Big payoffs in India await the determined, savvy businessman

Don't give up too easily or be overawed by curbs in certain industries, officials tell businessmen

BY CHUA HIAN HOI

DOING business in India is not easy. Once you have negotiated the poor infrastructure, mounds of red tape and unclear laws, there are still the cultural differences.

But a determined, savvy businessman who forges the right partnerships can expect huge payoffs. That is the message from an Indian Cabinet minister and senior business executives at two separate events yesterday.

At the Singapore Management University (SMU) yesterday, six Indian executives, including Citigroup India's managing director, Mr Sandeep Ghosh; the executive director of Tata Consulting Engineers, Mr A.P. Mull; and Coca-Cola India chief executive Atul Singh, addressed industry figures and students.

They discussed issues concerning India's competitiveness, growth, future and society.

There was agreement that India had come a long way since economic liberalisation in the 1990s, having abandoned much of the anachronistic business practices that had stifled its growth in its years as a socialist state.

Now India's stunning growth figures - at a projected 8 per cent for this year - as well as its large population and dominance in the services sector have made it a hot spot for investment opportunities.

Citigroup's Mr Ghosh said: "Despite some regulatory policies curbing our expansion in India, Citigroup's business revenue doubled last year."

Mr Laurent Masson, vice-president of Asia-Pacific sales and marketing for French cable maker Nexans, spoke from the audience and voiced concerns about human resources and hiring challenges with regard to India's caste system.

Mr Gopal Srinivasan, director of TVS Electronics, an automotive and manufacturing components specialist, said businesses in India should hire the best candidates, regardless of their names or looks.

The other event was held at the National University of Singapore's Bukit Timah campus.

A standing room-only audience heard India's Commerce and Industry Minister, Mr Kamal Nath, ambassador-at-large Tommy Koh, Institute of South Asian Studies chairman Gopinath Pillai and Bharti Enterprises chief executive Sunil Bharti Mittal tackle the issue of India's road to industrialisation and why Singapore businesses were not investing as much money in India as it deserved.

One reason, said Mr Pillai, was the Singaporean businessman's propensity to take a "no" answer too literally and failure to understand that in India, "no doesn't always mean no".

And if the "front door" is closed, there are "back doors, side doors and windows" too, he said, to laughter.

Mr Pillai also addressed the issue of infrastructure and living conditions, describing how a passage to India in variability involved cutting across slums.

This experience, he said, could frighten middle-level managers that companies send in to identify business opportunities. Having seen this, they were likely to report negatively about opportunities there - especially if those same managers could be later tasked with staying on and developing the business.

An member of the audience also complained about problems such as land title deeds which were not in English and certain industries which were off-limits to foreign investors.

But those that overcome these problems can expect a stunning payoff.

Margins in India, said Mr Pillai, are higher than those possible in other countries, including Singapore and Malaysia. And India also offers other advantages over its competitors.

Mr Nath mentioned how, in a similar panel discussion in Japan, he decided to turn the format on its head and ask the audience what the difference was between investing in India and China.

He got a reply from the floor, which he reported for the Singapore gathering yesterday: "In China, it is easy to get in, but hard to stay. In India, it is hard to get in, but once in, it is easy to stay."

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THERE'S ALWAYS ANOTHER DOOR

In India, "no doesn't always mean no". If the "front door" is closed, there are "back doors, side doors and windows", says Mr Pillai, chairman of the Institute of South Asian Studies, to laughter from his audience.