

# Salary Increment - 2021



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## 1 Indian Economy and Business Outlook

In 2020, we have seen an unparalleled damage across major world economies due to the earlier economic slowdown and then Covid-19 pandemic. The outbreak & spread of Covid-19 pandemic with distressing speed after infecting millions, resulted in lockdown restrictions and bringing economic activity to a standstill across the globe. Advanced economies such as United States, Germany, France, Italy, Spain, Japan, United Kingdom, Canada and China also slowed down due to this crisis.

The global economy is rebounding from the depths to which it had plunged during the lockdown. Amidst exceptional uncertainty, the global economy is projected to grow 5.5 percent in 2021 against the global contraction of -3.5 percent in 2020. This increased growth is projected to vary significantly across countries due to effectiveness of policy support, medical interventions and other structural characteristics.

Unlike other emerging economies, the Indian economy too has shown resilience after experiencing a contraction of around 8 percent in 2020. However, as per economist's Indian economy will be the only major economy to register a double-digit growth of 11.5 percent in 2021 followed by China.

On the macroeconomic front, India is doing good, but inflationary pressure is high under the shadow of the pandemic due, government levied taxes, supply chain disruptions, availability of labour, high tariffs on some imported commodities and larger than adequate liquidity in the system.

Owing to the strict lockdown, India's GDP for the April ~ June quarter (Q1) slipped by a sharp 23.9 percent whereas the GDP had expanded 5.2 percent in the same quarter of FY19. As per the data released by National Statistical Office, excepting agriculture all other key sectors witnessed a drop, with construction 50.3 percent, manufacturing 39.3 percent, electricity, gas, water supply and other utility services dropped 7 percent, trade, hotels, transport, communication and services related to broadcasting slipped 47 percent.

However, July ~ September quarter (Q2) saw a significant improvement with a GDP contraction of 7.5 percent only. Further with the management of Covid-19 pandemic and gradual unlock, the macroeconomic situation started improving in October ~ December (Q3) with a GDP contraction of 4.7 percent only. With the significant rebound in sectors like manufacturing, construction, trade, hotels, transport, communication & services related to broadcasting, GDP clocked a lower contraction.

Studies have suggested that a series of positive aspects helping India get out of negative trajectory are - transitioning of liquidity and cash to support investment and consumption, expenditure in Pradhan Mantri Garib Kalyan Package (PMGKP) to invest expenditure in Atmanirbhar 2.0 and 3.0.

With the anticipation of various vaccines being widely available, has raised hopes of gradual recovery in 2021. India needs bold reforms and export competitiveness to grow at 7~8 percent on a sustained basis. Looking at the targeted growth, the journey ahead remains long and difficult. The collapse in employment has partially reversed, but large number of people still remain unemployed. A determined policy is required to achieve a stronger, sustainable and inclusive economy. With various schemes in place, the government needs to maintain spending to strengthen public health, support especially the young & vulnerable, help hard hit firms and rebuild an economy that works for everyone.



2

## Annual Salary Increment Study - 2021

With all the challenges and uncertainties, the COVID-19 pandemic has brought in our lives in 2020 and with the hope of brighter 2021, we at Omam Consultants tried to capture the mood of the market on the projected salary increment and are pleased to present the result of increment cum industry trend for the year 2021 in the form of a report covering 100+ organizations across various industries.

This report provides references for key trends, inter-alia covering - projected salary increment, actual attrition and emerging HR practices and other related information across industries. The aim of this study is to help the companies in planning their compensation budgets.

We at Omam Consultants, have been suggesting that organizations should pay employees fairly after a well thought “pay policy” & the rationale for level/ function specific increases/ corrections and our detailed Compensation Benchmarking studies are handy for such interventions.

### Methodology



#### Planning & Understanding

- Identify and define objectives
- Identify industry and the companies to be covered
- Finalise key parameters of the study



#### Data Collection & Validation

- Questionnaire design - to have structured inputs from the selected benchmark companies
- Data collection - capture & understand data from benchmark companies
- Data collation



#### Data Collection & Validation

- Study data of each benchmark company & revalidate
- Survey analysis
- Report generation

**Note :** The study captures and analyses the increment cum HR trends across 16 sectors

### 3 Key Findings



#### Average Salary Increment – 7.2%

- The overall average annual increment for 2021 is projected at 7.2%
- E-commerce, Chemical, Pharma & FMCG sectors reporting highest increase of 8.5%, and
- Real Estate/ Infrastructure and Core sector showing lowest increase of 5.5% and 6.0%



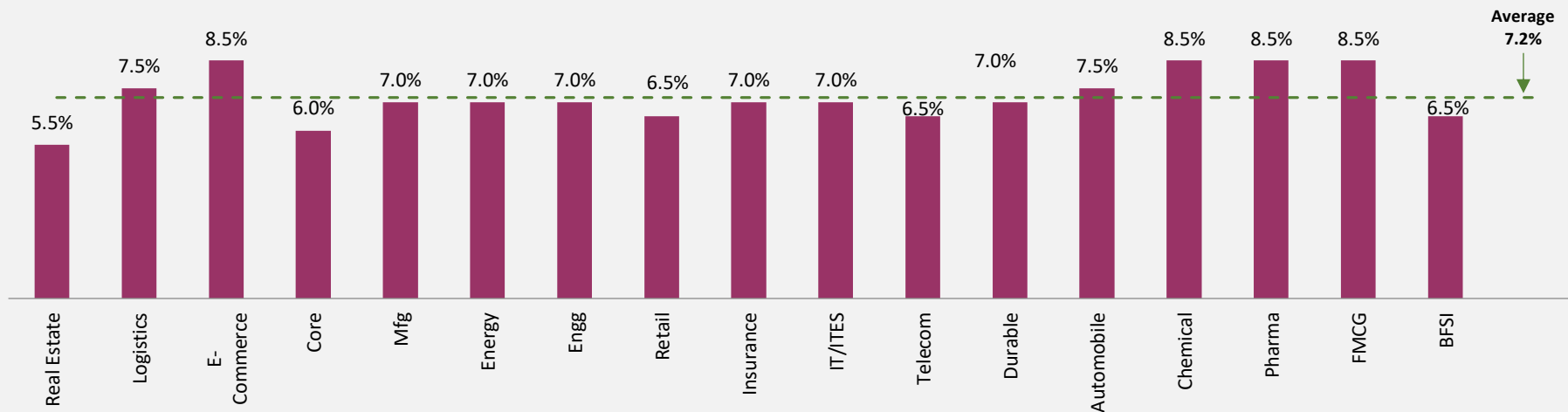
#### Average Annual Attrition - 12%

- Manufacturing and Automobile sector showing the lowest attrition of 6.0% & 6.2%
- Insurance, Retails and Banking and Financial Services sector reporting the highest attrition of 18% & 17.0%

## 4 Overview – Envisaged Salary Increment 2021

The overall average annual increment for year 2021 is projected at 7.2 percent, around 2 percent lower than the average increment for FY year 2019 (year 2019 reported actual increase of 9.2 percent) and 1.4% higher than the last year i.e., 2020 (year 2020 reported actual increase of 5.8 percent) which is considered to be an exceptional year due to the pandemic.

For the year 2021, the highest salary increases of 8.5% is being projected in the E-Commerce, Chemical, Pharma and FMCG sectors while the lowest increase is envisaged for Real Estate (5.5%) followed by Core sector (6.0%).



## 5 Overview – Attrition Rate 2021

The overall average attrition rate is reported as 12.1 percent.

Insurance, Retail and Banking & Financial Services sectors reported the highest attrition rate of 18 & 17 percent respectively whereas Automobile, Core & Manufacturing sectors reported the lowest average attrition of 6.5 & 7 percent respectively.

Telecom	Retail	Real Estate/Infra	Pharma	Mfg	Logistics	IT / ITES	Insurance	FMCG	Engg	Energy	E-Commerce	Durable	Core	Chemical	Bnkg & Financial Services	Automobile	Average
14.0%	17.0%	7.0%	15.0%	6.0%	15.0%	15.0%	18.0%	15.0%	7.5%	7.5%	15.0%	12.0%	7.0%	11.0%	17.0%	6.2%	12.1%

6 HR Trends 2021



Hybrid Workplace - Remote & Office Working



Acing Analytics



Employee Wellbeing



Skill Upgradation



Diversity, Equity and Inclusion

## 7 Industry Overview

### AUTOMOTIVE

The Automobile sector of India has been battling by an unprecedented slowdown before the Covid pandemic, and the pliability was tested severely when the nation-wide lockdown was announced. But the negative impact and pandemic led to a metamorphosis within the sector such as investments made for transition from BS-IV to BS-VI, liquidity crunch, lack of policy on electrification of vehicles. Delayed/ No increments were given looking at the sensitivity of the situation that employees will face. In fact, when the migrant labourers headed back to their villages, there was shortage of temporary workers in the industry hindering the capacity building in the industry. In spite of all the downturn, auto sector has emerged as the fourth largest automobile market in the world. In order to overcome the unprecedented slowdown, companies in the auto industry embraced digitization to adapt to the new norm of serving customers, and concentrating on financial health by reducing costs and generating free cash flows. The growth trajectory has started with positive sales of Passenger vehicles, Tractors, and Commercial vehicles since the beginning of 2021 amid rise in personal mobility preference. The Budget 2021 has raised hopes in auto industry by introducing “Vehicle Scrappage” Policy to revive demand in this sector. The Indian auto sector is prudently looking forward to 2021, with the hope of performing well after the post Covid era, although a lot will depend on the performance of the economy.

#### Key Benefits/ Opportunities

- Government initiatives such as “Make in India, Automotive Mission Plan 2026 (AMP) with the aim to create 65 million jobs
- Reduction of tax on new vehicles, higher incentives for electric vehicles under the Government’s “Faster Adoption and Manufacturing Electric Vehicles”(FAME) policy
- Huge opportunity for creating sizeable market segments through innovation

6.2%  
Average Annual  
Attrition

7.5%  
Envisaged Salary  
Increase

### BANKING & FINANCIAL SERVICE

The banking and financial services sector which is one of the drivers of growth of economy has been one of the worst effected sectors since the beginning of the pandemic because of the operational considerations and the business continuity during the lockdown and further. However, the government and the regulators have responded by providing stimulus package with several measures to shore liquidity, and provide endurance on several financial and compliance commitments. In spite of the setbacks, the banking and financial sector has brought in major changes in terms of accessibility, regulatory norms, digitization, and government support. Financial institutions have taken measures such as reduced in-person interactions, downsize operations, and support to retail and institutional customers.

#### Performance Highlights

- India recorded foreign exchange reserves of approximately US\$ 579.35 billion as of December 2020.
- The total number of ATM’s increased to 209,110 as on August 2020
- Loan-to-Deposit ratio for banks across sectors has increased over the years
- Digital lending to micro, small and medium enterprises (MSME’s) in India is expected to reach US\$ 100 billion by 2023
- Mutual Fund industry Assets Under Management grew to Rs 28.22 lakh Crore in October 2020

#### Key Benefits/ Opportunities

- Strong growth in savings amid rising disposable income
- Significant growth in private sector lending
- Mainstreaming of hybrid banking
- Digital assistants, social media and third party channels are projected to act as primary channels for banking

17.0%  
Average Annual  
Attrition

6.5%  
Envisaged Salary  
Increase



## CHEMICAL

The Indian chemical industry is the sixth largest in the world and has witnessed strong growth and momentum in the last couple of years. Over the past couple of decades, the Chemical industry has consistently delivered higher growth when compared to India’s GDP and therefore remains optimistic for its revival in the post Covid era. Since the industry contributes to many other industries, therefore Covid was a boon for this sector as the chemical companies contributed for wide range of products required for the production of sanitizers, disinfectants, test kits etc. apart from supporting the pharma industry in key ingredients and packaging materials. Also, the government’s production linked incentive scheme and push for “Atmanirbhar Bharat” will continue to create demand for the industry as it spans across most sectors.

### Performance Highlights

- The FDI inflow in the chemical sector reached US\$ 17.77 billion between April 2000 to June 2020
- The petrochemical demand is expected to grow at a CAGR of 7.5 percent from FY2019~23
- The agrochemical market is expected to grow at a CAGR of 8 percent reaching 3.7 billion by FY22
- The speciality chemical demand is expected to grow at a CAGR of 12 percent from FY2019~22

## CORE

The eight core industries comprising of – coal, crude oil, natural gas, steel, cement, electricity, fertilizer and refinery products are the essential basic and/ or intermediate ingredient in the functioning of the broader economy. If these eight industries are not growing fast enough, the rest of the economy will underperform. All the eight core industries declined massively due to Covid-19. Only the Fertilizer industry grew 7.5 percent in May.

The output of eight core industries declined by 10.1 percent against a growth rate of 0.6 percent in the same period of the previous year. The output of crude oil, natural gas, refinery products, fertilizer, steel and cement declined by 3.6 percent, 7.2 percent, 2.8 percent, 2.9 percent, 2.7 percent and 9.7 percent respectively. Barring coal and electricity, all sectors recorded negative growth in December 2020. Production of Coal and Electricity increased by 2.2 percent and 4.2 percent in December 2020.

Budget 2021 is geared towards reviving core industries.

### Key Benefits/ Opportunities

- Growing demand due to shift in production & consumption towards Asian and Southeast Asian countries as well as shift in consumer preference towards environment-friendly products
- Indian government’s National Chemical Policy with a vision to increase the chemical sector’s share to 6 percent GDP within 10 years

11.0%  
Average Annual  
Attrition

8.5%  
Envisaged Salary  
Increase

### Key Benefits/ Opportunities

- Government and other infrastructural investments
- Entry of foreign players

7.0%  
Average Annual  
Attrition

6.0%  
Envisaged Salary  
Increase

## DURABLE

Indian consumer durable industry has evolved from a closed market to a liberalized market driven by growing demand, policy support and increased investments. While the year 2020 was challenged by pandemic, it also opened doors for opportunities and innovation in India. Consumer centricity took center stage as the white goods industry came up with new technologies for purification and sanitization, which is the new normal.

Rural electrification, more stable disposable incomes, work from home policies, and the government’s production linked incentive schemes are likely to be the growth drivers of the industry. However, the appliances and consumer electronics industry lost around 25 percent of annual sales in the Covid-hit 2020, it is expects to repossess in the year 2021 through digital initiatives, automation, emerging trends in consumer behaviour as well as the impetus to ramp up domestic manufacturing activities.

With gigantic opportunities, the industry is required to keep a close watch on evolving consumer needs, to drive product innovation and truly thrive in the post-pandemic world.

### Key Benefits/ Opportunities

- Rise in domestic production will help the country to reduce trade deficit, lower import dependency and encourage further adoption of the government’s “Make in India” to become self-reliant
- Growing luxury market with the expansion of new segments, production and distribution facilities in India
- Growing awareness, easier access, and changing lifestyle
- Increased affordability of products
- Support of policies such as National Electronics Mission and Digitization of television

12.0%  
Average Annual  
Attrition

7.0%  
Envisaged Salary  
Increase

## E-COMMERCE

Over the years, E-commerce is one such sector which has undergone various business transformations in all aspects due to internet penetration, smartphone adoption and category expansion. In spite of the pandemic, the Indian E-commerce industry has significantly progressed. During the initial phase of lockdown, depressed consumer spending, an economic slowdown and uncertainty kept the industry from growing at a brisk pace. E-commerce sales grew 7 to 8 percent in 2020, but is expecting significant growth in 2021 as the consumers’ safety and convenience became a priority, and with people not comfortable stepping out of their houses is paving way for online shopping in all categories.

Online grocery, e-pharmacy, social commerce and direct-to-consumer are the segments that are expected to see a bulk of the action in 2021. The growth in e-commerce will drive allied industries such as logistics, supply chain, agri-tech and omni channel solutions.

### Key Benefits/ Opportunities

- Investments by the Government in rolling out fibre network for 5G
- Favourable FDI policy, domestic investment
- Government and private initiatives such as Umang, Start-up India Portal, Bharat Interface for Money (BHIM) to boost digitization
- Mobile commerce – online retailers’ growing reach in town and cities beyond metros is driven by an increased usage of mobile internet
- Growth of logistics and warehouses

15.0%  
Average Annual  
Attrition

8.5%  
Envisaged Salary  
Increase

## ENERGY

India is a major force in the global energy economy. Since 2000, energy consumption has doubled due to growing population, rising income and improving standards of living.

Supply and Consumption underwent a significant change in the past few years and the pandemic has acted as a catalyst towards the energy transition taking place in India. While the sector has been undergoing modernization over the last few years, the pandemic accentuated the need of accelerated technological upgradation.

Country's energy demand fell by 5 percent in 2020. However, pondering back at 2020, it brought a culture of innovation, government's massive stimulus package and various incentives & initiatives for connected segments such as EVs and green energy. Recent budgetary measures support the ambitious energy transition announced by our PM, including the renewable energy target of 450 GW by 2030. Industrial expansion, growing per-capita incomes are resulting to growth in power demand. In the days to come greater focus will be on grid digitization, energy efficiency, transport electrification besides system integration, interconnections and discom viability.

## ENGINEERING

The Indian Engineering sector is one of the largest contributors to India's total merchandise exports and 2.5 percent to India's GDP. Engineering sector is driven by capacity creation in sectors such as infrastructure, power, mining, oil & gas, refinery, steel and consumer durable.

Undoubtedly, the Indian engineering sector has witnessed unprecedented growth over the last few years driven by increased investments in infrastructure and industrial production. The sector was already stumbling from lack of capital, credit avenues to insolvencies, frauds and regulatory burden and then coupled by Covid-19 pandemic.

Heavy and Light engineering sector, the two major segments of engineering sector are capital intensive and play a strategic role to the Indian economy. India has made significant progress towards the development of engineering sector. Rising competition, entry of foreign players due to 100 percent FDI allowed through automatic route, technology, diversification, elimination of tariff on capital goods and reduction of customs duty on a range of engineering equipment are opportunities to generate US\$ 300 billion in the next five years.

### Key Benefits/ Opportunities

- Energy efficient reforms – payment security mechanism, power-cut penalization, electricity amendment bill
- Strong demand fundamentals, policy support and increasing government focus on infrastructure
- Various government reforms – UDAY, Power to All, UJALA to positively impact India's power sector
- Reform linked financial package of more than Rs 3 lakh crore for discom infrastructure upgrade

7.5%  
Average Annual  
Attrition

7.0%  
Envisaged Salary  
Increase

### Key Benefits/ Opportunities

- Government's National Policy on Capital Goods to double production of capital goods and employment opportunities
- Expansion of Nuclear capacity
- Government approved "Production Incentive Scheme" for large scale manufacturing of electronics
- Department of Heavy Industry approved four centres of excellence in textile machinery, machine tools, welding technology and smart pumps to enhance competitiveness in India's capital goods industry
- Successful launch of "Atmanirbhar Skilled Employee Employer mapping (ASEEM)" portal to help skilled individuals find sustainable livelihood opportunities
- Government has approved 15 SEZ's to boost the sector

7.0%  
Average Annual  
Attrition

7.5%  
Envisaged Salary  
Increase

### FMCG

FMCG is one such sector which has converted the Covid-19 threat into an opportunity. Covid has given an impetus to FMCG sector. The composition of the consumption basket has changed due to Covid and some of these changes will be permanent than others. Mostly, FMCG market has grown at a faster pace in rural India compared to urban India. Increased buying of health and hygiene products have been the key drivers of growth for many of the FMCG companies.

In this fiscal year another factor to watch out for will be cost and profitability. The market is more confident and optimistic and the Companies will continue to align their product portfolio in line with the new normal and work on increasing penetration.

- India’s FMCG sector has maintained itself to be the 4th largest sector in the Indian economy characterized by high turnover consumer packaged goods.
- The semi-urban and rural segments contribute over 40% of the overall revenue of the FMCG sector in India
- E-commerce is expected to contribute to about 11% of FMCG sales by 2030
- Packaged food market in India is expected to be USD 70 billion by 2025

### INSURANCE

The insurance sector has become a vital part of the new reality of the economy. Like every other industry, the insurance industry has taken a major hit during this pandemic but the future prospects of the industry seem hopeful. Insurance market plays a pivotal role during times of economic stress by helping companies manage risk more effectively. Insurance industry is dependent on other industries, hence unless the economy bounces back or finds business in uncovered areas, the industry is likely to struggle in maintaining its momentum.

The insurance industry is critical to the economic development and growth of the country. Budget 2021 has notched in measures to ease the problems of insufficient capital, depressed insurance penetration and density rates and dominance of public sector insurers. On a positive front, increased FDI of 74 percent in this sector will raise additional funds to ensure solvency is maintained. Along with FDI, liberalization of the sector, coupled with privatization, future plan of formulation of insurance schemes for migrant workforce could change the face of insurance in India.

#### Key Benefits/ Opportunities

- Increased demand of branded products in rural India
- Growing young population and their lifestyle due to time constraints
- Substantial shift towards online and e-commerce
- Digitization in factories and in distribution
- Increased levels of brand consciousness
- Introduction of nature-based products in personal care and food segment
- Increased penetration, increased propensity of consumers towards more credible, transparent, trustworthy, and scientifically better modulated brands

15.0%  
Average Annual  
Attrition

8.5%  
Envisaged Salary  
Increase

#### Key Benefits/ Opportunities

- Change in business models, launch of innovative product offerings, emergence of distribution channels and growing market share of private players
- Growing awareness of the need for protection and retirement planning
- Increased use of internet has pushed demand
- Untapped low-income areas
- Successful enrolments under the various Government launched schemes

18.0%  
Average Annual  
Attrition

7.0%  
Envisaged Salary  
Increase

### IT/ ITES

Though India is the biggest IT capital of the modern world, yet the industry experienced slow growth as most the major IT players at the frontline faced insufficient demand from clients in the US and Europe during the Covid pandemic. Covid has changed the dynamics of IT industry; on one side the industry witnessed pressure on new contracts & pricing and on the other side outsourcing is anticipated to increase with the new normal of remote working.

Amidst all challenges, major IT transformations such as cloud computing, automation, social media and data analytics have taken place in banking, financial services & insurance, government verticals, manufacturing, retail, healthcare and education sectors.

Spending on information technology, outsourcing of large technology contracts by clients, growth of cloud markets, digital economy, artificial intelligence are growth accelerators for the Indian IT industry.

- India’s IT & ITeS industry grew to US\$ 191 billion in FY20
- Around 205,000 jobs were added in FY20
- India’s IT sector is projected to reach US\$ 100 billion by 2025
- The sector ranked second in FDI inflows and 48<sup>th</sup> at the 2020 edition of the Global Innovation Index

### LOGISTICS

The logistics industry performs one of the most vital services of the modern globalized and interconnected world. In the current economic scenario, cheap broadband, easy access to cutting edging technology and the rising demand from customers have hurled the logistics sector to become one of the fastest growing in the world. The industry was hit hard during lockdown due to no or restricted movement of goods and backlogs. Although the pandemic has given a significant blow to the industry inducing supply chain disruptions but it has recovered impressively.

The challenges experienced by the sector during the pandemic has highlighted the urgent need for building a stronger and more relevant infrastructure that can not only withstand the unexpected disruptions of this scale but is also agile enough to help adopt and bounce back to efficiency almost immediately in the face of future conflicts. With new goals and opportunities envisioned by the government to make India Atmanirbhar Bharat, there is an urgent need to identify and address the existing vulnerabilities at the core of Logistics and Supply chain networks that are the backbone of a strong economy. Improving India’s transportation modal-mix has been on Government’s top agenda.

#### Key Benefits/ Opportunities

- Strategic alliances between domestic and international players to deliver solutions across the globe
- Growing demand for export from new verticals, growing urban infrastructure and expanding economy to propel growth
- Cheap labour, affordable real estate, favourable government regulations, tax breaks and SEZ schemes
- Emergence of IT companies in Tier 2 and Tier 3 cities due to low-cost advantage

15.0%  
Average Annual  
Attrition

7.0%  
Envisaged Salary  
Increase

#### Key Benefits/ Opportunities

- Adoption of top-notch technology by logistics players to enhance operational efficiency and optimize cost and time
- Government plans to launch multi-modal transportation plan to ease business in logistics sector
- Entry of foreign players will also boost the logistics sector
- Expenditure on investment in logistics, including infrastructure will tough US\$ 500 billion by 2025.
- Green logistics is going to be the key aspect of the supply chain evolution in the year 2021
- Warehouse automation and Artificial Intelligence
- Tier 2 and Tier 3 cities will gain momentum due to the consumption driven demand

15.0%  
Average Annual  
Attrition

7.5%  
Envisaged Salary  
Increase

## MANUFACTURING

Manufacturing industry is one of the pillars of growth for the Indian economy. It contributes almost 20 percent of the GDP. Overall, more than 30 million people are employed in the organized sector. However, this sector has been hit hard due to the Covid effect. The reason being lower production, due to lower offtake, various government directives and lockdowns thereby reducing scale of operations, with consequent effect on quality, cost and production.

India’s manufacturing industry is already heading with all the necessary ingredients for its industrial push – semi-skilled workforce, government initiatives like Make in India, high investments and a big domestic market. The future of Indian manufacturing remains bright and we look forward to seeing the sector going from strength to strength in the coming years with all investments and government initiatives etc.

## PHARMACEUTICALS

The Indian pharmaceutical industry has been a significant contributor to healthcare globally in terms of manufacturing and supplying medicines. Since the evolution of the pharmaceutical market in India, it has been a liberalized market.

India is home to 3000 pharma companies with a strong network of over 10,500 manufacturing facilities. Over the next one year, domestic API consumption is expected to reach US\$ 18.8 billion by FY22.

Despite recent Covid effect, the pharmaceutical industry in India has grown rapidly. However, unlike the other industries, the pharmaceutical industry has had a positive impact, on an overall basis, on its growth. During the pandemic India imported 70 percent of its API from China. There are learnings from every pandemic and Covid-19 also made the pharmaceutical industry realize that there is a need for more resilient healthcare infrastructure as well as stronger surveillance, data collection and early warning systems. Going forward Indian pharmaceuticals industry is likely to become one of the top 3 by 2030.

- The Indian pharmaceutical market (IPM) grew 9.6 percent in October 2020, led by volume and price growth and an increase in product launches
- Pharmaceutical exports from India stood at US\$ 2.07 billion in October 2020

### Key Benefits/ Opportunities

- Make in India initiative aims to create 100 million manufacturing jobs by 2022.
- Start-up India vision 2024 to boost startups in India
- Government aims to achieve 25 percent GDP share
- A resource rich country with huge reserves of coal, renewable energy
- India can achieve its full manufacturing potential through the increasing share of young population.

6.0%  
Average Annual  
Attrition

7.0%  
Envisaged Salary  
Increase

### Key Benefits/ Opportunities

- Indian market’s ability to manufacture high quality, low priced medicines, presents a huge business opportunity for the domestic industry
- Increasing private sector investments in R&D and acquisitions
- Increasing penetration of health care & insurance sector

15.0%  
Average Annual  
Attrition

8.5%  
Envisaged Salary  
Increase

**REALESTATE/ INFRASTRUCTURE**

The Indian real estate industry is one of the major industries contributing to national economy. The sector is driven by various factors such as – Urbanization, Growth in Tourism, Growing Economy, Policy support, Epidemiological changes, and Easier financing. However, the pandemic stalled the homebuyers to postpone their property purchase decisions, malls/ retail outlets & entertainment venues were closed, delay in supply of construction materials & shortage of labour has pushed deadlines and companies are still remotely working from home. Therefore, utilization of office space is low. Though the pandemic drastically impacted the real estate sector in 2020, but in the FY21 the real estate sector will prosper with the launch of various government policies.

There’s also a shift in the mindset due to growing importance of home ownership among buyers and investors, and the demand for residential estate would be high in the years to come. Economic growth as well as growing urbanization will boost real estate demand.

**RETAIL**

The Indian retail industry is one of the fastest growing markets in the world contributing 40 percent of India’s consumption and 10 percent to India’s GDP. Retail sector is a competitive landscape segmented into Departmental store, Hypermarkets, Supermarkets/ Convenience stores, Specialty stores and Cash & Carry stores.

Covid has been bringing a tumultuous transformation in the retail industry in a positive as well as negative way. One of the worst hit sectors due to pandemic, its undulating effects were felt by stakeholders down the consumption value chain. Some recovery in demand was witnessed during festive season, however the recovery needs unconventional solutions and support.

Health concerns have compelled to live differently and think differently. Though Brand conscious is one of the growth rivers for retail in India but the new concept “Vocal for Local” is initiated with an impetus to manufacture, source and distribute more Indian products.

As India rebuilds to new normal, the retail industry with new budgetary measures encouraging growth of domestic players to support “Make in India”.

**Key Benefits/ Opportunities**

- Government has initiated ‘Housing for All’ scheme, wherein 60 million houses are to be built, equally distributed among urban and rural areas
- Rapid urbanization and rising disposable income
- Growing requirement of space from sectors – education, IT, healthcare, e-commerce and logistics
- Demand for energy efficient and environment friendly architecture
- Due to ease in FDI norms, entry of foreign players

7.0%  
Average Annual  
Attrition

5.5%  
Envisaged Salary  
Increase

**Key Benefits/ Opportunities**

- Increasing participation from foreign and private players will boost retail infrastructure
- Increase in purchasing power and disposable income
- Large young adult consumer base and growing aspiration levels
- Synchronization of policies in retail, FMCG and E-commerce within a single policy framework
- Growing importance of luxury retailing

17.0%  
Average Annual  
Attrition

6.5%  
Envisaged Salary  
Increase

## TELECOM

The Telecom industry in India has grown rapidly in the last few years driven by affordable tariffs, wider availability, roll out of 4G, evolving consumer pattern and regulatory norms.

Despite Covid pandemic and lockdown restrictions this sector is in the spotlight as the demand for telecom services has risen crucially due to remote working, video conferencing, and telecommunications technology.

However, the increased dependency on telecom networks, and other restrictions has raised a different set of challenges for this sector such as implementations, rising demand & current infrastructure, impact on manufacturing of hardware & other systems, addition of new subscribers & retention, tariffs and other issues etc.

Indian government has been quite amenable to the needs of telecom sector by introducing PLI scheme to boost manufacturing. Relaxation in regulatory norms, reduction in customs duty, roll out of 5G and strong policy is crucial to the sector's development.

### Key Benefits/ Opportunities

- Government policies such as National Digital Communications Policy to attract US\$ 100 billion worth of investment and generate 4 million jobs in the sector by 2022
- Launch of Digital India programme
- Availability of affordable smartphones and lower rates of data
- Investment in optical fiber internet service
- Growing middle class is triggering demand for mobile and internet segments

14.0%  
Average Annual  
Attrition

6.5%  
Envisaged Salary  
Increase

Hope this report will help you in understanding of increment cum industry trend for the year 2021.

Thank You for your participation!!!

In case of any query/ suggestion, please write to us at – [hrcc@omamcrd.com](mailto:hrcc@omamcrd.com)





**OUR EXPERTISE...**

Total Human Resource Solution

- Organization Development
- Performance Management
- Compensation Management
- HR Surveys & Audits
- HR Schemes & Policies
- Support Services

**OUR SERVICES ...**

- **Human Resource Consulting**
- **Selection & Recruitment**

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**BRANCH LOCATIONS**

- Delhi ☎ 91-11-41664833
- Mumbai ☎ 91-22-68398800
- Pune ☎ 91-20-48620820/22
- Bengaluru ☎ 91-80-40639702
- Kolkata ☎ 91-9831273935

