

# **Economic OVERVIEW of USA**

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## **Employees with 500+ (2007)** – Source US Census Bureau

Firms	18,311	(03%)
Establishments	1,158,795	15%
Paid Employees	60,737,341	- 50%
Total Payroll US\$	2,821,940,511,000 (US\$ 2.8 Trillion) -	56%
Sales/ Receipts US\$	18,366,661,220,000 (US\$ 18.3 Trillion)	60%

### **Possible Conclusions:**

**1) USA is a country with High level of Economic Activity – This is their primary focus. There are not only a large number of Incorporated companies but many more of Individuals and Establishments who carry on Economic activity.**

**2) Almost 25% of the population works for large organized companies being on payroll.**

**This is why “Employment” is such a big issue.**

**Because - it is there in very household or neighborhood.**

**3) The Volume of Business is very large – both in terms of Sales receipts and payroll. They have lots of cash to invest (in terms of Indian Rupees). It is not difficult to find a US JV partner as far as numbers go. And More..and more...**

# **MAJOR US MARKETS**

(for discussion purposes)

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## **Group A) Current Favorites**

- 1) **Insurance & Finance**
- 2) **Health & Pharma**
- 3) **IT & Software (including Internet)**

## **Group B: Backbone in Production in 19<sup>th</sup> Century (1800 onwards)**

- 4) **Agriculture & Food processing**
- 5) **Mining (Incl coal & oil) & Chemicals  
(including Petrochemicals)**
- 6) **Power Generation & Distribution Equipments  
(including Nuclear & Non-fossil)**

## **Group C: Leadership 1<sup>st</sup> half of 20<sup>th</sup> Century in Connectivity**

- 7) **Transportation**
- 8) **Infrastructure**
- 9) **Telecommunications  
(Telegraph-Telex-Fax-Microwave-Mobile- Internet-  
satellite)**

## **Group D: Cutting Edge Cash Business in 2<sup>nd</sup> Half of 20<sup>th</sup> Century**

- 10) **Media & Entertainment (9)**
- 11) **Higher Education & Research**
- 12) **Military Hardware**

### **Possible Conclusions:**

**USA is a country that is more than 3 times bigger in area  
than India, with less than one third of our population.**

**So the arithmetic difference between our 2 countries is**

**Almost 10 times in terms of individual advantage.**

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# INSURANCE

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**About 1000 Life Insurance cos in USA (down fm 2225 in year 1988). Average Life expectancy is 82 years.  
Mutual Life Insurance Assets – US\$ 5 Trillion  
Stock Life Insurance Assets - US\$ 14 Trillion**

- **The Indian Insurance industry consists of a total of 34 players**
  - **Life: 1 public sector player; 16 private players**
  - **Non-life: 6 public sector players; 11 private players**

**Total Indian Annual Premium (Life + non Life) US\$ 22 billion (2007)**  
**US Insurance sector income in 2007 was US\$ 1,629 billion**  
**(74 times more)**

## BANKING

- 1      Number of USA Banks reporting      6676  
(as of 30 June 2010)
  
- 2      **Total assets**      US\$ 11,969,016,625,000  
(US\$ 12 Trillion)
  
- 3      3737 banks (56%)  
Are banks having assets from      9% assets  
US\$ 100M to US\$ 1 B
  
4.      505 Banks (8%)      90% of assets
  
5. **At the end of 2009, the Big Four U.S. banks - Citigroup, JPMorgan Chase, Bank of America and Wells Fargo - held 39 percent of all deposits in FDIC-insured institutions.**

**Total Indian banking assets expected  
to grow to US\$1 trillion by 2010**

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## POWER GENERATION AND DISTRIBUTION

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**USA Installed capacity – 1,170 Gigawatts 720**

**China Installed capacity – 874 Gigawatts 540**

**India Installed capacity – 162 Gigawatts 100**

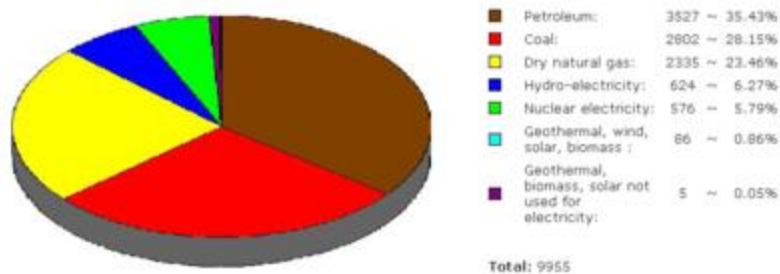
**Table 1: Share of Infrastructure Spending for U.S. Electric Utilities by Power and Energy Sub-Sector, 2008**

### Power and Energy Sub-Sector Share of Infrastructure Spending

Generation	35.9%
<b>Distribution</b>	<b>24.5%</b>
Environment	14.4%
<b>Transmission</b>	<b>11.7%</b>
Other (Including Gas)	13.5%

Source: Edison Electric Institute

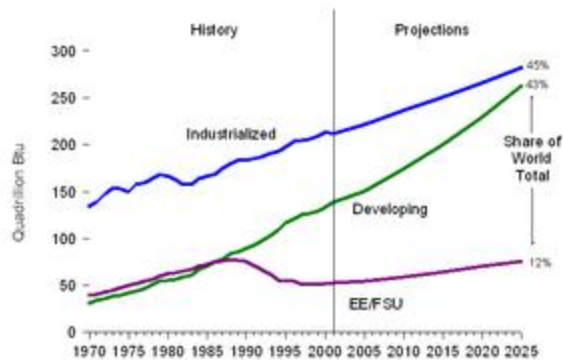
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### **Schematic of the current sources of global energy.**

**Scientists have advanced a plan to power 100% of the world's energy with [wind](#), [hydroelectric](#), and [solar power](#) by the year 2030,**

### World Marketed Energy Consumption by Region, 1970-2025



Source: EIA, *International Energy Outlook 2004*

An increasing share of world energy consumption is predicted to be used by developing nations. Source: EIA.

Ever since the beginning of the [Industrial Revolution](#), the question of the future of energy supplies has occupied economists.

- 1865 — [William Stanley Jevons](#) published *The Coal Question* in which he claimed that reserves of coal would soon be exhausted and that there was no prospect of oil being an effective replacement.
- 1885 — [U.S. Geological Survey](#): Little or no chance of oil in [California](#).
- 1891 — [U.S. Geological Survey](#): Little or no chance of oil in [Kansas](#) or [Texas](#).
- 1914 — [U.S. Bureau of Mines](#): Total future production of 5.7 billion barrels (910,000,000 m<sup>3</sup>).
- 1939 — U.S. Department of the Interior: Reserves to last only 13 years.
- 1951 — U.S. Department of the Interior, Oil and Gas Division: Reserves to last 13 years.

(Data from Kahn *et al.* (1976) pp. 94–5 *infra*)

- 1956 — Geophysicist [M. King Hubbert](#) predicts U.S. oil production will peak between 1965 and 1970 (peaked in 1971). Also predicts world oil production will peak "within half a century" on the basis of 1956 data. This is [Hubbert peak theory](#).
- 1989 — Predicted peak by [Colin Campbell](#) ("Oil Price Leap in the Early Nineties," *Noroil*, December 1989, pages 35–38.)
- 2004 — OPEC estimates it will nearly double oil output by 2025 (Opec Oil Outlook to 2025 Table 4, Page 12)rashi

# NAIC

## SYSTEM OF CLASSIFICATION OF COMPANIES & BUSINESS

**The North American Industry Classification System (NAICS) is the standard used by Federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy.**

**NAICS** (pronounced Nakes) was developed under the auspices of the Office of Management and Budget (OMB), and adopted in 1997 to replace the (SIC) system.

## USA BUSINESS VOLUME BY DIFFERENT MAJOR SECTORS

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**Sales/Receipts of about US\$ 30 Trillion per year (2007)**

<b>S No</b>	<b>NAIC (Main)</b>	<b>NAIC (No of Sub Cat)</b>	<b>Major Classifications © Chavi IT Services Pvt Ltd. <a href="http://www.chaviit.com">www.chaviit.com</a></b>	<b>Sales/ Receipts In US\$ Billions (2007)</b>	<b>% Of Total</b>
1	21		<b>Mining</b>	<b>396</b>	<b>1.3</b>
2	22		<b>Utilities</b>	<b>574</b>	<b>1.9</b>
3	23		<b>Construction</b>	<b>1,711</b>	<b>5.8</b>
4	31-33		<b>Manufacturing</b>	<b>5,292</b>	<b>17.8</b>
5	e.g.	336	<b>Transport Equipments Manufacturing</b>	<b>730</b>	<b>2.5</b>
6	<b>Sub Total A</b>		<b>(Rows 1-4) Materials Intensive</b>	<b>7,973</b>	<b>26.8</b>
7	42		<b>Wholesale</b>	<b>5,986</b>	<b>20.1</b>
8	44-45		<b>Retail Work</b>	<b>3,966</b>	<b>13.3</b>
9	e.g.	452	<b>General Merchandize Stores</b>	<b>593</b>	<b>2.0</b>
10	48-49		<b>Transport &amp; Warehousing</b>	<b>694</b>	<b>2.3</b>
11	<b>Sub Total B</b>		<b>(Rows 7,8 &amp; 10) Materials Transactions</b>	<b>10,646</b>	<b>35.8</b>
12	<b>Sub Total A+B</b>		<b>Materials Economy</b>	<b>18,619</b>	<b>62.6</b>
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<b>13</b>	<b>51</b>		<b>Information</b>	<b>1,061</b>	<b>3.6</b>
<b>14</b>	<b>E.g.</b> <b>(employs</b> <b>346,000)</b>	<b>5112</b>	<b>Software</b> <b>Publishers</b>	<b>126</b>	<b>0.4</b>
<b>15</b>	<b>52</b>		<b>Insurance &amp;</b> <b>Finance</b>	<b>3,703</b>	<b>12.5</b>
<b>16</b>	<b>E.g.</b>	<b>522</b>	<b>Credit Intermediation</b>	<b>1,349</b>	<b>4.5</b>
<b>17</b>	<b>E.g.</b>	<b>52211</b>	<b>Commercial Banking</b>	<b>624</b>	<b>2.1</b>
<b>18</b>	<b>E.g.</b>	<b>523</b>	<b>New Financial services</b> Securities& commodities contracts, Intermediation & Brokerage	<b>659</b>	<b>2.2</b>
<b>19</b>	<b>E.g.</b>	<b>524</b>	<b>Insurance</b>	<b>1,629</b>	<b>5.5</b>
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<b>20</b>	<b>53</b>		<b>Real Estate, Rentals</b> <b>&amp; Lease</b>	<b>462</b>	<b>1.6</b>
<b>21</b>	<b>54</b>		<b>Scientific, Prof &amp; Tech</b> <b>Services</b>	<b>1,370</b>	<b>4.6</b>
<b>22</b>	<b>E.g.</b>	<b>5418</b>	<b>Advertising</b>	<b>83</b>	<b>0.3</b>
<b>23</b>	<b>55</b>		<b>Management Services</b>	<b>508</b>	<b>1.7</b>
<b>24</b>	<b>61</b>		<b>Education</b>	<b>284</b>	<b>1.0</b>
<b>25</b>	<b>62</b>		<b>Health Care</b>	<b>1,679</b>	<b>5.6</b>
<b>26</b>	<b>71</b>		<b>Arts</b>	<b>196</b>	<b>0.7</b>
<b>27</b>	<b>72</b>		<b>Accommodation</b> <b>&amp; Food</b>	<b>610</b>	<b>2.1</b>
<b>28</b>	<b>81</b>		<b>Other Services</b>	<b>577</b>	<b>1.9</b>
<b>29</b>	<b>E.g.</b>	<b>813110</b>	<b>Religious</b>	<b>120</b>	<b>0.4</b>
<b>30</b>	<b>Sub</b> <b>Total C</b>		<b>Services</b> <b>(non Materials)</b>	<b>10,450</b>	<b>35.1</b>
<b>31</b>	<b>Grand</b> <b>Total</b>		<b>All Categories</b> © <b>Chavi IT Services Pvt</b> <b>Ltd.</b> <a href="http://www.chaviit.com">www.chaviit.com</a>	<b>29,747</b>	<b>100.0</b>

END of Slides