICS classification have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

This document is solely for informational purposes. This document does not constitute an offer to sell, a solicitation of an offer to buy, or a recommendation of any security or any other product or service. Any securities, products, or services referenced may not be registered for sale with the relevant authority in your jurisdiction and may not be regulated or supervised by any governmental or similar authority in your jurisdiction. Any information contained in this document may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. Furthermore, nothing in this document is intended to provide tax, legal, or investment advice. Unless otherwise stated, all information contained in this document is from Amundi Asset Management S.A.S. and is as of 31 October 2025. Diversification does not guarantee a profit or protect against a loss. This document is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The views expressed regarding market and economic trends are those of the author and not necessarily Amundi Asset Management S.A.S. and are subject to change at any time based on market and other conditions, and there can be no assurance that countries, markets or sectors will perform as expected. These views should not be relied upon as investment advice, a security recommendation, or as an indication of trading for any Amundi product. Investment involves risks, including market, political, liquidity and currency risks. Furthermore, in no event shall Amundi have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages due to its use.

Date of first use: 10 November 2025.
Document ID: 4976769.

Document issued by Amundi Asset Management, "société par actions simplifiée" - SAS with a capital of €1,143,615,555 - Portfolio manager regulated by the AMF under number GP04000036 - Head office: 91-93 boulevard Pasteur, 75015 Paris - France - 437 574 452 RCS Paris - www.amundi.com.

Cover image by Hadynyah/Gettyimages
Icons from TheNounProject.com



Trust must be earned