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Revving up: Auto sector going global

8
INTERVIEW
India an important export hub for auto sector
Exclusive with Y.K. Koo
Managing Director & CEO
Hyundai Motor India Ltd

49
EXPERT VIEW
Energy, opportunity, leadership: Why it's India's time to shine
by Erik Solheim
Executive Director
UN Environment Programme

27
FACE TO FACE
An organisation with Indian roots can perform at a global stage
Interview with Abhishek Lodha, MD, Lodha Group

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Revving up: Auto sector going global

Even as you read this piece, there are at least 1,500 passenger cars and 6,000 motorcycles being loaded onto ships at some Indian port for export to the Middle East, Africa, Europe and even the US. The badges they wear read like a veritable who's who of the international auto industry and include such marquee names as Toyota, Ford, Volkswagen, Suzuki and Renault among cars and Honda, Bajaj and Hero MotoCorp among two-wheelers. And I haven't even mentioned tractors, heavy, medium and light commercial vehicles, three-wheelers and a host of complex and simple auto components.

Over the last three decades, India has developed a very robust domestic automobile sector where the world's largest and most popular brands jostle for market share with home-grown auto majors such as Tata Motors, Mahindra & Mahindra, Bajaj Auto Ltd and Hero MotoCorp, among many others.

Today, it is not uncommon to find consumers in the most developed countries in the world driving around in Made in India vehicles. Yes, a vast majority of these vehicles carry the brand names of US, European, Japanese and South Korean companies but make no mistake – each of these cars has been assembled by Indian technicians in Indian factories and mostly with components that are not only made in India but also designed at R&D labs in that country.

IT IS NOT UNCOMMON TO FIND CONSUMERS IN THE MOST DEVELOPED COUNTRIES IN THE WORLD DRIVING AROUND IN MADE IN INDIA VEHICLES.

Then, it took an Indian enterprise and billions of dollars of Indian investments to restore and renew the glory of iconic British car maker Jaguar Land Rover and revive its fortunes. Another Indian multinational, Apollo Tyres, too, has recently invested about $500-million in a plant in Hungary, its second in Europe after the one in the Netherlands.

All these examples show that the Indian automobile industry is now fully integrated into the global supply chain – and a source of both components and kits as well as fully assembled vehicles to assembly plants, OEMs and showrooms around the world.

In this issue of 'India Global Business', we celebrate the global success of this indigenisation effort with our cover story titled 'Picking up speed' not only because it is, arguably, among the most successful Make in India initiatives but also because of the lessons it holds for the Narendra Modi government's efforts to transform India into a global manufacturing hub, which is a precondition to providing new jobs to the millions of young Indians who enter the country's workforce every year.

Today, India makes more than 3 million passenger cars and close to 20 million two-wheelers and exports more than half a million of the former and about 2 million of the latter.

China and before it the South East Asian Tiger Economies all followed this approach when they set out to conquer the world of business at various times in the last century. India is a late adopter of this approach but, as its success in the automobile sector shows, has the necessary wherewithal, including the scientific base and manufacturing capabilities, to replicate this success in other complex engineering sectors.

There are reports that India is considering issuing licenses for the assembly of F-16 or SAAB Gripen fighter planes in India if their parent companies agree to replicate their domestic eco-system of vendors and developments in India. The same is also happening in the case of submarines and artillery guns and small arms.

These initiatives, too, will have to start with limited initial ambitions. But if they are nurtured well and seen through to their logical end, we could well see Made in India fighter planes flying with NATO and Japanese colours one day and consumers in my home country, the UK, speaking on mobile phones and advancing their careers with computers and tablets assembled by an Indian company in England.

Meanwhile, apart from our in-depth feature on the Indian auto sector, there is a usual wealth of material on India's global march in the pages ahead of this edition.

Manoj Ladwa
Publisher & CEO, India Inc.
@manojladwa

CONTENTS

'India Global Business' this month takes stock of India's automotive and hospitality sectors and the impact it creates around the world. A country focus on Nigeria and a region focus on the Middle East are among some of this edition's highlights.

SECTOR FOCUS/AUTO

India an important export hub for auto sector
Exclusive with Y.K. Koo, Managing Director & CEO, Hyundai Motor India Ltd

11 India emerges as hub for small cars, bikes and even heavy duty trucks
by India Inc. Staff

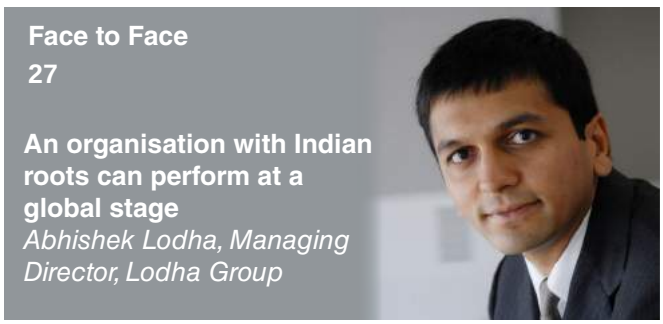
16 Driving innovation in Formula 1
by Mehul Kapadia, Managing Director, Tata Communications' F1 Business

18 India: An emerging global manufacturing hub for the auto industry
by Ratika Jain, Director – Manufacturing, Defence & Aerospace, MSME, CII

22 Is pure electric the right solution for future mobility in India?
by Vinnie Mehta, Director-General, ACMA

UK/EU

25 India a bright spot for Brexit-hit UK car market



30 GST will not impact smartphone boom in India

32 India takes a global lead on counter-terrorism

THE AMERICAS

37 Close and warm but…
by India Inc. Staff

40 India matters for America; America Matters for India
by Ridhika Batra, Director, Federation of Indian Chambers of Commerce and Industry (FICCI) US

GUEST COLUMNS

45 Project Exports: A catalyst for technological advances
by Sandip Baran Das, Senior Vice-President, Project Exports Promotion Council of India (PEPC)

49 Energy,opportunity,leadership: Why it's India's time to shine
by Erik Solheim, Executive Director, United Nations Environment Programme (UNEP)

51 India transmits its pay as you save energy efficiency model
by Saurabh Kumar, Managing Director, India's Energy Efficiency Services Limited (EESL).

MIDDLE EAST

56 Middle East a key beachhead for Indian companies
by India Inc. Staff

60 What makes UAE a hub for Indian start-ups?
by Ashish Tulsian, Co-Founder & CEO of POSist Technologies Pvt Ltd

62 Ideas flow rapidly in the UAE
by Radhakrishna Thatavarti, Founder of Oxyloans

64 The UAE can help broaden Indian fintech horizon
by Manav Jeet, MD & CEO, Rubique

OTHER HIGHLIGHTS

70 Outbound tourists are the biggest Indian job creators abroad
by India Inc. Staff

74 Hotspot: Nigeria, the next frontier
by India Inc. Staff

86 Finance education can be enriched by Jain wisdom
by Professor Atul K. Shah, University of Suffolk in the UK

88 From the Scene: Indian Women's Cricket Team makes a global mark

90 Last Word: Mission 2022 - Modi sounds the election bugle

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TEAM

Chief Executive
Manoj Ladwa
manoj.ladwa@indiaincorporated.com

Editor
Aditi Khanna
aditi.khanna@indiaincorporated.com

Commercial Director
Erik van Kaathoven
erik.vk@indiaincorporated.com

Operations Director
Sanjay Kara
sanjay.kara@indiaincorporated.com

VP Operations
Rajvi Singhi
rajvi.singhi@indiaincorporated.com

Special Projects Director
Nomita Shah
nomita.shah@indiaincorporated.com

Events Manager
Dina Ladwa
dina.ladwa@indiaincorporated.com

www.indiaincorporated.com

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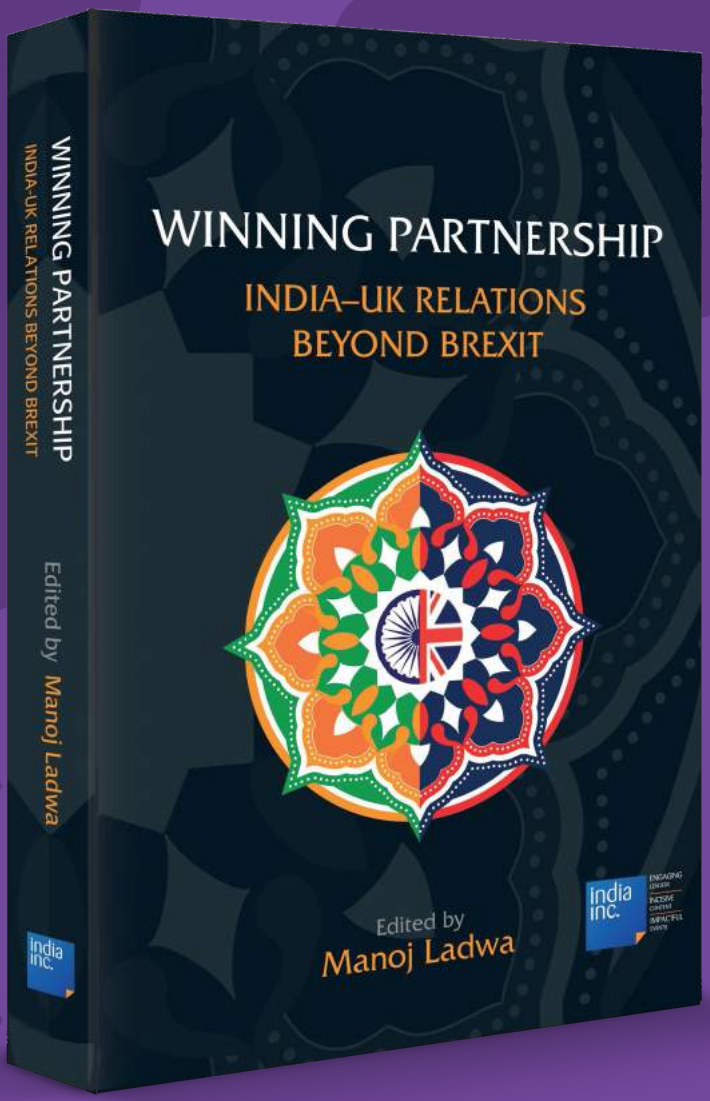

"A LANDMARK BOOK"

THE TIMES OF INDIA

Contributors

- Manoj Ladwa
- Sadiq Khan
- Meghnad Desai
- Patricia Hewitt
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- Usha Prashar
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- Jitesh Gadhia
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- Gopika Pant

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@manojladwa

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'Winning Partnership' is a collection of essays on what a modern India-UK partnership could mean.

The book comes at a critical juncture in global affairs. India and its engagement with the world is being transformed under the leadership of Prime Minister Narendra Modi. Whilst the United Kingdom, one of the most prosperous nations in the world, is going through tumultuous change following its epic decision to leave the European Union.

PICKING UP SPEED

The Indian automobile industry is on a roll – globally. At last count, Indian and foreign auto majors based in India, such as Hyundai Motors, Ford, Volkswagen, Maruti Suzuki, Bajaj Auto, Hero MotoCorp and others, exported more than half a million passenger cars and almost two-and-a-half million motorbikes made at factories in India. And we haven't even started counting the Made in India heavy and light trucks, buses and tractors that companies such as Ashok Leyland, Daimler, Volvo, and Mahindra & Mahindra sell to customers in the Middle East, Africa and South and Central America.

What is driving this surge? Carlos Ghosn, chief of Renault-Nissan, picks India's world leading frugal engineering capacity as the prime driver of this trend. Then, a readymade base of components suppliers, a helpful business environment and a favourable taxation regime are the other major contributing factors.

But hold the champagne for the moment. Despite the very visible strides it has made in the global automobile market and its enviable reputation as the world's small car hub, India ranks a lowly 20th in world automobile exports. In Asia, it still lags Thailand, though, creditably, it has overtaken China in car and commercial vehicle exports.

So, where does the homegrown auto sector go from here? Read about it in the following pages.

INDIA AN IMPORTANT EXPORT HUB FOR AUTO SECTOR

Y.K. Koo, as Managing Director & CEO of Hyundai Motor India Limited (HMIL), is in the driving seat of one of the leading automotive giants in India. 'India Global Business' explores his vision for the Indian market, plans for the country as an exports hub and R&D plans for the region.

How important is India for Hyundai globally, as a market and as a production hub?

India has emerged as an important automotive market and offers huge growth potential for automobile companies. At Hyundai, our aim is to become our customers' lifetime partner in automobiles and beyond by providing new value and experience to customer beyond their expectation. Over the past few decades, we have gained strong market leadership position with sustainable growth through consistent innovation, market research and widening our product portfolio through new launches equipped with new technology and features that are relevant to the Indian market.

Exports are part of the global strategy which are based on the market demand of various countries. HMIL is a leading exporter of the passenger cars from India.

What is the update on HMIL's Made in India exports?

Hyundai is a global company. Exports are part of the global strategy which are based on the market demand of various countries. We have been the largest exporter for the last 13 years and exporting to 87 countries

Hyundai has always been a big exporter of cars from India since inception. How has it helped the company?

For Hyundai Motor Company, HMIL plays a critical role in the global export department. HMIL currently exports passenger cars to around 87 countries across Africa, Middle East, Latin America, Australia and the Asia Pacific. Exports have been integral to HMIL and through great partnerships we have grown and strengthened over the years.

What is your outlook for India as an export hub for international passenger cars?

Hyundai Motor India's manufacturing plant is a state-of-the-art facility and Shining Example of 'Make in India, Made for the World' products. At the Hyundai plant, we manufacture world-class modern and premium products for our aspirational customers through continuous innovation, creating New Benchmarks through Super Performer Brands.

INDIA HAS EMERGED AS AN EXPORT HUB FOR THE AUTOMOBILE SECTOR AND OVER THE LAST DECADE THIS SUCCESS HAS GROWN MANIFOLD.

India has emerged as an export hub for automobile sector and over the last decade this success has grown manifold. The story will only grow in the coming years as demand for vehicles in emerging markets across Latin America, Africa and ASEAN increase. The supplier competencies developed here will be leveraged to meet the needs of these markets as customers in these countries are extremely price-conscious and this is where the cost structure developed in India will play a big role.

India is well placed to become one of the most important automotive markets by 2020.

How has the R&D facility in Hyderabad contributed to growth?

Hyundai Motor India Engineering (HMIE), a modern R&D facility, is a fully owned subsidiary of Hyundai Motor Company, South Korea, located at Hyderabad with around 500 engineers working at various Hyundai products. HMIE is a centre with one of the most advanced research and development facilities which focuses on product and design engineering and rigorous quality enhancement. The state-of-the-art R&D centre has been playing an important role in the entire value chain of Hyundai's business by supporting all back-end operations like computer aided engineering (CAE), computer aided design (CAD) and helping the R&D work taking place across Hyundai's car lineup.

In addition, it provides vehicle development including styling, engineering design and vehicle test & evaluation for cars manufactured in India to satisfy the specific needs of the Indian customers. Our R&D facility helps in building India specific details into our cars. Eon is one example where the R&D centre gave many inputs specific to India. For other markets, it is mainly inputs on safety features and design of certain components etc. The centre also supports our global R&D in Korea with India specific inputs. Our R&D facility in India works in close coordination with R&D in Korea.

How is the company countering the GST-triggered sales slowdown?

We have not witnessed any negative impact of GST implementation. While these are early days, we believe Hyundai will be one of the largest gainers post the GST.

We have products ranging from Rs 3 lakhs to Rs 30 lakhs ($300,000-$30,00,000). While we were always strong in cars priced up to Rs 10 lakhs (10,00,000), GST will increase our presence in the 10 lakh plus segment, which now brings almost 20 per cent of our volumes through cars such as Creta, Elantra and Tucson.

The price decrease makes the price value equation more favourable for these cars. From the logistics end too we believe there could be a reduction of 10 per cent cost going forward. The net benefit will go to the customers.

What are some of the future plans for Hyundai vis-a-vis the Indian market?

We have big plans for the Indian market for the next four years till 2020 for strong market leadership with sustainable growth. Our goal is to have a strong presence in the

current and newer segment for the future. As part of our strategy, we plan to widen our product portfolio through new launches equipped with new technology and features that are relevant to the Indian market.

Besides the introduction of new models, we wish to bring more of new model change, facelifts and hybrids to meet the evolving consumer needs. We will continue to introduce many contemporary concepts and designs thorough consistent innovation and strengthen Hyundai's image to adopt a modern premium brand direction and differentiate ourselves from the competition.

What policy hurdles would you highlight that remain for automotive firms like yours operating from India?

The year 2017 has been one of mixed fortunes for the Indian automobile industry amid a number of challenges. The implementation of demonetisation caused a temporary currency crunch and some uncertainties in the market but it will actually grow the market in long-term because everything will become accounted.

Another major development has been the introduction of GST. GST rates on automobiles were on the expected lines and the auto industry has benefitted by reducing the overall tax burden by passing the net benefit to the customers.

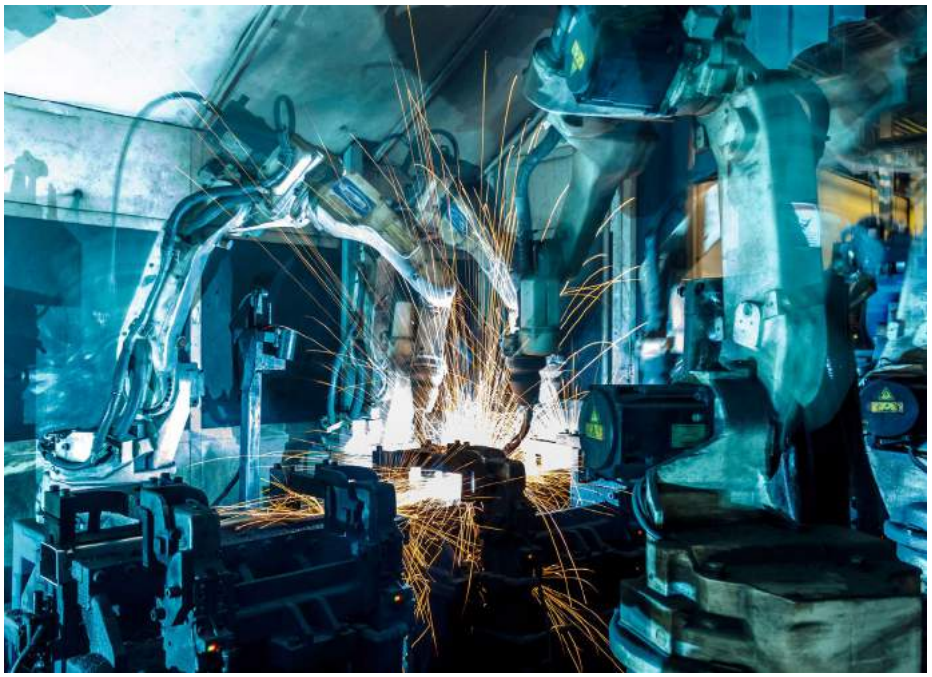
The Indian government intends to graduate to an all-electric vehicle market by 2030. Is that feasible? What is Hyundai India planning in that area?

The government is underway on major pushes to expand eco-friendly vehicles in India and keenly working on the new schemes and policies to create a conducive environment for the roll out of all-electric cars.

The government has started the Make in India programme, which allows the multinational manufacturing companies to develop their products in India. Having said that, for most manufacturers electric/ hybrid commercial vehicles are mostly in the experimental stage.

India emerges as hub for small cars, bikes and even heavy duty trucks

by India inc. Staff



The country's robust automobile manufacturing base is now churning out cars and bikes for diverse geographies from Latin America, Africa to East Asia and Australia.

In fiscal 2016, India exported more cars across the world than China. On the one hand, it does not mean much. In the overall list of top car exporters, India still ranks a poor 20th. Even among emerging economies in Asia, it is behind Thailand.

Yet, overtaking China has its own importance. It is the world's largest automotive market and also the largest producer. The growth of China's economy in the last two decades has been led by its rise as an export giant — first in textiles and then in steel followed by computer hardware. It is difficult to find a smartphone or a computer today that does not have even one component that is made in China.

It is a different story in automobiles though. A car or a truck is much more complex and consists of far greater number of sophisticated components than a sundry electronic gadget. East Asian economies like Japan and South Korea have grown in the past solely on the back of their prowess in making cars that can be exported globally. The rise of Toyota, Honda, Nissan, Suzuki, Hyundai and Kia is testimony to that. The consequent development of thousands of home-grown components suppliers is another plus, cresting sustainable sources of employment.

INDIA'S RISE AS AN EXPORT HUB FOR SMALL CARS, TWO WHEELERS AND COMPONENTS OVER AND ABOVE CHINA IS A SIGNIFICANT TREND. CLOSE TO 20 PER CENT, OR ONE IN EVERY FIVE PASSENGER VEHICLES MADE IN THE COUNTRY TODAY IS SHIPPED OVERSEAS TO MARKETS AS DIVERSE AS LATIN AMERICA, EAST EUROPE, AFRICA, AUSTRALIA, MIDDLE EAST AND SOUTH EAST ASIA.

India's rise as an export hub for small cars, two wheelers and components over and above China is a significant trend. Close to 20 per cent, or one in every five passenger vehicles made in the country today is shipped overseas to markets as diverse as Latin America, East Europe, Africa, Australia, Middle East and South East Asia. In the last five years, vehicle exports have grown by an average 8.5 per cent, not a mean feat considering the global market for automobiles itself has stagnated in this period. Similarly, the export of two wheelers and commercial vehicles have also grown at an average 3.8 per cent.

A global hub for small cars

In 2012, when French carmaker Renault was mulling its options

for the lead market where a new affordable small car can be developed for emerging markets with low per capita incomes, India was an obvious choice. The country was already one of the largest producers of small cars in the world and provided not just a ready-made supply chain of vendors but also a market that is the best breeding ground for any mini car.

"I have been a big admirer of India's frugal engineering," says Carlos Ghosn, chairman, Renault Nissan alliance that developed the Kwid compact car for India. "A car like Kwid cannot be made in France or Japan. India is a big test market for us. We have used the expertise in France, the engineering prowess of India and some know how from Japan.

If the Kwid succeeds here with big numbers, we will be certain that it will be successful in whichever global market we launch it in. Right now we start here and going forward markets like South America, Middle East and Africa are all markets where Kwid will find buyers. If Kwid succeeds globally, it will highlight the strengths of Indian engineering."

"If you want to make a value for money product with frugal engineering, India is the place to do so," he adds. "By 2016, 60 per cent of the automobile market will be in countries such as India, Brazil, China, Russia and Indonesia."

The success of the car in India – over 175,000 cars are on the road in less than two years – corroborates Ghosn's thinking. But the journey of India becoming a hub for mini car production in the world started much earlier in 2006. That year, the Indian government decided to introduce different rate of excise duties for small cars, defined as those that measured less than 4 metres in length and had engines smaller than 1.2 litre for petrol and 1.5 litre for diesel and others. That differential rate exists till date even after the introduction of the unified Goods and Services Tax in July 2017.

The resultant price difference led to the proliferation of small car production in the country and creation of new segments like compact sedans and SUVs.

Though the policy was aimed largely at the domestic market — the government wanted to incentivise smaller cars that cost, pollute and cause less congestion and are more fuel economical — it had an indirect spin off on export markets. The intensity of competition and growing domestic market led to massive investments in scale and India became a test market for affordable cars worldwide. If a car can be successfully made and sold in India, it would find a market in many other emerging markets.

It is a policy that was first successfully used by Korean car major Hyundai Motor India. The company has been India's largest car exporter for well over a decade and its i10 small car is the most exported car from India ever. At the time of their launch, both the i10 and its bigger sibling i20 were exclusively made in the company's Chennai factory and exported even to developed markets in Europe, where safety and emission regulations are much stringent compared to India.

"We have been the pioneer as far as exporting cars from India is concerned. Since the inception of the company we have demonstrated quality and standards that are at par with anywhere else in the world. The rest of the industry has woken up to the potential for exports from India only now," says Rakesh Srivastava, senior vice president, sales and marketing, Hyundai Motor India Ltd. "Some of our cars like i10 and i20 were only made in India and exported from here all around the world till some time back."

Others such as Toyota, Renault-Nissan, Ford, General Motors, Volkswagen and Honda have quickly joined in. Toyota's Etios — the company's smallest and most affordable car till date — is exported from its Bengaluru factory to many markets. It has been a bestseller in South Africa. Nissan exports more units of the Micra hatchback and Sunny sedan from its Chennai factory than it sells in the domestic market. Consumers in Chile and other countries in Latin America are lapping it up. It is a similar scenario with Volkswagen Vento, Chevrolet Beat, Maruti Suzuki Ertiga and Ford EcoSport. Vento and Beat are big draws in Mexico, Ertiga in Indonesia and EcoSport in South Africa.

It does not come as a surprise that while General Motors failed to cope with the intense competition and decided to shut down its operations for the domestic market in India, it would still continue to export cars from one of its factories.

Motorcycle, tractor exports on upswing too

It isn't that small cars are the only success story in the industry. The growth in exports of two wheelers has also been dramatic. Nearly 2.4 million units were exported in 2016-17 alone. And even though India is a market for frugal no-frills economical 100cc mobikes, production capability has reached levels where even high end sports bikes are being produced and exported from here.

In 2012, Yamaha started manufacturing and exporting its R15 sportsbike that costs Rs 1.15 lakh ($115,000) to its home market Japan. This was the first time that an Indian

> We are very clear we want to be a global player. And we are equally clear we want to be a specialist in motorcycles and not dabble with scooters unnecessarily. To be global you need to be a specialist. Every day I ask myself and my team whether we can be bigger than any other company in the world. The hunger is there. In any part of the world if you think of motorcycles, Bajaj should spring to your mind.
>
> **Rajiv Bajaj**
> **Managing Director, Bajaj Auto**

subsidiary of a Japanese company was exporting to the parent's home country. While that is a statement of intent, the scale and volumes from exports invariably comes from bigger domestic players like Bajaj and Hero MotoCorp.

The Pune-based company was among the first to start exporting its mo-bikes from India exploiting the restrictions for exports on arch rival and domestic market leader Hero MotoCorp courtesy its tie up with Honda Motor Corp till 2010. It exported over 1.2 million mo-bikes in 2016-17 and has market leadership position in many African markets like Nigeria and Uganda and Latin American markets like Colombia. Its dynamic managing director, Rajiv Bajaj, has also never been coy about revealing his global ambition.

"The motorcycle market outside India is double that of the Indian market. That means if Bajaj sells 100 bikes in India, eventually we must sell 200 bikes outside India," he says. "We are very clear we want to be a global player. And we are equally clear we want to be a specialist in motorcycles and not dabble with scooters unnecessarily. To be global you need to be a specialist. Every day I ask myself and my team whether we can be bigger than any other company in the world. The hunger is there. In any part of the world if you think of motorcycles, Bajaj should spring to your mind."

In recent years, export of scooters have also zoomed, an area where Bajaj does not play. The leader in this category in the domestic market – Honda Motorcycle and Scooters India – has been the main beneficiary. In FY 2017, HMSI exported over 280,000 two wheelers out of India – a third of them were scooters.

Market leader Hero MotoCorp, now unfettered after the divorce with Honda has also quickly hatched a plan to spread its wings globally. Collaborating with various international technological partners like Erik Buell Racing, Engines Engineering and Austria's AVL are proof of its intent. It aims to export to 50 countries from the current 30 by 2020, when exports will contribute at least 10 per cent of its overall revenues. In 2016-17 it exported nearly 180,000 units from India.

It is investing Rs 1,100 crore ($165mn) in a new factory in Halol in Gujarat, its fifth in India, which will be the hub of its exports out of the country and has also set sights on developed markets like US and Europe for which it is readying a new line up of products.

"We will be selling in 50-plus countries by 2020. To top it all, I am talking of an annual turnover of Rs 60,000 crore," said Pawan Munjal, chairman, managing director and CEO, Hero MotoCorp, in August 2013.

"We are aiming for 10 per cent of our sales to come from export markets by 2017. My long-term vision is to make Hero a global leader not just in terms of sales volumes, but in every sense of the term—technology and innovation, product line-up, worldwide presence, global talent pool and global best practices.We have now expanded to 30 countries across Asia, Africa, and South and Central America, from just four markets in 2011 when we started our solo journey."

Indian engineering for overseas farms

India's largest tractor maker Mahindra and Mahindra also exports a sizeable chunk of its production to multiple markets across the world. Already the largest tractor maker in the world in terms of volumes, Mahindra is an expert in low power small tractors that are in demand in emerging markets where landholdings are smaller in size. Of the more than 10,000 units it exports every year, a third goes to Africa where the company has small assembly facilities in Chad and Mali. The company's ambition in the continent is particularly intense. Last year, it set up a separate business unit to focus on the opportunities in Africa. It believes the Africa business unit has a potential to grow 10 times to $1 billion (Rs 6,500 crore) in seven years.

The lure of Africa has attracted heavy commercial vehicle maker Ashok Leyland as well. The Hinduja Group flagship company recently announced a Rs 70 crore ($10mn) investment to set up an assembly plant for buses in Kenya. It already has a manufacturing facility in the UAE as a joint venture with local partner Ras Al Khaimah Investment Authority, which has an annual capacity to produce 2,000 vehicles.

Global majors in heavy duty commercial vehicles like Daimler AG and Volvo have also begun exploiting the export potential of their Indian operations. Daimler India Commercial vehicles, the Indian arm of world's largest CV maker, exports Mercedes Benz badged trucks and buses and Mitsubishi Fuso range of trucks to over two dozen countries across the world. There are also plans to export the Freightliner branded giant trucks to Mexico later this year. Similarly, Volvo plans to export its light duty UD trucks from its factory in Madhya Pradesh to Indonesia in the coming months.

It may need a few more years, but it is no longer hard to imagine a time when an India made car, bike or truck can be found in any part of the world.

Auto Update

A broad snapshot of the Indian automotive sector and the impact of recent government policies on its growth.

Automobile exports from India:

Year	Passenger vehicles	Two wheelers	Three wheelers	Commercial vehicles	Grand Total (in Mn)
2014-15	621341	2457466	407600	86939	3.57
2015-16	653889	2481193	404441	101689	3.64
2016-17	758830	2339273	271894	108271	3.48

Source: SIAM

Component exports from India:

Year	Export in $ billion
2013-14	10.2
2014-15	11.2
2015-16	10.8

Source: ACMA

Export Data on Car Companies:

Nissan Micra - 70,665 units

Exported from its Oragadam factory near Chennai in fiscal 2016
Nissan exported more Made in India cars than it sold in the domestic market
Huge hit in Latin America; bestseller in Chile

Maruti Baleno - 49,248 units

Exported to Europe, Japan, South East Asia, Latin America, Middle East, Australia
* First made in India Maruti product to be exported to parent Suzuki's home market in Japan
* Baleno is domestic market leader's most sought after product worldwide

Chevrolet Beat - 70,969 units

Exported to Mexico, Chile, Peru, Uruguay, Argentina
* Chevrolet may have exited the domestic market in India but it will continue to export cars from here
* Company will make Beat at its factory in Talegaon in Pune, the facility that GM will retain in India

Nissan Sunny - 31,425 units

Exported to Europe, the Middle East and Africa last year
Nissan also makes and exports small car Micra from India
Company also ships about 1,800 types of components to 34 plants across 24 countries

Volkswagen Vento - 71,539 units

Exported last year mainly to Latin America
Made in India Vento among 5 bestselling cars in Mexico
Every second car made in VW's Pune factory is exported to Mexico

Hyundai Grand i10 - 48,839 units

Exported during the last financial year to over 50 countries
Car is made only in India
Left-hand drive version for export markets reportedly being tested near Chennai

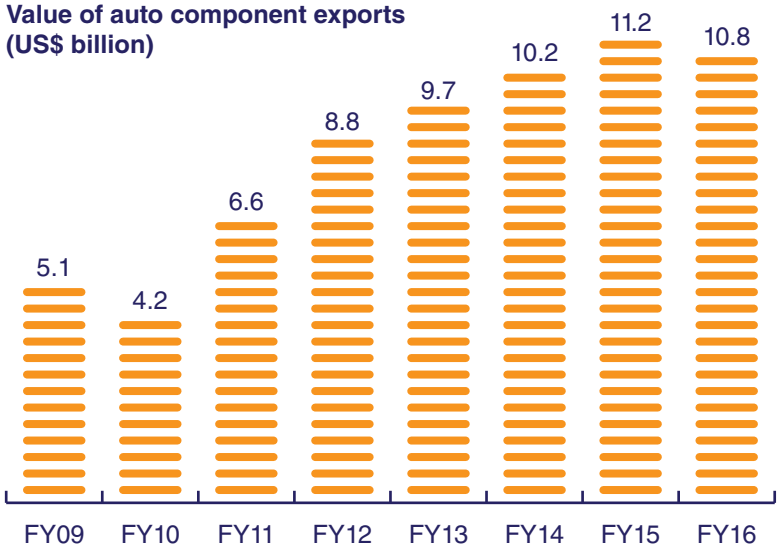
Maruti Alto & Celerio
21,229 (Alto), 9,923 (Celerio) units

Exported to Sri Lanka and Uruguay last year
Company has exported 1,042,337 units over the last 10 years
Celerio is the new Alto for global markets

Ford EcoSport - 79,539 units

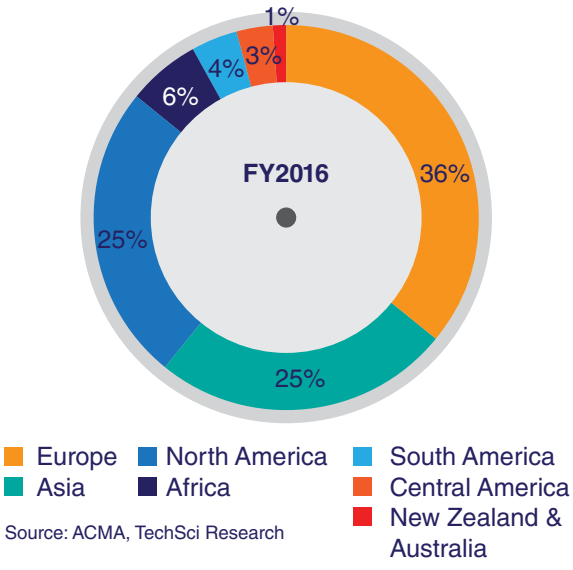
Exported last year mainly to Africa
Most exported car from India
Bestseller in South Africa

Value of auto component exports (US$ billion)



Source: ACMA, TechSci Research

Shares in export volumes by geography



Source: ACMA, TechSci Research

Indian Auto Component Industry going global:

Motherson Sumi Systems:
Manufacturing units in USA, Mexico, Brazil, Portugal, Spain, France, UK, Serbia, Hungary, Czech Republic, Germany, Lithuania, Poland, Slovakia, UAE, South Africa, Australia, Sri Lanka, Thailand, China, Japan, South Korea

Bharat Forge:
Two manufacturing units in Germany and one in Sweden

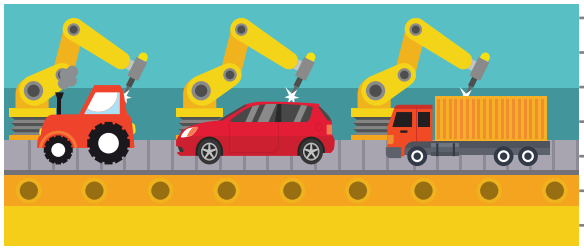
Sundaram-Clayton:
Manufacturing units in Germany, UK, Malaysia, China

Amtek:
Facilities in Japan, Thailand, Germany, Hungary, Italy, Romania

Large automotive clusters in India:

- Delhi-Gurgaon-Faridabad in the north
- Sanand-Halol and Mumbai-Pune-Nashik-Aurangabad in the west
- Chennai-Bengaluru-Hosur in the south
- Jamshedpur-Kolkata in the east

Facts about Indian automotive industry:



- **Largest** tractor manufacturer
- **2nd largest** two wheeler manufacturer
- **2nd largest** bus manufacturer
- **5th largest** heavy truck manufacturer
- **6th largest** car manufacturer
- **8th largest** commercial vehicle manufacturer
- It contributes to nearly **22%** of the country's manufacturing GDP.

Automotive Mission Plan 2016-26 (AMP 2026)

It aims to make India among the top three automotive industries in the world.

Increase exports exponentially to reach 35-40% of overall output

It intends to increase its contribution to the GDP to over 12%

*Source: Make in India [makeinindia.com]

Driving innovation in Formula 1

by Mehul Kapadia

Tata Communications is at the heart of Formula 1 with a high-tech collaboration, writes a company insider.

F1 is the world's most technologically advanced sport, and one where every millisecond matters. Whether it's transmitting data from one of the hundreds of sensors on an F1 car back to the pits, or delivering the action in real-time via an online feed to millions of fans around the world, in this high-pressure, high-tech environment, superfast connectivity is critical.

Tata Communications is at the very heart of F1, working with the entire F1 ecosystem: from the company that runs the sport – Formula 1 - to the team that wins the sport – the reigning world champions Mercedes AMG Petronas - to the many broadcasters who take the sport to the fans globally.

As the Official Connectivity Provider of Formula 1, we have enabled the sport to seamlessly reach out to its tens of millions of fans across the globe. Our teams both onsite at the circuit and in remote locations around the world work as one team with Formula 1, doing whatever it takes to ensure a brilliant race experience for the fans at home. At every Grand Prix, Tata Communications sets up a small town's worth of connectivity infrastructure over the course of three days – a process that would normally take several weeks. After the race is finished, we take the network down again in a matter of hours. By linking F1 to Tata Communications' network, with connectivity to over 240 countries and territories, the sport is able to transfer gigabytes of data and video from any Grand Prix, and even operate robotic trackside cameras anywhere in the world, from its UK HQ.

The speed and reliability of this network connectivity opens the door for endless possibilities, way beyond what satellites can do, including broadcasting F1 on the Internet, and harnessing technologies such as virtual and augmented reality and the Internet of Things for enhanced interactivity with fans both at home and at the circuit.

Giving Mercedes the speed to lead

Innovation and data analytics define F1. A fraction of a second is the difference between success and failure in this sport. A winning team needs a car that can reach a top speed of over 233mph; a driver with a reaction time of less than 0.4 seconds; and a crew that makes the race winning calls in the heat of the moment based on accurate and up to the second information.

Our partnership with Formula 1 has also opened doors to the wider F1 ecosystem. In 2013, we signed a deal with the Mercedes AMG Petronas Motorsport to bring the team three times faster track connectivity from the Silver Arrow cars to the team's UK headquarters.

This superfast connectivity underpins Mercedes' data strategy. During each race, the team dissects information recorded by hundreds of sensors on each car, generating about 2,000 data points a minute. Tata Communications' network has trebled the speed of data transfer for the team, enabling critical race car telemetry and sensor data – such as tyre degradation and temperature, airflow, aerodynamics, throttle, brake and oil temperature, and movements inside the gear box – to be transferred in less than a quarter of a second from a racetrack anywhere in the world to the team's factory in the UK and vice versa. With the volume of data analysed by the team growing each season, this infrastructure delivers a real competitive advantage for the team.

The Mercedes team uses our global network for remote operations too. FIA regulations limit the number of staff from each team at a Grand Prix to 60, so Mercedes needs to be very efficient in how the team works. Superfast connectivity ensures that the team complies with FIA rules, while tapping into as much brain

TATA COMMUNICATIONS IS AT THE VERY HEART OF F1, WORKING WITH THE ENTIRE F1 ECOSYSTEM: FROM THE COMPANY THAT RUNS THE SPORT – FORMULA 1 - TO THE TEAM THAT WINS THE SPORT – THE REIGNING WORLD CHAMPIONS MERCEDES AMG PETRONAS - TO THE MANY BROADCASTERS WHO TAKE THE SPORT TO THE FANS GLOBALLY.

power as possible. Mercedes runs a state-of-the-art remote operations set-up, with a 'second' pit crew based at the team's factory in the UK, playing a direct role in each race, communicating, collaborating and exchanging data and insights with the pit crew at the track in real-time, as if they were in the same place. Remote operations enables Mercedes to make more accurate decisions, contributing to the team's success.

Digital transformation of F1

F1 is arguably the most technologically advanced sport in the world – but there is a huge opportunity for the sport to transform itself through the latest digital innovations. Over the last five seasons, our unique partnership with Formula 1 has evolved, as we work together to bring fans closer to the sport and pave the way for fan experiences that are more adrenaline-filled and powerful than ever imagined.

With a razor-sharp focus on innovation, we have pushed technology to the limits. A great example of this is a series of trials we have undertaken together with Formula 1 in areas such as ultra-high-definition video and live broadcasting over the Internet. These are the biggest and most disruptive digital technologies in the industry at present, which have the potential to transform how millions of people are able to immerse themselves in the F1 racing action.

Together with the Mercedes team and Formula 1, we also organise the annual F1 Connectivity Innovation Prize, which crowdsources ideas from the tech and F1 fan communities around areas such as big data analytics, virtual reality and – this year - the Internet of Things. The most creative idea gets a top prize of USD $50,000 and an opportunity to share their idea with our panel of judges consisting some of the leading people in the sport, such as the reigning World Champion, Lewis Hamilton, and the Managing Director of Motorsports at Formula 1, Ross Brawn.

As these examples show, unlike a traditional sponsorship deal, our work in F1 is a capability showcase. It's an ideal platform for demonstrating to our customers our global reach and ability to deliver in the most challenging of circumstances. That is why we often say that "if we can do it for Formula 1, we can do it for anyone". The same technology expertise and network services we provide to F1, enable our enterprise customers to reach global audiences faster, expand into new territories, and drive better collaboration worldwide. Just like during the last five seasons with Formula 1, we harness our technology capabilities and focus on innovation to enable our customers across industries to get that competitive edge by driving digital transformation across their business too.

Mehul Kapadia is Managing Director of Tata Communications' F1 Business.

India: An emerging global manufacturing hub for the auto industry

by Ratika Jain

From a non-existent base 40 years ago, the Indian auto industry has come a long way, writes an industry expert.

Today, India is one of the largest auto industries in the world with an annual production of 25.3 million vehicles, significantly above conventional automotive superpowers such as the US (17.5 million vehicles) and the EU (12.6 million vehicles). The sector directly contributes $97 billion to the Indian economy with automobiles contributing $58 billion and the automotive component sector contributing $39 billion.

In fact, the Confederation of Indian Industry (CII) recently concluded a study that identified 28 (from a total of 156) manufacturing industries, across nine manufacturing sectors, that had the potential to drive double digit growth in manufacturing and in which India had the potential to be number #1 or #2 in the world. Five industries in the automotive sector were identified. These are – Passenger Vehicles, Two and Three Wheelers, Heavy Commercial Vehicles, Auto Electricals and Electronics and Automotive batteries. The government of India has acknowledged the importance of this sector and included it amongst 13 priority sectors in its plans for Make in India 2.0

The Indian automotive sector is estimated to have a potential to generate up to $300 billion in annual revenue by 2026, create 65 million additional jobs and contribute over 12 per cent to India's Gross Domestic Product.

Over the years, the Indian automotive sector has become a dominant force with a large number of companies investing in India to cater both to the domestic and export markets. While the late 1990s/early 2000s witnessed a spurt in auto investments in India, there is a renewed wave of interest which is visible. Recently, Kia Motors Corp signed an MoU with the state of Andhra Pradesh to set-up its first factory in India. The plan is to invest $1.1 billion and operationalise the factory by 2018- 2019. China's largest automobile manufacturer, SAIC Motor, plans to invest $1 billion in India by 2018, and is exploring possibilities to set up a manufacturing unit in one of three states – Andhra Pradesh, Maharashtra and Tamil Nadu. Isuzu motors also recently set up its manufacturing plant in Andhra Pradesh.

In terms of export volume, a total of 3.4 million vehicles were exported in 2016-17 accounting for 14 per cent of vehicle production. Segment-

wise, India exported 2.3 million two wheelers, 750,000 passenger cars, 271,000 three-wheelers and 108,000 commercial vehicles. In 2015, India surpassed even China in the export of passenger cars. According to senior officials at Hyundai Motor India Ltd: "India is a key market for the company, not only in terms of volumes but also as a hub of small products for exports to 92 countries".

Top Asian Auto Exporting Countries in FY16

Rank	Country	Volume (Million Units)	Exports (In USD Billion)	% of World
1	Japan	4	86.1	12.80%
2	South Korea	3.5	41.8	6.20%
3	Thailand	1.2	9.4	1.40%
4	Turkey	0.9	6.9	1.00%
5	India	0.53	5.4	0.80%
6	China	0.4	4.1	0.60%
7	Indonesia	0.3	2.3	0.30%
8	Taiwan	0.083	1.3	0.20%
9	Russia	0.058	1.1	0.20%
10	Hong Kong	0.008	0.659	0.10%

Source : Industry sources, CII analysis

Segment-wise Break up of Auto Industry in FY17

Vehicle Type	Production 2016-17	Exports 2016-17	Sales Domestic 2016-17	Exports as % of production
Passenger cars	3,791,540	758,830	3,046,727	20%
Commercial vehicles	810,286	108,271	714,232	13%
Three wheelers	783,149	271,894	511,658	35%
Two wheelers	19,929,485	2,339,273	17,589,511	12%
Total	**25,314,460**	**3,478,268**	**21,862,128**	**14%**

Source : Industry sources, CII analysis

In 2016-17, 26 per cent of the total automotive components turnover was exported. The top export destination was the United States of America accounting for 23 per cent of total exports.

The Indian auto sector boasts of a highly mature and competitive supply eco-system. To catapult the industry to a new level, a discernible shift is taking place with several auto companies leveraging their capabilities to set-up design and technology centres for the world in India. For example, Ford Motor Co. plans to invest $195 million to build a global technology and business centre in Chennai, Tamil Nadu, which will be designed as a hub for product development, mobility solutions and business services for India and other markets. Several Original Equipment Manufacturers (OEMs) such as Suzuki have over the years also systematically developed their Tier I, II and III suppliers.

Several global component players have also formed joint ventures (JVs) with Indian players to supply to their parent company. Suzuki Motorcycle India Pvt Ltd has started exports of its 'Made-in-India' flagship bike 'Gixxer' to its home country of Japan, which will be in addition to current exports to countries in Latin America and surrounding countries.

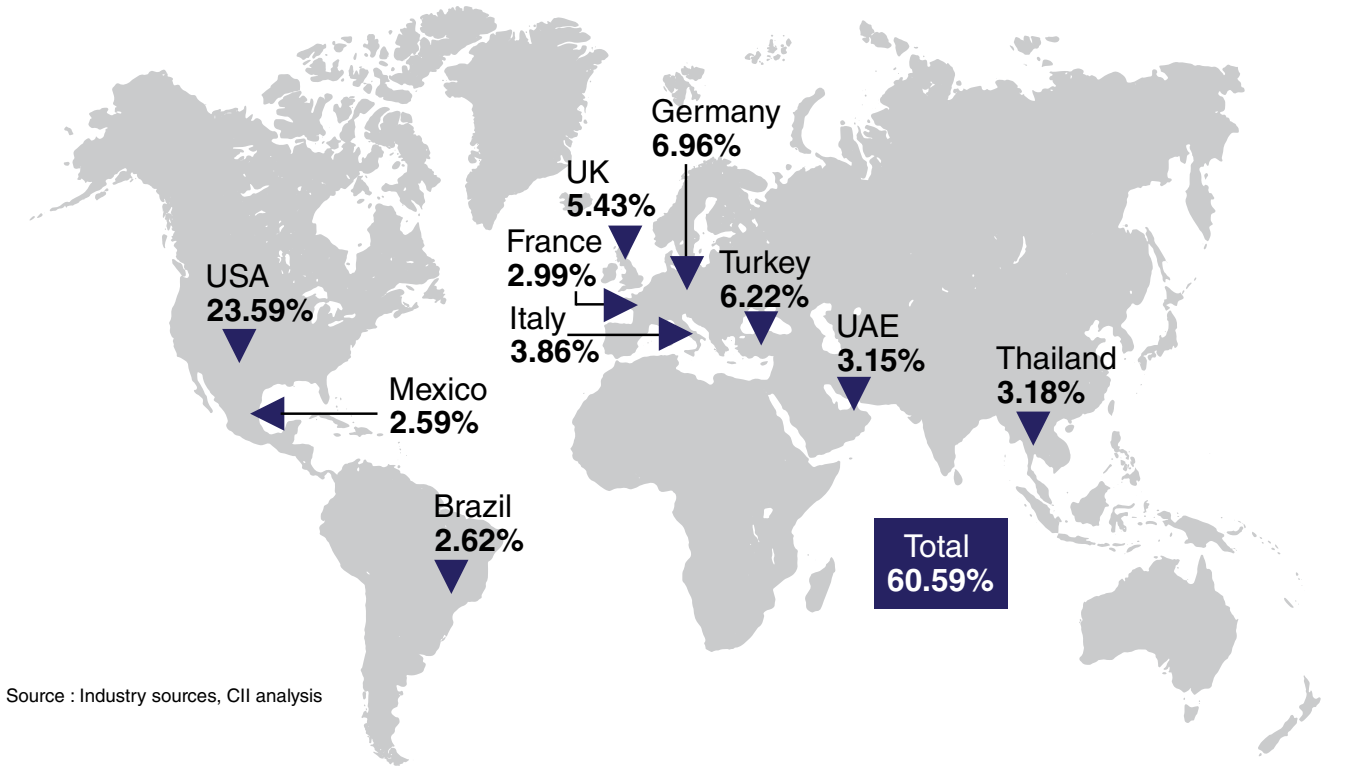
THE SECTOR DIRECTLY CONTRIBUTES $97 BILLION TO THE INDIAN ECONOMY WITH AUTOMOBILES CONTRIBUTING $58 BILLION AND THE AUTOMOTIVE COMPONENT SECTOR CONTRIBUTING $39 BILLION.

Cummins has plans to make India an export hub for the world, by investing in top components and technologies in India. Although General Motors (GM) ceased sales operations in India in 2017, it continues to use India as a manufacturing and export base for other countries.

India's strong auto value chain is also promoting OEMs to focus on next generation platforms and solutions. JustRide, a self-drive car rental firm, has raised $3 million in a bridge round of funding led by a group of global investors and a trio of Y Combinator partners, which will be utilised to amplify JustRide's car sharing platform JustConnect and Yabber, an internet of things (IoT) device for cars that is based on the company's smart vehicle technology (SVT). Domestic players are also increasing their global footprint by acquiring international brands. Mahindra and Mahindra acquired Italian firm Pininfarina and bought majority stake in SsangYong and UK-Based Motorcycle Maker BSA Company. Tata Motors acquired Jaguar Land Rover (JLR) a few years ago.

Together, these shifts indicate that the 'Make in India' story for the Indian auto industry has much steam left. In fact, the government of India aims to make automobile manufacturing the main driver of the 'Make in India' initiative, as it expects passenger vehicles market to triple to 9.4 million

Auto Components : Top 10 countries in terms of exports from India



Source : Industry sources, CII analysis

units by 2026, as highlighted in the Automotive Mission Plan (AMP) 2016-26.

Recognising the pivotal position the auto industry plays for manufacturing in India, the government of India has undertaken a number of measures to give a fillip to the sector. These include allowing 100 per cent foreign direct investment (FDI) under the automatic route and a proposal to introduce a new Green Urban Transport Scheme with central assistance of about $3.75 billion.

The plan is to create a framework for funding urban mobility projects at the National, State and City level with minimum recourse to budgetary support by encouraging innovative financing of projects.The Indian government is also significantly focussing on green mobility. The government formulated the National Electric Mobility Mission Plan 2020 (NEMMP) in 2013 articulating a vision to enable adoption of electric vehicles.

Subsequently, a pilot scheme called Faster Adoption and Manufacturing of Electric and Hybrid Vehicles (FAME) was launched in 2015 to encourage the gradual induction of reliable, affordable and efficient electric and hybrid vehicles (EVs) in the country. Several companies have responded to the Indian government's initiative to go green.

Given that the sector has become one of the most important manufacturing sectors, contributing more than 45 per cent to manufacturing GDP there is significant focus and emphasis being given to the industry. With both supply and demand side factors being extremely favourable, the Indian automotive industry's path towards becoming an automotive super power seems to be on the right track.

Ratika Jain is Executive Director – Manufacturing, Defence & Aerospace, MSME, at the Confederation of Indian Industry (CII). She is responsible for overseeing the industry vertical at CII, covering key sectors such as automotive, among others.

Is pure electric the right solution for future mobility in India?

by Vinnie Mehta

An industry expert weighs up this question against data that reflects that nearly 40 to 50 per cent of the $40-billion turnover of the auto component industry comes from the internal combustion (IC) engine powertrain industry.

A rapidly changing powertrain technology landscape, stricter regulations, shifting customer preferences, increasing demand for connectivity and digitisation have become important factors for shaping the future of mobility. The Niti Aayog recently unveiled the vision document for the Indian automotive industry 'India Leaps Ahead – Transformative Mobility solutions for all', jointly authored by Rocky Mountain Institute.

The report is indeed a paradigm shift in the way we think about mobility and is rightly driven by the need to significantly cut down Co2 emission by 37 per cent and energy consumption to 64 per cent by 2030. The automotive industry will be a nodal actor in the scheme of things. It is interesting to note that the report envisages a significant penetration of Battery EVs (BEVs), almost 100 per cent in case of Commercial Passenger Vehicles and 40 per cent Personal Passenger Vehicles, 100 per cent of three-wheelers and 40 per cent of two-wheelers to be electric and the entire public transit system to be electric by 2030. While the target may seem a bit ambitious, it is no doubt that the rollout of the EVs will be much faster than we in the automotive industry expect it to be.

WHILE THE TARGET MAY SEEM A BIT AMBITIOUS, IT IS NO DOUBT THAT THE ROLLOUT OF THE EVs WILL BE MUCH FASTER THAN WE IN THE AUTOMOTIVE INDUSTRY EXPECT IT TO BE.

Having said that, speaking from the perspective of the auto-component industry, as we embark on a new journey, we must take into account that we have a very vibrant and flourishing IC engine powertrain industry, almost 40 to 50 per cent of the $40-billion turnover of the auto component industry comes from this segment and that apart, engine and powertrain account for over 30 per cent of our $11 billion exports. The industry employs 1.5 million people directly and as many indirectly. That apart the industry over the years has a gross block of around $12 billion. We must ensure that ushering in of new technologies should not be so disruptive that the entire industry is

wiped out. Therefore in my opinion it would be logical to take one step at a time; we should encourage hybrid technologies to coexist with pure-electric as it allows for the conventional industry to evolve with the new.

In the same vein, while the entire industry congratulates and stands with the government on the Goods and Services Tax (GST) rollout by July 1, we are a bit concerned that the GST rate on hybrids at 43 per cent is almost penal compared to a benign 12 per cent on the Electric Vehicles. We would like to believe that the high rate on the hybrids is merely a matter of oversight and would be rectified to make it at par with that on the electric vehicles.

ALLOWING DUTY-FREE IMPORT OF COMPONENTS FOR ELECTRIC VEHICLES WILL BE DETRIMENTAL TO THE DEVELOPMENT OF A LOCAL ECOSYSTEM

The Niti Aayog report lays emphasis on developing an indigenous component-manufacturing ecosystem, akin to the FAME scheme. However, I must caution that allowing duty-free import of components for electric vehicles will be detrimental to the development of a local ecosystem. I urge the government to allocate significant funding towards indigenous R&D for creation of standard battery, motors and other components of powertrain ensuring creation of local IP.

Apart from the above, the automotive industry in India is facing a slew of new regulations on the front of safety, emissions, and environment including that of graduating from BS-IV to BS-VI. The component industry will witness a major disruption unless we prepare ourselves well to brace these changes. Therefore, the need of the hour for the industry is to embrace these changes well enough and timely enough to the expectations of our customers, the original equipment manufacturers (OEMs), else they will be forced to consider suppliers from other geographies!

Vinnie Mehta is the Director-General of the Automotive Component Manufacturers Association of India (ACMA).

Apart from the changes on the technology front, we all have to gear up for the mother-of-all reforms – the GST. ACMA had strongly recommended to the government for a rate of 18 per cent for the auto component sector, as it is an intermediary industry and has to combat the menace of Grey and Counterfeit products in the aftermarket. I am glad to report that over 30 per cent of auto components are at 18 per cent, but we are concerned about the remaining 70 per cent.

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India a bright spot for Brexit-hit UK car market

The number of Indian-built models registered by British buyers rose by almost half (48.6 per cent) to 21,135 units in the first half of this year alone.

UK car production fell by -13.7 per cent in June, with 136,901 cars rolling off production lines, according to recent figures released by the UK's Society of Motor Manufacturers and Traders (SMMT).

The third consecutive month of decline, following changes in production schedules for new model introductions, resulted in a -2.9 per cent year to date dip in output, triggering alarm bells over the impact of Britain's exit from the European Union (EU).

More than 85 per cent of the cars registered by British buyers in the first six months of the year came from overseas plants, and more than two thirds (67 per cent) from the EU, highlighting the importance of mutually beneficial tariff and barrier-free trade. However, India has proved to be a robust market for British luxury cars, with the figures indicating a small but promising spike in exports from the UK to India.

INDIAN DEMAND FOR UK'S PREMIUM CARS ROSE 8.3 PER CENT IN THE FIRST HALF OF 2017, WITH INDIA NOW BRITAIN'S SEVENTH BIGGEST ASIAN MARKET. OVER THE SAME PERIOD, THE NUMBER OF INDIAN-BUILT MODELS REGISTERED BY BRITISH BUYERS ROSE BY ALMOST HALF (48.6 PER CENT) TO 21,135 UNITS.

Indian d1emand for UK's premium cars rose 8.3 per cent in the first half of 2017, with India now Britain's seventh biggest Asian market. Over the same period, the number of Indian-built models registered by British buyers rose by almost half (48.6 per cent) to 21,135 units.

"The demand in India tends to be in the premium segment and the latest figures reflect the growing attraction of Britain's luxury brands in the country," said Mike Hawes, Chief Executive of the UK's Society of Motor Manufacturers and Traders (SMMT).

"The UK and Indian automotive industries share a rich heritage of trade and investment, and strengthening this relationship through mutually-beneficial trade deals in the future is of the utmost

Source: https://www.smmt.co.uk/

importance," he said. Exports to India grew to 1,650 units this year, moving India up from eighth place in 2016 to seventh for the UK automotive industry as an increasing number of affluent buyers take advantage of a range of all new premium and luxury British-built cars, according to the membership-led trade body.

The upward trend vis-à-vis the Indian market contrasts with the overall picture for the industry, with UK car production falling by -2.9 per cent in the first half of 2017, attributed to the uncertainties triggered by Brexit.The European Union (EU) remained the UK's biggest trading partner, accounting for more than half of all cars produced for export (54.6 per cent), with Germany and Italy the UK's second and third biggest single markets. The SMMT found that EU countries make up half of UK automotive's top 10 export destinations, highlighting the importance of continued free trade.

Hawes cautioned: "World class engineering and products, strong government collaboration and massive investment have helped UK Automotive become a global success story. At the heart of this has been the free and frictionless trade we've enjoyed with the EU – by far our biggest customer and supplier.

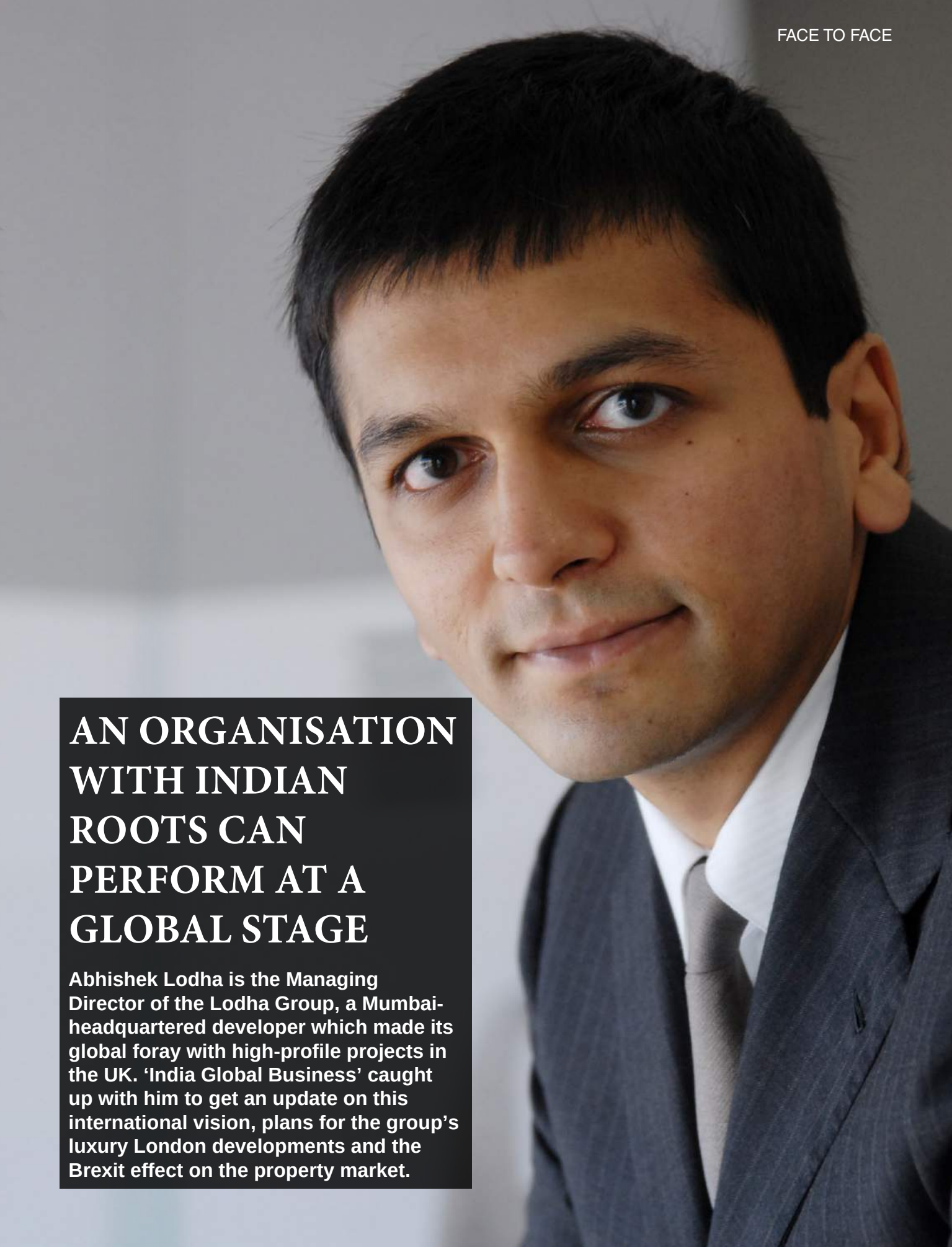
"Given the deeply integrated European vehicle and component supply chain, we need Brexit negotiators on both sides to recognise the importance of barrier free trade for the European automotive industry. Any disruption to this risks undermining one of the EU's most valuable economic assets.

The industry needs certainty so an interim deal, maintaining UK single market and customs union membership until we have in place the complex new agreement with the EU, must be a priority for the UK in its withdrawal negotiations."

Production for export continued to drive volumes in 2017 as global demand for British-built cars dipped by a marginal -0.9 per cent in the first six months, with 683,826 cars shipped overseas. Production is forecast to rally in the second half of 2017. The projection is based on a number of new models and updates planned for production later this year – many from premium brands, helping to cement the UK as the world's second-biggest producer of premium cars after Germany.

However, market softness both in the UK and certain key export markets may see the 2017 forecast revised. Looking further ahead, the base outlook with an interim Brexit deal secured, has been revised and the analysis forecasts industry will just miss the ambition of 2 million cars by 2020 (1,993,750).

In the first six months, global demand grew in a number of markets, notably the US – the UK's biggest export region after the EU – where exports rose by more than a third (37.6 per cent) thanks to the launch of a raft of new models. Demand also grew substantially in Canada (66.7 per cent) and Australia (8.4 per cent), while China maintained its position as the UK's third biggest customer, taking 7.0 per cent of exports.



AN ORGANISATION WITH INDIAN ROOTS CAN PERFORM AT A GLOBAL STAGE

Abhishek Lodha is the Managing Director of the Lodha Group, a Mumbai-headquartered developer which made its global foray with high-profile projects in the UK. 'India Global Business' caught up with him to get an update on this international vision, plans for the group's luxury London developments and the Brexit effect on the property market.

What was the motivation behind the Lodha Group's expansion to the UK?

We started in London in December 2013, early 2014 and the idea was to establish a business which builds on our success and learnings in India and allows us to operate as an Indian multinational by operating in one of the most competitive, most expensive as well as the highest quality markets in the world.

Over the last three years, we are developing two of London's most prestigious developments – No. 1 Grosvenor Square, which was the Canadian High Commission and before that the American Embassy, and Lincoln Square, which is close to the London School of Economics and Royal Courts of Justice. What we are trying to achieve is world-class quality. We have put in a lot of effort and money into the design, into the marketing content, brought in the best names from across the UK as well as internationally.

How has this UK expansion panned out?

Now we are the stage of delivering the products. At the site at Lincoln Square, the core is up to the fifth and sixth floor now and Grosvenor Square concrete has started to be poured. We are doing well on sales. Lincoln Square is pushing at £150 million of sales in the last 12 months and Grosvenor Square has done about £50 million, so together we are close to £200 million on the sales of the two sites. And, this is in a very difficult external environment in the aftermath of the Brexit referendum last year.

An Indian company by origin, we formed a very successful UK operation, we have a great management team here which operates independently with over 40 people working here right now. We are very proud of how much we have been able to do so far and we look forward to growing on this success and building out our business.

What impact is Brexit likely to have on the UK property market?

Quite frankly, we are very confident about London and its attractiveness as a great place to live and work. If you ask Londoners, how many have bought a place here or decided to work here because the UK is part of the European Union (EU) – I think the answer would be a very small percentage. People live and work in London because it's a place which is very well connected, its time zone, language, great infrastructure, social amenities, culture, education and healthcare. Those are very constant and growing.

WHAT WE ARE TRYING TO ACHIEVE IS WORLD-CLASS QUALITY. WE HAVE PUT IN A LOT OF EFFORT AND MONEY INTO THE DESIGN, INTO THE MARKETING CONTENT, BROUGHT IN THE BEST NAMES FROM ACROSS THE UK AS WELL AS INTERNATIONALLY.

To me, London is the finest city in the world and it will continue to be a huge magnet for talent and business for many, many years to come – irrespective of whatever short-term impact on account of the referendum.

What made you choose the UK as the Lodha Group's first international market?

We as a company wanted to showcase ourselves on the international stage and when we evaluated many different markets, including New York and Singapore, we felt London was the right market for us to enter for many reasons – the size, as it is a very big housing market; and there are very few large developers so there was a big opportunity for us to come in and become a large development company here.

The quality of work in London is the best in the world. It is much better than what New York or other countries have. So it's really a place where we can learn a lot to take back to our Indian business but at the same time we can showcase that an organisation with Indian roots can perform at a global stage.

What is the kind of buyer your properties in London are attracting?

The buyer is someone who has very strong roots in London – somebody who works or has a business here or somebody with family connection or studied here. It means that people who know the city well are buying with us, which means that our product must really be among the best products in the city.

Indians constitute about 15-20 per cent of the buyers. It's a very diverse audience but the common theme is very strong roots in London.
We have seen a few families buy homes for children who plan to study in London, there are alumni who are buying because they know the area and love the area, there are people who work with law firms or other professional services firms in the nearby area.

What is the kind of housing in demand in London?

The focus is on the need for more affordable housing in London and that is something we are very supportive of. Over time, as these two projects mature and we have more higher level of sales, we will grow the business across different price points. We don't only want to be segmented or focussed on the top end of the market. We want to be doing large scale schemes at lower price points.

Lodha Group development at Lincoln's Square, London

But at the moment we are focussed on these two projects, with Lincoln's Square completion in 2018 and Grosvenor Square end 2019.

What sets your group's developments apart?

Our focus on design and quality of product I believe are not really common. As an organisation, we are very focussed on making sure that we do all that we can to deliver world class design and exceptional quality in everything that we do, besides the point what the price point may be. The idea is to make sure that we deliver exceptional quality and exceptional design.

One of the interesting things about development and construction is the fact that when you do something, it is going to be around at times for centuries and often decades. That ability to make a difference to people's lives by doing it well – you can do it badly and it will be there and you can do it well and it will be there – and through generations people enjoy, get a superior quality of life and work environment and that makes them more productive, makes them happier. That impact you can have on people's lives by doing real estate well, is quite phenomenal.

Do you feel the group's projects are contributing to the India-UK relationship?

The UK-India relationship is a very old relationship. It is one which has many aspects to it and the fact is that UK companies go to India and do business there and help strengthen the relationship. Equally, when an Indian companies like us come over here and generate employment, it definitely strengthens the relationship.

I think commerce and business relationships are a key cornerstone of any strong international partnership.

What is it like being a developer in a reformist India today?

India is going through very important change. The leadership of the Prime Minister will go down in history books as transformative for our country and GST (Goods and Services Tax) is just one such step.

Whether it's GST or RERA (Real Estate Regulatory Authority) or demonetisation, he is taking very bold measures which he thinks will make the country a better place – a place where there will be more opportunities for people, where the economy will support a larger percentage of the people and poverty will reduce.
Being a developer in India today is very interesting, because all these things are strengthening the economy, they are causing demand to grow and at the same time, it makes it incumbent upon you to be better managed, more efficient and do things in a more transparent fashion.

All this is good for a company like ours because we are at the top end of the pyramid.

We found RERA to be very welcome. Now that we have studied it in great detail, and also registered our projects, we found that we were already doing all those things. But it is good now that the whole industry has to do them, because it will separate the men from the boys and will reduce the credibility deficit. This bill is good because it will stop affecting the credibility of the industry as a whole.

How would you want people to view your projects?

We would want them to want it. After seeing it they should feel that this is really the very best that they can have. Whether they buy it or not, because that is governed by many different reasons, at least they should really deeply want it.

GST will not impact smartphone boom in India

India's historic tax reform is unlikely to impact the scale of smartphone demand in India, a latest German analysis reveals.

The new Goods and Services Tax (GST) will have no impact on the smartphone demand in India, according to latest telecom research by a German research firm.

GfK found that smartphone demand in India remained resilient in 2017, having levelled out slightly to 14 per cent year-on-year.

"GfK expects the recently announced Goods and Services Tax (GST) will have no impact on smartphone demand in the country. GfK forecasts overall smartphone demand in the region will total 234 million units in 2017, an increase of 11 per cent year-on-year," the research said.

Global smartphone demand totalled 347 million units in 2017, up 4 per cent year-on-year. This makes it the strongest second quarter on record, the research found.

Arndt Polifke, global director of telecom research at GfK, said: "The record demand for smartphones in the second quarter this year shows that, despite saturation in some markets, the desire to own a smartphone is a worldwide phenomenon. How that manifests itself differs widely by region.

GfK EXPECTS THE RECENTLY ANNOUNCED GOODS AND SERVICES TAX (GST) WILL HAVE NO IMPACT ON SMARTPHONE DEMAND IN THE COUNTRY. GfK FORECASTS OVERALL SMARTPHONE DEMAND IN THE REGION WILL TOTAL 234 MILLION UNITS IN 2017, AN INCREASE OF 11 PER CENT YEAR-ON-YEAR.

"Manufacturers are maximising all their creativity to ensure their latest devices are irresistible – and to increase ASP as a result. Elsewhere, macroeconomic factors and consumer confidence are having an impact, but operators and retailers are employing localised tactics to ensure the smartphone remains the connected device of choice."

Emerging Asia led the smartphone demand growth with a 13 per cent year-on-year increase, followed by Central and Eastern Europe at 11 per cent, and Latin America at 10 per cent. Market value grew nine per cent year-on-year, due to rising average sales price (ASP).

Yotaro Noguchi, product lead in GfK's trends and forecasting division, said: "Consumers are willing to pay more for their smartphone as they seek a better user experience. Despite the market reaching high penetration levels, GfK forecasts smartphone demand will continue to see year-on-year growth even in 2018, as innovation from smartphone vendors keeps replacement cycles from lengthening."

GfK said the report is based on final point of sales data for April and May, and June estimates based on weekly data up until June 24, 2017.

Emerging Asia: Anticipating the strongest regional growth in 2017

Smartphone demand in the region totalled 56.7 million units, up 13 per

Smartphone sales 2Q 2017 vs. 2Q 2016

	Units sold (in million)			Sales value (in billion USD)		
	2Q17	2Q16	Y/Y % change	2Q17	2Q16	Y/Y % change
Western Europe	28.7	29.8	-4%	12.1	12.2	-1%
Central and Eastern Europe	18.7	16.8	11%	4.6	3.7	24%
North America	47.4	44.6	6%	18.7	16.2	15%
Latin America	27.0	24.6	10%	8.5	7.5	13%
Middle East & Africa	42.2	41.6	1%	9.9	10.7	-7%
China	110.1	109.7	0%	35.1	32.4	8%
Developed Asia	16.1	16.6	-3%	10.0	9.4	6%
Emerging Asia	56.7	50.0	13%	10.3	7.9	30%
GLOBAL	**346.9**	**333.7**	**4%**	**109.2**	**100.0**	**9%**

Source: GfK Point of Sales (POS) Measurement data in 75+ markets, monthly data to the end of May 2017, plus weekly data to 24 June 2017. Percentages are rounded.

cent year-on-year. Bangladesh and Malaysia powered most of this growth. In Bangladesh, smartphone demand grew by a strong 40 per cent year-on-year. Malaysia is maintaining a steady recovery from its 2015 slump, and here demand in 2Q17 grew by 31 per cent year-on-year.

Western Europe: Demand drops

Smartphone demand totalled 28.7 million units in 2Q17, down 3 per cent year-on-year. This is the third consecutive quarter of decline, caused by saturation in the largest markets, Germany, Great Britain and France. In these markets year-on-year demand fell -4 per cent, -5 per cent and -7 per cent respectively. However, GfK expects major device launches in 4Q to help moderate full-year declines to -0.4 per cent.

Central and Eastern Europe: Growing

The region continues its recovery, with smartphone demand reaching 18.7 million units in 2Q17, up 11 per cent year-on-year. As the political situation stablises and consumer confidence recovers in Russia and the Ukraine, both markets have posted impressive year-on-year growth. In Russia, demand was up 11 per cent year-on-year in 2Q17, and in the Ukraine it was up 22 per cent. GfK raised its forecast for smartphone demand in the region slightly to 85.2 million in 2017, a rise of nine per cent year-on-year.

North America: Return to growth

Here, the market grew six per cent year-on-year to 47.4 million units in 2Q, following falls in demand in the recent quarter. GfK forecasts smartphone demand in the region to total 203 million units in 2017, a rise of two per cent year-on-year.

Latin America: Demand grows despite economic uncertainty

Smartphone demand in the region rose 10 per cent year-on-year to 27 million units in 2Q17. This recovery is driven mainly by pent-up demand for smartphones in Brazil. Despite the uncertain political and economic environment, demand for smartphones in the country increased 15 per cent year-on-year in the second quarter. GfK maintains its optimistic outlook for Latin America in 2017, forecasting smartphone demand to increase by approximately seven per cent year-on-year.

Middle East and Africa: Macroeconomic weakness

Smartphone demand totalled 42.2 million units, up just one per cent year-on-year. The slowdown in growth is largely due to macroeconomic weakness in the region and device saturation in the Middle East. Egypt in particular is experiencing very high inflation. Demand here declined four per cent year-on-year in 2Q, while GfK forecasts a fall of 10 per cent in 2017. However, this is a large and diverse region and GfK forecasts its overall smartphone demand to grow five per cent year-on-year in 2017. Growth will come primarily from those Sub-Saharan and South African countries where smartphone penetration is still relatively low.

China: Plateau

In China, smartphone demand plateaued in 2Q17 at 110.1 million units, showing no change year-on-year. This moderation of growth in demand for smartphones was caused primarily by saturation in the market. However, as we're seeing in other regions, higher-priced new products are pushing up market value. GfK forecasts smartphone demand in China to total 461 million units in 2017, an increase of two per cent year-on-year. The growth in value terms (USD) is expected to be considerably higher, at 11 per cent year-on-year.

Developed Asia

Overall smartphone demand totalled 16.1 million units in 2Q17, down three per cent year-on-year. Declining demand in South Korea, which saw impressive growth last year, offset the increased demand in both Japan (up 12 per cent year-on-year) and Australia (up nine per cent year-on-year). GfK expects the region to experience a slight improvement in demand in the second half of 2017, finishing the full year down one per cent. That will equate to 73.1 million units.

Emerging Asia:	Developed Asia:
India	Australia
Indonesia	Hong Kong
Cambodia	Japan
Malaysia	New Zealand
Philippines	Singapore
Thailand	South Korea
Vietnam	Taiwan

India takes a global lead on counter-terrorism

Indian Home Secretary Rajiv Mehrishi recently concluded a visit to the UK for the India-UK Home Affairs Dialogue to collaborate on issues such as counter-terrorism.

The India-UK Home Affairs Dialogue was set up during British Prime Minister Theresa May's visit to India last November. The first meeting took place in New Delhi in May and the latest meeting was co-chaired in London in July by Mehrishi with UK Permanent Secretary Philip Rutnam.

India used the meetings to exchange ideas in the field on counter-terrorism. Both sides participated in a two-day workshop with the Joint International Counter Terrorism Unit of the UK to collaborate more closely on counter-terrorism matters.

He said: "We shared both countries' respective threat assessment and discussed the security measures being undertaken. The issue of radicalisation and the work the UK is doing in counter-radicalisation also featured during the workshop.

"We also deliberated on the Counter Terrorism Internet Referral Unit (CTIRU) and what work is being done to remove terrorist threat content from the internet."

The Indian Home Secretary also raised the issue of visa problems faced by Indians, including delays in student visa decisions, the high fees charged for UK visas and the lengthy waiting period for Indian tourist visas.

The issue of women abandoned by Indian origin and non-resident Indian (NRI) spouses from the UK back in India was also highlighted by the Indian side and it was agreed that follow up meetings on that would take place next week with senior Indian High Commission diplomats.

BOTH SIDES PARTICIPATED IN A TWO-DAY WORKSHOP WITH THE JOINT INTERNATIONAL COUNTER TERRORISM UNIT OF THE UK TO COLLABORATE MORE CLOSELY ON COUNTER-TERRORISM MATTERS.

On the UK side, the issue of illegal immigration from India was raised with the Indian Home Secretary. "Approximately, the UK has been able to identify in the region of about 1,000 illegal immigrants from India a year. We made it clear that it is a matter of policy for India that anybody identified as an Indian who is illegally in the UK, we will expedite his or her return," Mehrishi said.

"The only issue is about cross-checks and time taken because sometimes illegal immigrants, understandably, destroy their documents and therefore identifying them as Indians takes a lot of time," he noted.

Mehrishi also held talks with Brandon Lewis, UK minister for immigration, and took part in a series of meetings, most of which are not in the "public domain".

India is set to extradite a Bangladeshi national wanted in the UK on murder charges in the next week or 10 days. Mehrishi made a reference to the case as he concluded his visit to the UK this week as a sign of the India-UK extradition treaty working well.

Extradition was also a major issue during the India-UK Home Affairs Dialogue in London, which took place against the backdrop of ongoing court proceedings in the UK against embattled liquor tycoon Vijay Mallya,

who is wanted in India on fraud charges.

"We are on the verge of extraditing an individual from India to the UK in the next week or 10 days. The extradition treaty is working just fine and there is no difficulty in the extradition treaty. We have extraditions already successfully completed," Mehrishi said.

While he did not name the individual, senior officials with knowledge of the case have revealed that the man in question is Bangladeshi national Mohammad Abdul Shakur. He is accused of murdering his wife Juli Begum and two daughters in the UK in 2007 before fleeing the country. He was arrested in Assam and, according to official sources, the delay in his repatriation to the UK has been as a result of an ongoing court case in New Delhi, which is being wrapped up to make way for his extradition.

The UK Home Office was unable to comment on the case at this stage. "We only comment directly on extradition from the UK, as extradition to the UK is a matter for the requested state," a UK Home Office spokesperson said.

In reference to the ongoing extradition case from the UK to India – that of Vijay Mallya, Mehrishi had indicated that any hurdles in the broader extradition process between the two countries were discussed during his meetings in the UK over the past week. "Mr Vijay Mallya's case is sub-judice and in the courts. All the issues that pertain to extradition, across the board, were discussed," he said. India and Britain have an extradition treaty, signed in 1992, but so far only one extradition has taken place from the UK to India under the arrangement - that of Samirbhai Vinubhai Patel.

"He was extradited with the due process of law. We do understand that extradition does take time and there are multiple levels of appeal in either country and it is not the easiest of processes to complete. But being a liberal democracy that we are, we have to allow for the law taking its own course," the Home Secretary said.

Indian companies firm on UK & Europe

From steel, energy and healthcare to food packaging, Indian firms make a mark across the UK and Europe.

Tata Steel completes sale of UK mills

The UK's Liberty House Group has completed the purchase of two pipe mills from Tata Steel UK in north-east England.

Liberty, which is part of the GFG Alliance, had signed a provisional agreement to acquire the units at Hartlepool last month and appointed top steel pipe specialist, James Annal, to head the new pipe and tube division. Sanjeev Gupta, the executive chairman of Liberty House, said the deal marked his group's plans to play a key role in the global oil and gas pipeline sector.

He said: "This is an important first step in our ambition to become a world leader in energy pipe and we are already looking at plants in other countries. The acquisition of this high-calibre business and its skilled workforce gives us the basis to upgrade the liquid steel production facilities we're buying at Whyalla, South Australia, and our plate mills at Dalzell and Clydebridge in Scotland to make high-value-added API grade plates that can be rolled at Hartlepool to supply pipeline projects worldwide.

"This fully-integrated value chain will make us a world leader in this field and help showcase Britain's engineering prowess in supplying a world-class highly-engineered product."

Liberty has said it intends to rebuild the previously struggling operation at Hartlepool, adding around 100 new jobs to the existing 140-strong workforce.

India's energy firm to invest in UK

India's state-run Energy Efficiency Services Ltd (EESL) will invest £100 million in the UK over the next three years. The company through its wholly-owned US subsidiary Jain Irrigation Inc will acquire 80 per cent stake after both the US irrigation distribution companies merge.

EESL struck up a joint venture with EnergyPro Ltd, an advisory company in energy efficiency, and invested in EPAL, earlier a wholly-owned arm of the EnergyPro. EESL would route its investments through EPAL.

EESL MD Saurabh Kumar said: "EESL has already invested 7 million pounds in the EPAL. We have 80 per cent stake in this JV whereas the remaining stake is with our partner EnergyPro Ltd.

"The EESL has decided to invest 100 million pounds over the next three year. We have estimated an annual revenue of 20-25 million pounds after this investment. At present, with £7 million investment in the EPAL, the revenues are estimated at 1 million per annum for the next 15 years."

Power minister Piyush Goyal will in London this week to make a formal announcement about the investment by EESL.

Sona BLW expands Hungarian plant capacity

Sona BLW Precision Forgings Ltd (SBPFL), part of India's $500-million multinational Sona Group, is expanding its production capacity at its plant in Hungary.

The Hungarian plant, spread across 4,800 square metres, is the Sona Group's first greenfield manufacturing unit outside India. The facility is a downstream process unit which will increase production capacity by 40 per cent through machining and heat treatment operations.

The company says the expansion programme will lead to some cost reduction. The increased production

capacity will help create total capacity of 3.9 million pieces per year with a targeted annual sale of 1.5 billion Hungarian Forint.

Sona Group CEO Sunjay Kapur said: "Our Hungary plant expansion offers us advantages to maintain cost-efficiency, transfer of certain aspects of our production and also remain close to the market."

Bengaluru firm to set up in London

Bengaluru-headquartered RxPrism plans to set up a regional innovation hub in London to expand its footprint in the UK and Europe.

The global healthcare-focused digital marketing and customer engagement services and solutions provider is among 20 start-ups selected in this year's India Emerging 20 (IE20) programme, which supports Indian companies to grow their international business via London.

Dr Maruthi Viswanathan, Founder-CEO of RxPrism Health Systems, said: "London was an immediate choice as the place is appropriately positioned to cover the US and APAC time zones. We have already registered our subsidiary in the UK. Therefore, we aim to complete this expansion plan in about three months from now and get the UK centre functional by this October-December."

The firm is planning to invest $2 million over two years, a part of which would come from the company's innovation fund and the rest from UK-based venture capitalists.

The company is set to create over 250 job opportunities for software developers and creative specialists in the next two years, with 30 per cent of this strength working in its R&D lab.

Jindal Poly Films to acquire Dutch firm

Indian packaging films maker Jindal Poly Films Ltd has agreed to acquire the Netherlands-based Apeldoorn Flexible Packaging Holding BV for an enterprise value of €82.3 million euros in cash.

The transaction will require anti-trust approvals in the Netherlands and Germany and is likely to be closed by the end of September, Jindal Poly said in a stock exchange filing in India. It added that the acquisition would be made through its JPF Netherlands BV unit.

Jindal Poly Films said the acquisition will help it increase its product offerings by adding load security films. The deal will also strengthen its relationship with brand owners in the food, beverage and fast-moving consumer goods segments. The company added that it aims to expand its differentiated product offerings in the packaging films business globally.

Apeldoorn was set up in 2014 and besides load security films, it makes bread and cheese packaging films. Its consolidated revenue was €111 million euros for the calendar year 2016.

LT Foods opens Netherlands unit

India's leading basmati rice firm, LT Foods, has commenced operations of its first rice processing plant at Rotterdam in the Netherlands.

The company, which sells basmati rice under the Daawat brand, has invested $15 million in the plant with an initial capacity of 60,000 tonnes.

The plant is aimed at expanding the company's geographical footprint in the markets of Europe and the UK by increasing its sales from the current 5,000 tonnes to 60,000 tonnes over the next three years.

LT Foods CEO and Managing Director Ashwani Arora said: "Europe and UK are critical markets for LT Foods for our future growth and we intend to make deep inroads in these markets by making our most popular rice brand Daawat a household name.

"The location of the plant was also critical for us as Rotterdam will provide us easy access to whole of Europe and UK. We want to exponentially increase our geographical reach and product portfolio in these markets by offering our food products."

The new plant will manufacture a wide range of rice, including popular varieties such as Basmati, Thai, Jasmine and American rice.

The company has already launched Daawat in six countries this year as part of plans to expand its product offerings and portfolio globally.

SHAPING A VIBRANT ECONOMY

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For further information, please contact:

Anuj Chande
Partner
T +44 (0)207 728 2133
E anuj.j.chande@uk.gt.com

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Close and warm but…

by India Inc. Staff

Donald Trump's ambivalence on economic and strategic issues concerning India is coming in the way of taking bilateral ties to the next level.

If India and the US were Facebook friends, then many in the Indian establishment would be justified in describing the relationship as "It's complicated."

India is a "major defence ally" of the US, the economic relationship is vibrant, at least on the face of it, Washington has reiterated its support for India to be admitted into the Nuclear Suppliers' Group (NSG) as a full member and public statements by senior government officials on both sides continue to exude warmth.

But eight months into the Donald Trump presidency, there is still a certain ambiguity on where New Delhi stands in the US President's scheme of things. On the campaign trail, Trump did promise that if he were elected to the highest US office, India would have a true friend in the White House. He reiterated his statement and promised to redeem his pledge when Prime Minister Narendra Modi visited Washington earlier this year.

But concerns remain.

Uncertainty over trade

In a sign that there are niggles in the apparently close ties between the two countries, the annual Trade Policy Forum (TPF) may not be held this year. The reason: the US administration is apparently unhappy that the previous 10 rounds of the TPF have not yielded the desired results.

This forum was set up 12 years ago to hold discussions on tariff and non-tariff barriers, agriculture, services, innovation and investments and to resolve any disputes that arise on these issues.

"The US is yet to appoint senior officials in its trade department, including deputy USTR, with whom details could be discussed. Since the Trump administration is focused on domestic issues right now, we don't think the TPF meeting, which is usually held in October, can take place this year," media reports quoted an official of India's Ministry of Commerce as saying.

The US has, in recent months, complained that India is not complying with World Trade Organisation rules on issues such as prescribing a mandatory domestic content on solar panels and allowing the import of US poultry products. Besides, it has also reiterated its long standing grouse against what it calls restrictive trade practices and patent infringement on pharmaceuticals, IT and intellectual property rights.

Gaping deficit

India enjoys a $20-billion trade surplus with the US and the Trump administration is believed to be keen on reducing this to a more manageable figure.

"It is important that barriers be removed for the export of US goods into your markets and that we reduce our trade deficit with your country," Trump had told Modi during their meeting.

"The United States and India plan to undertake a comprehensive review of trade relations with the goal of expediting regulatory processes; ensuring that technology and innovation are appropriately fostered, valued, and protected; and increasing market access in areas such as agriculture, information technology, and manufactured goods and services," the joint statement issued after Modi's meeting with the US President had said.

But Indian policymakers feel any unilateral concession by India on trade with the US will be extremely difficult without a reciprocal gesture from the White House on Indian concerns over the grant of visas to its professionals.

The visa imbroglio

One of the big irritants in Indo-US relations is the squeeze on H1B visas that are used by Indian IT majors to send many professionals to live and work in the US.

The two governments are in close touch on the issue of Indian professionals being able to work in the US. Gen (Retd) V.K. Singh, Minister of State for External Affairs, had recently told the Rajya Sabha in a written reply that there are six bills relating to the issue pending in the US.

"The bills seek to amend the various provisions related to the grant of H1 and L1 visas. However, so far, none of these bills have been passed and no comprehensive policy changes have been made," he had said.

The Indian IT sector is worried that these bills will adversely impact their business.

Merit-based entry permits

Trump has recently announced his support for a merit-based visa system that favours English speakers. The problem: the legislation behind this system proposes to cut the number of such visas by 50 per cent.

IN A SIGN THAT THERE ARE NIGGLES IN THE APPARENTLY CLOSE TIES BETWEEN THE TWO COUNTRIES, THE ANNUAL TRADE POLICY FORUM (TPF) MAY NOT BE HELD THIS YEAR. THE REASON: THE US ADMINISTRATION IS APPARENTLY UNHAPPY THAT THE PREVIOUS 10 ROUNDS OF THE TPF HAVE NOT YIELDED THE DESIRED RESULTS.

Experts in India said the proposed new law, called Reforming American Immigration for Strong Employment (RAISE) may, in fact, help India as it proposes to limit immigration to only highly educated professionals taking up highly paid jobs.

"The RAISE Act will reduce poverty, increase wages, and save taxpayers billions and billions of dollars. It will do this by changing the way the US issues Green Cards to nationals from other countries. Green Cards provide permanent residency, work authorisation, and fast track to citizenship," Trump had said.

In addition, the new highly competitive application process will prevent immigrants from getting US welfare benefits and protect US workers from job losses.

"That's a very big thing. They're not going to come in and just immediately go and collect welfare. That doesn't happen under the RAISE Act. They can't do that. Crucially, the Green Card reforms in the RAISE Act will give American workers a pay raise by reducing unskilled immigration," the US President had added.

Tough going for junior IT professionals

If RAISE is passed into law, it will make it easier for highly qualified and senior Indian personnel to get US visas but effectively close the doors for junior professionals who currently constitute the bulk of H1B visa applicants.

The US Citizenship and Immigration Services (USCIS) agency has recently said "an entry-level computer programmer position would not generally qualify as a position in a specialty occupation". This means Indian IT companies can no longer send personnel from India to fill up such positions in the US.

Nomura Research analysts have found that about half of labour condition applications filed by Indian IT companies were for entry level or Level1 positions last year. These applications are sine qua non for H1 B visa applications.

This will almost certainly hit the margins and profitability of Indian IT companies.

Crackdown on violations

Indian IT companies have been accused by a section of US lawmakers of violating visa norms, a charge that industry body Nasscom, individual IT companies and the government have vehemently denied. Many large and medium US companies, too, have been accused of colluding with their Indian counterparts in this regard in order to lower costs.

But in an ominous sign, the USCIS agency has said in an advisory issued to US companies that it will "rigorously" use its authority to investigate H1B visa violators, indicating a hardening of attitudes in the Trump administration on the issue.

The US Labour Department became the third US government department after the USCIS and

the Justice Department to say it will coordinate more closely with other US government departments in its efforts to protect US workers and, if necessary, prosecute offenders.

It also joined the Justice Department in cautioning US employers not to use H1B visa holders to discriminate against US workers, and pointed out that this particular visa category can be utilised to import foreign workers only if workers with relevant qualifications were not available in the US.

Indian IT companies are the largest users of H1B visas. In 2018, the US plans to issue 85,000 H1B visas, but experts said a change in the minimum wage criteria for issuing such visas would hit the bottomlines of Indian IT companies, which grew at a record slow 9 per cent in 2016-17. There is little likelihood of any great improvement in the current financial year.

Indian companies create, not destroy, jobs

A study titled "Indian Roots, American Soil" by the Confederation of Indian Industry (CII) and Grant Thornton (GT) last year, about 100 Indian companies have invested $15 billion in US industry and created 91,000 direct jobs in that country.

The highlights of the report are:

- About 100 Indian companies have invested $15.3 billion and created 91,000 direct jobs across the US
- The top five states in terms of job creation by Indian companies are New Jersey (9.278 jobs), California (8.937 jobs), Texas (6,230 jobs), Illinois (4,779 jobs) and New York (4,134 jobs)
- The top five states in terms of FDI by Indian companies are Texas ($3.84 billion), Pennsylvania ($3.56 billion), Minnesota ($1.8 billion), New York ($1.01 billion) and New Jersey ($1 billion)
- The average investment per state is $443 million
- Six out of seven Indian companies present there plan to invest more in the US
- 90% of the companies plan to hire more employees locally in the next five years.

Low hanging fruit

The US accounts for 60 per cent of the Indian IT sector's annual revenues of about $150 billion. That is why an easy US visa regime is vitally important for its health. And Indian IT professionals are the biggest beneficiaries of the H1B visas, which allow professionals to work in the US.

Worryingly, a substantial portion of their revenues still come from relatively lower end work, which give steady margins, but which can no longer generate high levels of growth for the Indian IT sector. And despite their best efforts, Indian IT companies have failed to move to move up the software services value chain.

The politically incorrect secret is that Indian IT companies still focus primarily on "exporting" IT professionals to remote locations to address their clients' needs.

The geo-strategic conundrum

India faces an increasingly assertive and often bellicose China, which has single-mindedly pursued a policy of keeping India pinned to the sub-continent in order to prevent it from playing a larger strategic role in Asia and the wider region.

The Modi government has tried to circumvent this by seeking increased strategic congruence with Japan and the US. Previous US President Barrack Obama's Pivot to the East aligned very well with Modi's Act East policy, which envisages closer cooperation with countries in South East Asia, East Asia and Australia on a range of issues, including strategic, security and defence relations.

All these moves aimed at countering China in the region rests on a basic assumption – unstinted support from the US.

Now, with Middle Kingdom breathing down India's neck at the Doklam tri-junction in Bhutan and the state-controlled Chinese media and even some senior officials threatening war and worse unless India acquiesces to Chinese territorial expansion, Indian officialdom is no longer sure of how much support the country can expect from Uncle Sam.

India conducts more military drills with the US than with any other country but the US has yet to come out with any statement of support for India. New Delhi is worried that the very transactional US President may even turn his back on his "major defence ally" if President Xi Jinping offers him a deal to cut China's massive trade surplus and add a few hundred thousand jobs in the US.

Waiting for clarity

Though eight months is usually considered sufficient time for a new administration to settle down, that is clearly not the case with the Trump presidency. He is still grappling with unfilled positions, resignations, sackings and controversies that have taken precedence over policy formulations.

On India, in particular, Trump has not yet revealed his mind except for a reiteration of his campaign trail statement on being India's best friend. Till he clearly articulates his foreign policy and economic vision and India's place within it, a question mark will continue to hang over the otherwise warm and growing ties between the two countries.

India matters for America; America matters for India

by Ridhika Batra

A new publication and web resource on India-US relations delves into a new era of multi-dimensional bilateral ties.

The relationship between India and America has overcome the 'hesitations of history.'" This was a statement made by the Indian Prime Minister, Narendra Modi, at his joint address to the US Congress in 2016.

The "hesitation" refers to the phase where in a bipolar Cold War era India decided to adopt a foreign policy of non-alignment and India's weak economy pre-1991 wasn't helping the American cause either. Nevertheless, the relationship has now moved far away from that "hesitation" and in the last two decades has become reflective of what Undersecretary Nicholas Burns of the Bush administration had predicted: "Within a generation many Americans may view India as one of the most important strategic partners."

Since 2014, PM Modi has met with two different American Presidents for a total of seven summits, including the most recent meeting on June 26 this year with the newly installed commander in chief President Donal J. Trump. Since the last two decades there has been a sense of mutual benefit in this partnership and it seems to continue under the Trump administration. The two leaders' joint statement claims prosperity through partnership by combatting terrorist threats, promoting stability across the Indo-Pacific region, increasing free and fair trade, and strengthening energy linkages. What used to be a strategic dialogue until 2015, was rephrased as a strategic and commercial dialogue recognising the importance of strategic, economic and political connects.

However, to be able to enhance this relationship, it is imperative to collate what exists of this relation currently and to build upon that. With that objective FICCI, in collaboration with the East-West Center, released a comprehensive report during PM Modi's visit to the US for a meeting with President Trump. The report highlights the multi-dimensional partnership shared by these two nations. The report is aptly titled 'India Matters for America / America Matters for India'.

Often an economic partnership is measured by the investment figures but this report draws attention to the strategic and economic collaboration that exists beyond that. It draws attention to the expanding partnership in defence, security, trade and investment, and education,

tourism and contributions made by the diaspora and people-to-people exchanges. It lays emphasis on the connect between the Indian and American states. For example, 31 states have more than 1,000 jobs dependent on exports to India while an additional six states have 10,000 jobs or more. It also brings attention to the fact that almost 166,000 Indian students studied in the US during 2015-16. This was a 25 per cent increase over the previous year and these students contributed over $5 billion to the economy. A less known fact also is that India conducts over 50 events with the US, including bilateral exercises and personal exchanges, more than with any other country.

On job creation, we seldom talk about the jobs supported by exports. This research sheds light on some interesting data to that effect. It states that exports to India from the US support 260,000 American jobs across all 50 states. One would assume that the most number of Indian companies present in the US would be concentrated in states like New York and California. But this report measures that states like Texas, Pennsylvania, Minnesota, Wyoming and Georgia are not far behind. Sectors like tourism are also not far behind in mutually benefiting the two countries.

The United States is the number one source of tourism to India, and Indians are the seventh-largest source of visitor spending to the US, with Indian tourists in one year contributing $11.4 billion to the US economy. The nearly 3.5 million Indian Americans living in the US are among the wealthiest ethnic groups in the US, with a median household income of over $100,000 in 2015. True to the statement made by PM Modi in his 'Wall Street Journal' article: "The US and India are forging a deeper and stronger partnership that extends far beyond the Beltway and Raisina Hill."

We feel this report is a reflection of that sentiment. It is an effort to bring

OFTEN AN ECONOMIC PARTNERSHIP IS MEASURED BY THE INVESTMENT FIGURES BUT THIS REPORT DRAWS ATTENTION TO THE STRATEGIC AND ECONOMIC COLLABORATION THAT EXISTS BEYOND THAT. IT DRAWS ATTENTION TO THE EXPANDING PARTNERSHIP IN DEFENCE, SECURITY, TRADE AND INVESTMENT, AND EDUCATION, TOURISM AND CONTRIBUTIONS MADE BY THE DIASPORA AND PEOPLE-TO-PEOPLE EXCHANGES.

to light some lesser known facts in the public discourse, such as the fact that the US and India share 25 Sister Relationships. Interestingly, on the day of the report launch, Rep. Gabbard announced that Hawaii will soon be sharing a sister-state partnership with the state of Goa. We hope that this report can serve as a reference point for the administration and legislators on both sides.

Its launch was organised on the Capitol Hill on June 26 and was attended by around 100 plus participants including Rep. George Holding (co-chair House India Caucus), Rep. Tulsi Gabbard (Co-Chair House India Caucus), Rep. Raja Krishnamoorthi (D-IL), Rep. Ted Yoho (Chair, Subcommittee on Asia & the Pacific), Rep. Pramila Jayapal (First Indian American Woman in the Congress), Rep. Eliot Engel (one of the founding members of India Caucus) and Rep. Ami Bera (former co-chair House India Caucus). Sangita Reddy, FICCI's National Head of Healthcare Committee, Kapil Sharma (VP, Government & Public Affairs, North America at Wipro), Adrian Mutton (President & CEO, Sannam S4) and Richard M. Rossow (Senior Adviser & Wadhwani Chair in US-India Policy Studies at CSIS) were on a panel at the event to voice the opinion on behalf of the industry.

'India Matters for America/ America Matters for India' was co-initiated between Dr Satu Limaye, Director, East-West Center – Washington, and Ridhika Batra, Director, Federation of Indian Chambers of Commerce and Industry (FICCI) US. The report can be accessed here.

http://www.asiamattersforamerica.org/sites/default/files/pdfs/IndiaMattersforAmerica2017.pdf

The US market remains Indian priority

Acquisitions and plans for greenfield operations make up India's recent impact in the US.

TVS Group firm plans overseas plant

The TVS Group's flagship firm Sundaram-Clayton Ltd (SCL), a leading Indian manufacturer and supplier of aluminium cast products to global automotive OEMs, has unveiled plans for a new overseas plant.

The company is to also invest $61.5 million (Rs 400 crore) over three years to expand its facilities in India. This will increase its capacity from 60,000 MT to 70,000 MT.

The company will also set up its first manufacturing facility outside of India with an additional investment of over $50 million (Rs 350 crore) to create 10,000 MT of capacity over a period of five years. The facility will be located in in Dorchester County, South Carolina, US. Currently, the US contributes a major share of SCL's export revenue.

SCL has four manufacturing plants in India and is known for its robust manufacturing expertise driven by TQM, TPM and lean practices. The planned investment will enable the company to cater to the growth that it expects from the Indian market. the previously struggling operation at Hartlepool, adding around 100 new jobs to the existing 140-strong workforce.

Gujarat clinical firm in US acquisition

Ahmedabad-based full service clinical research organisation (CRO) Cliantha Research has acquired US-based Inflamax Research. Ahmedabad-based full service clinical research organisation (CRO) Cliantha Research has acquired US-based Inflamax Research.

The deal enables Cliantha Research to conduct Phase I, II, III and IV clinical research in North America region. Inflamax claims world renowned expertise in inflammatory disease research and patented natural allergen Environmental Exposure Chambers (EEC), which will allow Cliantha to conduct asthma, allergy, ophthalmology, and tobacco research as well as specialised pulmonary/respiratory therapeutic studies, a company statement said.

Vijay Patel, executive director, Cliantha Research, said: "Inflamax is the leader in research in inflammatory disease with specialty in Environmental Exposure Chamber technologies. Now we can provide our sponsors with advanced clinical trial designs along with a strong, highly experienced scientific team in North America.

"This acquisition brings us closer to our goal of offering highly specialised trials to our sponsor."

Jindal Films to set up in US

Jindal Films

Jindal Films Americas (JFA), a part of the India-based BC Jindal Group, is expanding its product offering to include polyester films by setting up a plant at LaGrange in Georgia, US, with an investment of $120 million. JFA is a manufacturer of high performance films for flexible packaging and labelling.

The planned polyester plant, expected to become operational by early 2019, will have a capacity of 65,000 metric tonnes of film. The plant would be composed of two lines, enabling Jindal Films to provide a product offering of both thin specialty and thick specialty films.

Marcelo Passos, executive vice-president and CEO of Jindal Films Americas, said: "We are very excited to introduce the plans to expand our capabilities into polyester film film in the Americas."

As the American arm initiates plans to expand, Jindal Films Europe is also considering a similar expansion in its region.

eClerx Digital opens new US HQ

Mumbai-headquartered eClerx Digital has opened its doors at the division's new Americas Headquarters located in Austin, Texas.

The company said its new location is essential to support market growth in the fast-growing fields of analytics-based marketing and both B2C and B2B digital activities. eClerx Digital helps companies maximise the return on their investment in these areas by applying a combination of US-based consultants and offshore analysts to significantly improve existing processes while allowing customers to scale based on business demands.

The new location will support sales, marketing, product development and client-focused analytics consulting functions.

Scott Houchin, Managing Principal at eClerx Digital, said: "We look forward to successful continued growth as a leading digital services provider in a growing marketplace.

"Austin's burgeoning digital ecosystem provides a perfect location to test and develop new service offerings and to be the employer of choice for our client-focused consultants."

Wipro sets up California centre

Indian software giant Wipro has launched a new innovation centre in California. The R&D and incubation hub is aimed at showcasing next-generation technologies and solutions and collaborating with technology start-ups in the Silicon Valley, the company said in a statement. The innovation centre will cover artificial intelligence, virtual reality, hyper spectral imaging, machine vision and collaborative robotics and automation.

"The main intention behind this is to solve real-world challenges faced by enterprises and to serve as a value creator for technology start-ups and entrepreneurs by helping them sustain and participate in the innovation ecosystem," Wipro said.

The innovation centre also expects to finalise technology research partnerships with leading universities in the US within this financial year.

Abidali Z. Neemuchwala, CEO and Executive Director, Wipro, said: "We will work more closely with start-ups, academia and leading technology companies in the Bay area to help our clients achieve their desired digital transformation outcomes." Wipro said it has invested over $2 billion in the US over the last decade.

Mahindra eyes tractor unit in US

Mahindra's US arm is drawing up a strategy to set up a greenfield manufacturing facility for tractors in the US in the next three to five years.

The Houston-based entity, a wholly-owned subsidiary of India's Mahindra Group, sources a majority of its parts from across its operations in India, Japan and South Korea and then assembles them to sell in the US.

Mahindra USA President and CEO Mani Iyer said: "It makes sense down the line to have a factory in the US. The numbers are already there to have a factory in the US.

"We already have invested a lot, whether in brand, technology, distribution points, dealers and people. The number of products being made for the US market alone is very high. It will call for more localisation."

The company, which generates revenues of around $600 million annually, is a major player in tractors ranging up to 120 hp. It is third in terms of market share in the segment, just behind the likes of Kubota and John Deere.

Mahindra USA plans to have over 40 launches this year, which will include new models.

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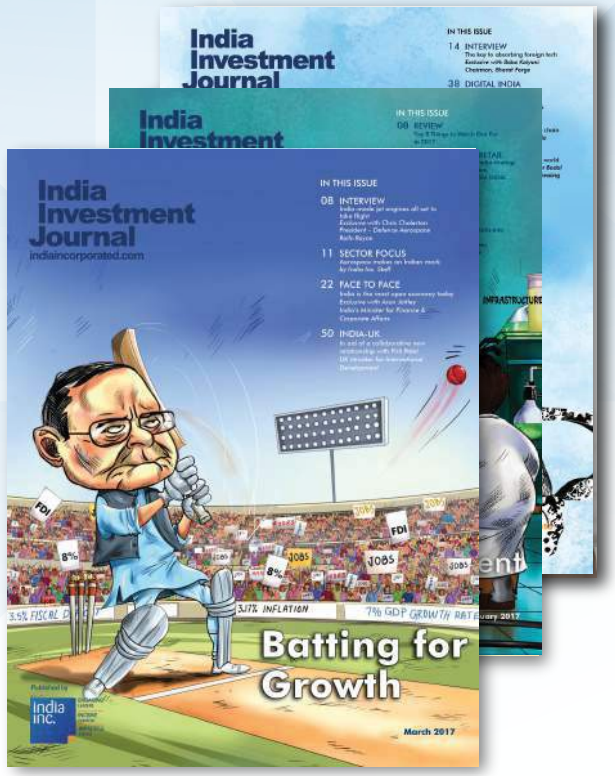
- India attracting investments from global investors & corporate expansion
- In-depth look at states and union territories of India
- Policies & key initiatives



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PROJECT EXPORTS: A catalyst for technological advances

by Sandip Baran Das

An industry expert explains the significance of Project Exports to India's growth agenda.

Project is an engineering venture or mission: a scheme of development work to be executed by employing the best technologies, continuous innovation and resources – human, financial and physical to create a capital asset. As technology advances, projects tend to move up in sector size as well as technological sophistication in the value-chain.

Project Exports, in essence, connotes setting up of projects overseas as construction and/or engineering projects. It could also involve the export of engineering consultancy or other engineering services as desired by the project owner. In simple terms, export of engineering goods/services on deferred payment terms which lead to execution of turnkey projects including civil construction works abroad are collectively referred to as Project Exports.

PROJECT EXPORTS, IN ESSENCE, CONNOTES SETTING UP OF PROJECTS OVERSEAS AS CONSTRUCTION AND/OR ENGINEERING PROJECTS. IT COULD ALSO INVOLVE THE EXPORT OF ENGINEERING CONSULTANCY OR OTHER ENGINEERING SERVICES AS DESIRED BY THE PROJECT OWNER.

The possibilities of project exports from any country in general are determined by the state of its economic and technological advancement on one hand, and on-going global development on the other. Hence, Project exports are aptly regarded as a key-indicator of the technical maturity and industrial capabilities of a country and have occupied an important place in India's export portfolio.

SIGNIFICANCE OF PROJECT EXPORTS

Project exports not only earn foreign exchange for the country, but also provide an opportunity to the industry in providing additional avenues of growth and employment. Besides, Project exports act as a catalyst for technological maturity and advancement of Indian construction and engineering companies. They indicate growing technological sophistication of Indian exports giving visibility to the Indian technical expertise and project execution capability in overseas markets and thus boost the economy in manifold ways including generating project revenues, creation of secured markets for goods and services, import of new technology and training of personnel, employment creation during project construction and operation phases and leading to earning/repatriation of foreign exchange. Since the realizations from overseas projects are spread over a longer term period they provide regular flow of foreign exchange and help absorb fluctuations in foreign exchange due to outflows.

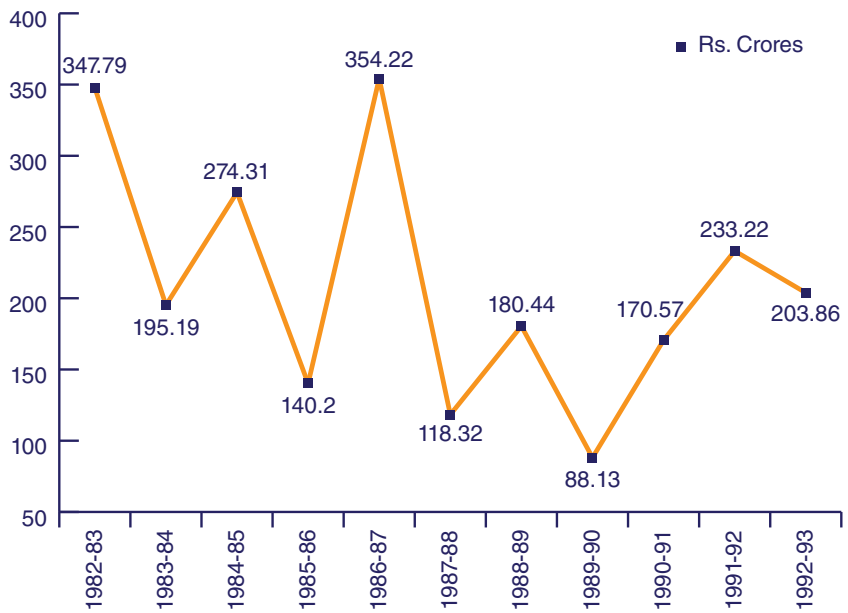
India has been actively involved in project exports, with many Indian companies making a name internationally in the project exports market. Satisfactory performance, in terms of cost effectiveness, application of technical expertise and timely delivery of quality products and services have earned Indian project exporters a fair degree of goodwill and standing.

INFRASTRUCTURE PROJECTS ENABLING CONNECTIVITY ACROSS CONTINENTS AND COUNTRIES HAVE ASSUMED GREAT STRATEGIC AND ECONOMIC SIGNIFICANCE.

Besides, project exports carry the following essential advantages in the present context of liberalization and globalization and hence new strategic initiatives should be regularly taken to promote project exports:

1. Opportunity to export a set of goods and services bundled within project exports thereby opening avenues for export of these goods and services on standalone basis in future thus giving a fillip to other ancillary industries also
2. Establish strategic presence in a region\country.
3. Project Exports can be used as effective tool to maintain trade balance owing to capital intensive nature of the projects.
4. Support funding provided by the banking system is of self-liquidating nature over a period of time.
5. Project exports provide employment opportunities to trained/skilled manpower.
6. Provides exposure to state-of-the-art construction technologies to both industry and Indian manpower being employed.

Figure 1: India Exports Performance:



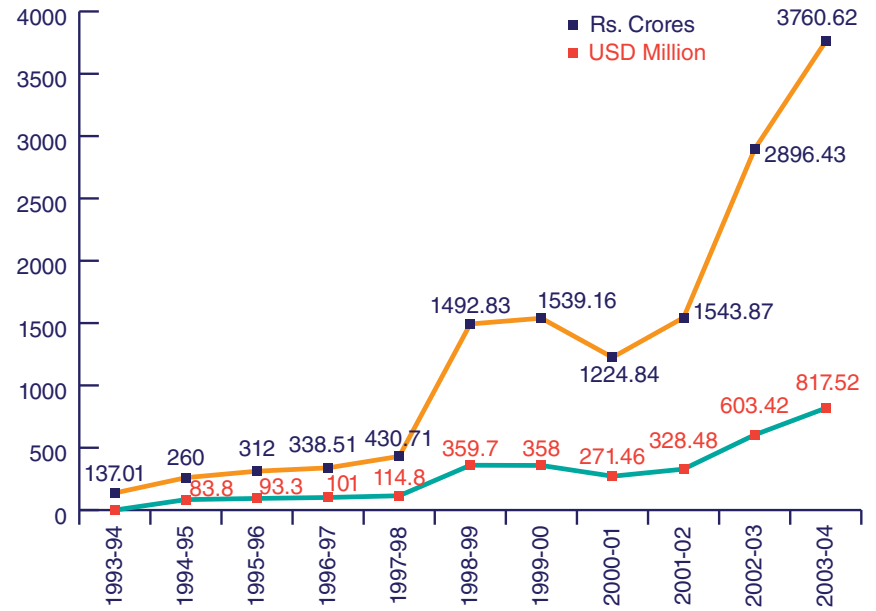
PAST AND PRESENT PERFORMANCE OF PROJECT EXPORTS

Project Exports from India began in early 1970s and the prime market for the Project Exports during this period was Middle East with major orders from Iraq, Iran and Libya. As Iraq took up large-scale national development from the early 1970s, unlike other oil-rich countries, the Iraqi government awarded a large number of contracts to Indian companies, as a result, by the end of the 1970s, Indian companies had won over 50 projects, covering areas such as water supply and sewerage schemes; roads, bridges and flyovers; technical and business management education; railways, and prestigious construction projects such as the Council of Ministers building.

This trend of awarding major projects to Indian companies continued through the 1980s in spite of the Iran-Iraq war. At its peak, the Indian community in Iraq, almost entirely made up of engineers, labour and technicians working for Indian and other projects, numbered around 50,000. Indians also played an important role as experts in almost every government department, particularly in the petroleum, railways, finance, planning and civil construction institutions.

The onset of Iraq-Iran war in 1980 and steady decline in oil revenue of these countries, project exports from India diversified to other developing countries including Malaysia, Singapore, Sri Lanka, Nigeria, Indonesia, Thailand, UAE and Kenya. Since Indian companies successfully

Figure 2: Value of Project Export Contracts secured by PEPC members during 1993-94 and 2003-04



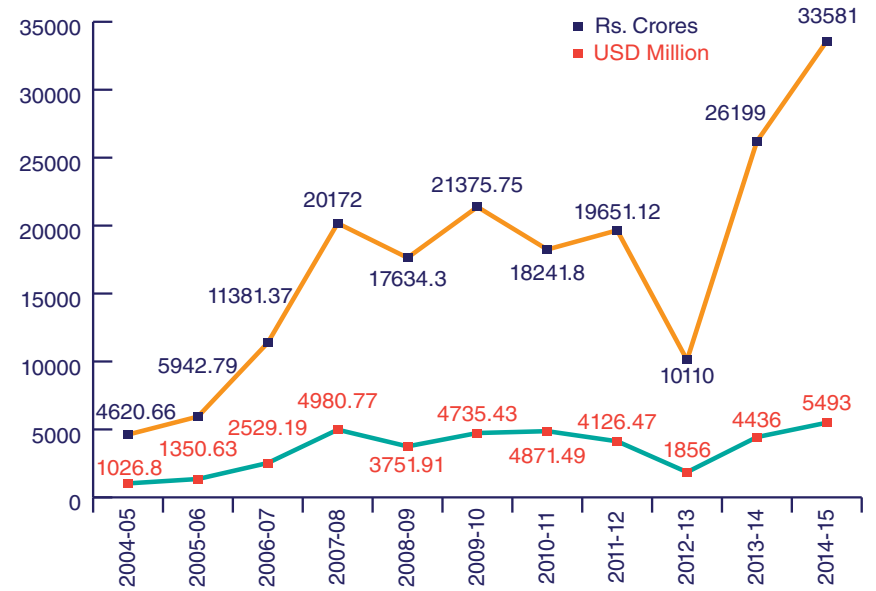
executed civil construction and industrial projects in various disciplines, India's capability of undertaking all kinds of engineering and infrastructure projects was firmly established during this period. However, the period had its own share of challenges. Even though DPA (deferred payment agreement) was signed by the Indian and Iraqi governments in 1983 to help Iraq in payments for imports from India due to the economic crisis there following the prolonged Iran-Iraq war, the Indian Project Exporters also had to go through the ordeal of seeing their receivables from Iraq for project exports struck for a long time. As per the DPA agreement, the Indian government undertook to guarantee deferred payments to Indian project exporters to Iraq, while the latter paid the Indian government in staggered installments. The bond issue of 1995 started showing effect in 97-98

The reduction of home loan rates in 2001 during NDA government resulted in a huge demand for quality real estate all over the country post 2003. After March 2005, Indian real estate rates displayed a seemingly unstoppable upward curve. The companies in housing sector focused majority of their resources on the domestic market to make the most out of this realty boom. High GDP growth also brought the focus on huge infrastructure requirement for sustainable growth and as the Indian Government announced its developmental plans in infrastructure sector, Project Exporters from other sectors like power, transport, water also focused on domestic market. However, Project Exports from India did maintain its upward curve from 2005-2008.

The financial crisis of 2008 disrupted this curve and the growth of Project Exports remained flat during the years 2008-2011. Project Exports touched a low of Rs. 10,110 crores in 2012-13 a period marked by extreme cash crunch for Indian Infrastructure sector. The housing sector remained focused on domestic market during this period. The cash crunch prompted Indian infrastructure companies to look beyond domestic markets for diversification and financial consolidation, reflected by sharp rebound in Project Exports 2012 to 2014.

The performance of Project EPC member companies over the last three decades have been depicted through graphs representing overseas projects secured by them during a financial year in Figures 1 to 3.

Figure 3: Value of Project Export Contracts secured by PEPC members during 2004-05 and 2014-15

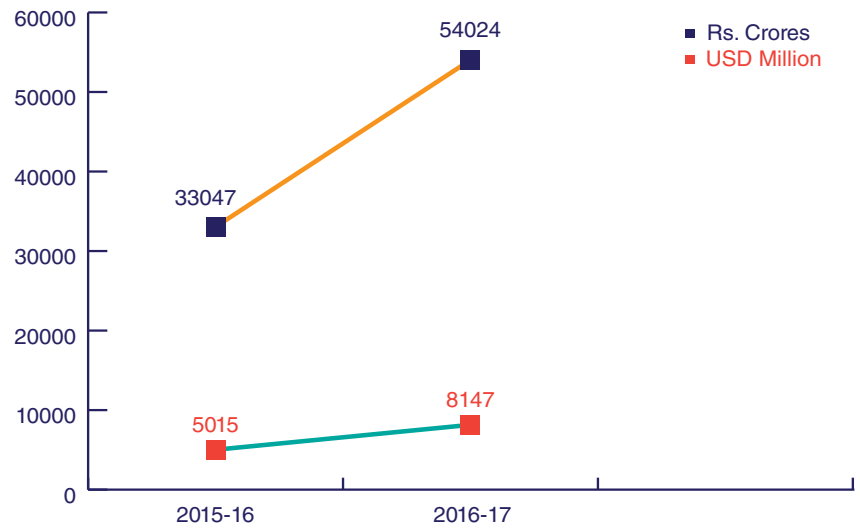


PROJECT EXPORTS PERFORMANCE IN YEAR 2015-16 AND 2016-17

The primary market for Indian Project Exports i.e. Middle-East witnessed slowdown in Project awards and execution due to drop in commodity prices during this period. PEPC in consultation with its member companies took initiative to provide more comprehensive information on Project opportunities in alternative markets to facilitate diversification to alternative markets like Africa, SAARC and CLMV region undertaken by its member companies.

PEPC member companies reported projects in new countries such as

Figure 4: Value of Project Export Contracts secured by PEPC members during 2015-16 and 2016-17



Swaziland, Sierra Leone, Seychelles, Russia, Poland, Pakistan, Mauritania, Mali, Honduras, Guinea, Gambia, Cameroon in F.Y. 2016-17. Project Exports touched record high of Rs. 54024 crores primarily aided by enhanced number of companies reporting overseas contracts secured and market diversification into new Countries\Regions.

INDIA HAS BEEN ACTIVELY INVOLVED IN PROJECT EXPORTS, WITH MANY INDIAN COMPANIES MAKING A NAME INTERNATIONALLY IN THE PROJECT EXPORTS MARKET.

POLICY INTERVENTIONS FOR ENHANCING PROJECT EXPORTS FROM INDIA

PEPC has been making representations to the Government for necessary policy intervention to address the following issues identified after consultations with Project Exporters:

1) Collation of Project Exports data: Data on Project Exports is not being compiled by DGCI&S due to absence of definition of project exports in FTP and other provisions in procedural framework. DGFT had organized meetings with stakeholders to address the issue and industry is hopeful that necessary provisions and inclusions would be made after the mid-term review of the FTP which would enable collation of data. Project Exports data would be key in addressing the following issues:

a) Identify goods and services utilized in overseas projects and help identify inputs not currently being sourced from India thereby enhancing the Indian content.
b) Segregation of goods component in Project Exports would help in claiming SEIS & MEIS benefits thereby encouraging more companies to explore overseas markets.
c) The Project Exports identifier would help segregate other Mode-3 services from Project Exports and allow exemption from SEIS clause that disqualifies companies with commercial presence overseas to claim benefits under the scheme
d) Help establish a mechanism to claim export benefits on 10-15% value held back for performance guarantee.

2) Interest Equalisation: Since Project Exports are extremely capital intensive therefore in order to effectively compete with contractors from US, Europe and China interest equalization would provide much needed support necessary for significantly enhancing Project Exports from India. The multiplier effect of Project Exports would provide rich returns on the funds employed for the purpose.

3) Diplomatic support: Given the economic and strategic value attached with Project Exports coupled with the fact that major execution of Project Exports is done on the foreign soil, the respective Governments of contractors from major competing nations provide a robust diplomatic support at various stages. Establishing a mechanism to lend necessary support to Indian companies in the sector is also highly desirable.

Infrastructure projects enabling connectivity across continents and countries have assumed great strategic and economic significance. Recently, the Government of India has launched a vision document for Asia-Africa Growth Corridor (AAGC). The initiative is a joint vision of Honorable Prime Minister Shri Narendra Modi and his Japanese counterpart. Vision aims for Indo-Japanese collaboration to develop quality infrastructure in Africa, complemented by digital connectivity. Additionally, the US has revived two major infrastructure projects in South and Southeast Asia in which India would be a vital player.

A conducive policy framework for Project Exports would help Indian companies to actively participate in such projects also and help the Indian economy accrue the desired benefits from such initiatives of Indian Government.

Sandip Baran Das is Senior Vice-President at the Project Exports Promotion Council of India (PEPC).

Energy, opportunity, leadership: Why it's India's time to shine

by Erik Solheim

A UN climate expert believes India is on the cusp of becoming a global leader in the field of sustainability.

There are three things that, for me at least, best characterise modern India. And it is because of these qualities that I'm so convinced that the country is on the cusp of becoming a global leader in climate action and sustainability.

Firstly, from independence to today, India has always steered a unique course –confident in its own path. It's also a nation where enterprise and innovation flourish, and where learning is held in such high esteem. Thirdly, its strong civil society, built on the moral foundations laid down by the Mahatma, forms the backbone of the world's most vibrant democracy.

So what does any of this have to do with the massive, global challenge of climate change?

Of course it would be foolish to try to distil India into a few characteristics and make a prediction, but for me it all comes down to a simple equation: How can India deliver on its development ambitions, guarantee long-term energy security and lift hundreds of millions of people out of poverty and into a vibrant economy? This is where renewable energy fits in so squarely. It's an historic opportunity that ticks every box, and something India is embracing because it can guarantee independence, fuel innovation and answer public demands for sustainable, inclusive growth.

A SHIFT AWAY FROM DIRTY COAL FIRE STATIONS WILL BRING ENORMOUS BENEFITS TO PUBLIC HEALTH, AND THEREFORE HUGE SAVINGS. AFTER ALL, A HEALTHIER WORKFORCE IS A STRONGER AND MORE PRODUCTIVE WORKFORCE.

A shift away from dirty coal fire stations will bring enormous benefits to public health, and therefore huge savings. After all, a healthier workforce is a stronger and more productive workforce.

In addition, renewables installations that are already deployed in India have shown their flexibility in adapting to the Indian context. In Tamil Nadu, which basks in sunshine for roughly 300 days of the year, Adani Power's solar farm – which came on line just last year – is the world's second-largest such installation. Clearly a success, the state is looking to expand and sell excess power to neighbouring states. Rajasthan and Andhra Pradesh, blessed with similar sunshine the space for panels, are also leading the change.

In Kerala, engineers made Kochi airport self-sufficient with solar, which they experimented with because of high electricity prices – a great example of a mini-grid solution that has inspired airports or similar installations around the world. And in villages across India, farmers and villages are discovering the joys of off-grid solar pumps and lighting solutions.

From 2014 to 2016, India quadrupled solar-generation capacity – and meanwhile set itself the ambitious target of generating 100 GW by 2022 – when it marks 75 years of independence. Electricity costs are plummeting, which in turn will unleash untapped economic capacity. And India is right where it should be: on the cutting edge of innovation.

This, I'm convinced, will have an enormous knock-on effect. Indian demand for panels brings economies of scale to manufacturing, which in turn drives down prices. The huge investment opportunities bring competition, which in turn drive innovation – the kind that will improve panel efficiency and storage solutions. At this rate, the costs argument alone is so compelling that everything from mega coal plants all the way to gas-guzzling transport systems will no longer make economic sense. The result will be an India that is energy independent, armed with the know-how and innovative minds to manage mega energy projects and therefore compete on the world stage, all the while delivering on national needs for clean air and a healthy population.

In fact, I cannot think of a single reason why India should not continue on this path.

As for the moral arguments – the Prime Minister spelled these out loud and clear when he said it would be a "crime" not to act on climate change. I've also seen the power and energy of Indian civil society: not so long ago I was on a beach near Mumbai, getting my hands dirty with lawyer and friend Afroz Shah. The Versova beach clean-up has invigorated global concerns over plastic waste, and the

fate of our oceans. It has inspired the country, telling us clearly that demands for a clean environment cannot be ignored. As India steers a path to low-carbon growth, public support will be strong.

It was with all this in mind that listened to President Trump announce his decision to withdraw from the Paris Agreement, followed by the inevitable voicing of fears that the progress we've seen will be undone.

Certainly, the US decision is a disappointment, but the response we've seen has shown these fears to be unfounded. US cities and states, as well as the private sector, have redoubled their commitments. We've seen continued strong support from the European Union, from China and India, and many other nations. As such, the leadership vacuum is being filled.

Let's be in no doubt: India is not steering this path on behalf of the White House, or any other country for that matter. And let's not be in any doubt as to the scale of the challenge. But the motives that underpin Indian action are sound. It's doing so because its right for the economy, right for national development and right for the Indian people. This embodies the very purpose of the Paris Agreement: rather than tie up nations with binding targets, the purpose is to unleash the kind of innovation we need to see. Those who embrace the change will come out healthier, and those who don't will be left behind.

In India, just like in many other parts of the world, the train has already left the station.

Erik Solheim is Executive Director of the United Nations Environment Programme.

India transmits its pay as you save energy efficiency model

by Saurabh Kumar

The Government of India's Energy Efficiency Services Limited (EESL) has been making its global mark across the UK, Canada and South-East Asia with its unique business model.

Energy Efficiency Services Limited (EESL), under the administration of Ministry of Power, government of India, is working towards mainstreaming energy efficiency and is implementing the world's largest energy efficiency portfolio (worth £5.6bn over a period of three years). As of now, EESL has explored opportunities and commenced establishment of operations in the UK, Canada, South Asia and South-East Asia.

The UJALA scheme in London has gathered significant momentum since its launch. In India, we are confined to 9W LED (light emitting diode) bulbs and 20W Led tubelights. In London, we are looking at a range of LED luminaires to be offered under the UJALA scheme. The procurement of the 500,000 luminaires has already commenced and we hope to close it soon. We also have a strong pipeline of beneficiaries across Nursing Homes and Community Organisations, Social Housing, City Council, etc to whom the LED luminaires will get distributed. EESL has a very successful business model that we adopt under UJALA – Pay As You Save. To capitalise its strength in procuring the best LEDs at the lowest cost, EESL aims to replicate its tariffed on-bill payment programme in the UK through PAYS LED Scheme. With EESL as the source of capital for the efficiency investments, this model allows an end consumer to deploy efficiency upgrades at no upfront cost. EESL recovers its costs with a fixed charge on the savings in monthly electricity bill. This implies that the savings are split between end consumer and EESL month on month.

While EESL executes the UJALA scheme in UK, we have acquired two companies who are already implementing Energy Savings Performance Agreements (ESPA) across the UK. The tenure of these contracts range between nine to 18 years and provide a projected average annual revenue of £1m. We entered a MoU with UK's leading organisation in delivering and operating district heating projects in the residential sector – Cenergist. The most immediate project that is being considered is a Biomass District heating in a village in the English County of Somerset with project investment up to £2m.

We are also working with one of UK's largest Meter Asset Provider (MAP), which has invested £700m for the installation of over 6m meters. In addition, MAP has contracts in place to install a further 7m smart meters for energy suppliers, thus making them the largest smart meter funder in the

UK. Through a collaboration, EESL proposes a strategic partnership with them and acquire a presence in the UK metering market.

EESL recently invited partners that work in the space of clean energy, energy efficiency, low carbon growth strategy across the UK, Europe and North America. We have already empaneled 16 partners with whom we will execute projects.

EESL has expanded to several other countries apart from the UK and we are confident of taking our replicable and scalable business models to different countries across any kind of clean energy project. We have recently signed a MoU with the National Energy Services Company, Kingdom of Saudi Arabia to implement energy efficiency programmes and scale-up demand side measures in the Gulf country. As per the MoU, EESL will provide consultancy and expand the capacity of the National Energy Services Company, which is instituted by the Kingdom of Saudi Arabia, to execute energy efficiency programmes.

In Canada, EESL is reviewing a potential investment of around $5 to 6 million to create battery energy storage system (BESS). This BESS will provide grid ancillary services to the electricity distribution company; for voltage control system, reactive support, regulation services and spinning reserve. It is expected that this BESS, once built; will be one of the largest BESS in the world. As for the South Asian countries, we are in discussions with Nepal, Bangladesh, Sri Lanka and Bhutan to implement the UJALA scheme. Further, EESL has also signed MoUs with Bangladesh, Nepal, Sri Lanka and Vietnam.

Future plans

EESL is looking to foray into niche areas which will keep it ahead of the competition in future. These areas are in consonance with the emerging plans, priorities and needs of the power sector and is aligned to the approach being followed by government of India. These include smart meters, district cooling, battery storage, etc. In most of these areas, there is lack of expertise and technical know-how in the country. EESL overseas operations are positioned to build such expertise by engaging with entities that are endowed with such expertise engaged in technology. This would enable EESL to roll out these services in developed and developing countries, enabling them to stay ahead in providing innovative service delivery mechanisms to clients.

EESL RECENTLY INVITED PARTNERS THAT WORK IN THE SPACE OF CLEAN ENERGY, ENERGY EFFICIENCY, LOW CARBON GROWTH STRATEGY ACROSS THE UK, EUROPE AND NORTH AMERICA. WE HAVE ALREADY EMPANELED 16 PARTNERS WITH WHOM WE WILL EXECUTE PROJECTS.

Adoption of energy efficiency in India, and everywhere else in the world, has been relatively slow. It faces inherent challenges like lack of awareness and high first cost. EESL, as a company, believes in innovation, which has helped us develop a unique business model that has not only benefitted consumers, utilities, governments, industry but also led to a complete transformation of the energy efficiency market in India.

The business model works on the principles of Pay-As-You-Save, which means the consumer does not need to pay anything upfront for the use of energy efficient products or services. The entire upfront investment is brought in by EESL and the minimum energy savings are indicated. The consumer pays a part of the energy savings, that result in energy bill savings, over a one to seven year period to EESL. The time-period is adjusted to ensure that there is benefit to the consumer in terms of sharing of savings. The model, as mentioned earlier, has incentives for various stakeholders as follows:

Consumers: There is no need to invest in energy efficient product and services and the repayments are also to be made from savings.

Energy Utilities: The use of energy efficient product and services leads to overall reduction of peak demand and reduces the gap between peak and off-peak load. This helps in reducing the overall cost of power procurement of Utilities as well as enabling them to manage the load. Further, they do not need to invest any capital upfront to do so. In the medium run, it reduces their investment in new power infrastructure as the demand growth is moderated.

Governments: The energy savings results in prevention of Green House Gas emissions and therefore helps them to meet their national and international obligations. Yet again, they do not need to allocate any capital for this purpose.

Industry: The demand for energy efficient products and services rises and increases their sales. Further, the industry is paid out by EESL that reduces their commercial and revenue risks. The LED industry in India has grown 400 per cent in a matter of two years and is now the fastest growing market in the world accounting for over 12 per cent of global LED demand.

The innovation and power of the business models helps in enlisting large number of utilities and governments to participate in the projects. This helps in aggregation of demand. EESL then procures equipment or services in bulk enabling reduction in costs due to ensuing economies to scale. For instance, in the UJALA programme, the bulk cost of LEDs has reduced from Rs 310 ($5) to Rs 40 ($0. 65) because of procurement of 300 million LEDs over a two-year period. Similarly, the cost of procurement of LED street light lamps and services

have gone down by 65 per cent over the same period.

The International Solar Alliance (ISA) is coming out with a global tender this year for price discovery of 500,000 solar pump sets for farmers in 121 countries. Presently EESL, along with KPMG, is working on the format of the tender for ISA.

Challenges

Some of the standard challenges faced by countries, organisations and individuals impacting adoption of energy efficiency are:

- Lack of capacity and understanding about energy efficiency
- Monitoring and verification of projects
- Challenges in measurability of energy savings as it is a function of reduction in connected load and usage pattern. The latter requires energy efficiency gains to be agreed between user and service provider rather than measured.
- Lack of standard protocols for measurement and verification of energy efficiency projects
- Lack of awareness about benefits of energy efficiency and avenues of adoption
- Inadequate financing options and ineffective project structuring options
- Inadequate capacity of service providers/ manufacturers for quickly ramping up manufacturing energy efficient appliances as per emerging efficiency norms
- Lack of political capital for execution of energy efficiency programmes

However, we have demonstrated that a majority of these can be overcome by simple business models like Pay As You Save.

Countries like China, United States of America, Japan and United Kingdom have executed several path-breaking schemes that have led to a wide-spread understanding of energy efficiency by individual consumers and industry. While it is acknowledged that government intervention is required for pushing energy efficiency projects, these countries have also executed these energy efficiency programmes with significant amounts of government capital, i.e. subsidies, grants, fiscal rewards or prescriptive rebates.

EESL has evolved a unique business model that works on the principles of Pay-As-You-Save.

Saurabh Kumar is the Managing Director of India's Energy Efficiency Services Limited (EESL).

An export hub in the making

The idea of India as an export hub has shown some promise in the last few months.

Engineering exports to Israel on a high

India's engineering exports to Israel have gone up by about 640 per cent, that is more than seven times in April 2017 on an annualised basis, official data by EEPC has revealed.

The sharp jump in exports comes just ahead of Prime Minister Narendra Modi's impending visit to Israel in July. EEPC is the trade and investment promotion organisation under the Indian government's Ministry of Commerce & Industry.

"As against engineering exports of about $20 million in April 2016, the shipments of these goods have gone up to $146.42 million in April this fiscal," a release from EEPC India said.

"Moreover, Israel ranks at 12th position among India's engineering export destination and has figured prominently among the top 25 destinations," the release said. Bulk of the engineering exports to Israel for April were listed under the group titled ' Ships, boats, floating structures and parts', which brought in about $122 million," it noted.

T.S. Bhasin, chairman, EEPC, said that the Indian engineering industry can enhance its level of engagement with Israel in a number of high-tech areas like defence production, steel, automobile and auto components, aircraft components and ship-building and ship boats.

Eicher Polaris plans exports

Eicher Polaris, which manufactures and markets personal utility vehicle 'Multix', said it plans to begin exporting the product to Nepal and Bangladesh this month.

Following the rising demand for Multix since its launch in June 2015, the company is also increasing its footprint in cities across India with a larger number of dealerships.

Pankaj Duney, Chief Executive and Managing Director of Eicher Polaris, said: "We have already shipped a few units to Nepal. The commercial sales in the Himalayan nation will begin from this week.

"We also have orders from Bangladesh. Shipping will start from the second week of this month."

The company is also tapping into the central American market of Guatemala, Africa and Sri Lanka. Eicher Polaris is an equal joint venture set up in 2013 between Delhi-based Eicher Motors and US-based Polaris Industries Inc. The US firm also runs a separate company called Polaris India, which sells its all-terrain vehicles.

Foxconn eyes exports from India

The world's largest contract manufacturer, Foxconn, plans to begin exports to the Middle East and African countries from India the end of this year.

The Taiwan-headquartered phone and electronics maker is stepping up an expansion of its manufacturing facility in Sri City, Andhra Pradesh, while scouting for more locations including Tirupati in the same state, besides states of Tamil Nadu, Maharashtra and Delhi NCR.

Over the next year or so, Foxconn is aiming for its suppliers to set up base here so they can feed into the local production chain which it will create for exports, Indian media reports.

Foxconn, which makes iPhones for Apple out of China, is also reportedly set to accelerate discussions with several component suppliers over next couple of months, now that the Indian government has assured protection to local manufacturing through basic customs duty of 10 per cent and created a roadmap for local production of components coupled with tax incentives and benefits.

Foxconn has so far invested around $600 million in the India market.

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Contact us

Erik Van Kaathoven
Commercial Director
Mobile: + 44 (0) 771 388 6150
Email: erik.vk@indiaincorporated.com

Nav Mann
Event Director
Mobile: + 44 (0) 797 683 7651
Office: + 44 (0) 208 230 0066
Email: nav.mann@goglobal-india.com

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Middle East a key beachhead for Indian companies

by India Inc. Staff

Established Indian business houses as well as start-ups are investing billions in the Middle East, especially Dubai and Abu Dhabi, to leverage the global access and ease of doing business the region offers.

There are only two certainties in life, death and taxes, goes an old saying. The bonus of living, working and doing business in most Middle Eastern countries is that taxes are either non-existent or very nominal.

That is one reason why an increasingly large number of Indian companies, including start-ups, are setting up base in the Middle East, with an eye not only on the large market in the region, but also as a beachhead from which to access the wider international market. In particular, Indian business houses and start-ups have favoured investing in the United Arab Emirates, primarily for the cosmopolitan atmosphere in Dubai and Abu Dhabi and the ease of doing business in those cities.

Gateway to the world

The countries of the Persian Gulf and especially Abu Dhabi and Dubai occupy a unique position. Many Indian businesses are drawn to them for their lower or non-existent taxes and the easy, non-intrusive business environment.

INDIAN BUSINESS HOUSES AND START-UPS HAVE FAVOURED INVESTING IN THE UNITED ARAB EMIRATES, PRIMARILY FOR THE COSMOPOLITAN ATMOSPHERE IN DUBAI AND ABU DHABI AND THE EASE OF DOING BUSINESS IN THOSE CITIES.

Dubai, for example, has a population of about 3.5 million – almost half of it Indian – but caters in some way or the other to at least some of the needs of 40 per cent of the world's population.

Add to this its multi-cultural entrepreneurial culture, first world-level infrastructure and wide linkages with a wide and diverse range of local and global industries and it becomes easy to understand why thousands of Indian companies, including almost every BSE 30 companies have invested in setting up infrastructure in Dubai to manage at least some part of their global operations.

Start-up haven

"Indians are comfortable living, working and running businesses in Dubai because the large expatriate Indian community, accounting for almost half its total population, gives it's a uniquely Indian flavour," says Nader Hassan, Country Head, UAE, of the Bahrain-based KSL Group, who is based in the city. "At the same time, it retains its international character,

thus, offering Indians the best of both worlds."

"There's a huge exposure out there in Dubai for start-ups. An eclectic range of customers, demands and demography gives the Dubai market a unique identity. I would call the city as one of the perfect destinations for startups," Ashwin Srivastava, co-founder, Idein Ventures, UAE-based early stage venture capital firm, has been quoted in the media as saying. Another factor that makes Dubai attractive for start-ups is its physical proximity to India and its easy access to Indian talent and capital. And the issue of the UAE's relatively small domestic market compared to India is easily overcome by the almost unfettered access that businesses in Dubai have to most important global markets.

An example of this is Oxyloans, promoted by Columbia Business School alumnus Radhakrishna Thatavarti. "OxyLoans connects borrowers and lenders online. It is a Peer-to-Peer Lending (P2PL) and Peer-to-Peer Investing (P2PI) platform wherein borrowers get loans more quickly, as compared to the traditional banking method," he said.

"A key feature of OxyLoans is that it enables borrowers to negotiate directly with lenders, allowing them to agree on an interest rate, tenure, and a repayment cycle that suits them. The services are open to citizens of India, GCC, and the UK. OxyLoans is expected to solve recurring problems like high rate of loan rejection, dissatisfaction with the interest rate on fixed deposits, and so forth," Thatavarti said.

Being based in Dubai allows the company the flexibility to access customers across these three markets, thus, increasing its growth potential.

Projects are money spinners

Dubai and the UAE may be at the centre of India's FDI outreach in the Middle East but other countries in the region also play an important role.

From highways to power plants to oil and gas pipelines to sports stadiums, Indian companies such as L&T, Shapoorji Pallonji Mistry, Punj Llyod, the public sector Ircon and hundreds of smaller companies are investing in infrastructure across the Middle East and also helping project India's hard and soft power to distant corners of the world.

Larsen and Toubro Ltd is one such company, with close to 30 per cent of its order book coming from abroad. The infrastructure and capital goods major gets a bulk of its foreign orders from the Middle East, and had projected a growth of 12-14 per cent in new orders for the current financial year.

The Mumbai-headquartered company had won a $360 million contract for the Al Rayyan Stadium in Qatar, which will host the 2022 FIFA world cup.

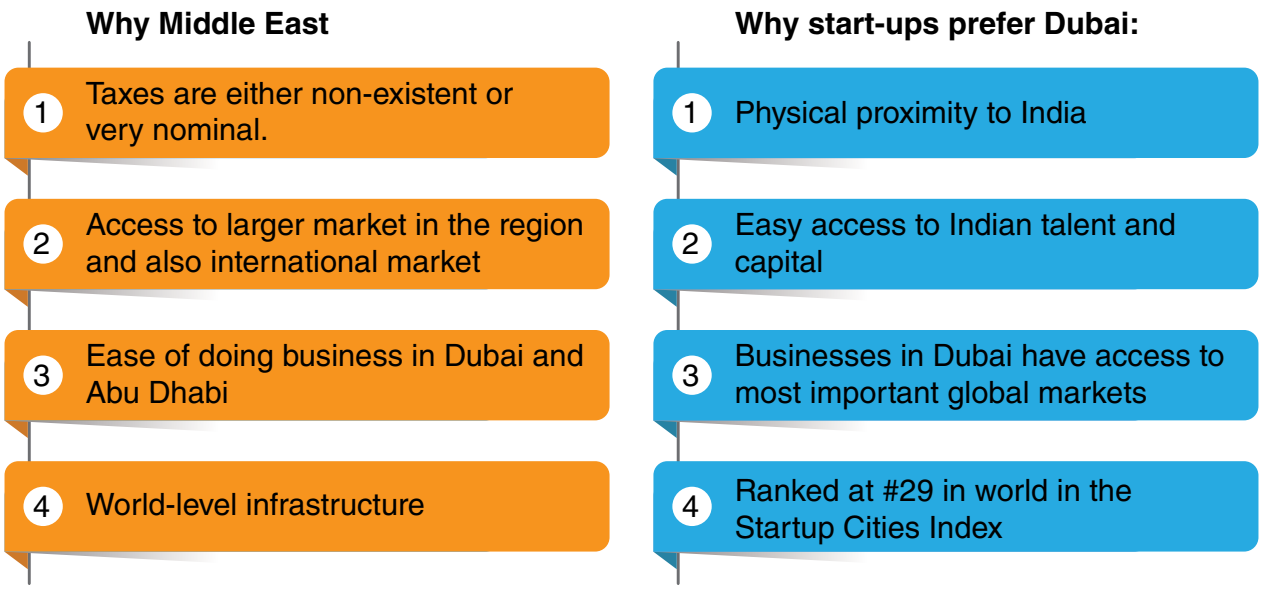
Then, it also won its single largest order, worth $817 million, in the Middle East from Qatar General Electricity & Water Corporation for its ongoing Qatar electricity transmission network expansion plan.

This project involves engineering, procurement and construction (EPC) of 30 new gas-insulated sub-stations of 220 kV, 132 kV and 66 kV and laying 560 km of 132 kV and 66 kV underground cables across Qatar.

"The development drive in the State of Qatar is in high gear and we are proud to be partnering in it by bagging yet another prestigious project… We have been associated with Kahramaa for over a decade which has put in place a programme well ahead of the times to provide sufficient power and water for Qatar. We look forward to furthering this significant strategic relationship and continue to play a key role in making Qatar proud and a very modern state," S.N. Subrahmanyan, who was recently appointed CEO of L&T, had said in a statement.

Tacit government support

The rising tide of Indian corporate investments in the Middle East is being tacitly supported by the government of India and the governments of Individual Middle Eastern states that have signed security cooperation agreements with India.



Bilateral Trade **$137.7 billion**

Remittances into India from the region **$36 billion in 2015-16**

India Inc. investments into the region **$5 billion**

New Delhi, like the rest of the free world, is increasingly worried about growing Chinese influence in the region at a time when the US is voluntarily withdrawing from its role as security provider of last resort.

As a result, Indian Prime Minister Narendra Modi has developed a "Think West" agenda and followed it up with almost back-to-back visits to all the important Arab states and even signed security and defence agreements with the UAE, Saudi Arabia, Qatar and Oman.

Energy security

India has a huge stake in the security of the Middle East as more than 75 per cent of its oil and gas requirements come from there. Many Indian companies, especially those in the public sector, have invested large amounts in many Persian Gulf countries.

India's importance as a key partner is being recognised by these countries. Indian Petroleum Minister Dharmendra Pradhan recently said that Gulf oil exporters have stopped levying the so-called "Asian premium" – wherein they charged Asian nations a higher rate for crude compared to the West – on Indian imports.

DUBAI AND THE UAE MAY BE AT THE CENTRE OF INDIA'S FDI OUTREACH IN THE MIDDLE EAST BUT OTHER COUNTRIES IN THE REGION ALSO PLAY AN IMPORTANT ROLE.

"Today we are telling the Middle East countries that we don't just want (better) prices, but on the basis of strategic relationship we should also get equity in exploration and production projects," Pradhan told the media.

Growing ties

Security, culture and history tie India closely to the Middle East. We can now add trade as a fourth binding agent. In 2001, bilateral trade between India and the Gulf Cooperation Council (GCC) countries was a paltry $5.5 billion. Over the next decade and a half, this has grown to $137.7 billion. Then, remittances into India from that region, an important source of foreign exchange for the country, were at $36 billion in 2015-16.

With Indian businesses straining at the least to increase their footprint around the world, and especially in growing markets such as the Middle East and Africa, beachheads in Persian Gulf region will play a larger role in bringing these ambitions to fruition.

The estimated $5 billion that India Inc. has invested in the Middle East so far is just the tip of the ice-berg, say many experts. This is expected to grow several-fold in the years ahead.

Growth markets in Indian sight

From textiles to solar energy, Indian firms continue their impact on emerging markets.

Raymond sets up in Ethiopia

Silver Spark Apparel Ethiopia, a wholly owned subsidiary of Indian textile group Raymond, has started the first phase of production at its greenfield garment facility in Ethiopia.

Set up at Hawassa Industrial Park with an investment of around $30 million (Rs 140 crore), the plant can produce 600 suits per day for different brands and will employ 2,500 people. The production will go up to 4,000 suits per day when all 18 production lines are commissioned in 18 months.

The modern facility, which will primarily cater to the US and European markets, was inaugurated by the Prime Minister of Ethiopia, Hailemariam Desalegn, along with Gautam Hari Singhania, chairman and managing director of Raymond.

The company, which will import fabrics from India, plans to tap the developed markets duty-free by exporting from the special Ethiopian export zone. It has also set up a special training centre at the unit to skill local people.

India begins solar project in Egypt

India has launched a solar project with state-of-the-art technology to electrify a remote village in Egypt.

The Solar Electrification Project, an off-grid system that is ideal for remote locations, has been launched at Agaween village in the Western Desert in Matrouh Governorate, close to the Libyan border.

India provided all the solar panels and sub-systems, machinery, equipment and technical support, as well as training for technicians, while the Egyptian government provided the location for implementation of the project. The project was inaugurated by India's Ambassador to Egypt, Sanjay Bhattacharyya, and Major General Alla Fathi Abou Zeid, Governor of Matrouh, recently.

Bhattacharyya said: "The project harnesses the sun and enriches the life of the villagers. The project is a demonstration of India's technical capabilities, especially in renewable energy, and can be replicated at other locations in Egypt."

The total output of the project is 8.8kw, with the ability to electrify the whole village.

BankBazaar sets up in Malaysia

bankbazaar.com

Online financial services marketplace BankBazaar has begun operations in Malaysia to strengthen its presence in South East Asia.

Adhil Shetty, Co-founder and CEO, BankBazaar.com, said: "Buoyed by the positive business sentiment and a progressive regulator, Malaysia's banking industry is poised towards the next phase of disruption. This complements BankBazaar's vision to enable, simplify and improve the financial services value chain for consumers."

As part of its international expansion strategy, the company also plans to begin its operations across Australia, Hong Kong, the UAE and Philippines over the next couple of years. BankBazaar will deploy a team of 30 people to support its expansion in Malaysia in addition to the 40-member Singapore team.

Vipin Kalra, CEO of BankBazaar International, said: "The technological landscape across the globe is changing rapidly. I believe companies focused on innovation, clubbed with agility are sure to make an impact, irrespective of their business scale and scope.

"After successfully shaping India's fintech space through customer-focused innovations, BankBazaar is now taking this legacy across new markets."

What makes UAE a hub for Indian start-ups?

by Ashish Tulsian

A serial entrepreneur explores what makes the Middle East an attractive proposition for Indian start-ups.

The UAE is a hub for expats and global businesses; located strategically this place provides immense business opportunities for people all over the world thus making it a hub for Indian start-ups also.

Recently Dubai also hosted the first Indian Start-up Summit, where it gave tech start-ups an immense opportunity to interact with each other and gave both the ecosystems a tremendous mentoring for Indian start-ups for their growth. The Middle East nation is keen to elevate disruptive Indian fintech start-ups by providing them an international platform and financial support.

Besides business opportunities for Indian start-ups, the leaders in the UAE are very keen to foster entrepreneurship with the recent summit for Indian start-ups a proof of that drive.

There are various reasons for start-ups to disrupt the UAE market. Firstly, in Dubai the taxes are lower to set up a business and also to run a business, there are several positive factors with tax being one of them.

The leases of residential properties are taxed at a flat rate of 5 per cent. Leases of commercial properties are taxed at a flat rate of 10 per cent. Though landlords are required to pay license fees, there is no capital gains taxation in Dubai thus making it a good market.

THE MIDDLE EAST NATION IS KEEN TO ELEVATE DISRUPTIVE INDIAN FINTECH START-UPS BY PROVIDING THEM AN INTERNATIONAL PLATFORM AND FINANCIAL SUPPORT.

Secondly, there is a lot of similarity between the demographics of the population, thus if you go from India to Dubai, you will not have to adjust to aspects like learning the language. There are a lot of Indians already residing there, which makes it a great place to reside and also the proximity to India provides an added advantage.

Thirdly, to reach the next 6 billion users; that will make India the second-largest ecosystem in the world. It is also easier to do business with the UAE in terms of its laws.

In the UAE, there is a diverse base of industries which means demand and supply is not a barrier. The region is also one of the smartest countries in the world in terms of internet penetration and infrastructure, making it ideal for connected start-ups.

In terms of tech innovation, India is the third-largest ecosystem in the world while the UAE aims to be the global hub for technology in the future. If innovation meets its hub, then with the end-product a lot of customers can be benefited. Thus by doing business together we can get requisite hand-holding and mentoring to grow and prosper.

We have been very impressed by the emerging opportunities in the UAE, such as the Abu Dhabi Global Market programme that promotes innovation in financial services.

As a restaurant technology company

doing business in the UAE, restaurants are breaking new grounds when it comes to using technology to deliver seamless customer service that has put them ahead of the competition. Convenience drives consumers to adapt new technologies. Being great in terms of internet penetration, Dubai has some tremendous opportunities for us. Food technology is undergoing a boom today and the future of the point-of-sale (POS) industry will see the market flooded with innovative and potential products.

A major feature in the reports generated by the point-of-sale software is its report and analytics tool as the owners can now remember their customer by feeding their details. Customer data can be analysed and it can help the restaurants come up with customised deals for their customers. Thus we also have an advantage of providing services that are advanced and easy to manage.

Besides, the Middle East nation is also keen to work with Indian start-ups because of their market-readiness and India's abundant technical talent. The governments of India and UAE are working towards fostering a healthy relationship between the two start-up ecosystems, to increase engagement, access to funds and build innovation.

Ashish Tulsian is the Co-Founder & CEO of POSist Technologies Pvt Ltd, behind the creation of an online POS, Restaurant Management software.

Ideas flow rapidly in the UAE

by Radhakrishna Thatavarti

The region is a magnet for fintech growth, writes an entrepreneur behind a Dubai start-up.

The UAE is known for tall buildings, large projects on sea, oil economy, trading and real-estate projects. The landscape is transformed with e-commerce start-up Souq.com taken-over by Amazon for over $650 million.

The UAE is a very small country with 10 million people and seven emirates, diversity is huge with people from over 160 countries. So Ideas flow rapidly.

Given the context of the vision of the UAE and its government's innovative policies are major attractions for start-ups to choose the country as a base. The size of the funds that the UAE market would attract during this year will be close to $1 billion.

The current year may see the figures of 2016 – 120 deals valued at $889 million – being topped as the region has seen $36 million in funding so far from 35 disclosed deals and multiple venture capitalists raising a second fund for the region, according to MAGNiTT, the largest online engagement platform for start-ups in the MENA region.

THE UAE HAS ASKED ALL ITS GOVERNMENT DEPARTMENTS TO BE IMPROVED BY 10 TIMES BY USING TECHNOLOGY WHICH HAS GIVEN RISE TO MOBILE APPLICATION USAGE AND LED TO GOVERNMENT DEPARTMENTS BEING AHEAD OF PRIVATE COMPANIES.

The year 2017 has already witnessed the largest MENA technology exit in history i.e. SOUQ.com, at around four times the size of the previous record holder.

Exits are key to the growth of the ecosystem. Start-ups should be optimistic that their companies can succeed and prosper with exit options existing in the region. Simultaneously, investors, whether institutional or angel, begin to see returns on their investments.

Currently many start-ups are coming in to the UAE in fintech. The Dubai government arm DIFC launched DIFC HIVE to encourage fintech start-ups, similarly the Abu Dhabi government entity launched ADGB Reg Lab – one of the best regulation labs in the world. Here people/companies can bring their ideas where ADGB Reg Lab will customise regulations as per the innovation, RUN it for two years and decide whether it can go big-bang or do we need to sunset the innovation.

Other Major Attractions:

- EXPO 2020 – The UAE government is spending over $5 billion towards services where start-ups and SMEs can participate and have a share of the big pie.
- 10X Initiative: The UAE has asked all its government departments to be improved by 10 times by using technology which has given rise to mobile application usage and led to government departments being ahead of private companies.
- Blockchain as a service: The Dubai government will launch Blockchain as a service and all entities are expected to be part of the UAE Blockchain by 2020.
- The Dubai Start-up HUB by Dubai Chambers which encourages both citizens and residents to access the funds for innovative projects.
- Introduction of the bankruptcy law.

In America, in the Silicon Valley, they actually call it the 'PayPal effect' because once you become very successful a bunch of wealthy people are created to put money into the ecosystem but then you have experienced entrepreneurs who have done it before. So it's not a surprise that PayPal kicked out Reid Hoffman of LinkedIn, Elon Musk, and Max Levchin [the chief executive of the digital lending start-up Affirm] and literally hundreds of other people.

I believe that we are going to be talking in a few years of the Souq.com effect because Ronaldo Mouchawar, the chief executive of Souq.com, is going to kick out a bunch of entrepreneurs and people with wealth that will put this back into the ecosystem, create better companies and more companies and jobs and that's the flywheel of success that I think will happen here as well.

According to research from Magnitt, a networking site for investors and entrepreneurs, 35 per cent of the founders of the MENA region's top 100 start-ups have previously worked at leading regional e-commerce companies such as Yahoo Maktoob, Dubizzle, Bayt and Zawya.

As the ecosystem continues to grow we see the emergence of new venture capitalists in the MENA space as well as new funds being raised by existing venture capitalists including MEVP, Wamda Capital and Beco Capital to name a few. Venture capitalists with notable activity in first quarter include Silicon Badia, MEVP, BECO Capital and WAMDA Capital, as per the MAGNiTT report.

Radhakrishna Thatavarti is the founder of Oxyloans, a Dubai-based peer-to-peer lending start-up.

CASE STUDY

The UAE can help broaden Indian FinTech horizon

by Manav Jeet

An Indian banker set to expand his start-up base to the UAE elaborates on the reasons behind this move.

Rubique is a FinTech company based in Mumbai. We offer a lending marketplace platform which provides individuals and small and medium enterprises (SMEs) in the country with frictionless access to a wide range financial services products including loans, credit cards and insurance products.

At Rubique, we aim to solve a number of problems in the marketplace for financial products in India, which is currently highly inefficient, time consuming and uncertain for both customers as well as financial institutions (FIs). Today in India, customers that require loans are often faced with time-consuming and uncertain application processes, and are regularly bombarded with follow up calls from a number of FIs' sales teams.

At the same time, FIs face challenges in finding customer that match their risk appetites, and in managing their own loan application turnaround times. In summary, it is currently very difficult for consumers in India to efficiently find FIs that can fulfil their financial services requirements. We seek to solve these problems with our proprietary matchmaking algorithm – our marketplace platform has direct integration to a number of FIs in the market, offering consumers a wide variety of options, with instant credit approval decisions and real time application processing. In addition, fulfilment of loans is also handled by Rubique's network of tech-enabled business associates, making our offering an end-to-end solution for credit provision for the Indian market.

We see many market similarities between India and the UAE. With $360 billion in loans outstanding and 8 per cent year-on-year growth, the UAE also offers a huge potential in lending which can be disrupted through technology. Today the region only has online comparison websites and currently has no fintech players who address the everyday pain points that customers face to avail loans or credit cards, or the pain points faced by banks.

When we deployed our solution in India, we had taken these inefficiencies into consideration, and we seek to address them effectively with technology. As our model has been proven in India we firmly believe our journey in the UAE will also lead us to success in terms of making finance simple and accessible for customers by reducing ambiguity and providing them clear choices.

We also see the region as being of particular importance for us in accessing ideas, partnerships, talent, and capital, on a global level. The ties between India and the UAE in terms of population of course facilitate this, though even beyond this aspect, the region has played a clear role in broadening our horizons.

By way of example, Rubique has been selected by Abu Dhabi Global Market (ADGM), the International Financial Centre in Abu Dhabi, to be part of the first batch of its FinTech Regulatory Laboratory (RegLab) program. This comprises of five local and international innovative FinTech start-ups, and Rubique is one of the only two Indian FinTech companies selected.

Rubique will play an active role in developing and testing financial services innovation within the region, helping to shape regulation and the broader FinTech ecosystem in the UAE.

Manav Jeet is a veteran banker who set up Mumbai-based FinTech firm Rubique.

GLOBAL INDIANS IN THE UAE

The United Arab Emirates (UAE) has attracted a series of Indian entrepreneurs to its shores who today stand out as the perfect ambassadors for India-UAE ties.

Yusuffali MA

Organisation: Lulu Group

Industry: Retail

Place of origin: Kerala

Background: Left India in 1973 for Abu Dhabi to join EMKE Group, founded by his uncle. There he developed the business further and launched the Lulu Hypermarket in 1990 at a time when the retail sector in the UAE was undergoing a change. The group today employs the largest number of Indians outside India.
He is one of the wealthiest Indian with stakes in Catholic Syrian Bank, Federal Bank and Cochin International Airport. He has also purchased the Scotland Yard Building in London.

Factoid: He was conferred the title of Padma Shri in 2008 and Pravasi Bharatiya Samman in 2005, which is the highest Indian government award bestowed upon NRIs.

Dr B.R. Shetty

Organisation: UAE Exchange & NMC Healthcare

Industry: Financial Services & Healthcare

Place of origin: Udupi, Karnataka

Background: Moved to the UAE in 1973 and started working as perhaps the country's first medical representative. He later started NMC Health to fill the gap for personalised, cost-effective healthcare accessible to all and is the first healthcare company from the GCC to be listed on the LSE and FTSE250 Index. He went on to establish UAE Exchange in 1980 which today has expanded to more than 31 countries.
He is also the founder of NMC Neo Pharma and acquired leading foreign exchange company Travelex in 2014. He owns two floors of world's tallest building Burj Khalifa and received the Padma Shri in 2009 and the Pravasi Bharatiya Samman in 2007.

Factoid: He had only one shirt when he arrived in the UAE, which he used to wash every night to wear the next day

Micky (Mukesh) Jagtiani

Organisation: Landmark Group

Industry: Retail

Place of origin: Mumbai

Background: First emigrated to London where he drove a taxi and later moved to Bahrain taking over his deceased relative's baby products shop. He later built it into the Dubai-based Landmark Group, which has more than 2,200 stores spread across the Middle East, Africa and India. The group also has interests in hospitality & leisure, healthcare and mall management
In 2008, he bought stake in UK high-street retailer Debenhams and established LIFE to support under-privileged children in India.

Factoid: He suspended sales of all Trump-branded products last December after the US presidential candidate made anti-Muslim remarks.

Sunny Varkey

Organisation: GEMS Education

Industry: Education

Place of origin: Kerala

Background: Moved with his family to Dubai in 1959, where both his parents taught English to local Arabs, including members of the royal family. They later founded Our Own English High School in Dubai in 1968 to teach English to children of expats. After creating a network of schools, he established GEMS, an advisory and educational management firm, in advance of his worldwide overseas expansion. He also founded the Varkey GEMS Foundation in 2010, which hosts the $1-million annual Global Teacher Prize.

Factoid: The education entrepreneur and philanthropist has studied only till high school himself.

Dr Ram Buxani

Organisation: ITL Cosmos Group

Industry: Consumer Electronics

Place of origin: Hyderabad

Background: Selected for a job in Dubai in a company that sold textiles and moved there in 1959. The company later moved into consumer electronics and is today into manufacturing, banking and an exchange company managed by Canara Bank.
He is known for his contribution to the Indian community in the UAE and was the founder-chairman of Overseas Indians Economic Forum – UAE and is currently the chairman of India Club in Dubai. He has also been involved closely in the education sector.

Factoid: He arrived in Dubai at the end of a five-day boat journey at a time when there was no electricity, airports or telephones and his starting salary was just Rs 125 per month.

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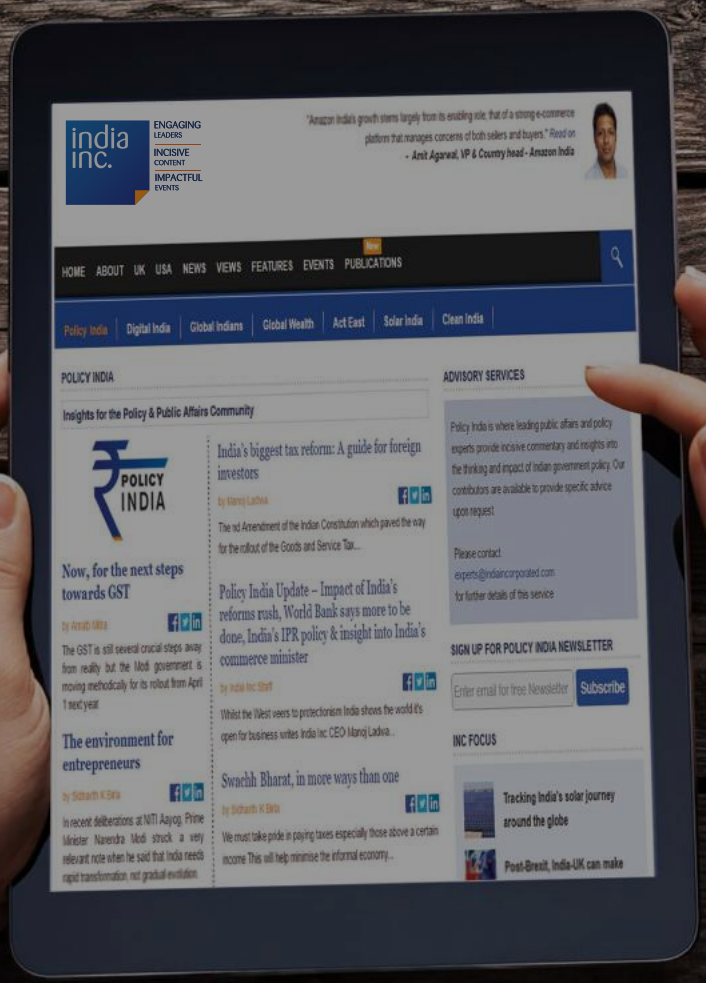

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A TOUCH OF INDIAN CHIC HOSPITALITY FOR THE WORLD

India's Bird Group, which operates the Roseate Hotels and Resorts luxury chain, has ambitions to expand across Europe and the Middle East after its most recent acquisition of a boutique hotel in the UK. Ankur Bhatia, executive director of the group and director, Bird Hospitality Services, tells 'India Global Business' about his vision for the industry and what sets his chain apart in the world of hospitality.

How does your latest acquisition in the UK fit in with your global vision?

Roseate Hotels and Resorts is a global collection of unique and independent stay experiences by Bird Hospitality. Villa at Henrietta Park, formerly known as Villa Magdala, in the city of Bath, United Kingdom, is an integral part of our global strategy to offer best-in-class services that are carefully curated envisaging the best in design, art, hospitality, and personalisation centred around guest experience.

Located in the heart of Bath, Villa at Henrietta Park rebranded as The Roseate Villa, Bath, is a unique and picturesque property offering 21 spacious and exquisitely appointed rooms. Set in two carefully restored Victorian houses with individual gardens featuring a quirky yet elegant personality, the property echoes a chic classism that resonated well with what Roseate Hotels and Resorts stands for.

What are some of your other plans for the UK and other global markets?

As the only 'Indian' luxury hospitality brand with largest number of hospitality assets in the UK, we have plans of acquiring hotels and exploring management prospects in India and international markets like Europe, Middle East and the UK. These opportunities are being evaluated for synergies with the offerings of our brand – Roseate Hotels and Resorts. In India, we have a firm pipeline of three luxury and upscale properties in Jaipur, Goa and Rishikesh, apart from the two existing ones in New Delhi. The Roseate Ganges at Rishikesh will open by December 2017.

Has Indian hospitality made its mark in the international arena?

Hospitality markets in countries such as the UK, Europe and the Middle East are mature with rules and regulations firmly in place that facilitates operational ease for domestic as well as international players that have a consistent tourism base and infrastructure.

Considering the above, Indians have been working towards increasing their footprint as well as global customer-base. Roseate Hotels & Resorts has been looking at organic as well as global acquisitions to expand their presence.

AS THE ONLY 'INDIAN' LUXURY HOSPITALITY BRAND WITH LARGEST NUMBER OF HOSPITALITY ASSETS IN THE UK, WE HAVE PLANS OF ACQUIRING HOTELS AND EXPLORING MANAGEMENT PROSPECTS IN INDIA AND INTERNATIONAL MARKETS LIKE EUROPE, MIDDLE EAST AND THE UK.

What sets Roseate Hotels and Resorts apart in the hospitality sector?

Roseate hotels and Resorts is a collection of uber luxury hotels consisting of four niche hotels across India and the UK, with more under development. The name 'Roseate' comes from a bird with pink-hued plumage – avant-garde, imaginative and contemporary in design, each Roseate hotel has a story to tell. Key focus is laid on the service, aesthetics and detailing of hotels that pave the way to stylised accommodation with high business efficiencies at city hotels and exquisite leisure options at resort locations. The group's flagship property, The Roseate New Delhi, is an urban luxury resort, located between the historical attractions of New Delhi and corporate hub of Gurgaon which provides guests an out of city experience. Roseate House New Delhi is an uber luxury city hotel that offers a distinctive style and is designed to cater to the next generation of savvy business and leisure travellers. Apart from The Roseate Villa, Roseate Hotels & Resorts has two other properties in UK. The Royal Park – a Roseate House hotel – an English style country house boutique hotel, and The Forbury Roseate, the finest 5-star hotel in Reading and the neighbouring Thames Valley. All the hotels under the Roseate Hotels & Resorts brand offer top notch guest experiences and are situated in the best locations.

What do you feel is the essential ingredient for the success of a hospitality group?

The hospitality industry being a dynamic one, factors contributing to its success have been changing over time, driven by global competition and increasingly high customer expectations. Globally, there is an increasing need to focus on quality management to attract new customers and earn repeat business.

At Roseate Hotels and Resorts, based on our extensive experience of personalised service to global travel markets, our core strategy remains offering well located properties that are relentlessly focused on quality supported by a deep understanding of guest requirements, cutting edge facilities and state of the art technology.

On a personal note, what is the driving force behind your vision for the group?

To give the best in design, services and overall experience for our guests across all our hotels.

**The Bird Group was founded in 1971 and today the New Delhi based group has more than 45 offices employing over 9,000 staff across the world. Besides hospitality and luxury retail, its core businesses include travel technology, aviation services and education.*

Outbound tourists are the biggest Indian job creators abroad

by India Inc. Staff

Indians spend an estimated $20 billion on their travels around the world, boosting local economies and creating jobs. A WTO study says this figure will rise to $60 billion by 2020, or about the same as the total FDI inflow into India last year.

Let us start with two simple quiz questions: Which Indian group has spent the largest sum of money in the US since the turn of the millennium? And ditto for Europe?

Okay, here are a few hints: it's not the Tata Group, not the Aditya Vikram Birla Group and not even any overseas Indian-owned business like Arcelor Mittal.

The answer – surprise – is: the ordinary Indian. Since 2000, the number of Indian tourists visiting the US annually has risen from 250,000 to 1.2 million in 2015. They spent about $12 billion on shopping, eating, travelling, commuting and staying at hotels and patronising home stays. The answer for Europe is even larger. At last count, an estimated 2.5 million Indians visited Europe in 2016, adding almost $3 billion to the local economies of individual countries. And every year, as millions of Indians travel around the world on business trips, to attend conferences and meetings, study, shop, honeymoon, sight-see and visit friends and relatives, they cumulatively spend an estimated $20 billion.

Tourist spends outstrip FDI

Indian groups such as the Tata-owned Indian Hotels, which runs the Taj Group, the now-in-trouble Sahara Group, Bharat Hotels and a few others have acquired or set up iconic properties such as the Pierre and the Plaza in New York and Grosvenor House in London (the latter two have since been sold to non-Indian buyers). Then, Bharat Hotels has also recently launched a new luxury hotel in the British capital.

Total outbound foreign direct investments in the hospitality sector, at a few hundred million dollars a year, is a fraction of the sums Indian tourists spend abroad, contributing billions to the local economies and creating and sustaining jobs in a range of sectors as diverse as food and beverages, hotels, education, airlines and luxury brands, among many others.

Exit the high spending American, enter the high spending Indian

There was a time when Americans were the most sought after tourists the world over – with good reason. They spent big, tipped generously and lived life king-size while travelling the globe.

The United Nations World Tourism Organisation (WTO) estimates that Indians are among the highest spending tourists in the world –

spending, on average, four times as much as the average Japanese or Chinese tourist. The average Indian spends about $1,200 per trip compared to $700 for the average American and $500 for the average Briton.

Indian tourists spent almost $20 billion on their foreign travels in 2015 and this figure is estimated to grow at 12 per annum. On average, Indian tourists travel for 12-15 days and spend a disproportionately large amount of money on the purchase of branded luxury goods.

Rolling out the red carpet

India is now the world's second-largest source of outbound tourism, after China, and according to a World Trade Organisation study, this figure will grow exponentially to 50 million by 2020.

Assuming a constant rate of spend, that is $60 billion of hard cash that Indian tourists are expected to spend on their foreign travels in three years' time. Interestingly, that is almost equal to the total FDI inflows into India in 2016-17.

Little wonder then that airlines, cruise liners and tourism promotion agencies worldwide are pulling out all stops to woo the Indian traveller.

To serve this growing market, almost every airline has direct flights connecting major Indian cities like New Delhi, Mumbai, Bangalore and Chennai to major capitals, financial centres and tourist destinations in Europe, the US, the Middle East, South East Asia, China and East Asia.

Germany has stolen a march over other European countries in wooing Indian tourists. Its national airline Lufthansa, which has direct flights from India to almost every major European city, now offers Indian flyers the choice of Indian cuisine and has on-board attendants trained in Indian cultural nuances. Then, the German National Tourist Office has organised a three-day roadshow in India to encourage tourists from this country to visit Germany.

Following the Bollywood stars

According to the World Bank and UNTWO data, Dubai, Thailand, the US and Singapore are the destinations favoured most by Indian travellers. This is followed by the UK, Australia, Indonesia, Turkey, Sri Lanka.

In recent times, East European countries such as Hungary, Slovakia, Poland as well as Greece, Spain and Portugal have gained popularity. Analysts say a spate of recent Bollywood films that were shot in these countries is responsible for this boom in Indian tourist arrivals there.

INDIAN TOURISTS SPENT ALMOST $20 BILLION ON THEIR FOREIGN TRAVELS IN 2015

Of course, age-old favourites like London, Scotland, Paris, Switzerland and Germany continue to remain on the itinerary of most Indian travellers.

And the US, as mentioned above, remains a perennial favourite. To cash in on the demand, a number of airlines have launched direct flights between the two countries. Air India, which has direct flights to New York from New Delhi and Mumbai, has launched tri-weekly non-stop flights between Bangalore and San Francisco and a daily non-stop flight between New Delhi and Washington.

Waking up somewhat belatedly to the potential of the high spending Indian tourist, several European and African countries have opened offices in major Indian cities to promote tourism.

The MICE market

A relative new trend in the multi-billion-dollar Indian outbound tourism market is the practice of holding corporate off-sites and senior management retreats at exotic locales around the world. Dubbed Meetings, Incentives, Conferences and Events, and going by the unlikely acronym of MICE, this generates an average of 1.5 million outbound travellers from India.

Tourism boards from many European, African and South East Asian countries have been aggressively courting this market, because such offshore components typically have windows for shopping and sightseeing as well. Since the participants are mostly senior management personnel of large and medium companies, they are seen as high spenders who patronise luxury resorts and add great value – by generating jobs and creating demand for merchandise – in the local economies.

Booming economy

Fuelling this boom in outbound travel is the growing and increasingly well-off Indian middle class of young, educated tech-savvy people numbering 350 million. This is projected to rise to 550 million by 2030. With India's GDP growing at more than 7 per cent, which is expected to rise higher on the back of the reforms push by the Narendra Modi government, India's outbound tourism market is expected to continue to grow at a scorching pace.

One industry that has boomed as a result of the average Indians' wanderlust is the low-cost aviation sector. There has been a boom in this sector within India and several foreign airlines have also commenced operations from the country, serving the important tourist routes.

However, investments in foreign facilities by large Indian hospitality chains such as the Taj, the Oberoi, The Lalit and ITC have not kept pace with the growth in outbound tourism from India.

So, the average Indian traveller, considered cumulatively, is expected to remain the largest spender of foreign exchange in India.

The UNTWO expects tourism to create almost 300 million jobs globally and generate 9 per cent of the world's GDP by 2019, making it, by far, the single largest source of economic growth. And Indian travellers will be at the forefront of this boom, silently and invisibly creating new economic opportunities and generating jobs for people all over the world.

THE FACTS BEHIND INDIAN HOSPITALITY

The United Nations World Tourism Organisation (WTO) estimates that Indians are among the highest spending tourists in the world, spending, on average, four times as much as the average Japanese or Chinese tourist. Here is a broad snapshot.

Top 10 Hotel Brands in the World

2017

Source:Travel + Leisure Magazine

Top Indian Hotels Overseas

Taj Hotels Resorts and Palaces
16 hotels with 3 in Sri Lanka and USA, 2 in Maldives and UK, and one each in Zambia, South Africa, Malaysia, Bhutan, Nepal and the UAE

Oberoi Group
9 hotels with 3 in Egypt, 2 in Indonesia, 2 in UAE, one each in Mauritius and Saudi Arabia and an upcoming hotel in Morocco

Lords Hotels and Resorts
1 existing hotel in Nepal and 3 upcoming in Nepal

Sarovar Hotels
5 hotels with 3 in Kenya, South Sudan, Tanzania and upcoming hotels in Kenya, Zambia, Ethiopia

The Leela Palaces, Hotels and Resorts
4 upcoming hotels in Nepal

Cygnett Hotels & Resorts
1 hotel in Nepal

ITC Hotels
1 upcoming hotel in Colombo

Taj Hotels Resorts and Palaces

The Taj brand has been overseas since the **1980s**, when its first international hotel came up at Yemen (no longer part of the chain), followed by two hotels in Britain.

Oberoi Group

The Oberoi Group, founded in 1934, **operates 32** hotels in India and overseas, two luxury Nile Cruisers and a Motor Vessel in the backwaters of Kerala.

ITC Hotels

ITC Hotels, headquartered in India, is the second largest hotel chain in the country and operates over **100 hotels in 90 locations**.

Sarovar Hotels

Founded in **1994**, privately owned Sarovar Hotels is the third-largest hotel chain in India with **75 hotels** in **50 destinations** in India and abroad. The group operates internationally with hotels in Tanzania, Nairobi and South Sudan.

Lords Hotels and Resorts

In **2017,** Lords Hotels & Resorts announced the signup of its second hotel property in Nepal which is slated to commence operations by the end of **2017.**

The Leela Palaces, Hotels and Resorts

The company was established in Mumbai in **1983** which has grown from one hotel, on the outskirts of Mumbai, to nine award-winning properties across India. Internationally, Leela Kathmandu will be followed by a hotel in Lumbini as part of the Leela Group's plans to pave a Buddhist trail from Nepal to Bodhgaya, Nalanda, and Varanasi in India.

Cygnett Hotels & Resorts

Cygnett Hotels & Resorts, a fast growing hotel brand with six sub-brands in six different categories, is looking at Bangladesh, Sri Lanka and Vietnam for its overseas growth.

Lemon Tree Hotels

In **2016**, Lemon Tree Hotels announced plans to operate eight properties in the UAE within the next three years.

Nigeria, the next frontier

by India Inc. Staff

Indian companies have marked out a significant presence in the large and prosperous Nigerian market. This presence will grow further as India's public sector oil majors are expected to invest up to $15 billion in Nigeria's oil and gas sector.

A vast majority of Indians are not aware that Nigeria is an economic powerhouse whose citizens, on average, earn $2,123 per year, 20 per cent more than India's per capita income of $1,850.

But Indian businesses have known about that country's economic prowess for some time.

Proof: on the streets of Lagos, Nigeria's capital, Bajaj motorcycles and Tata cars jostle for space with brands from Japan, Europe and the US. Bharti Airtel's African subsidiary is the largest mobile phone company in that country. And Indian companies dominate Nigeria's electricity generation sector.

Africa's largest economy

Indian companies have invested more than $2 billion in foreign direct investment (FDI) in Nigeria – with good reason. The country of 188 million is Africa's largest economy, having overtaken South Africa's GDP in 2014. It is also the world's 20th largest economy and is considered an emerging market by the World Bank. It is also considered a regional power in Africa and a middle power in international affairs.

MORE THAN 100 INDIAN COMPANIES HAVE SET UP BASES IN NIGERIA.

Bilateral trade with India has grown significantly over the years and stands at about $17 billion. Nigeria's main export is crude oil. India buys as much as 12 per cent of its crude requirements from Nigeria. It exports engineering goods, cars, motorcycles, power equipment, fertilisers, commercial vehicles and a host of knowledge products.

Large Indian presence

More than 100 Indian companies have set up bases in Nigeria. These include Bharti Airtel, Bajaj Auto, Tata Motors, Mahindra & Mahindra, Dabur, Aditya Birla Group, NIIT, ApTech, New India Assurance and IndoRama, among many others.

The attraction: its large and relatively developed domestic market.

Investments in communications

Airtel is, arguably, the biggest Indian company in Nigeria and owes its presence mainly due to its 2010 takeover of African operator Zain. Since then, it has invested $1.2 billion on improving the network and service quality and now provides data and voice services across the country that makes it Nigeria's largest telecom operator.

"Airtel Nigeria is proud to celebrate its milestones and efforts towards achieving robust and extensive

network coverage across the country for both voice and data services. Airtel Nigeria has invested enormous resources to the upgrading of its network infrastructure and has made significant capital expenditure investment towards improving network quality. Currently, Airtel Nigeria has the widest and largest 3.75G coverage in the country," says the company's website.

It has contributed significantly to Nigeria's economy by rolling out 3.75G platforms that offer high speed mobile internet across the 36 constituent states of Nigeria.

$4bn investment

Media reports suggest an unnamed team of Indian entrepreneurs will invest up to $4 billion in the Nigerian telecom sector.

A statement issued by the office of Nigerian Communications Minister Adebayo Shittu said the investment commitment was made on the sidelines of the World Summit on Information Society Forum 2017 in Geneva. The investment will mainly focus on rural telephony and grassroots development.

Growing interest

In a sign that India Inc is waking up fast to the economic potential of Nigeria, a large number of Indian companies, numbering over 100, had taken part in a three-day show in Lagos two years ago to showcase their expertise.

This was "an excellent opportunity for Indian and Nigerian companies to meet and enter into business partnerships, joint ventures and technology transfers," apex chamber Confederation of Indian Industry (CII) had then said in a statement. The participants were a veritable who's who of Indian industry – Tata Motors, Bajaj Auto, Godrej & Boyce, Kirlokar Group, Power Grid Corporation, Bharti Airtel, Bharat Earth Movers Ltd, Escorts and TVS Motors, among dozens of other big and medium players.

The idea behind the show: to present their Nigerian hosts with a bouquet of options in infrastructure, power generation and transmission, farm and construction equipment, highways and ports and automobiles. The selling point: India's frugal engineering skills that are ideally suited for emerging markets like Nigeria.

A statement issued by the Indian High Commission in Lagos said: "Over 100 companies are currently operating in Nigeria that are owned and/or operated by Indians or Persons of Indian Origin."

Zipping along

Any visitor driving along Lagos' broad streets cannot but help notice the sleek Bajaj motorcycles roar past them. Nor can an Indian visitor miss the occasional sight of a Tata car or commercial vehicle drive by.

Tata Motors and Bajaj Auto have been around in Nigeria for more than 10 years and have established themselves as leading players in the country's fledgling auto industry.

The Tatas marked their presence with the establishment of Tata Africa Services (Nigeria) Ltd in 2006. The investment: $10 million. The company serves not only Nigeria but all of western Africa.

Tata Africa Services (Nigeria) Limited sells passenger vehicles,

INDIAN COMPANIES HAVE INVESTED MORE THAN $2 BILLION IN FOREIGN DIRECT INVESTMENT (FDI) IN NIGERIA – WITH GOOD REASON. THE COUNTRY OF 188 MILLION IS AFRICA'S LARGEST ECONOMY, HAVING OVERTAKEN SOUTH AFRICA'S GDP IN 2014.

Source: Invest Nigeria credit: http://www.invest-nigeria.com/

light commercial vehicles, medium commercial vehicles, heavy vehicles, material handling equipment such as forklift trucks, stackers, tyre handlers etc, heavy equipment like excavators, back-hoes, graders and cranes, tires, construction equipment like concrete mixers, steel and chemicals.

Thus, it serves as a one-stop shop for a wide range of goods and services that meet the requirements of both private individuals as well as businesses.

Bajaj Auto Ltd (BAL), the world's third-largest motorcycle manufacturer and the world's largest three wheeler manufacturer, has a more dominant presence in Nigeria, which is the company's largest export market, accounting for almost a third of its export revenues.

In 2014, the company sold half a million motorcycles in Nigeria and accounted for as much as 44 per cent of the market.

The energy story

No report on India's economic relations with Nigeria can be complete without a detailed look at how that country has been helping India meet its energy security needs. As mentioned above, India imports as much as 12 per cent of its total crude requirements, or 23.7 million of crude and 2 million tonnes of LNG from Nigeria in 2015-16.

But since the Narendra Modi government came to power in 2014, the buyer-seller relationship has changed dramatically to one where the two countries have become partners.

On a recent visit to India, Nigeria's Minister of Petroleum Emmanuel Ibe Kachikwu and his Indian counterpart Dharmendra Pradhan agreed "to work on a memorandum of understanding to facilitate investments by India in the Nigerian oil and gas sector and include areas such as term contract, participation of Indian companies in the refining sector, oil and gas marketing sector, upstream sector, development of gas infrastructure and training of oil and gas personnel in Nigeria... The Nigerian minister requested a potential investment by India of $15 billion…," an official statement said.

"Both agreed to strengthen the existing cooperation in oil and gas sector, and in particular to explore investment opportunities for Indian public and private sector companies in Nigeria," the statement added.

This outward FDI will be done by India's public sector oil companies such as ONGC Videsh and Indian Oil Corporation. The massive investment will possibly be the single largest outbound FDI deal from India.

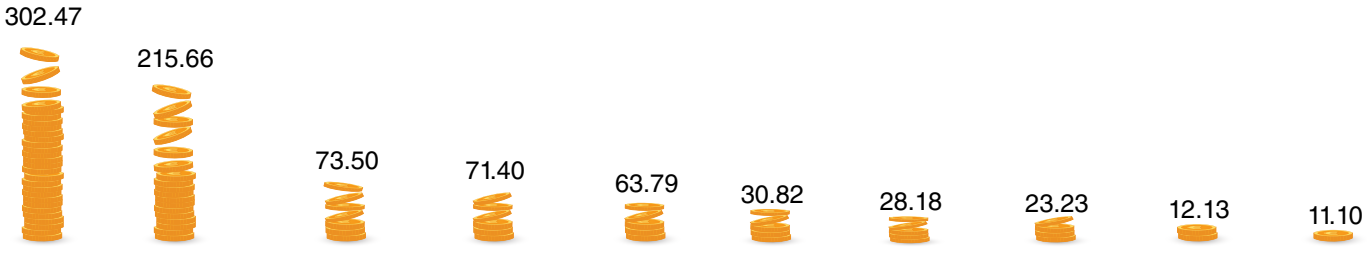
Sign of things to come

It could set the stage for further investments by private sector oil majors such as Reliance Industries and others. Given the signs of bonhomie between the two countries, Indian behemoths in other industries, too, could follow in the footsteps of the pioneers who have set up outposts in Nigeria.

FACTFILE: NIGERIA

The country of 188 million is Africa's largest economy, having overtaken South Africa's GDP in 2014. It is also the world's 20th largest economy and is considered an emerging market by the World Bank.

Nigeria's top 10 investors for Q1 2017 (Values in US$ mn)

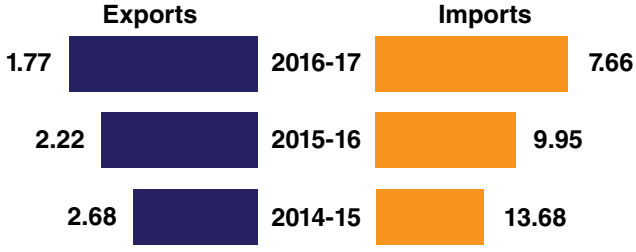


* India ranks 10th in the list, investing $11.10 million in Q1 2017

Key Economic Indicators:

Capital: **Abuja**
Languages: **English, Hausa, Yoruba**
Population: **186 million (on Dec 2016)**
Currency: **Naira (NGN)**
GDP: **USD 405 billion (2016)**
Inflation: **16.1% (June 2017)**
GDP Real growth rate: **- 1.5% (2016)**

Bilateral trade: (Values in US$ bn)



Major exports to Nigeria

Machinery and mechanical appliances	Mineral fuels, mineral oils and products of their distillation
Vehicles, other than railway or tramway	Aluminium and articles thereof
Electrical and electronic equipment	Copper and articles thereof
Pharmaceutical products	Plastics and articles thereof
Aluminium and articles thereof	Edible fruits and nuts
Iron and steel and articles thereof	Ships, boats and other floating structures
Plastic and articles thereof	Lead and articles thereof
Organic chemicals	Lac, gums, resins, vegetable saps and extracts nes
Paper and paperboard; articles of paper pulp, of paper or of paperboard	Coffee, tea, mate and spices
Cereals	Raw hides and skins (other than furskins) and leather

Top Sectors Attracting FDI Equity Inflows From India:

- Textiles
- Electrical Equipment
- Plastics
- Chemicals
- Pharmaceuticals
- Fishing
- Power Transmission

Cumulative FDI Equity Inflows (From April 2000 To March 2017)

$13.46 million

Recent Bilateral Visits:

Nigeria to India

Nigerian Visits to India	Period & Event
President Muhammadu Buhari	October 2015 for the Third India-Africa Forum Summit in New Delhi
Aminu Bello Mesari, Governor of Katsina State	November 2015 at the invitation of Mahindra & Mahindra in connection with the purchase of tractors for his state
A two-member delegation from Nigerian Navy led by Rear Admiral MagajiIdris Danladi	February 2016 to attend the International Fleet Review-2016 at Visakhapatnam and visited Goa Shipyard
Dr Enelamah Okechukwu, Minister of Industry, Trade & Investment, accompanied by a large delegation	March 2016 to attend the 11th CII-EXIM Bank Conclave held in New Delhi.
A four-member Nigerian MoD delegation led by Amb. Danjuma Nanpon Sheni, Permanent Secretary MoD, and six-member Nigerian Army Delegation led by Maj Gen CAT Jemitola	March 2016 to attend the Defence Expo-2016 in Goa

India to Nigeria

Indian Visits to Nigeria	Period & Event
Dharmendra Pradhan, MoS (IC) for Petroleum and Natural Gas, accompanied by his PS	May 2015 - visited Abuja to represent the Government of India at the inauguration ceremony of Nigerian President-elect Muhammadu Buhari and handed over PM Modi's invitation to President Muhammadu Buhari
Lt Gen S.K. Gadeock, AVSM, Commandant DSSC, Wellington	December 2015 to attend DSSC, Wellington Alumni dinner reception for Nigerian Armed Forces Officers
A three-member senior Naval delegation led by Rear Admiral Dhiren Vig, Asst Chief of Naval Staff	January 2016 to discuss the modalities of cooperation in areas of mutual interest between Navies of the both countries

Indian presence in Nigeria

Bajaj Auto
Industry: Automotive
Year of establishment: 2006
The company's operations in Nigeria started with the assembly of the Boxer-S from June 2006. In 2006-07, over 7,000 vehicles were assembled and sold in Nigeria. The company had entered the region earlier with exports of scooters & three-wheelers to Nigeria in the year 1974. The company has announced plans to increase its assembly plant in Nigeria from one to at least three and aims to achieve 40 per cent local content in the assembly of its three-wheeled vehicles.

Aptech Computer Education
Industry: Education and Training
Year of establishment: 2000
Aptech was introduced in Nigeria in the year 2000, with its first centre opening at Maryland, Lagos. This was followed by various centres and Aptech in Nigeria today claims to be a training institution of choice among the youth and professionals of the country. It currently operates 20 training centres and the centres have over 400 computers deployed within the country for training and are in the process of adding additional capacity.

Airtel Nigeria
Industry: Telecom
Year of establishment: 2000
Formerly known as Celtel Nigeria, the company was established in 2000 by a group of institutional and private investors as well as three state governments. Nigeria is Airtel's most profitable market in Africa, followed by Ghana. Airtel Nigeria is the third largest operator in Nigeria with 34,156,434 subscribers, only behind Globacom (37,365,755) and MTN Nigeria (54,921,331) as of May 2017. Nigeria generates 30 per cent of Bharti Airtel's Africa revenues. The company recently rolled out Fourth Generation (4G) wireless mobile telecommunications technology in Nigeria in partnership with ZTE, a Chinese multinational telecommunications equipment/systems company.

Tech Mahindra
Industry: Information Technology
Year of establishment: 2009
Tech Mahindra (Nigeria) Limited was incorporated in August 2009 as Tech Mahindra's representative in Nigeria. It acts as a service provider for sales marketing, onsite software development and other related services. In 2011, the company chose Nigeria as its headquarters in Africa in a bid to scale up its BPO operations on the continent. In 2013, the firm commissioned a new call centre at Abeokuta, the capital of Nigeria's Ogun state at an estimated cost of about $9-million for construction and operation.

Ashok Leyland
Industry: Automotive
Year of establishment: 2011
Ashok Leyland Nigeria was incorporated in 2011 to improve its focus and support for the Nigerian as well as other ECOWAS markets. The company holds stock of buses, trucks and spare parts for distribution to its dealers across Nigeria. To improve upon the technical skills of local technicians and operators who handle company's products, the company has also started its Technical/Driver Training centre at Lagos in collaboration with Lagos State Drivers' Institute (LASDRI).

Ranbaxy/Sun Pharma
Industry: Pharma
Year of establishment: 1977
In 1977, Ranbaxy (now merged with Sun Pharma) established a joint venture in Lagos, Nigeria. The company manufactures, imports and markets pharmaceutical products in Nigeria. In addition to a fully-equipped production facility to manufacture liquid and oral pharmaceutical products, the firm has a robust sales, marketing and distribution network.

Dabur
Industry: FMCG
Year of establishment: 2004
Dabur started its operations in Nigeria in 2004, with the setting up of African Consumer Care Ltd, a joint venture between Dabur International Ltd that holds a 90 per cent stake in the venture, and Dabur UK, which is the minority shareholder. In November 2007, the company announced the commissioning of its toothpaste manufacturing facility in Nigeria built at an investment of $4 million.

NIIT
Industry: Education and Training
Year of establishment: 1999
NIIT, the leading Global Talent Development Corporation, established its presence in Nigeria by setting up an education centre in Ikeja, Lagos, in 1999. NIIT claims to train over 16,000 students in Nigeria every year and shape the careers of over 160,000 students in past 16 years. NIIT now has more than 21 operational centres in different regions of Nigeria.

Business ties:

- India is the largest trading partner of Nigeria and Nigeria is India's largest trading partner in Africa.
- Indian owned/operated companies are the 2nd largest employers in Nigeria after the Federal Republic of Nigeria.
- More than 100 Indian companies are estimated to have their footprint in Nigeria.
- India plays a prominent role in Nigeria's pharmaceuticals, power transmission and Iron and steel sectors.
- India is the largest importer of Nigerian petroleum products.
- In recent years, Nigeria has been one of the main sources of crude for India.
- Nigeria-based Indians are economically active in consumer manufacturing & retailing as also in construction and services.
- The first Indian company, K. Chellaram Company, was set up in Nigeria in 1923. The Chanrai family is one of the most successful and respected business houses in Nigeria.

India-Nigeria ties on a high

From automotive to IT and communications, the India-Nigeria connect reflects a robust partnership.

Bajaj launches trucks in Nigeria

The world's largest manufacturer of three and two-wheelers, Bajaj Auto, has introduced a new range of products to the Nigerian market.

The Bajaj MaximaC, a mini truck for cargo delivery and mini ambulance trucks have been tailored for Nigeria's rough rural roads. The new range of vehicles are already being assembled in the African nation, with plans at an advanced stage for their manufacture next year, according to Bajaj Auto Senior Vice-President K.S. Grihapathy.

Grihapathy, who spoke at the launch of the new vehicles in Abuja in July, explained that the engine is matched with a five-speed gear box for optimum load carrying over varying terrain.

He said: "With Maxima Cargo, we are now introducing our range of cargo three-wheeler and ushering in a new solution of cargo transportation that is cleaner, safer, and more comfortable. "We feel that this vehicle will be an effective solution in the last mile cargo space in Nigeria which currently is beset by problems like congestion, traffic, and pollution."

Toyin Okewo, MD of Metropolitan Motors – the distributor of the products in Nigeria, added: "We are happy to partner them in creating a new segment of last mile transportation, given its affordable cost, multi-purpose nature and the Nigerian road landscape. We believe there is a good market for such a vehicle in the last mile cargo sector in Nigeria."

India-Nigeria tie up for IT growth

Indian government and the federal government of Nigeria are set to forge closer cooperation in a determined effort to accelerate growth in Information and Communications Technology (ICT), with a view to boosting both countries' economies through greater penetration and use of advanced technologies and services.

A two-day international conference and exhibition in September in Lagos will mark the starting point of this tie-up. The conference is being organised by the Telecom Equipment and Services Export Promotion Council (TEPC), an organisation set up by the government of India to promote and support export of telecom equipment and services.

Indian Minister of State for Communications, Manoj Sinha, has been working with his Nigerian counterpart, Abdul-Raheem Adebayo Shittu, on the new partnership between both countries.

Sinha said: "India has emerged as one of the prominent trade partners for Africa, and both regions have shown complementarities for business to expand and grow.

"IT and Telecom form the backbone for the growth of any country and Africa has been one of the fastest growing markets worldwide in ICT adoption and communication technology."

Airtel Nigeria unveils broadband

Airtel Nigeria has unveiled its Home Broadband Service with claims that it will deepen Internet connectivity and empower telecom consumers to share data without worrying about cost and other limitations.

The new Airtel Home Broadband delivers superfast broadband service via data terminals such as dongle, MiFi and routers as it comes in various packages and affordable price range to suit the lifestyles of different customer segments, the company said.

Ahmad Mohkles, chief commercial officer, Airtel Nigeria, said Airtel is changing the paradigm, breaking new frontiers and inspiring new behaviour as far as data sharing as well as delivering ubiquitous data experience is concerned.

He said: "Airtel is committed to pioneering innovation, superior data experience and affordability. Our new Unlimited is truly unlimited as we have stretched the thresholds to deliver up to 100GB to telecoms consumers so that they can empower more people within their circle of influence.

"With this new offering, we have initiated and inspired a paradigm shift that will promote community, deepen friendship bond and eventually lead to a more productive and prosperous society. We are proud of our new unlimited data package and the positive change it will create in the Home Broadband segment."

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AN INDIAN IN LAGOS

One of Nigeria's largest and fastest-growing cities is home to many Global Indians. Besides its reputation as a major financial centre and being known as the commercial capital of Nigeria, Lagos also has the distinction of being a historic and lively city.

Top 5 Business Hotels in Lagos

1

Federal Palace Hotel

www.suninternational.com/federal-palace

Address: 6 – 8 Ahmadu Bello Way; Victoria Island; Lagos; Nigeria

Email: reservations@ng.suninternational.com

Telephone: +234 1 277 9000

2

Lagos Oriental Hotel

www.lagosoriental.com

Address: 3, Lekki Road, Victoria Island Lagos

Email: info@lagosoriental.com

Telephone: +234 1 280 6600

Fax: +234 1 280 6609

3

InterContinental Lagos

www.ihg.com/intercontinental/hotels/us/en/lagos/losha/hoteldetail

Address: Kofo Abayomi Street - plot 52 , Victoria Island, Lagos, Nigeria

Telephone: +234 1 236 6666

4

The George

www.thegeorgelagos.com

Address: 30 Lugard Road, Ikoyi, Lagos, Nigeria

Email: reservations@thegeorgelagos.com

Telephone: +234 809 020 3848

5

The Wheatbaker

www.legacyhotels.co.za/en/hotels/wheatbaker

Address: 4 Onitolo Road (Lawrence Road), Ikoyi, Lagos, Nigeria

Email: wheatbaker@legacyhotels.com

Telephone: + 234 277 3560

Fax: + 234 277 3563

High Commission of India, Nigeria

Shri B.N. Reddy, High Commissioner

Representative Office Address: 8-A Walter Carrington Crescent, P.M.B. 80128, Victoria Island, Lagos (Nigeria)

Email: fs1@hcilagos.org

Tel: +234 -01-4480876/4480877

Fax: +234- 01-4480882

Website: www.hcindia-abuja.org

Currency

The Nigerian Naira is the currency in Nigeria (code: NGN)
1 Indian Rupee = 4.89 Nigerian Naira
(As on 25 July, 2017)

Best Times to Visit

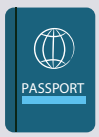
December to February are the best times to visit Lagos.

It is hot, dry and humid throughout the year, and these are generally the coolest times.

Source: Various

Tourist Info

- English is the official and main language.
- When travelling to Nigeria, an international vaccination certificate against yellow fever is required. A Cholera vaccination certificate is also required if coming from an infected area.
- In restaurants, a **10% tip** is adequate if a service charge hasn't already been added.
- Hotel expenses/bills must be paid for in foreign currency
- There are a number of Bureaux de Change and banks at each International airport where the visitor can convert from local to foreign currency, and vice versa.
- Major banks with international branches operate electronic money transfer services.
- There are no restrictions on importation of foreign currency. A currency declaration is, however required both on arrival and departure, for large sums of money in excess of **US$5,000.00**
- Import or export of Nigerian currency is strictly limited to **NGN 5,000** (five thousand Naira only).



Public transport

BUSES

- A number of buses are in operation in Lagos, including Danfo buses, Molue buses and a Bus Rapid Transit system (BRT).
- Danfo buses are yellow minibuses that travel set routes around the Lagos mainland and on the islands.

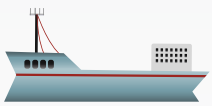
TAXIS

- There are a number of taxi companies that operate in Lagos; these are either metered or have fixed fares.
- It is possible to hail a cab from the street, although a safer option is to phone and order one ahead of time.
- Expats should negotiate the fare before entering the taxi, or make sure that the meter is working.

OKADAS

- Okadas are motorbike taxis that can carry one passenger, although it's not unusual to see several squashed on with the driver at one time.
- Molue are larger commercial buses, also painted yellow. These buses are also usually overcrowded. Due to numerous issues, Molue buses have been banned from operating in certain parts of Lagos, including the city's central business district.
- The BRT is a relatively new system that has somewhat improved the transport and eased traffic congestion in Lagos. BRT vehicles, painted red or blue, operate on segregated or priority lanes between the mainland and the islands of Lagos.

FERRIES



- Despite the abundance of waterways in Lagos, ferries are not as popular as road transport to get around the city.
- There are a few regular ferry routes between Lagos and Victoria islands and the mainland.
- Private boats also operate some passenger services on the lagoon and on some creeks.
- They are generally cheaper than regular taxis and are the fastest way of getting around Lagos.
- However, travelling on an okada can be a hair-raising experience as they weave through the congested roads at high speeds, often ignoring the rules of the road.

Source: Various

Top Indian restaurants in Lagos

Gurunar's Viceroy Restaurant
Address: 33 Akin Adesola St, Victoria Island, Lagos, Nigeria
Phone: +234 708 861 9536

Sherlaton Indian Restaurant
Address: 2-3 Adeola Odeku Street, Victoria Island, Lagos, Nigeria
Phone: +234 1 760 1873

Indigo Indian Restaurant
Website: www.indigolagos.com
Address: 242B Muri Okunola St, Victoria Island, Lagos, Nigeria
Phone: +234 805 235 9793
Email: dilip@indigolagos.com

Harzoyka Indian Restaurant
Address: 71b Oduduwa Cresent, Ikeja GRA, Ikeja, Nigeria
Phone: +234 813 744 1631

Spice Route
Website: www.spicerouterestaurants.com
Address: 36 Adeola Odeku St, Victoria Island 100246, Lagos, Nigeria
Phone: +234 808 020 8080

Business Facts

- Known to be one of the busiest commercial hubs and a centre of excellence in Nigeria, Lagos claims to be among the best cities for investing in a business.

- Located on the Southwest beach line of Nigeria, Lagos port is responsible for processing 80% imports in Nigeria. This port of Lagos is also in the list of top 10 in Africa.

- Lagos state has many millionaires than any other state in Nigeria. The state only plays third to Johannesburg and Cairo to the number of millionaires in it.

- With GDP in 2014 pegged at $90 billion, Lagos' economy stands as the 7th largest in Africa- bigger than Cote d'Ivoire and Kenya.
- Lagos state is home to Nigeria's largest concentration of money and capital markets.

- Nigeria's largest ICT market.
- The office of Overseas Affairs and Investment (Lagos Global) serves as a one-stop shop for investors to help navigate the regulatory environment and promote investment linkages and information exchange networks.

Source: Various

Top attractions of Lagos

1. The National Museum
2. Lekki Conservation Centre
3. Badagry Black Heritage Museum
4. Terra Kulture
5. Nike Art Centre
6. Freedom Park
7. Eleko Beach
8. National Arts Theatre
9. The Cathedral Church of Chris
10. Ikeja City Mall

Getting to Lagos

- The primary airport for Nigeria, Murtala Muhammed International Airport is located 14 miles (22.5km) northwest of central Lagos.
- Major flight operators include: Air India, Jet Airways, SpiceJet Airline, Qatar Airways, Lufthansa Airline, Emirates, Ethiopian Airlines, KLM Royal Dutch Airlines, Kenya Airways, Air France
- No airlines fly direct from India to Lagos

Finance education can be enriched by Jain wisdom

by Atul K. Shah

An academic presents his take on the culture and ethics deficit in financial education in a new book.

There is huge demand for finance education globally – from the accounting, banking and finance professions to business schools, students continue to flock. However, the quality and supply of education is generally poor.

One of the worst aspects of this is the lack of culture and ethics in the content of the finance syllabus – it is primarily technical, and ignores the huge and real world importance of qualities like trust, relationships, sustainability and character in financial success. Even worse, there are strong cultural assumptions underlying modern finance theory, which are rarely exposed to debate. These assumptions are that everyone is selfish, everyone is greedy, and money is the most important measure of success and happiness. In a multi-cultural diverse world, finance education remains very mono-cultural, and significantly destructive of society and our ecosystem. The theories and the science teach unsustainability and promote short-termism.

My latest research, based on 30 years of business engagement, community service and careful study, shows that the Jains, one of the oldest living cultures of the world, have a beautiful and wise 'organic' theory of finance. This theory has been practiced and nurtured over hundreds of years, and resulted in lasting and sustainable success for Jains and wider society and environment. The book 'Jainism and Ethical Finance' has just been published by Routledge and is available globally from Amazon. This theory is based on good character and self-discipline, lack of greed, long-sightedness, a win-win approach to business, and a deep understanding of sustainability. Such an approach has given Jains vast multi-generational success, and their businesses have now gone global and are thriving. Most of these are family-owned, which means that the Jains want to be responsible managers rather than delegate this to outsiders. The book covers true life stories and case studies of Jain businesses in different parts of the

world, including some references from history. It also explains the philosophy and thinking which influences Jain business and financial character and conduct.

Typical finance subjects like risk, return, investment, valuation, and untypical areas like ethics, culture, wisdom and sustainability are covered comprehensively. Fundamentally, money is a social construct, and its success and value depends on human trust, confidence and relationships. Entrepreneurs in many parts of the world build their businesses through the social capital and community networks which guide and support them, and replenish this capital through philanthropy and participation in community networks and institutions. The Jains have established Jain International Trade Organisation, JITO, as a global business network. 'The Economist' magazine recently recognised the Jains as one of the world's best entrepreneurs.

The book does not provide a success formula which can be lifted and copied. If that is the desire of the reader, then they will be disappointed. A lot of finance education today is delivered in this way. Instead, the research provides a timeless way of thinking and behaving, understanding the strengths and limits of finance - how to create and nurture it, and how not to get carried away by it. It teaches humility, service and purpose as key to successful enterprise, and also gives positive stories and examples. Pluralism and respect for different cultures is at the heart of Jain philosophy, and this mind-set has also been a huge strength for them within India and in their global trading and operations. The book can help those businesses who work with Jains to understand how they think and operate, and what it is that motivates and drives them.

IN A MULTI-CULTURAL DIVERSE WORLD, FINANCE EDUCATION REMAINS VERY MONO-CULTURAL, AND SIGNIFICANTLY DESTRUCTIVE OF SOCIETY AND OUR ECOSYSTEM. THE THEORIES AND THE SCIENCE TEACH UNSUSTAINABILITY AND PROMOTE SHORT-TERMISM.

As India is embarking on a major drive to retain and invigorate its cultural and spiritual heritage, business can play a major role in this journey. Apart from the Jains, there are many other Indian business communities like the Sikh, the Hindu the Parsee or Zoroastrian, various Islamic faiths and communities, who also have a cultural and ethical approach to finance where faith is central and has given them sustained success. It is only right that students learn these theories and see the deep connection between culture, ethics and finance. We have no doubt that such ideas will have a global resonance today and in the future due to the profound crises of inequality and sustainability. Business and finance theory is ripe for reform, and here lies an opportunity for India to show its own interpretations and timeless wisdoms to both Indian students and the wider world.

Professor Atul Keshavji Shah is based at University of Suffolk in the UK and has a PhD from London School of Economics (LSE). He is the author of 'The Politics of Risk, Audit and Regulation – A Case Study of HBOS'.

The Indian Women's Cricket Team at India House in London.

INDIAN WOMEN'S CRICKET TEAM MAKES A GLOBAL MARK

We have built a strong foundation for women cricketers in India, says Indian team captain Mithali Raj.

The captain of the Indian women's cricket team, which narrowly lost in the World Cup at Lord's Cricket Ground in London in July, believes her team's performance has created a strong foundation for the future of women's cricket in India.

Mithali Raj, who has now also been named as the captain of the Women's World Cup 2017 tournament team by the International Cricket Council (ICC), said her team will take some time to recover from Sunday's loss when India lost to England by nine runs in a thrilling conclusion to the Women's Cricket World Cup.

"We still need some time to sink in the fact that the match was in our hands but eventually we could not turn it to the result that we wanted. But ultimately it's a sport, one wins and one loses.

"These girls, I am sure, will learn from the experience. In the coming years, in the T20 World Cup, you never know they might just pull off those victories and get us the cup," the 34-year-old said at a special reception hosted for the team at the Indian High Commission in London.

Raj was all praise for her team for playing very well throughout the tournament and doing her proud as a captain.

She noted: "I am sure as a team we have done all Indians proud in the UK with the display of cricket throughout the tournament. It's a great platform for the girls and women's cricket. We have done exceptionally well and I am sure it is different phase for women's cricket back in India.

"Everybody will be looking at women's cricket from a different perspective and start respecting women cricketers equally as men cricketers and the

> "EVERYBODY WILL BE LOOKING AT WOMEN'S CRICKET FROM A DIFFERENT PERSPECTIVE AND START RESPECTING WOMEN CRICKETERS EQUALLY AS MEN CRICKETERS AND THE OPPORTUNITIES AND BRANDS THAT WILL LINE UP FOR THE GIRLS, IT WILL BE A DIFFERENT EXPERIENCE FOR ALL OF THEM."

opportunities and brands that will line up for the girls, it will be a different experience for all of them.

"It will help the future generation of girls to take up the sport. We have used this platform to build a very strong foundation for women cricketers in India so that it is one of the sports they can take this up as a career now."

The Indian high commissioner to the UK, Y.K. Sinha, who was present at the match at Lord's, lauded the girls on their performance during all the World Cup matches.

"The way they played throughout the tournament was fantastic. You are excellent ambassadors for not just women's sport but Indian sport," he told the players at India House in London before they flew back to India.

Commiserating with them on the very narrow loss in a tense match, he added: "It's a game where you win some, you lose some. I know you are disappointed having lost being so near victory, but then that's the game. But the best wishes of the entire country are with you."

Mithali, who scored a whopping 409 runs during the 30-day tournament, has now been chosen as ICC World Cup XI captain alongside teammates Harmanpreet Kaur and Deepti Sharma the other two Indians included in the tournament 11 announced recently.

Mission 2022: Modi sounds the election bugle

The Indian PM has spelt out his vision for a New India ahead of the next General Election in the country.

Prime Minister Narendra Modi has, in past Independence Day addresses to the nation, announced grand flagship schemes that promise to transform India. So, one was expecting more of the same this year. Instead, the Prime Minister announced a vision – of a New India, that he urged all Indians to work towards, by 2022.

He outlined the broad contours of this New India. It will be a country where every Indian will have a brick and mortar house with electricity and water connections and easy access to quality healthcare and education, farmers will earn double of what they are doing today, society will be free of casteism, communalism and terrorism and the country's women and youth will have access to ample opportunities to fulfil their aspirations.

And as he did while selling demonetisation to the people, he has set nation building within a moral compass by saying that in this New India, dishonest citizens who evade and cheat on taxes and loot public money for their personal benefit will lose their sleep.

The message was clear: it wasn't he, Modi, who would deliver this New India. It is Team India, comprising 1.25 billion ordinary Indians, who would march together towards this shared destiny. Modi's role would be that of the shepherd, the pathfinder, the bellwether.

This was not merely a very articulate leader outlining his vision for his country and its people. It was a supremely confident Prime Minister subliminally asking the electorate for another term in office. By telling them that he has an unfinished agenda of building a New India and by putting them at the centre of his vision for getting there, he was giving them a stake in his re-election in 2019.

So, in that sense, this Independence Day speech may also, in times to come, be viewed as the sounding of the bugle for battle royale that lies ahead.

Looked at from another angle, Modi's I-Day speech only picks up the strands from his earlier initiatives as Prime Minister. The vision for New India is not really very different from his very evocative slogan "Sabka Saath, Sabka Vikaas" (Development for all, discrimination against none), which has paid handsome political dividends by enabling the BJP to reach out to the Dalits and other so-called backward castes, thus, broad basing the party's support base and helping it break away from its image of being a party of upper castes and businessmen.

Then, his New India, which includes a vision for a disease-free India, is also obviously betting on the success of other flagship schemes such as Swachh Bharat, Make in India, Digital India and Start-Up India to deliver the goals enumerated above.

It is a sign of his political acumen and his genius at messaging that he has packaged Swachh Bharat, which proposes to make India free of open defecation by building millions of toilets, not so much as a health and cleanliness issue as one relating to gender equality. By giving women a personal stake in ensuring that their families build proper flush toilets, he has, at once, converted a large part of this constituency, comprising one half of the Indian population, into a strong vote bank.

The speech indicates that Modi appears supremely confident of winning a second term in office, which will enable him to complete his agenda of transforming India.

A recent 'India Today' opinion poll has predicted that Modi and the BJP-led NDA will return to power if elections were held now. But it will be wise to treat such surveys with caution. One doesn't have to look too far back to find instances where the favourite to win an election has ended up as the runner-up. Look at what happened to Hillary Clinton in the US or Atal Bihari Vajpayee in 2004. Even Theresa May barely managed to hold on to her office despite opinion polls predicting a sweep for the Tories in the UK.

Although a week is a long time in politics and two years an eon, it will take a very reckless punter to bet against Modi and the BJP-led NDA in the 2019 General Elections.

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