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The 31 Cities in India - A Food and Drink Exporter Guide

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Report Highlights:

India is predominantly a rural society with over two-third of its population residing in rural areas. However, urbanization in India is catching up fast, as urban populations are growing at more than double the rate of rural areas. The process of urbanization is abetted by rural-urban, not only to large cities but to new 'urban centers' or 'mid-tier' cities. These new urban centers attract marketers to tap into their potential as the disposable incomes rise.

General Information:

With a total population exceeding 1.2 billion, India is the world's second most populous country after China. India is predominantly a rural society, with over 800 million Indians in rural areas as compared to an urban population of 380 million. Nevertheless, the urban population is growing at more than double the rate of rural areas as migrants move to cities in search of better opportunities. In turn, India's urban centers have grown rapidly and are believed to offer prospects for increasing consumption of imported food and beverages from around the world.

Many firms typically focus their marketing efforts on India's largest cities, such as Delhi, Mumbai, Bangalore, Chennai, and Hyderabad; however, the new 'urban centers' are developing at noticeable pace – creating jobs, witnessing infrastructural growth, seeing population shifts, and contributing to the national GDP. The attached report prepared by Promar Consulting under the Emerging Markets Program provides an overview of some of the nascent but strong trends in Indian's medium-sized ("second-tier") cities.

Disclaimer: Promar Consulting prepared this report and is wholly responsible for its content. Opinions expressed in this report are those of Promar Consulting and may not necessarily express the opinions of the U.S. Government, the U.S. Department of Agriculture, the Foreign Agricultural Service, or any instrumentality thereof. The objective of this report is to provide additional potentially useful information about the Indian market and its developing urban centers.

A Food and Drink Exporter's Guide to the Potential of India's Best First and Second Tier Cities

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A Preamble

The 31 Cities in India

A Food and Drink Exporter's Guide to the Potential of India's Best First and Second Tier Cities

This Guide presents the 31 cities in India which represent the greatest potential for increasing imports of foreign food products in the near future. The "31" includes two groups of cities:

- The Big Six, India's First Tier Cities (FTC), namely: Delhi, Mumbai, Bangalore, Chennai, Hyderabad, Kolkata
- India's Top Twenty Five Second Tier Cities (STC)

The "6 of the 31" might be thought of as the Six basic flavors – vanilla, chocolate, strawberry, etc. They are the flavors that have been around for a long time – everyone knows them, they are familiar, they are the largest, and all know what they have to offer.

The "25 of the 31" are those 25 other flavors – e.g. Honey Nut, Mango Delight, Peach Pumpkin, Ginger Snap etc, etc. They are the flavors that only a few people have tasted. But many of which are just as good as the "6", and some are even better. And all have been carefully studied by a knowledgeable tasting firm that has identified which are really worth exploring. And, as you will see, they may be even better when they are closely mixed with the "6".

Thank you for reviewing "The 31 Cities in India".

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The Sponsor: The US FAS Emerging Markets Program

The US Foreign Agricultural Service Emerging Markets Program (part of the US Department of Agriculture) has sponsored the completion of this report covering India's top food import prospects – "The 31 Cities in India" for the benefit of US exporters who are interested in expanding their food and drink exports to this dynamic country of 1.2 billion people.

FAS EMP decided to support this project because of the interest US exporters had indicated in a similar document "China's Top 25 Second Tier City Food Import Prospects: A Guide for Food Exporters to China", published in 2012 by Promar Consulting, an American/Japanese firm based in Tokyo with an office in Beijing, China. Promar Consulting completed the research and statistical analysis that has resulted in "The 31 Cities in India"

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1 Introduction

This Guide ranks India's 31 cities in the order of their importance as potential future importers of food and beverage products from foreign countries. The guide presents India's Top 25 STCs (Second Tier Cities) as they have been prioritized using available statistical data by city and Promar's judgment of their validity. In addition Promar has included in this prioritized list, the Big Six cities which are considered by most Indian citizens as being their leading metropolises or essentially the country's first tier cities (FTCs), namely Delhi, Mumbai, Bangalore, Chennai, Hyderabad and Kolkata.

1.1 India's Urban Growth Story

India is literally reaping its demographic dividend of being a relatively younger and rapidly growing population. Since the last decade of economic liberalization, India's urban centers have grown exponentially – creating jobs; witnessing huge growth in employment, and contributing to the national GDP. One report from the McKinsey Global Institute highlights this growth of India's urban agglomerations and their impact on the country's economy as given below:

By 2030,

- 590 million people will live in cities
- 91 million urban households will be middle-class, rising up from 22 million in 2010
- 270 million people will be added to the working-age population
- 70 percent of the net new employment will be generated in cities
- 68 cities will have populations of one million plus, up from 53 as per the Census 2011

While this urbanization phenomenon may be debatable because of its implications for the welfare and living standards of urban dwellers, it is happening, and at a much faster rate. It took about 4 decades for India's urban population to rise by 230 million to reach 340 million in 2008; now it is projecting that another 250 million can happen in just half that time. As these urban centers grow they will house nearly two fifths of the country's population, up from only a third at present.

1.2 Why are these 31 First and Second Tier cities so important?

Our review of existing studies done on this theme has brought out several articles, reports and analytical commentaries regarding the potential of second tier and lesser known cities and their growing prominence among the domestic and international companies as their next possible avenues for growth. However, no one has considered preparing such a guide for food and drink products or, especially, for imports of same.

1.3 Importance of this guide for food exporting nations and companies

Promar believes this guide will be useful to those American and other companies that are in the business of exporting food and beverage products because it:

- Is the only report focusing completely on assessing which Indian cities offer the best prospects for increasing consumption of imported food and beverage products from around the world.
- Presents a list of cities, statistically prioritized based upon their propensity to increase consumption of imported food and drink products.
- Presents a logical case for priority expansion options beyond the Big 6 cities for both new comers as well as companies that are already established in India.
- Identifies some of the best location opportunities for potential investors considering foreign food plant locations in India or for companies wanting to be closer to the best markets for their imported products.
- Offers major foreign retailers – who will want to stock many imported products – a preliminary guide to which cities might be the best options for them to consider

***

Most importantly, India is now (2012) importing over US$ 17 billion in food and drink products from countries throughout the world. That figure has been expanding over the last 5 years at a rate of 25% annually. (see Table 14, page 39)

This guide “The 31 Cities in India” will help the worlds food exporters to decide where they should concentrate their efforts in this rapidly growing market.

2. The 31 Cities: India's Big Six and its Top 25 STCs

In this section, we introduce the "31" - the Big Six and the Top 25 STCs - to those food producers and exporters of the USA and the world, who wish to build their food and drink export and distribution businesses in India.

2.1 Where are the 31?

Let us initially introduce India's First Tier cities (FTC), essentially India's most populated metropolises, often referred to as the Big Six. We then present the top 25 Second Tier Cities or STCs, many of which are geographically close to the Big Six. The rankings shown in parentheses, are the rankings of all FTCs and STCs – together a total of 31 Indian cities ranked and rated as to their potential for increasing imports of foreign food and drinks. Here they are:

Table 1 Big Six* and Top 25 by Geographic Region

BIG SIX		Big Six Ranking	All 31 Cities Ranking	Adjusted Rating
City	**Region**			
DELHI	**N. Central**	1	(#1)	87.4
MUMBAI	**Mid West Coast**	2	(#2)	79.9
BANGALORE	**S. Central**	3	(#3)	79.5
CHENNAI	**SE. Coast**	4	(#7)	73.4
HYDERABAD	**Mid S. Central**	5	(#8)	73.2
KOLKATA	**NE. Coast**	6	(#18)	64.4

West Coast – Central
MUMBAI (#2)
Vasai Virar City (#4)
Pune (#6)
Ahmadabad (#17)
Surat (#19)
Nashik (#21)

West Coast – South
Kochi (#9)
Thiruvananthapuram (#10)
Thrissur (#12)
Kozhikode (#13)
Malappuram (#20)
Kollam (#25)
Kannur (#28)

North Central
DELHI (#1)
Gurgoan (#5)
Ghaziabad (#11)
Jaipur (#14)
Noida (#16)
Faridabad (#26)
Chandigarh (#29)

Mid Central
HYDERABAD (#8)
Indore (#15)
GVMC (#23)
Aurangabad (#24)
Vijayawada (#30)
Raipur (#31)

South Central
BANGALORE (#3)
Coimbatore (#22)

East Coast
Central East Coast
KOLKATA (#18)

South East Coast
CHENNAI (#7)
Puducherry (#27)

*Note: The Big Six are shown in bold capitals throughout this report

The following Table 2 shows that (1) each of the Big Six are located in a separate state. However almost half (12) of the Top 25 STCs are located in either the state of Kerala or Maharashtra.

Table 2 Big Six and Top 25 Location by States and Ranking*

Region	Cities
Kerala	Kochi (#9), Thiruvananthapuram (#10), Thrissur (#12), Kozhikode (#13), Malappuram (#20), Kollam (#25), Kannur (#28)
Maharashtra	**MUMBAI [#2]**, Vasai Virar City (#4), Pune (#6), Nashik (#21), Aurangabad (#24)
Karnataka	**BANGALORE [#3]**
Tamil Nadu	**CHENNAI [#7]**, Coimbatore (#22)
Andhra Pradesh	**HYDERABAD [#8]**, GVMC (#23), Vijayawada (#30)
Madhya Pradesh	Indore (#15)
Haryana	Gurgoan (#5), Faridabad (#26)
Gujarat	Ahmadabad (#17), Surat (#19)
NCT of Delhi	**DELHI [#1]**
Rajasthan	Jaipur (#14)
West Bengal	**KOLKATA [#18]**
Uttar Pradesh	Ghaziabad (#11), Noida (#16)
Chandigarh	Chandigarh (#29)
Puducherry	Puducherry (#27)
Chhattisgarh	Raipur (#31)

The following map allows us to see both the location and concentration of the 31 Cities of India, the Top 25 STCs and the Big Six. We have used color coding for ease of identification (see below and page 12).

Figure 1 Location of the 31 Cities of India: Big Six and Top 25 STCs in India

Big Six including Kolkata ▲Top seven STCs ■The mid 9 STCs ◆ The bottom 9 STCs

2.2 Which Indian cities are the most important targets for US exporters?

The following table lists the top 31 cities of India – the Big Six and the Top 25 STCs. Both groups have been ranked together based upon Promar's statistical Criteria Analysis Methodology (CAM). This prioritization determines which cities have the greatest propensity in the future to increase food and beverage imports. This CAM – rank and rating system - itself is summarized in Section 3 which follows.

Two observations are clear when reviewing the map on the previous page and the table below.

- First, we found that most (23 of the Top 25) STCs are located relatively close to the first five of the Big Six, (i.e. only Kolkata has none of the Top 25 nearby). As we explain in Criteria J – this closeness as "City Clusters" are powerful drivers for both the larger and smaller cities.
- Second, in reviewing the list below, we found that of the STCs – notably Pune, Vasai Virar City, and Gurgaon actually have higher ratings than three of the Big Six. And twelve of the STCs have higher ratings than Kolkata. We will comment on these differences in the following pages.

The table below shows India's Big Six and Top 25 STCs ranked using CAM by their propensity to increase imports of food products

Table 3 The 31 Cities of India Priority Ranked for Foreign Food Markers as to their Propensity to Increase Imports of Food and Drink

	Cities	States	CAM Rating Point Adjusted*	
1	**DELHI**	**NCT of Delhi**	87.4	
2	**MUMBAI**	**Maharashtra**	79.9	
3	**BANGALORE**	**Karnataka**	79.5	
4	Vasai Virar City	**Maharashtra**	79.2	
5	Gurgaon	**Haryana**	75.4	
6	Pune	**Maharashtra**	75.3	
7	**CHENNAI**	**Tamil Nadu**	73.4	
8	**HYDERABAD**	**Andhra Pradesh**	73.2	
9	Kochi	**Kerala**	73.0	
10	Thiruvananthapuram	**Kerala**	72.5	
11	Ghaziabad	**Uttar Pradesh**	72.0	
12	Thrissur	**Kerala**	68.8	
13	Kozhikode	**Kerala**	67.7	
14	Jaipur	**Rajasthan**	66.1	
15	Indore	**Madhya Pradesh**	65.6	
16	Noida	**Uttar Pradesh**	64.8	
17	Ahmadabad	**Gujarat**	64.5	
18	**KOLKATA**	**West Bengal**	64.4	
19	Surat	**Gujarat**	63.7	
20	Malappuram	**Kerala**	63.5	
21	Nashik	**Maharashtra**	63.3	
22	Coimbatore	**Tamil Nadu**	61.5	
23	GVMC	**Andhra Pradesh**	61.4	
24	Aurangabad	**Maharashtra**	61.1	
25	Kollam	**Kerala**	61.0	
26	Faridabad	**Haryana**	61.0	
27	Puducherry	**Puducherry**	60.4	
28	Kannur	**Kerala**	60.2	
29	Chandigarh	**Chandigarh**	59.2	
30	Vijayawada	**Andhra Pradesh**	58.1	
31	Raipur	**Chhattisgarh**	57.6	

3. The CAM approach: Rating and Ranking Criteria and Cities

Our goal was to rank these 31 cities, the Top 25 STCs as well as the Big Six, on the basis of their near term (5-10 years) propensity to increase their buying of imported food products, i.e. those cities which received the highest ratings should be the ones where imported food and drink consumption will expand the most rapidly. Thus, they are the best targets for US or other country's companies desiring to expand their food exports. This was accomplished by a system which we call "Criteria Analysis Methodology"(CAM).

3.1 Steps in Criteria Analysis Methodology (CAM)

Originally our plan in India was primarily to review only the STCs; however we found that a "Clusters" concept (see section 5.1.11) existed between the Big Six i.e. – the FTCs – and the STCs. Therefore we expanded our analysis to evaluate both groups together – the 6 FTCs and the 25 Top STCs – which we now refer to as "The 31 Cities of India".

The following briefly explains each of the six steps in the Criteria Analysis Methodology (CAM) in order for the reader to understand the methodology used for this prioritization.

To use the CAM we did the following:

1. Assembled a list of 70 cities in India
2. Determined a set of Criteria which we believed would have the greatest influence on the cities' propensity to increase imports of food and drink
3. Identified Indicators which clearly reflected each of those Criteria and which could also be found, measured, evaluated, and compared for all of the cities
4. Determined how we could comparatively measure, rank and then rate the cities based on each of, and the total of, these Indicators and the Criteria
5. Determined the totals of the basic criteria ratings, then adjusted them to better reflect their relative importance for a final score for each city
6. Totaled these adjusted ratings to identify, and then rank, the most important STCs, as well as the Big Six under this same system

Let us explain each of these steps more completely.

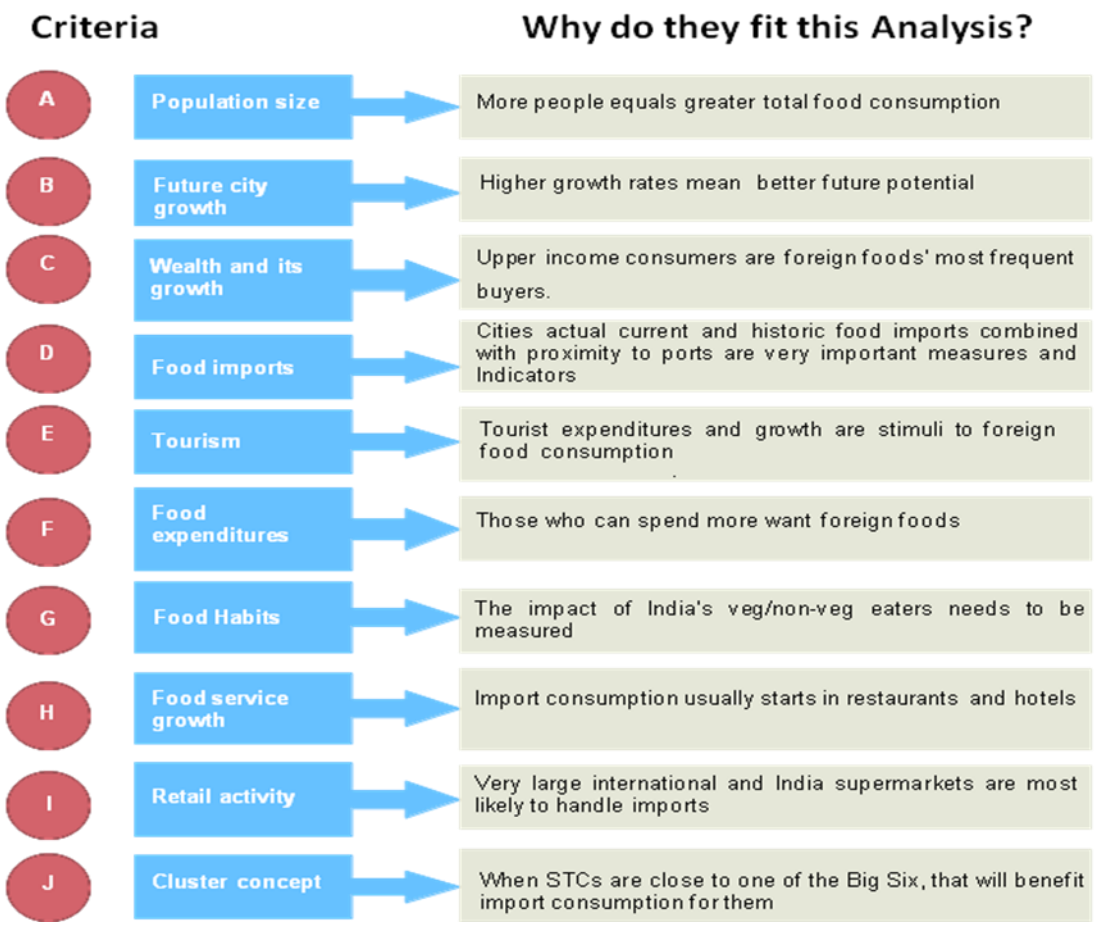
3.1.1 Assembled a list of major Indian cities

We first assembled a list of 350 plus cities as presented in the latest Census 2011 by the Govt. of India. Our goal was to identify the 70 largest and most probable cities. The first additions were the Big 6 cities. The other 64 cities to be selected for analysis were chosen based on the combination of two basic criteria i.e. Population (the largest) and Female Literacy Rates (the highest).

3.1.2 Determined a set of Criteria which was appropriate to analyze, rank and rate the cities

Based on our review of the available literature, surveys, and studies plus our own experience in China* regarding how to compare cities, we brainstormed several criteria and finally narrowed them down to the 10 which we thought would be the best. We wanted them to capture the potential of the cities and to be the factors which could have the greatest bearing on the future consumption of imported food products. They are graphically described in Figure 2 below.

Figure 2. The Chosen Criteria



*In 2012, Promar completed a similar analysis of STCs and the “Big Three” cities in China. It can be obtained at no cost by contacting Promar directly.

3.1.3 Identified "indicators" which could be used to measure and represent the Criteria

We immediately found that city information was simply not available on Criteria.

Except for a very clear **Criterion,** like population – for which numeric values are readily available by city – most Criteria are quite vague. Thus it was most important to find characteristics ("Indicators"): for which measureable statistics are usually available from all cities; can be clearly measured and compared among cities; and can logically be used to represent, be part of, and give value to the Criteria. Below we list our 10 Criteria and the Indicators which we used to actually measure them.

Table 4 Criteria and Indicators used to develop the ranking and rating of the cities

Criteria	No. of indicators	Indicator	
tion	**3***	Current Number of Inhabitants	Numbe
		Past growth in population	CAGR
		Urbanization: share of area which has already become cities	Percent
Growth	**4**	City-wise ranking for future growth potential from Institute of Competitiveness Survey	Numbe
		Urban worker growth rate	CAGR
		Past growth in population	CAGR
		Share of population under 6	Percent
	5	GDP Per capita	INR
		Share of wealth SEC A, B households** to total urban households	Percent
		Share of households earning more than US$20000 a year	Percent
		Share of households that own Car	Percent
		Share of internet penetration among households	Percent
mports**	**4**	Total historic food imports by seaports and allocated to cities	Quantit
		CAGR in imports (2007-2011)	CAGR
		Distance from nearest seaport	Km
		Current Population of cities and population CAGR	Numbe
m	**3**	Average Number of Tourist arrivals	Numbe
		Growth in Number of Tourists	CAGR
		Current 3, 4, 5 Hotels	Numbe
xpenditures	**2**	Per capita household food expenditures	INR / m
		% of income spent on food	Percent
abits	**2**	Per capita household expenditure on egg, fish and meat	INR / m
		% spend on egg, fish and meat out of total food expenditures	Percent
ervice Industry	**2**	Number of hotels & restaurant enterprises	Numbe
		Number of 3, 4, 5 star hotels	Numbe
ng	**3**	Number of Major supermarkets	Numbe
concept***	**1**	Distance from Big Six megacities	Km

*Note that in spite of what we said previously, we ended up using 3 Indicators to measure the Population Criteria because we wanted to capture not only size, but growth and urbanization as well.

****** A&B are the top earning households of the five calculated nationally by the Indian government

***Technically these were elements in an indicator calculation, not indicators themselves

3.1.4 Developed a Ranking and Rating procedure to comparatively measure and rate each Criterion's importance

In order to evaluate, compare and rank cities, we needed a system that could quantitatively and comparatively measure each STC against the other for each of the Criteria or, in most cases, Indicators. For the 70 cities selected, we used the Criteria and Indicators as described in Table 4 to be ranked by city and then be rated and scored for each city.

It was straightforward to turn these rankings into rating points. The 70 cities were assembled into 10 groups of 7 cities. We gave rating points to each city depending upon where the Indicator being measured ranked. For example, we gave 10 rating points to the top ranked group of 7 and 1 point to the lowest ranking group of 7 and similar ranking / ratings Indicator as shown below.

Table 5 City Ranking and Rating Relationships

City ranking position for each criteria or indicator	Basic Rating points
1-7	10
8-14	9
15-21	8
22-28	7
29-35	6
36-42	5
43-49	4
50-56	3
57-63	2
64-70	1

Note: Used for all ranking of Criteria and Indicators

For India our minimum for each Criteria was two Indicators. And for one, i.e. Wealth, there were 5. Therefore to change Indicator points into Criteria points for each city we had to average the points for each Indicator measured for that city.

Let us explain this system a bit further using a real example (see Table 6).

Table 6 Pune (#6): Determination of Criterion Future Growth Basic Rating Points

Indicators (See Table 4)	Pune's ranking position (within each indicator list)	Indicator basic rating points based on ranking position
1	29	6
2	18	8
3	4	10
4	38	5
Total rating points		**29**
Basic Rating point average which equals "Future Growth" Criterion for Pune*		**7.3 (average)**

*Note: This basic ranking will then be multiplied by an adjustment factor (see 3.15)

To determine the Basic Criteria rating – "Future Growth" for Pune (#6), we needed to first rank the city by each of its 4 Indicators and determine rating points for each. We then totaled the rating points and determined their average. That average of 7.3 equaled the "Basic Rating" for the criteria "Future Growth" in Pune.

We did these calculations for all 9 of the other Criteria that required use of multiple Indicators.

This ranking system also was helped by having a common denominator in order to compare the rankings and it also allowed use of the same rating point system for each city. Another advantage of this ranking/rating system was that, since the cities were broken down into 10 groups, this allowed the total ranking and rating to be on a perfect base of 100.

3.1.5 Adjusted the Basic Ratings to better account for their impact

Prior to this point, all Criteria were rated the same. A perfect score would have been 100 basic points (10x10 points); therefore they were called Basic Rating Points. However, all the Criteria are not equally important since some will have a more pronounced impact than others on the prospects for imported food. To illustrate we believe "Wealth" is the most important and influential Criterion and "Future Growth" is the second most important. Similarly, "Population" and "Food Import impact" are more important than other Criteria such as "Retailing" or "Food Service". Thus the Basic rating points needed to be adjusted by multiplying them times adjustment factors

which reflect our assessment of the importance of each Criterion on the total score for each city. Numerous test runs on the developing data were made to arrive at what we believed was the most logically reliable and acceptable set of Adjustment Factors.

The Adjustment Factors we used in this analysis were multiplied by the Basic Ratings in order to calculate the Adjusted Criteria ratings as follows:

Table 7 Adjustment Factors and Adjusted Criteria for Pune (#6)

Criteria	Basic Rating Points	Adjustment Factor	Adjusted Criteria Rating Points
A Population	7.7	1.0	7.7
B Future Growth	7.2	2.0	14.5
C Wealth	8.0	2.5	20.0
D Food Imports	7.0	1.1	7.7
E Tourism	9.7	0.5	4.8
F Food Expenditure	7.5	0.4	3.0
G Food Habits	5.5	0.8	4.4
H Food Service	9.5	0.6	5.7
I Retail Action	8.3	0.4	3.3
J Cluster concept	6.0	0.7	4.2
Total	**76.4**	**10.0**	**75.3**

For comparison, remember that the Ratings – both Base and Adjusted – are all rated as 1.0 to 10.0. Thus the **totals** will all come out the same even when the Adjustment Factors have been applied.

3.1.6 Completed the analysis

We completed this analysis by adding up the totals of the Base Ratings as well as the Adjusted Ratings for each of the 10 criteria to develop the total rating for each city for each Criteria. The Cities were then ranked in accordance with their total Adjusted Criteria ratings. It is these point ratings – that have been used for each city. They were used for the Big Six and to identify the Top 25 and Top Twelve we have discussed in this report.

A good question is why did we keep both Basic Ratings and Adjusted Ratings? First we did it as a check on the System. Second we sometimes used the Basic Rating when we are making comparisons of the two different Criteria for the same city (see chapter 5). The Basic Ratings for each Criteria are always compared on a Base 10 figure. If we tried to compare Adjusted figures for Wealth and Retail we would be looking at one set of numbers which has been adjusted (multiplied) by 2.5 and another set of figures that have been multiplied by 0.4. Very confusing!

For a brief summary of all these calculations, please see page 50, the last page in this report.

The backup of all data is kept in Promar's Tokyo office.

4. The Top Ten in Miniature

In this section, we provide brief snapshots of the top ten STCs from our list of Top 25 STCs of the total group of 70. These 10 are the STCs which exhibit the greatest potential and prospects for increased consumption of imported foods. In this section we present some interesting facts about the cities that would help overseas business better understand the city itself and some of the underlying factors that influence its patterns of food consumption. Since the focus of this report is on the lesser known second tier cities (STCs), we have ignored the Big Six, the First Tier Cities (FTCs) which everyone knows.

India is unique and diverse in its food and culinary traditions, which are thousands of years old and are regularly passed on to the next generations. Several factors (cultural, social and economic) influence these traditional food and culinary preferences and what we see today is a blend of all those influences. Then there are “Global Indians” who travel around the world to different countries for business or pleasure, absorb some foreign food habits and cultures and drive the changes at home in the traditional food culture. This has been particularly important since the economic liberalization in the early 90s.

All of these factors have contributed to the change in the dietary pattern and preference of Indians in recent decades. This has included in some cases a conscious preference towards imported foods (e.g. hamburgers), or drinks (e.g. Coca Cola). Some of the other notable recent developments include increased discretionary spending such as on financial, luxury or foreign products, emergence of new consumer segments such as Generation Y and a financially empowered population that includes working women and the rural and educated youth influenced by having more income and, of course, propensity to spend.

Although we did no write-ups on the FTCs, their presence is well noted.Of the 10 STCs reviewed here, 8 of them are located in Clusters of cities close to Mumbai, Delhi, Bangalore and Chennai. And the three others are all from the Kerala coast in a cluster of their own centered around Kochi and not far from Bangalore and Chennai.

We hope you enjoy this brief exposure to these STCs.

1) VASAI VIRAR CITY (#4) - Maharashtra

Vasai Virar City is a part of Mumbai Metropolitan Region (MMR) is separated from Greater Mumbai by the Vasai Creek and the falls under the jurisdiction of the newly created Vasai-Virar Municipal Corporation (VVMC) in Thane district. Though known growing dormitory town to the Mumbai city, Vasai Virar City has own unique place for tourists (particularly for paragliding) with religious and rich heritage sites from the time of arrival of the Portuegese and then the British. The city witnessed greater development in the past 5 years ever since the Municipal Council was upgraded to a municipal corporation in 2009 and various housing and road transport development projects were initiated by the Mumbai Metropolitan Region Development Authority (MMRDA).

Over time Virar has become a cosmopolitan suburb as the result of migration from the Mumbai mainland due to ever increasing cost of the real estate property. With prohibitive land prices in Mumbai low and middle income households are shifting to the Vasai Virar city.

Though VVMC does not have any uniqueness in food culture, it largely absorbs what Mumbai does. Its cosmopolitan population consumes both vegetarian and non-vegetarian food including a assortment of zesty seafood as part of the traditional food culture. The staple foods consumed by the residents of Mumbai include rice, aromatic fish curries, Indian bread (chapatis and rotis), vegetable curries, pulses and desserts. Coconuts, cashew nuts, peanuts and peanut oil are some of the major ingredients used in many of Mumbai's traditional dishes such as chaats, sweets and seafood specialties. Being a coastal city a long history of fish trade, seafood is an essential culinary of Mumbai cuisine from fish appetizers, grilled fish dishes, baked dishes to fish pickles etc. Others include fish koliwada, tisriya masala, prawn tikki, fish thali, chanak fish fry, bangda tikhale, surmai fish curry, and Bombil fish fry.
Dishes such as vegetable pulao (scented rice), masala bhaat (spicy rice), moong dal kichdi (lentil rice mix), dalimbya (bean curry), Farasbichi Bhaji (French beans), Palkachi Takatli Bhaji (spinach cooked in buttermilk), Kelphulachi Bhaji (banana /plantain bloom), Fansachi Bhaji (jackfruit preparation), Mumbai pulao (rice dish) etc. Dry Bombay duck curry, anda bhurji (scrambled spiced egg), kebabs, chicken tikka, butter chicken, bheja fry and kheema pav are some of the other popular non-vegetarian delicacies.

About 70% of the population of the city is below 30 years.

About 70% of the population speaks Marathi and the rest a mix of other communities, mainly the Catholics and the Gujaratis.

Nearly two-thirds of the population commutes daily to Mumbai for work.

The city is identified as one of the major growth centers around Mumbai since it is well connected with the metropolis by suburban commuter rail network and the Mumbai- Ahmadabad National Highway as well.

Vasai also has two small sea ports, one at Arnala in the north and the second at Vasai in the south.

The state government, in 2010, proposed to develop VVMC into a Satellite Town of the mother city of Mumbai and also identified that there is good scope for industrialization of the VVMC.

With availability of land and proximity of market for the products, it offers excellent opportunities for tourism, hospitality sector, service industries and many small scale industries as ancillary to industries in MMR.

2) GURGAON (#5) – Haryana

Gurgaon is the industrial and financial centre of the state of Haryana located about 30 km south of national capital, New Delhi. As a part of the National Capital Region (NCR), it emerged one of Delhi's four major satellite cities due to rise of Delhi's economic prominence.

From a small farming village until the 1990s, Gurgaon grew and bounds to become an important commercial and real estate The close proximity of Delhi's international airport also attracted of domestic and overseas companies. The expressway that connects New Delhi with Gurgaon enabled the growth of the region as one of the prominent urban centers in the country.

The city exhibits bi-polar development issues; while Old Gurgaon was congested and rural, New Gurgaon has world-sky scrapers, buildings, malls and sprawling organized retail stores. It has also become a major hub of telecom, automobile garment manufacturing apart from being one of the most prominent outsourcing hubs in the world.

Delhi's cuisine has transformed over centuries with the arrival of Rajputs, Arab, Afghan, Mongol, Mughal and the English, who brought an amazing variety and diversity to the city's food culture. However the most influential were the neighboring Punjabis who introduced the paratha (bread), lentil curries, and several vegetarian and non-vegetarian grill, briyani, kebab and tandoori dishes.

Among the vegetarian dishes, the cottage cheese locally known paneer is omnipresent in most of the vegetarian curries made various types of lentils along with butter. Chole bhatture (chick snack) is the most famous food in Delhi and other parts of the country as well. Rajma chawal (red kidney beans with rice) is another popular vegetarian dish.

Under the world of non-vegetarian dishes, the Moghal cuisine is known for its typical use of spices and aromatic mix of spices condiments used in cooking a wide variety of chicken, lamb and meat dishes. Due to its prominence, all the international cuisines are available at Delhi particularly; the Chinese and fast chains are quite famous among the youngsters

Gurgaon is home to some of the largest companies in different sectors

- Telecom - Bharti Airtel, Nokia, Motorola, Acme Telepower, Alcatel Lucent, Aricent Group and Ericsson.
- Consulting – PwC, KPMG, Deloitte, Ernst & Young, SAP, BCG and McKinsey
- MNCs - Wunderman and Nestle.
- Automobile – Maruti (India's largest passenger car company), Hero (the world's biggest motor cycle company)

Gurgaon is connected to Delhi via an expressway (NH8 highway) and Delhi Metro Rail.

It is the first city in India to have a metro train and the Gurgaon Rapid Metro is the first of its kind project on Public-Private-Partnership (PPP) model in the country.

The city has 31 malls and ranks 1st under the Entertainment category in a recent survey by India Today magazine. The parameters considered were: Number of malls, restaurants, cultural activities and religious celebrations.

3) PUNE (#6) - Maharashtra

Popularly hailed the “Cultural Capital of Maharashtra” epitomizing Marathi culture, Pune has the perfect blend of culture and heritage with modernization and its influences due to its close proximity to and well connected through a world-class highway Mumbai. Since about 5 years ago, an increasing number of foreigners who may be students, executives, professionals or consultants working for multinational organizations have begun moving to Pune and hence the city boasts a large number of pubs to cater to their preference.

In an event hosted in July 2010 by US-India Business Council (USIBC) and the Department of Commerce to announce the Growth in Emerging Metropolitan Sectors (GEMS) initiative of the United States, Under Secretary of Commerce for International Trade Francisco Sanchez mentioned that by targeting Tier II cities like Pune for American investment, pressures on primary urban centers in India would be alleviated resulting in inclusive growth for both sides. Pune featured at the top among the tier II cities to do business in a study done by UK Trade & Investment UK India Business Council in 2010. It never missed to emerge at top in several other studies that analyzed the most promising cities in terms of potential for organized retailing, real estate outlook, growth in mall space and industrial investments in IT outsourcing and manufacturing.

Pune’s local cuisine has a taste of coconut and garlic, with large of chillies. Jowar (sorghum) and bajra (pearl millet) are the main ingredients of traditional food. A typical Pune meal includes Vada Pav, Bhelpuri, Pani Puri, Pav bhaji, misal, and kacchi dhabeli. Mastani, a thick milkshake containing dried fruit is considered a specialty of the city. Puran Poli (a sweet paratha with pulses), Amti (masala dal), Pithla Bhakri (a masala chickpea gravy with a roti), Varan Bhat (dal and rice), Matki Ki Usal (masala sprouts), Thali pith (a spicy chickpea based pancake) and Alu chi Vadi (steamed and fried, sweet n' spicy leaves). Bakar Vadi (spicy crusty savoury) and Missal Pav (spicy mixture of onions, chilly small savoury items, with bread) are some of the most delectable snacks. For those with a sweet tooth, Pune offers Shrikhand (a burnt milk delicacy) and the seasonal Amras Puri (thick mango juice with fried 'puris') to complete the traditional Maharashtrian feast.

Pune is home to some of the large agri-food companies

- Venky’s group (Poultry)
- Manikchand group (Food)
- John Deer (Tractors)
- DeLaval (Dairy)
- Ferrero (Food)
- Syngenta (Chemicals)

The city boasts of more than 100 institutes of higher learning and nine universities.

Pune has the highest per capita upcoming supply of mall space among the 20 cities. As of 2010, there were 9 malls (1.6 million sqft), which was projected to increase to 16 malls (7.9 million sqft) by the end of 2012

Young professionals, migrant white-collar workers with high disposable incomes, high living standards and cosmopolitan lifestyles have driven this growth of Pune's retail market from small retail stores to large format malls which club together multiplex and food courts.

An analysis by PWC projected that the city’s GDP will grow to $142 billion by 2015 from $ 48 billion in 2008 and the city will rise to 80th position out of 151 global cities from 108th position in 2008.

4) KOCHI (#9) – Kerala

As one of the major port cities along the west coast of India in Arabian Sea, Kochi features an amazing blend of cultures including the traditional (Keralite) along with Portuguese, Dutch, British and Persian influences. Often called as twin cities, Kochi Ernakulam are most prominent economic centers or commercial capital of Kerala, a state popularly known as "God's Country" among tourists.

High literacy rates, availability of electricity, fresh water, long coastline, backwaters, good commercial and banking facilities, presence of a major port, one of the largest container trans-shipment terminals in India, harbor terminal and an international terminal which fuelled investment and industrial growth in the making it one of the fastest-growing and favorite STCs in India. Kochi's multitude of business sectors include construction, manufacturing, ship building, transportation / shipping, seafood spices exports, chemicals, information technology (IT), tourism, hospitality and banking.

Kochi was one of the 28 Indian cities found to be among the emerging 440 global cities that will contribute 50% of the world by the year 2025, in a study done by McKinsey Global Institute. According to India's Planning Commission, the country's average annual per capita meat consumption is about 5 kg but it is nearly 20 kg for Keralites, who are also heaviest consumers of alcohol (above 8 litres per capita / year) and red in the country.

Food forms a major part in hospitality of the state and is often considered important on special occasions such as festivals or rituals or treating a guest. The typical Kerala cuisine consists of wide variety of ingredients including rice and cassava based dishes along with a huge amount of coconut and its derivatives an assortment of various spices and condiments such as coriander, pepper, chili, cardamom, cloves, ginger and cinnamon. Popular vegetarian dishes include sambar (lentil curry), aviyal, Kaalan, Poduthol (dry curry), pulisherry (yogurt based dish – particularly in Cochin and the Malabar region), payaru (mung bean), kappa (tapioca), etc. Common vegetarian dishes include stew (using chicken, mutton, beef or chicken curry, chicken fry, beef fry, fish/chicken/mutton/beef (fish or meat in light gravy), prawn fry etc

It is also considered as one of the 10 greenest cities in India.

It is also ranked as the best city in India for Housing and Transport by a survey conducted by India Today, a popular magazine considering the quality of public transport and percentage of slum population.

Being one of the largest cities in South India, the city is important for both military logistics and civil aviation in this part of the country.

The city houses few coveted organizations working on space science such as Vikram Sarabhai Space Center (VSSC) and Indian Institute of Space Science and Technology (IIST)

Regional Research Laboratory which is home to scientists working in cutting edge research areas of agro processing, chemical technologies, biotechnology, waste water technology, material sciences and mineral processing.

There is a smaller port in the city but the state government is investing in an international deep water container terminal.

5) THIRUVANANTHAPURAM (#10) – Kerala

Thiruvananthapuram (popularly known as Trivandrum), is the capital of the state of Kerala, the largest and most populated city in the state situated along the Arabian Sea. It was earlier the capital of the State of Travancore. It is the fifth largest urban agglomeration in the country. The city is steeped well in its Keralite culture and has also significant influence from the Portuguese, British and the Dutch.

It is a hub for tourism particularly, for foreign tourists to land in Kerala and to proceed further to other prominent spots in the state. The city has beautiful beaches, backwaters and other attractive places including heritage and religious monuments that entice tourists. The economy is mostly driven by state-owned corporations and small and medium scale enterprises.

Though well known for its unique place in India's space research, the city has also become a hot spot for IT (Information Technology) since last few years and the city contributes more than 80% of the software exports from the state. With the establishment of Technopark that has 70% of the state's current IT work force, the city shot to prominence among software companies and a huge number of inter-state and overseas immigrants. Only 2% of the city's total population lives in slums.

It is also an academic hub with many institutions involved in science and technology research and teaching. Due to its geographical proximity and socio-economic characteristics it is well connected with the Middle East, Southern Africa, Sri Lanka and Maldives.

Food is one of the unique features of Kerala and this city is no different from the phenomenon. Many religious rituals are often associated with unique and special foods being prepared as specialties. Spices are most commonly used in almost all foods. Being in close proximity to the southern part of the state of Tamil nadu, the cuisines are influenced by Tamil culture of celebrating Pongal, a typical Tamil way of celebrating the Sun is practiced in the areas surrounding the city and there are some unique foods prepared during the festival such as Pongal (mashed rice with spices and lentils).

6) GHAZIABAD (#11) – Uttar Predesh

Ghaziabad earned its place as one of the major satellite towns Delhi. It was long known as a farming village in the Upper Gangetic Plain. It has shown remarkable growth in the last few years. A survey by City Mayors Foundation listed Ghaziabad as second fastest growing city in the world and the first among 11 Indian cities with a projected average annual growth of 5.2% between 2006 and 2020. Newsweek international listed the city top 10 most dynamic cities of the world in 2006.

The city is located on the arterial NH 24, which connects it to state of Uttar Pradesh. The city has good connections within as as to commute to Delhi via buses, Metro rail and train services. growth is primarily driven by a boom in construction and being cheek by jowl to Delhi. Though shadowed by Delhi's economic prominence, Ghaziabad is known for its unique places of historic and heritage value and hence is a favorite place for tourists.

The city's skyline is dotted with a large number of World Class Townships, state-of-the-art malls, higher study centers that reformed the city's growth tangent. Ghaziabad also houses a number of retail stores that cater to the population that would otherwise need to travel to Delhi for shopping. The city also attracts the IT/ITeS workforce from neighboring NOIDA. It is a cheaper residential and investment option for Delhi-bound commuters who cannot afford housing in the capital.

Delhi's cuisine is a perfect mixture of North Indian traditional, Mughalai, Arabian and Punjabi cuisines plus a wide variety of cuisines from other parts of the country as people migrate to the city for work in large numbers. Paratha (flat Indian bread), kachori (snack), lassi (sweetened yogurt), samosa, kebabs, faluda (fruit mix) and chicken or lamb biryani (spiced basmati rice) are quite popular particularly in Old Delhi, which is home to century-old food joints. The "Chaat" or the snacks and namkeens (salted snacks) are the highlights of Delhi. In addition, due to a large number of high-class as well middle and lower level restaurants international cuisines like Lebanese, Chinese, Israeli, Italian, Indonesian, Spanish, Mexican, French, Moroccan, Swiss can be found very easily.

Some major industrial houses based in Ghaziabad are

- Dabur India(Food, FMCG)
- Atlas Cycle (Bicycles)
- Tractor India (Tractors)
- Allied Nippon (Chemicals)
- LG Electronics (Electronics)

The city features a wide-range of industries including manufacturing railway wagons, diesel engines, bicycles, electronic spares, glassware, potteries, vegetable oils, automobile pistons and spares, pharmaceuticals and liquor.

Ghaziabad occupies the second rank among fastest growing cities in the world in a survey by City Mayors Foundation, a global think-tank that studies urban affairs to promote good governance.

Ghaziabad offers cheaper options compared to the developed and matured real estate markets of Noida and Gurgaon.

Rise in working class population in Ghaziabad has catalyzed growth of food catering services particularly in the institutional segment.

7) THRISSUR (#12) – Kerala

Thrissur is popularly known as the “Cultural Capital of Kerala” because of its deep rooted cultural, religious, scholarly and spiritual prominence. It is one of the major commercials hubs in Kerala as it is the headquarters of three private sector banks. About several decades ago, this small town had the most number of banks in India and was called “Banking town”.

The city features some unique places that attract tourists from India as well as overseas. Among the cities in Kerala it earns the first place in terms of number of visiting domestic tourists. Many of the hindu temples that are present in the city are famous for their unique architecture. Apart from tourism, recently, the city emerged as a major hub for Ayurvedic (traditional Indian system of medicines) drug manufacturing in India. Services including banking and other financial services, insurance, stock broking, hotels and restaurants, transportation, communications and real estate are growing at a fast pace and are attracting massive investment in recent years.

Modern retailing is quite popular and a big revenue source for the city. The city is considered as hub of jewellery and textile business in Kerala. It is also a major educational center as there are a number of universities and technical institutions. Traditionally the coir (use of coconut trees for making furniture), timber and tile industries are one among the primary occupations of its residents. And Areca nut plantations and cashew orchards provide employment to a large number of rural dwellers.

The cuisine of Thrissur is linked to its history, geography, demography and culture. Rice is the staple food. Achappam and Kuzhalappam (steamed rice dishes) are popular snacks. Vellayappam, a special kind of rice dish is unique to the city. Various dishes prepared from raw plantain, locally known as Nendrakaya, is special to this part of the country. Vegetable Korma, Fry Fish, Dosa, Pakoda, Banana Chips, Erisseri, Bonda, Palak Paneer and French Beans with dry Coconut are most popular dishes for the Keralites. Due to its economic growth, the city maintains several hotels from star-rated to low levels and offers a wide choice of cuisines from North Indian, South Indian, Continental and other international cuisines.

Thrissur is one of the major manufacturing centers of plain gold and rolled gold jewelry in South India.

Nearly 70% of Kerala's jewellery is manufactured in the city.

Kerala hindus specialize in delicious vegetarian food using lots of coconut oil and spices.

Similarly, the Muslims and Christians make delicious non vegetarian cuisines like Pathiri, Kozhi curry (chicken), Biryani, fish dishes like Meen Pollichathu (fried fish) and Fish Molee.

Coconut is one of the most commonly used ingredients in the cuisine of Kerala since the long coastline favors coconut.

Today, a drink tapped from coconut trees is most favorite among the rural men, local people and tourists.

Malayalis (citizens of Kerala) are fast emerging one of the major constituents of the Indian diaspora abroad, fuelling the export market for processed food in the recent years.

8) KOZHIKODE (#13) - Kerala

Kozhikode (aka Calicut) is one of the largest cities in Kerala on the Malabar region of the Arabian sea. It was one of the most prominent and popular trade gateways between Kerala and Middle East particularly in spices. Though it is one of the biggest commercial centers in the state, the city earns its reputation as a spices trade hub. The city is the major marketing centre for commodities like pepper, coconut, coffee, rubber, lemon grass oil etc

The district is well known as the second largest timber trading hub globally. Like many other cities in the state, Kozhikode is also a favorite among the domestic and foreign tourists who flock in large numbers to the city's heritage sites, temples and centuries old architectural marvels. Lush green countryside, serene beaches, historic sites, wildlife sanctuaries, rivers and hills make Kozhikode a popular tourist destination.

Recently, real estate and retail businesses are flourishing as the state government is investing in one of the two "Cyber Parks" (IT hubs) planned to be in operation by the end of 2013, creating at least 100,000 job opportunities.

The city is popular for its Kozhikodan Halwas, a sweet dish made by flour and jiggery (a sweetener that come from sugar cane before sugar was invented) and the traditional Muslim food especially seafood cuisines made using prawns, crabs, and lobster and a shelled creature (oysters) locally called kallummekkaya or kadukka. Aside from a popular vegetarian dish called sadya, the city features non-vegetarian food, which is a unique mix of Muslim and Hindu culinary traditions.

Some popular dishes include the Malabar Biriyani, ghee (molten butter) rice with meat curry, seafood (prawns, mussels, mackerel) and paper-thin Pathiris (breads) to provide accompaniment to spicy gravy. The side-dishes include alisa (husked wheat cooked with chicken) and in seafood, mussels are a favorite. A concoction of mussel and rice flour, cooked in the shell is called arikadaka.
Banana chips, which are made crisp and wafer-thin, are special to the city. Besides the traditional Keralite cuisine, western and continental cuisines are getting increasingly popular due to the rise in the number of tourists, particularly foreign.

Vasco da Gama, the Portuguese traveler arrived first at Kozhikode in 1498.

Kozhikode is the third largest urban agglomeration in Kerala with a population of 2 million as per Census 2011.

In 2007, Kozhikode was ranked 11th among the STCs in job creation in a survey by ASSOCHAM.

In 2009, the city was ranked 2nd among the best cities to reside and invest by Indicus Analytics in its pan-India survey based on six parameters such as health, education, environment, safety, public facilities and entertainment.

A unique non-vegetarian cuisine named "Mappila Food" has believed to have been introduced by Yemeni spice traders.

New initiatives by the local government include a Food Processing Park in 50 acres of land to tap the very active local market and its vibrant retail chains. Also proposed is a Hi-Tech Park to promote industries such as Consumer Electronics, Industrial Electronics, Computers, Communication & Broadcasting equipments, strategic electronics and electronic components, IT, ITES etc.

9) JAIPUR (#14) - Rajasthan

Known popularly as “Pink City” among tourists, Jaipur is the largest city and the capital of the state of Rajasthan. The city features spectacular fortresses built over hilltops and several heritage buildings of typical Rajasthani architectural style. Pilgrimage places, palaces and beautiful narrow avenues with royal touch add to the glory of Jaipur, which has the distinction of being the first planned city in India. Jaipur district is a centre for both traditional and modern industries including mineral-based, textiles, tourism, gems and jewellery, agro-processing, auto and auto components, IT/ITES, oil and gas, and power generation. However, IT & ITES is heralded as the sunrise sector as the city competes with established centers such as Bangalore and Hyderabad.

As the rulers of the city shaped its food culture, the culinary traditions still remain to entice the travelers. The skills and knowledge of the royal chefs passed only to those who were next in line as some of the recipes have been preserved and are served only at heritage or branded hotels. The popular Rajasthani food consists of Dal (lentils), Bati and Churma. The non vegetarian dishes include Red Meat, and hot spiced dishes and White Meat garnished with cashew nuts and coconut.

Jaipur is known for its spicy, rich and exotic cuisine. Food is something to look forward when you are traveling in and around Jaipur. Dal Baati Churma is one of the typical dishes (made using lentils, roasted balls of wheat or sorghum flour dough and sweet concoction) along with Besan ke Gattay (chickpea dish), Ghewar (dessert), Pyaz ki Kachori (onion based) and Gazak (sweet cubes) are some of the famous local delicacies, which you must relish on your stay here.

Equally famous are Jaipur’s non-vegetarian dishes that include hot spiced red meat and white meat (chicken) garnished with cashew nuts and coconut. Khud Khasrgosh (Hare or rabbit meat cooked in a pot) is a specialty during summer, which is prepared by stuffing the skinned rabbit with spices, wrapping it in dough and cooking in layers of mud-soaked cloth. Cooking wild boar spare ribs (bhanslas), chicken, lamb or fish over a hot pod known as sula is very popular in this part of the country. Jalfrezi, a type of curry in which marinated pieces of meat or vegetables are fried in oil and kadai chicken, chicken cooked in red gravy are specialties of Rajasthani cuisine. Indian Pale Ale is a unique type of beer and royal chandr hass, a mix of several herbs are typical beverages used in the Rajasthani cuisine.

Jaipur is ranked 11th largest deposit centre and ninth largest credit centre in India June 2012. (Source: RBI)

Jaipur is famous as a large exporter of gold, diamond and stone jewellery in Asia.

In 2008, Jaipur was ranked 31 among the 50 Emerging Global Outsourcing cities by Global Services – Tholons study.

Snacks chains like Haldiram's and Bikanerwala's have taken up the typical Rajasthani delicacies and brought them to global consumers by developing sophisticated and extensive manufacturing, retail and distribution networks

The drivers for such growth as mentioned in the report are rapid industrialization, proximity to Delhi and being a part of the proposed corridor of national investment zone.

10) INDORE (#15) – Madhya Pradesh

Indore is one of the most populous and prominent economic centers in the Central India region. It is the capital of the state of Madhya Pradesh, one of the largest soybean-growing states in India. Though the state is one among the under-developed ones, the city is a hub for several industries such as textile industry, oil seed extraction, confectionery, paper and straw board and machine tools are thriving. Agriculture is one of the primary activities in the state and wheat, soybean and a wide range of minor millets are major crops. Apart from being a well known automobile hub, recently, software companies that are eyeing at STCs are setting up their offices in Indore and so are pharmaceutical and retail firms boosting the real estate profile of the city. Indore has a relatively more cosmopolitan culture, compared to other cities in Madhya Pradesh.

The city is known for its tourist attraction to its revered heritage sites and traditional architectural marvels make it an important tourism hub for the state. The city has an airport and provides connection to other important cities in central Indian region.

The city presents a wide variety of cuisines such as Maratha, Mughlai, Bengali, Muslim, Rajasthani, Gujarati, Continental and as well as local delicacies.

For vegetarians, dal basti (made from lentils) is the most common food for the region. Namkeen (salted snacks) are usually served on top of a variety of food items. Specialties of the region include sweets such as Moong ka Halwa (mung bean dessert), Gajar ka Halwa (carrot dessert), snacks such as sev (made from chick pea flour) with all its varieties, shikanji (milk preparation + dry fruits), Lassi (sweetened yogurt) and Jal-Jira (cumin water).

The non-vegetarian list includes rogan josh (an aromatic lamb dish of Persian origin), seekh kebabs (minced meat), shami kebab (Syrian style minced meat) and biryani (scented basmati rice).

A liquor distilled from the flowers of the Mahua tree *(Madhuca longiflora)* called Sulfi and date palm toddy are truly local drinks relished in the state.

The city is nicknamed “Mini Bombay” due to its prominence in trade and industry.

Pithambur, a suburb of Indore is popularly known as “Detroit of India” due to the presence of vehicle and automobile companies. This is one of the biggest auto clusters in Asia.

Indore has the gift of both IIT (Indian Institute of Technology) and IIM (Indian Institute of Management), perhaps the only place to find both reputed and unique institutions in a single city.

Indore has a large population of entrepreneurs with high purchasing power.

The city has a number of strongly entrenched local brands along with national and international retailers.

Traditional unorganized markets are slowly giving way to new organized retail markets with the arrival of new malls and shopping centers.

5. Key Observations, Conclusions and Recommendations

This project reveals a lot about India's major cities and what makes many of them top notch targets for aggressive food exporters.
In addition, digging a bit deeper, it reveals a number of other related ideas that might be considered useful by a reader.

As we have gathered statistics in India from North to South and East to West, let us summarize some of the important information we have learned about food import potential in the important cities – both FTCs and STCs – of this massive nation.

Please note that, in so doing, we have first related our observations and their analyses to the Ten Criteria used in this project and, where important, to the Indicators which support them.

Second, we have outlined conclusions and recommendations which we have developed through conducting this project.

5.1 Key Observations

Here we will first comment on the results of the overall project, then proceed to review key points related to each of the criteria. In Section 5.2 we list our recommendation.

5.1.1 Overall Project Review

As we move into this deeper analysis – we are going to focus on the Top Twelve Cities in India. This group includes both the top India's seven of the STCs and the Big Six (actually the Big Five because Kolkata did not qualify as a member of the Top Twelve. However, we will comment on Kolkata – now ranked #18 – when it is important to do so). This way we can make reasonable comparisons between the two groups. Here, we will compare their potential overall impact on the future markets for imported food and drink, then consider what is happening in each of the Criteria and Indicators that may support them.

First, take a look at the Top Twelve cities below and note the overall positions of the old Big Six as compared to the top seven of the STCs. Remember that these cities have all been rated and ranked on the basis of our analysis of which cities have the greatest potential to increase imports of food and drink products in the future. The comparison in the table below shows the total point scores or ratings (Basic and Adjusted) that each city had earned in comparison to all other cities when measured by the 10 Criteria used for this project.

Table 8 Overall Comparison: The Top Twelve Indian Cities as ranked by CAM regarding the cities'

relative propensity to increase imports of foreign foods and beverages in the Future

City and ranking	States	Adjusted Ratings	Base Ratings
DELHI (#1)	Delhi	87.4	91.7
MUMBAI (#2)	Maharashtra	79.9	84.1
BANGALORE (#3)	Karnataka	79.5	77.9
Vasai Virar (#4)	Maharashtra	79.2	76.5
Gurgaon (#5)	Haryana	75.4	69.8
Pune (#6)	Maharashtra	75.3	76.4
CHENNAI (#7)	Tamil Nadu	73.4	75.6
HYDERABAD(#8)	Andhra Pradesh	73.2	76.0
Kochi (#9)	Kerala	73.0	71.6
Thiruvananthapuram (#10)	Kerala	72.5	70.7
Ghaziabad (#11)	Uttar Pradesh	72.0	64.9
Thrissur (#12)	Kerala	68.8	68.8

KOLKATA (#18)	West Bengal	64.4	68.8

Note : one member of the original Big Six, **KOLKATA** is in 18th position and is out of the running for the Top Twelve. Nevertheless, when we need to average the Big Six, we will include Kolkata.

- Of the Top Twelve – five are FTCs and seven are STCs.
- The first three cities remain in their positions – Delhi, Mumbai and Bangalore. However, three STCs – Visai Virar, Gurgaon and Pune took over positions #4, #5 and #6.
- Of interest, the Top Twelve includes 3 STCs from the State of Kerala and 2 STCs (3 cities) from Maharashtra.
- In CAM terms those three STCs rated higher than three cities of the Big Six. A total of twelve STCs seven in the Top Twelve plus 5 others, not in the Top Twelve, rated higher than Kolkata.

Now, let us proceed to investigate details of the Top Twelve and their rankings, compared to the positions of the other cities regarding the 10 Criteria for this project. Where something is important to moniter, we present it under Observations listed after each table.

5.1.2 Criteria A: Population

AF-1.0

Population alone – the number of people living in a city or a UA (Urban Agglomerate as most of the many new cities are called) – is adequate to estimate the demand for any food product. But population alone does not tell us the whole story. The growth of that population is the major clue to future demand. Thus for India we used as three Indicators - its current population, population growth, and urbanization to deep population thoroughly.

* In this section we remind the reader of the importance that we place on this criteria by indicating in parentheses the AF – Adjustment Factor – for each Criteria

Table 9 Population Comparison: with Population and other Indicators

Overall City Ranking Top Twelve	Current Population Number (million)	Overall population Ranking	Population Growth Rate (CAGR)	Population Growth Rate Ranking
DELHI (#1)	16.3	2	3%	43
MUMBAI (#2)	18.4	1	1%	65
BANGALORE (#3)	8.5	5	5%	16
Vasai Virar (#4)	1.2	36	6%	11
Gurgaon (#5)	0.9	52	16%	3
Pune (#6)	5.1	8	3%	29
CHENNAI (#7)	8.7	4	3%	34
HYDERABAD (#8)	7.8	6	3%	27
Kochi (#9)	2.1	17	5%	15
Thiruvananthapuram (#10)	1.7	25	7%	9
Ghaziabad (#11)	2.4	14	10%	6
Thrissur (#12)	1.9	21	21%	2

KOLKATA (#18)	14.1	3	1%	69

Other STCs (with large populations and/or fast growth rates)

Kannur (#28)	1.6	26	14%	4
Malappuram (#20)	1.2	24	29%	1
Kollam (#25)	1.1	42	13%	5

Observations:

- Basically the large Big Six cities are growing slowly in population, and the smaller are growing at a faster rate. Not surprising!
- So what do the population figures mean? For Population the Top Twelve Indian cities appear to be classified by size and growth into the following groups.

  Huge and slow growth– Delhi, Mumbai, Kolkata: 14-18 million people growing at 1-2% annually

  Very large and moderate– Bangalore, Chennai, Hyderabad, Pune: 5-9 million growing at 3-5% per year

  Large and fast – Vasai Virar, Gurgoan, Kochi, Thiruvananthapuram, Ghaziabad, Thrissur and all the rest : 1-2 million growing at 5-29%
- Six of the cities – all STCs – are expanding their populations at phenomenal rates of speed – over 10% annually. Of those six – four are in Kerala.
- The six FTC's average : 10.9 million in populations and are growing at 2.6%. In contrast, the seven STCs have average populations of 2.2 million and are growing at 9.7% per year on average, over three times more rapidly than the Big Six.
- Urbanization – the share of available land used in each city - is a weak Indicator because we could only obtain developed numbers by state, net by cities.

5.1.3 Criteria B: Future Growth

AF-2.0

Future Growth is based on 4 indicators, including population growth just discussed, which itself may be the best overall indicator of future growth. Our Future Growth Criterion is comprised of 4 indicators (1) ranking of cities done by the Institute of Competitiveness, India: (2) Urban Worker Growth Rate; (3) Past growth in Population and (4) Share of population aged under 6.

Each of these Indicators is important in regard to the potential for increased consumption of imported food. The first Indicator was based on a study done by the Institute of Competitiveness, which evaluated the major cities in India based on their overall performance in the context of several important Criteria e.g. to their financial, social, business performance, technology, foreign companies' involvement, etc. The next Indicator – Urban Worker Growth – reflects the annual growth in the number of workers in the declared urban areas from 2001 to 2011. Past growth in population – the next indicator – is to assess how fast the number of residents of a city are growing. And finally, the share of population of children who are under the age of 6 is

significant as a measure of the population which is going to grow up, work and become engaged in economic activities, earn and spend money that shape the potential and significance of a city with respect to imported foods.

All of this being said, Future Growth should be compared as a total Criteria, not by looking at 1 or 2 indicators. Please note the following.

Table 10 Future Growth Comparison : to Population Growth, and Overall Future Growth Rankings Indicator

Overall City Ranking Top Twelve	Population Growth rate (%)	Overall Future Growth Ranking	Base Indicator
DELHI (#1)	3%	5	6.5
MUMBAI (#2)	1%	4	4.5
BANGALORE (#3)	5%	10	8.0
Vasai Virar (#4)	6%	8	8.3
Gurgaon (#5)	16%	3	9.8
Pune (#6)	3%	12	7.3
CHENNAI (#7)	3%	36	5.3
HYDERABAD (#8)	3%	25	6.3
Kochi (#9)	5%	13	7.3
Thiruvananthapuram (#10)	7%	17	7.0
Ghaziabad (#11)	10%	1	10.0
Thrissur (#12)	21%	11	8.0

KOLKATA (#18)	1%	65	3.3

Others

Noida (#16)	9%	6	8.5
Kannur (#28)	14%	8	8.3
Aurangabad (#24)	3%	7	8.3
Kollam (#25)	13%	12	8.0
Malappuram (#20)	29%	2	10.0
Kozhikode (#13)	16%	9	8.5
Surat (#19)	6%	4	8.8

Observations

- The ratings for Future Growth are much higher for STCs as compared to the Big Six. Only Mumbai at fourth, Delhi at fifth and Bangalore at tenth rank in the Top 12 listed for Future Growth. The other of the Big Six rank from 25th (Hyderabad) to 36th (Chennai) to 65th (Kolkata).
- In total the Base Indicators of the Big Six averaged only 5.6 while the STCs of the Top Twelve averaged 8.2. Only Bangalore at 8.0, was close to that level.
- Most interesting was that the Indicators seemed to consistently support each other. For example high population growth was consistent with high base Indicators (8.0 / 10.0) and with low future average growth rankings (1-10), although somewhat less consistently.

5.1.4 Criteria C: Wealth Comparison to Overall, GDP, A & B Household Income Share

AF-2.5

Wealth is the most important of all our criteria. Therefore we have given it an adjustment factor of 2.5.

Table 11 Wealth Comparison

Overall City Ranking Top Twelve	Overall Wealth Ranking	Overall Wealth Base Rating	GDP/ca 000INR	GDP/ca rank	A&B households % of total urban households
DELHI (#1)	1	9.6	182	9	43
MUMBAI (#2)	3	9.4	348	1	37
BANGALORE (#3)	2	9.6	169	10	37
Vasai Virar (#4)	6	8.6	112	23	41
Gurgaon (#5)	5	9.3	263	5	33
Pune (#5)	12	8.0	146	12	36
CHENNAI (#7)	11	8.0	320	3	38
HYDERABAD (#8)	7	8.4	346	2	39
Kochi (#9)	8	8.4	200	8	30
Thiruvananthapuram (#10)	10	8.4	128	13	35
Ghaziabad (#11)	15	7.6	90	33	37
Thrissur (#12)	39	5.8	84	40	23

KOLKATA (#18)	13	7.8	311	4	20

Others

Chandigarh (#25)	4	9.4	228	6	43
Indore (#15)	10	8.4	148	14	36
Dehradun (#34)	14	7.8	135	16	40
Jaipur (#14)	16	7.6	153	11	34

Observations

- On average the annual GDP per capita for the Big Six was 287,000 rupees, twice as much as the 146,000 for the seven Top Twelve STCs.
- One could certainly conclude that bigness in city size in India, in general, seems to correlate with greater wealth.
- However, the average share of SEC (Socio Economic Classification) A & B households Income Groups (top two of five) for the Big Six was 38.6% and all except Delhi (43%) ranged from 37-39%. The average for the STC was 33.6%. Interestingly, the shares of the latter high income groups ranged from 36% to 43%

5.1.5 Current Food Import Impact AF-1.5

If we could assess how much of India's imported food was being consumed by each city, such information would be very helpful to determine which of those cities might consume more imports in the future. However such data is not available. Therefore we developed a formula to determine how much food imports coming into each port could become estimates of how much was being consumed by those cities which were likely to be so supplied.

First, please note the following table showing food imports by port. As can be seen, imports have almost doubled in the last 4 years – a compound increase of 18.5% per year. At the end of this section, we have also included a summary chart that shows Indian imports by food types in 2007 and 2011.

Table 12 Food Products Imports by port

Port	Port Category	2007 (mill. USD)	2011 (mill. USD)	CAGR (%)
Mumbai	A	2345	4152	15.0
Madras Sea (Chennai)	A	897	1910	20.0
Kandia	B	509	1318	20.0
Calcutta Sea (Kolkata)	B	1346	1105	(4.2)
Tuticorin Sea	B	107	930	98.0
Cochin Sea (Kochi)	C	228	675	30.0
Mangalore Sea	C	113	331	30.2
Delhi THD ICD	C	29	253	85.0
Vizag Sea (CVMC)	C	44	155	37.0
Bangalore ICD	C	5	83	200.0
Total		5623	10912	18.5

The steps which we followed to complete this Criteria were these. We;

1) Assigned a rating value to each port based approximately on the import value and growth

percentages. Ports listed above were classified as A,B, and C and given points accordingly, i.e. 10,6, and 2

2) Then depending upon how far a city was from its closest port, that city received the following points (essentially a proportionate estimate of how much of the imports it might have received)

   For cities closest to each of the ports, that city received the following points

Table 13 Distance from closest port to city and number of points given

Closest Port	Km from closest port to city and number of points given					
	0-50km	51-150km	151-250km	251-400km	401-550km	Over 550km
Port A City - Points	10	8	6	4	2	0
Port B City - Points	6	4	2	0	0	0
Port C City - Points	2	1	0	0	0	0

The rationale for the different points is that the A Ports are importing much more volume and variety and they are growing faster; so they can ship more products and further.

In summary a consuming city gets ranking points from 3 sources (1) its distance in km from its port depending on the port size (2) its population depending on its ranking and (3) its CAGR for population growth, And its base Indicator is that total divided by 3.

So let us review an example of a consuming city, e.g., Pune in Maharashtra.

Pune is supplied by Mumbai, a type A port. Pune gets points because of:

- Its distance from Mumbai is 153 km which equals 6 points
- Its population is 5.05 mill. and it at ranks 8th; so it gets 9 points
- Its population growth is 3% which ranks 29th so it gets 6 points

In total Pune receives 21 points, divided by 3 elements = 7 Base points.

Let us also look at Mumbai, the largest port. Mumbai gets points because:

- It is a Type A port: so it gets 10 points
- Its growth in imports is 23%, so it ranks #1 so it gets 10 points
- Its distance from a port is zero so it receives 10 points
- Its population as a city ranks #1 – 10 points
- Its population CAGR is only 1% so it ranks 65th, therefore it receives only 1 point

Thus its total equals 41 points, which, when divided by 5, gives it 8.2 Base point

The calculation for a port is longer, but the same principle has been applied for this Criteria on imports just as has been done with the other Criteria calculations.

The following table shows India's food imports by category in 2008 and 2012 valued in US dollars (000)

Table 14 India's food imports by its category

2008-2012 (US$000)

HS Code	Product	2008	2012	CAGR (%)
2	Meat	742	1,888	25
3	Fish and other aquatic invertebrates	57,095	68,390	6
4	Dairy products	18,189	104,586	59
5	Products of animal origin, not elsewhere specified	14,190	39,515	26
7	Edible vegetables	1,464,725	2,281,444	11
8	Edible fruits and nuts	1,171,243	1,856,833	12
9	Coffee, tea, etc.	277,494	461,539	14
10	Cereals	274,790	18,519	(50)
11	Products of milling industry	21,185	40,980	18
12	Oil Seeds	155,144	204,697	10
13	Lac; gums, resins and other extracts	84,989	151,210	15
15	Animal or vegetable fats and oils	3,165,219	11,003,560	37
16	Preparations of meat, of fish, etc.	3,533	4,064	3
17	Sugars and sugar confectionery	69,652	476,472	63
18	Cocoa and cocoa preparations	58,263	209,971	39
19	Preparations of cereals, flour, starch, etc.	34,675	34,419	(1)
20	Preparations of vegetables, fruit, nut, etc.	40,021	76,532	18
21	Miscellaneous edible preparations	56,346	118,788	21
22	Beverages, spirits and vinegar	212,278	333,469	12
	Total	**7,179,773**	**17,486,876**	**25**

5.1.6 Criteria E: Tourism Comparison: to Tourist and Hotel Numbers

AF-0.5

We believe that the number of foreign tourists visiting a city does influence increased consumption of foreign foods in that country

First, entrepreneurial restaurants and hotel owners will try to adapt their menus to meet outsider's food requirements

Second, the presence of foreigners - because of their interaction with the locals – has influence on the atmosphere in a domestic city. Sometimes this can be quite significant. Increased communication with foreigners always creates a better understanding which cannot help but increase interest in foreign foods for both communities.

Third, tourists often bring their favorite foods along with them, sometimes as gifts and sometimes to share it with the locals.

Table 15 Tourism comparison

Overall City Ranking Top Twelve	Current number of tourists (millions)	Annual growth rate CAGR	Number of hotels indicator	Tourism Base Rating
DELHI (#1)	4.4	3%	44	8.7
MUMBAI (#2)	5.5	18%	104	9.2
BANGALORE (#3)	2.5	43%	22	9.3
Vasai Virar (#4)	N/A	N/A	NA	0.0
Gurgaon (#5)	N/A	N/A	10	8.0
Pune (#6)	2.8	18%	30	9.7
CHENNAI (#7)	3.6	10%	61	9.0
HYDERABAD (#8)	2.5	19%	38	9.3
Kochi (#9)	3.1	10%	28	8.0
Thiruvananthapuram (#10)	1.2	10%	10	7.0
Ghaziabad (#11)	N/A	N/A	22	1.5
Thrissur (#12)	N/A	N/A	14	9.0

Kolkata (#18)	3.6	18%	16	9.0

Others

Jammu (#56)	7.9	38%	1	9.3

Observations

- Surprisingly the top tourist city is Jammu, India's tourist capital in the North. No doubt because of cooler temperatures in the summer and mountain sightseeing. Jammu welcomed it 8 million tourists in 2011 – almost as much as Mumbai and Delhi combined. Add to this the fact that Jammu has only one major hotel. The visitors must all be campers.

- The foregoing table compares the Top Twelve Cities with those cities which receive the most tourists. However, the data available on tourists by city is incomplete. Although all of the Big Six collect data on tourists, only three of the seven STCs in that group did so. This makes this data less relevant. For this reason we have used a lower Adjustment Factor, 0.5.
- The lack of tourist information by cities is surprising. India has great tourist potential because of its various religions, traditions, history, monuments, scenery and delicious and varied different foods and atmospheres. But we found less than 50% of the cities we studied kept records on number of annual tourists.

5.1.7 Criteria F: Food Expenditures AF-0.4

Food Expenditures Indicators were reviewed in two ways:

Current expenditures; In this case we gave higher points for higher expenditures, the assumption being that the more wealthy the population, the more they can afford to spend on food. Of course, the amount they are spending is also affected by the cost of what they are buying.

The assumption here is also that when a household does not need to spend a higher share of income on food, it will not do so.

Food costs as a % of MPCE (Total per Capita Expenses) is viewed differently. In this case a lower % should indicate that the household does not need to pay more on food. Plus it means more funds are available for other uses.

Table 16 Food Expenditure Comparison

Overall City Ranking Top Twelve	Current Expenditure on food (INR)/Mo	Rank of Expenditures	Share of total expense MPCE	Rank of Share of total expense (MPCE)
DELHI (#1)	8072	13	9%	57
MUMBAI (#2)	8464	9	16%	62
BANGALORE (#3)	6050	43	11%	69
Vasai Virar (#4)	6486	36	16%	62
Gurgaon (#5)	12323	1	23%	38
Pune (#6)	6824	27	18%	54
CHENNAI (#7)	5397	53	11%	69
HYDERBAD (#8)	8962	4	14%	67
Kochi (#9)	7561	18	17%	57
Thiruvananthapuram (#10)	8545	8	18%	54
Ghaziabad (#11)	6857	24	27%	20
Thrissur (#12)	5928	45	20%	48

KOLKATA (#18)	6883	23	21%	45

Observations

- Gurgaon and Ghaziabad seem to be spending the highest share of their monthly expenditure on food – 23% and 27% respectively. Moreover Gurgaon is Number One in terms of total expenditure on food. It is close to double what almost all other cities are spending on food.
- Gurgaon is one of the wealthiest of all STCs. Its population must be spending more because it can afford it.
- Also of interest both Gurgaon and Ghaziabad are heavily populated with vegitarians. This would seem to indicate that being a "veg" eater is expensive.

5.1.8 Criteria G: Food habits AF-0.8

This comparison was completed because we believed that those cities - where a sizable share of the population refers to themselves as "non veg" (not a vegetarian); will be more likely to buying more imported food products. The USA and many other countries' biggest exports are often fish, meat and dairy products or their derivatives. Again we show the Top 12 and their overall ranking for comparison.

Table 17 Food Habits Comparison: 'Non Veg' expenditures and share

Overall City Ranking Top Twelve	Current Expenditure on dairy, eggs, fish, meat (INR)/Mo	Share of dairy, eggs, fish & meat total in diet	Base Indicator
DELHI (#1)	373	5%	4.5
MUMBAI (#2)	1008	12%	5.0
BANGALORE (#3)	821	8%	8.0
Vasai Virar (#4)	743	7%	7.5
Gurgaon (#5)	181	1%	1.0
Pune (#6)	448	5%	5.5
CHENNAI (#7)	854	9%	8.5
HYDERABAD (#8)	1416	9%	9.0
Kochi (#9)	2756	36%	10.0
Thiruvananthapuram (#10)	3273	38%	10.0
Ghaziabad (#11)	182	2%	1.5
Thrissur (#12)	2102	36%	9.5

KOLKATA (#18)	2588	10%	10.0

Observations

The largest consumers of eggs, dairy, meat and fish products – the non veg lovers – are the cities lin Kerala - Note the 36-38% share of Kochi and Thiruvananthapuram above.

Please also note that the more moderate consuming status and cities are in the 8.0 - 12.5% share range. Those moderate non-veg consumers - except Kerala – are included in the following list:

Kerala – Almost Top STCs in the Kerala group – **Kannur(#28), Kochi(#9), Kollam(#24), Kozhikode(#13), Malappuram(#20), Thiruvananthapuram(#10), Thrissur(#12)** - consume more than one third of their food as egg, dairy, meat and fish

Moderates Included:

Andhra Pradesh – **GCMC(#23), HYDERABAD(#8)**

Karnataka – **BANGALORE (#3)**

Marharashtra – **MUMBAI(#2)**

Puducherry – **Puducherry (#27)**

Tamil Nadu – **CHENNAI (#7)**

West Bengal – **KOLKATA(#18)**

And, as for the consumers of vegetarian products – “veg” food – the most pure veg cities had ratings of 1.0-2.0 and included the following.

Chandigarh – **Chandigarh(#29)**

Gujurat – **Ahmadabad(#17)**

Haryana – **Faridabad(#26), Gurgaon(#5)**

Uttar Pradesh – **Ghaziabad(#11)**

Their interests, however, are much more special and specific.

5.1.9 Criteria H: Food Service

AF-0.6

Table 18 Food Service Comparison: to Number of hotels and restaurant establishments

Overall City Ranking Top Twelve	Number of hotels & restaurant enterprises	Base Indicator
DELHI (#1)	20995	10.0
MUMBAI (#2)	16397	10.0

BANGALORE (#3)	13142	9.5
Vasai Virar (#4)	1047	5.0
Gurgaon (#5)	619	5.5
Pune (#6)	4497	9.5
CHENNAI (#7)	14731	10.0
HYDERBAD (#8)	8831	10.0
Kochi (#9)	6277	10.0
Thiruvananthapuram (#10)	5001	9.5
Ghaziabad (#11)	1213	6.0
Thrissur (#12)	5497	9.0

KOLKATA (#18)	1462	9.5

Other Majors (all in Kerala)

Kannur (#28)	4689	10
Kozhikode (#13)	6018	8.5
Malappuram (#20)	5034	6.5

Observation

- Interestingly, Kerala is also the only state in which several of its cities have at least 5,000 hotels and restaurant enterprises. Every Kerala city (6 of them) made the Top 25 STC; Their number of hotels and restaurant enterprises totals 32,500 – almost as many as Delhi and Mumbai combined (37,000). This is because this state is quite an attraction for tourists. Some of India's most beautiful forests, beaches, and landscapes are in Kerala.

5.1.10 Criteria I: Retail AF-0.4

India's retail food sector is currently dominated by small stores, estimated at 12-15 million outlets ranging from push carts to "Keronas" (small groceries selling outlets, sized from 50-200 square feet). By the mid 90's there were only 200 medium sized modern grocery stores operating in India.

The emergence of chains and larger stores did not begin until around 2005. In 2011, USDA estimates there were 3000 modern self service retail outlets (see below). However restrictions to growth are still prevalent ranging from ineffective supply chains, inadequate operating knowledge, import tariffs and restrictions, the limited number of automobiles (only 4% of the population own one) and aggressive political opposition to the expansion of true modern supermarkets.

To illustrate, our list of 70 cities included having only about 400 modern type groceries and supermarkets. The current breakdown for the entire country of India is estimated as follows.

Table 19 Current Modern Retail Store Types in India

Store format	Size (square feet)	Number of outlets
Grocery store	500 – 3,000	1972
Supermarkets	10,000 – 30,000	438
Hypermarkets	60,000 – 120,000	268
Convenient stores	1,000 – 1,500	324
Gourmet stores	500 – 5,000	27
Total		3029

Source: USDA 2012

Indian statistics on retail stores are surprisingly poor. For example it was difficult to find good comparable data on retail food sales, especially the number of supermarkets and good indicators of modern retailing growth.

The greatest restriction to retail growth is political opposition. The politicians want to keep an India of small stores. They see those 15 million shops as great employment sources. At present about 10 states bar foreign investment – over 50% - in any type of modern retail store. And so far the national government has yet to approve foreign 100% investment for any multi-brand carrying retail store.

Nevertheless the modern stores are still being built by domestic investors. And a multiplicity of foreign retailers are waiting in the wings!

5.1.11 Criteria J: City Clusters Compared: to Population , Ratings, Distance from ITC

AF-0.7

Looking again at the Indian Map on Page 11 – the "Cluster" effect pops out immediately. In our earlier "J" Criteria Cluster concept which we considered using, we planned to only give points to cities which were within a 200 kilometers radius of a one of the Big Six cities. But reviewing the Map and extending that radius to 500km we find that is 19 of Top 25 STCs are located within that distance of five of the Big Six (None was close to Kolkata).

Those 19 could be combined into four Super clusters as follows.

Table 20 India's Super Clusters

City and (Ratings)	Population (million)	Total Adjusted Ratings STC	Distance from Big Six city (km)
North Central Super Cluster			
DELHI(#1)	16.3	87.4	0
Gurgaon(#5)	0.9	75.5	33
Ghaziabad(#11)	2.5	72.0	31
Jaipur(#14)*	3.1	66.1	214
Noida(#16)	0.6	64.8	24
Faridabad(#26)	1.4	61.0	46
Chandigarh(#29)*	1.0	55.2	257
	Total 25.8	Total 486.1 Average 69.4	Average 101
Central West Coast Super Cluster			
MUMBAI(#2)	18.4	79.9	0
Vasai Virar(#4)	1.2	79.2	50
Pune(#6)	5.0	75.3	152
Nashik(#21)	6.6	63.3	166
Surat(#19)	4.6	63.7	282
Aurangabad(#24)	1.2	61.1	335
	Total 32.1	Total 422.5 Average 70.4	Average 198

City and (Ratings)	Population (million)	Total Adjusted Ratings STC	Distance from Big Six city (km)
Central East Coast Super Cluster			
HYDERABAD(#8)	7.8	73.2	0
Vijayawada(#30)	1.5	58.1	282
	Total 9.3	Total 131.3 Average 65.7	Average 141

Table 20 South Central Coastal Super Cluster

BANGALORE (#3)	8.5	79.5	0
CHENNAI (#6)	8.7	73.4	300
Kochi (#9)	2.1	73.0	450
Thrissur (#12)	1.9	68.8	420
Kozhikode (#13)	2.0	67.7	300
Malappuram (#20)	1.9	63.5	330
Coimbatore (#22)	2.2	61.5	498290
Kannur(#28)	1.6	60.2	295
Puducherry(#27)	0.7	60.4	330
	Total 31.4	Total 608.0 Average 67.5	Average 339 (STC only)

Observations

For the company seeking excellent Indian distribution, whether it be for manufacturing facilities, distribution offices, an even a processing plant, a position in each of the three major super clusters would provide a strong base. In addition to the three largest clusters a facility in Hyderabad might also make sense.

However as a central location, Kolkata has little to offer; Nevertheless, because it does have a large population and because it is not close enough to be easily supplied from any of the Clusters, a location within that city world be important for full pan-India coverage.

Choice for locations outside the Big Five (excluding Kolkata) Cluster cities might be : Ghaziabad in the North Central Super Cluster; In the Central West Coast, Pune or Vasai Virar might be the best ; in the South Central Super Cluster Bangalore is the probable best choice for a central location. And finally interesting option might be a coastal city Cluster based around Kochi.

5.2 Conclusions and Recommendations of "The 31 Cities of India"

1) **Look closely at the STCs**. **For expansion** focusing society on the Big Six cities in India is a mistake; there are other better markets.

2) Focus on the cities that have the greatest Wealth concentration and offer the best opportunities for Future Growth. Wealth and Future Growth are the most important of all the Criteria.

3) **Use this report as an initial guide to corporate expansion moves of all types in India e.g.**

-Identifying possible local partners

-Finding importer contacts

-Establishing company offices

-Establishing distributor contacts and centers

-Establishing physical distribution centers

-Contracting with manufacturing and food processing operations

-Hiring sales / marketing personnel

-Establishing retail contacts

-Locating food service chains

-Identifying and locating other direct sales contacts

-Focusing product promotion in key markets

-Building your business in other ways

4) **Focus first on the big City Clusters.** For overall distribution, new exporters or investors should consider limiting their initial growth efforts to the two big city clusters around Delhi and Mumbai. Bangalore/Chennai, Hyderabad and even the Kerala group can be considered later:

1. **Delhi** – Because of: its central business and government location; its size; the growth of its surrounding STCs; the proximity of the STCs which surround it (an average of 101 km, half of the

average distance than those in the Mumbai Cluster)

2. **Mumbai** – Because of: its central India location, the size and power of it surrounding STCs;, the Mumbai business core itself. On the negative side would be: the distance for its surrounding STCs and their slower growth rates

3. **Bangalore** – Because of: its proximity with Chennai and Kerala and the growth rates of the cities surrounding it. A negative is the distance to its surrounding STCs, especially in Kerala

5) **Consider later an unusual, but specialized cluster base** – a Kochi centered Kerala Cluster which would take advantage of that state's dynamic Kerala cities with their growth rates of 15-30% in population. Other Kerala advantages include: the major non-veg concentration; and especially their the tourist appeal, plus the relative closeness to both Bangalore and Chennai

6) **Consider, if your business demands it, a headquarters in one of the Big Six – but locating instead in one of the STCs that is part of its Cluster.** You may find that operating costs are less, and the environment more attractive. Plus you will be involving your company in another market situation which is nearly as large as the FTC and is growing at a more rapid rate.

For example:

Delhi – consider Gurgaon, Ghaziabad

Mumbai – consider Vasai Virar or Pune

Bangalore – There are fewer close options

7) **Keep track of government policies that will impact the position of these key STCs and FTCs in the future**

- Major new government subsidies or construction program
- State and national government now have laws that restrict modern retailing. A shortage of Modern Retailing is a major restriction limiting foreign import growth, even in this 31 city analysis. Encourage that change whenever possible.
- Push the government for more data regarding new developments and growth by cities. At present, specific India's data regarding city and regional growth measurements, is poor. State data is not bad but with its large states and big differences in cities, it is not specifically useful. Future city growth is a key measure; and the country, and your industry, should track it.

Appendix

Table 21 A Prioritization Summary

The 31 Cities of India – India's 6 FTCs and Top 25 STCs Ranked by their propensity to increase imports of food and drink products

ID #	City	State	RANKING of Adjusted Total Categories	Total of Adjusted (10 Categories)	Total of Base (10 Categories)	A. Population (size) Adjusted	A. Population (size) Base	B. Future Growth Adjusted	B. Future Growth Base	C. Wealth Adjusted	C. Wealth Base	D. Food Import Adjusted	D. Food Import Base	E. Tourism Adjusted	E. Tourism Base	F. Food Expenditure per Capita Adjusted	F. Food Expenditure per Capita Base	G. Food Habits Adjusted	G. Food Habits Base	H. Food Service Adjusted	H. Food Service Base	I. Retail Activity Adjusted	I. Retail Activity Base	J. Cluster concept Adjusted	J. Cluster concept Base
45	**DELHI UA**	NCT OF DELHI	**1**	87.4	92.7	8.0	8.0	13.0	6.5	24.0	9.6	4.8	4.4	4.3	8.7	3.6	9.0	3.6	4.5	6.0	10.0	3.2	8.0	16.8	24.0
36	**GREATER MUMBAI UA**	MAHARASHTRA	**2**	79.9	84.1	6.3	6.3	9.0	4.5	23.5	9.4	9.0	8.2	4.8	9.7	3.6	9.0	6.8	8.5	6.0	10.0	2.8	7.0	8.1	11.5
18	**BANGALORE UA**	KARNATAKA	**3**	79.5	77.9	8.0	8.0	16.0	8.0	24.0	9.6	5.3	4.8	4.8	9.7	2.8	7.0	6.4	8.0	5.7	9.5	3.7	9.3	2.8	4.0
44	Vasai Virar City (M Corp.)	MAHARASHTRA	**4**	79.2	76.5	7.3	7.3	16.7	8.3	21.5	8.6	8.1	7.3	4.9	9.7	2.8	7.0	6.0	7.5	3.0	5.0	2.7	6.7	6.3	9.0
14	Gurgaon UA	HARYANA	**5**	75.4	69.8	6.0	6.0	19.5	9.8	23.1	9.3	5.5	5.0	4.0	8.0	3.2	8.0	0.8	1.0	3.3	5.5	2.9	7.3	7.0	10.0
42	Pune UA	MAHARASHTRA	**6**	75.3	76.4	7.7	7.7	14.5	7.3	20.0	8.0	7.7	7.0	4.8	9.7	3.0	7.5	4.4	5.5	5.7	9.5	3.3	8.3	4.2	6.0
56	**CHENNAI UA**	TAMIL NADU	**7**	73.4	75.6	8.7	8.7	10.5	5.3	20.0	8.0	8.8	8.0	4.5	9.0	2.6	6.5	6.8	8.5	6.0	10.0	3.5	8.7	2.1	3.0
2	**HYDERABAD UA**	ANDHRA PRADESH	**8**	73.2	76.0	7.3	7.3	12.5	6.3	21.0	8.4	6.2	5.7	4.7	9.3	4.0	10.0	7.2	9.0	6.0	10.0	3.6	9.0	0.7	1.0
24	Kochi UA	KERALA	**9**	73.0	71.6	8.3	8.3	14.5	7.3	21.0	8.4	5.3	4.8	4.0	8.0	3.4	8.5	8.0	10.0	6.0	10.0	2.5	6.3	0.0	0.0
28	Thiruvananthapuram UA	KERALA	**10**	72.5	70.7	8.3	8.3	14.0	7.0	21.0	8.4	5.9	5.3	3.8	7.7	3.4	8.5	8.0	10.0	5.7	9.5	2.4	6.0	0.0	0.0
62	Ghaziabad UA	UTTAR PRADESH	**11**	72.0	64.9	7.0	7.0	20.0	10.0	19.0	7.6	7.7	7.0	0.8	1.5	2.0	5.0	1.2	1.5	3.6	6.0	3.7	9.3	7.0	10.0
29	Thrissur UA	KERALA	**12**	68.8	68.8	9.0	9.0	16.0	8.0	14.5	5.8	7.0	6.3	4.5	9.0	2.2	5.5	7.6	9.5	5.4	9.0	2.7	6.7	0.0	0.0
26	Kozhikode UA	KERALA	**13**	67.7	66.9	9.0	9.0	17.0	8.5	13.5	5.4	6.6	6.0	3.7	7.3	2.2	5.5	8.0	10.0	5.1	8.5	2.7	6.7	0.0	0.0
54	Jaipur (M Corp.)	RAJASTHAN	**14**	66.1	64.0	6.0	6.0	15.5	7.8	19.0	7.6	5.5	5.0	4.5	9.0	2.8	7.0	3.6	4.5	5.1	8.5	2.7	6.7	1.4	2.0
32	Indore UA	MADHYA PRADESH	**15**	65.6	61.6	6.7	6.7	15.0	7.5	21.0	8.4	5.9	5.3	3.8	7.7	3.0	7.5	2.8	3.5	4.2	7.0	3.2	8.0	0.0	0.0
66	Noida (CT)	UTTAR PRADESH	**16**	64.8	59.5	4.3	4.3	19.0	9.5	17.5	7.0	4.8	4.3	2.5	5.0	2.8	7.0	2.4	3.0	2.4	4.0	2.1	5.3	7.0	10.0
9	Ahmadabad UA	GUJARAT	**17**	64.5	64.1	8.0	8.0	15.5	7.8	17.0	6.8	6.2	5.7	4.7	9.3	2.8	7.0	1.6	2.0	5.1	8.5	3.6	9.0	0.0	0.0
70	**KOLKATA UA**	WEST BENGAL	**18**	64.4	68.8	5.0	5.0	6.5	3.3	19.5	7.8	6.8	6.2	4.5	9.0	2.8	7.0	8.0	10.0	5.7	9.5	2.8	7.0	2.8	4.0
11	Surat UA	GUJARAT	**19**	63.7	61.1	8.3	8.3	17.5	8.8	14.5	5.8	6.6	6.0	2.5	5.0	2.4	6.0	2.8	3.5	4.2	7.0	3.5	8.7	1.4	2.0
27	Malappuram UA	KERALA	**20**	63.5	60.7	8.7	8.7	20.0	10.0	10.0	4.0	6.2	5.7	2.0	4.0	2.2	5.5	8.0	10.0	3.9	6.5	2.5	6.3	0.0	0.0
41	Nashik UA	MAHARASHTRA	**21**	63.3	63.5	7.3	7.3	14.0	7.0	13.0	5.2	7.3	6.7	3.5	7.0	1.8	4.5	6.0	7.5	3.6	6.0	2.5	6.3	4.2	6.0
57	Coimbatore UA	TAMIL NADU	**22**	61.5	61.4	8.7	8.7	12.0	6.0	16.0	6.4	5.9	5.3	3.8	7.7	2.2	5.5	5.2	6.5	4.8	8.0	2.9	7.3	0.0	0.0
1	GVMC (MC)	ANDHRA PRADESH	**23**	61.4	61.5	5.7	5.7	11.5	5.8	19.0	7.6	4.0	3.6	4.3	8.7	3.2	8.0	6.4	8.0	5.1	8.5	2.3	5.7	0.0	0.0
35	Aurangabad UA	MAHARASHTRA	**24**	61.1	55.6	6.3	6.3	16.7	8.3	16.5	6.6	5.5	5.0	3.5	7.0	2.0	5.0	5.2	6.5	3.3	5.5	2.1	5.3	0.0	0.0
25	Kollam UA	KERALA	**25**	61.0	62.7	8.0	8.0	16.0	8.0	10.0	4.0	5.9	5.3	4.0	8.0	2.6	6.5	7.6	9.5	4.8	8.0	2.1	5.3	0.0	0.0
13	Faridabad (M Corp.)	HARYANA	**26**	61.0	58.4	5.7	5.7	14.5	7.3	16.5	6.6	5.1	4.7	3.0	6.0	2.4	6.0	1.6	2.0	3.3	5.5	1.9	4.7	7.0	10.0
49	Puducherry UA	PUDUCHERRY	**27**	60.4	58.9	5.7	5.7	11.5	5.8	17.0	6.8	4.8	4.3	3.7	7.3	2.8	7.0	7.2	9.0	2.4	4.0	1.2	3.0	4.2	6.0
23	Kannur UA	KERALA	**28**	60.2	61.2	8.7	8.7	16.7	8.3	8.0	3.2	6.6	6.0	3.5	7.0	1.6	4.0	8.0	10.0	4.8	8.0	2.4	6.0	0.0	0.0
6	Chandigarh UA	CHANDIGARH	**29**	59.2	52.7	6.3	6.3	12.0	6.0	23.5	9.4	3.3	3.0	3.2	6.3	4.0	10.0	1.6	2.0	2.4	4.0	1.5	3.7	1.4	2.0
3	Vijayawada UA	ANDHRA PRADESH	**30**	58.1	59.7	6.3	6.3	13.0	6.5	13.5	5.4	5.1	4.7	4.0	8.0	2.2	5.5	4.8	6.0	4.8	8.0	2.9	7.3	1.4	2.0
8	Raipur UA	CHHATTISGARH	**31**	57.6	49.5	5.3	5.3	18.0	9.0	17.5	7.0	5.1	4.7	3.0	6.0	2.2	5.5	2.4	3.0	1.2	2.0	2.8	7.0	0.0	0.0