



# The Other Asian Powerhouse: India!

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**Gunjan Bagla, Managing Director, Amritt, Inc.,  
[www.amritt.com](http://www.amritt.com)**

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# About Amritt, Inc.

## Experts in Globalization

- Advisors/management consultants

## Our Clients are Global 2000 companies

- Also selected emerging companies

## Helps American companies to profit from Market Access/Entry/Growth

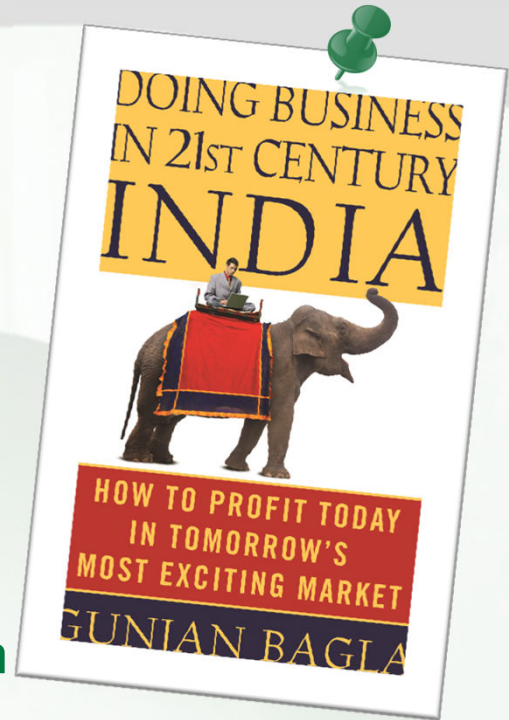
- market evaluation, distribution planning, partner identification  
selection, sales calls, hiring

## Sourcing of Services and Manufactured Products

- R&D, High Tech, much more

## Teach seminars on Doing Business in India

## Cross-Border M&A





# Agenda

**Why you should care about India now?**

**What are examples of Sectors that matter?**

**What are key success factors to win in India?**

**Next Steps**



# India: Big, New, Confusing

## \$1.4 trillion economy in 2010

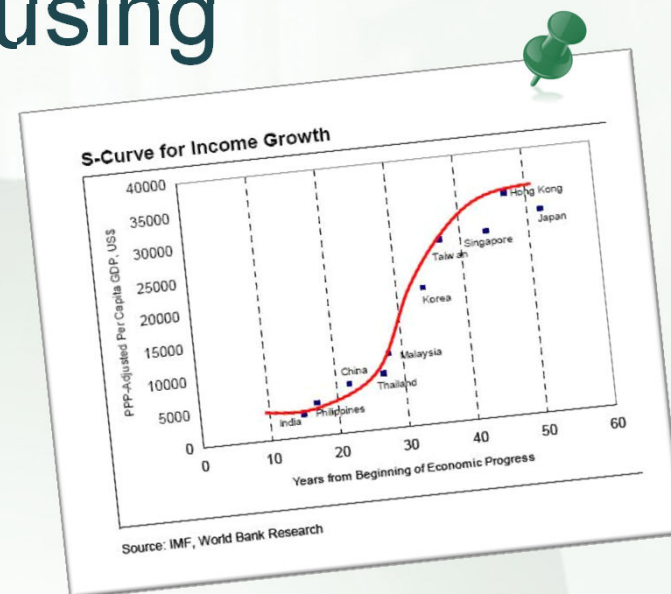
- Fourth Largest Global Economy in Purchasing Power Parity terms

## American exports grew 30% in FY 2010

- Economy growing at about 9 percent, officially
- Government receipts growing at ~16 percent!
- Closer to US in thinking than China, Russia, Brazil
  - Democracy, American style legal system based on UK natural law, respect for IP, English (?)

### Nugget: Cummins India, present in-country for three decades.

- Sales skyrocketed 45% in June 2010 to \$200 million per quarter



# Investment and India



- **June 2011, US India Business Council calls for bilateral investment treaty**
- **Foreign investors in India**
  - FIIs: In 2010, stock purchases by FIIs were \$221 bn
  - P.E. firms: Blackstone, Warburg, Carlyle
  - Venture Capitalists: Sequoia, Kleiner, Clearstone
- **Indian Investors in the United States**
  - Taj Hotels (Pierre NYC, Taj properties in Boston, SF)
  - Essar Steel (\$1.6 billion in Hibbing, MN)
    - The first fully integrated mine-through steelmaking facility in North America.

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# Some Fast-Growing Sectors

- Defense/Aerospace/Aviation/Security
- Consumer Products
- Energy
- Food/Agriculture
- Services
- Infrastructure
- Entertainment
- And many more...



# India: world largest aerospace/defense importer

## Defense shopping list exceeds \$100 billion

- Obama cleared “entities list” in 2010 visit
  - Boeing (P8i, C-17), Lockheed (C130J) have billion dollar wins
  - Plenty of scope for smaller players now
  - Army, Navy, Air Force, Coast Guard have needs
  - Issues: complexity, no agents, slowness
- Civil Aviation
    - Need for aircraft, rotorcraft, supplies, maintenance, pilot training
  - Homeland Security
    - Federal paramilitary
    - State/Local Police
    - Industrial Security

## Scope for companies of all sizes

**Issues: complexity, no agents, slowness**



# Rising Middle Class drives Demand for Consumer Products

## Ford India sales up 300% in February 2011

- Made-for-India “Figo”

## Whirlpool India, sales up 32 percent

- Washing Machine agitator simulates hand wash

## Amway expects to double its \$395 million sales

## Paramount Farms Wonderful Pistachios

- Single-Serve packaging, first time ever
- India reduced import duties
- Amritt client



# Market for American Services

## Western Union Money Transfer

- India is largest market for them

## Monster India

- Lags Naukri.com and Times Jobs

## Perkins + Will Architects

- The world's most expensive home

## Bechtel, Engineers

- World's largest refinery system
  - Jamnagar Gujarat, 1.1 M barrels per day

## Ignighter.com, startup

- NY based Group Dating Service
  - Most business from India!



# \$300 billion Budget for Energy by 2017

## **Fossil: Coal supplies bulk of power, growing**

- GE selling turbines to 2,400 MW Reliance Energy power plant in Samalkot, Andhra Pradesh

## **Nuclear: going from 4 GW to 30GW by 2030**

- 19 current plants

## **Solar: 20 GW planned by 2020, from ~0 now.**



# \$1 trillion Infrastructure upgrade

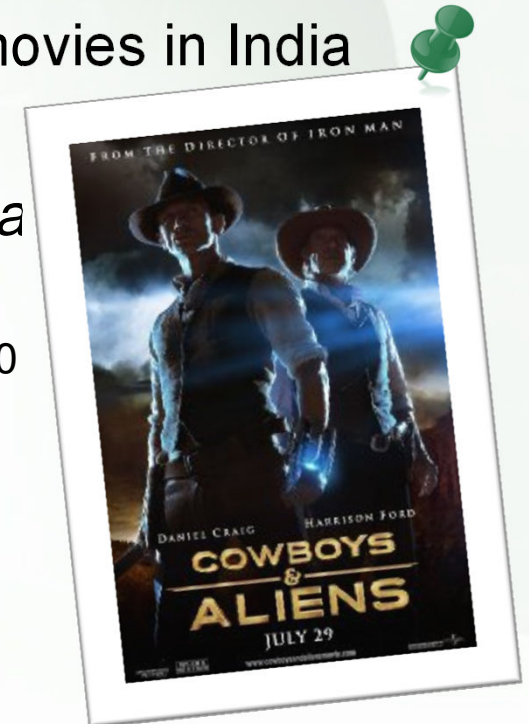
- Airports and seaports
- Highways, including toll roads
- Mass transit
  - Top 10-20 cities
    - Delhi functional. Bangalore/Hyderabad in process
- National railroads
  - Regenerative braking on locomotives, safety



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# Entertainment: a two way street

- Reliance invests \$325mm for 50% of Dreamworks
  - *Cowboys and Aliens*: Daniel Craig (July 29, 2011)
  - *Real Steel* : Hugh Jackman, \$80 mn budget, (Oct 2011)
  - Steven Spielberg's *Pirate Latitudes* (2014)
- Hollywood distributes or funds “Indian” movies in India
  - Disney: *Do Dooni Char*
  - Warner: *From Chandni Chowk to China*
    - Paramount released title in India first
      - *Narnia: The Voyage of the Dawn Treader*, 12/10
- “Bollywood” outproduces Hollywood
  - Also has been making movies longer





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# How to win in India

## Treat India as a one-off case

- Complex, diverse, can't replicate success in China

## Be Persistent

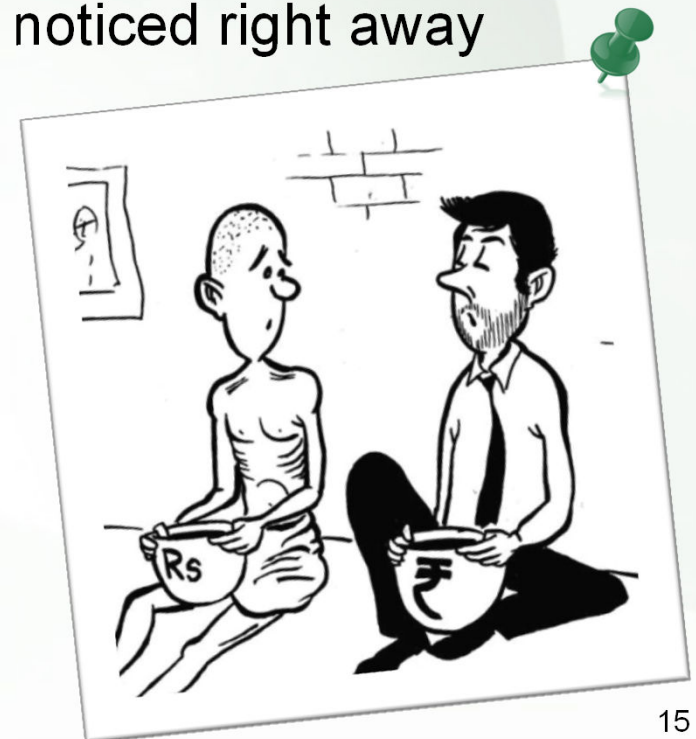
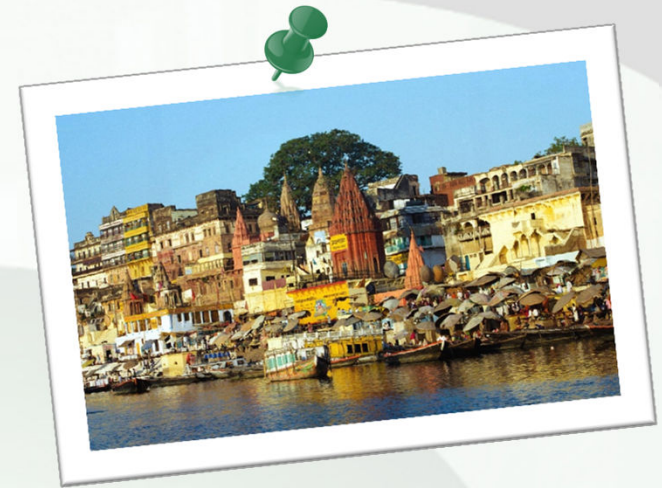
- India is frenetic, you may not get noticed right away

## Be Patient

- Success is seldom fast

## Be Culturally Sensitive

- Indians think and act differently
  - The “American Way”
    - is not always the only way



# Comparing India and China

	India	China
GDP (in PPP terms)	\$4 Trillion in 2010	\$10 Trillion in 2010
Liberalized economy	July 1991	1978
Political scenario	Democracy, Free Press, respect for IP	Authoritarian, censored press, little respect for IP
Economic mix	Driven by domestic and private consumption	Driven by exports and by state owned companies

For more data see <http://www.amritt.com/China-India-America.html>





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# Next Steps

- ➔ Learn more, you can never know enough
- ➔ Prepare in detail or hire an advisor
- ➔ Phased plans work best for *India Entry Strategy*
- ➔ Travel there as needed, guided trip is best
- ➔ Execute your phased plan, be ready to adjust

# Contact Information

**Gunjan Bagla**  
**Amritt, Inc.**  
**usa@amritt.com**  
**(562) 402 4435**  
**www.amritt.com**

**Send email to request email newsletter**  
**Register on [amritt.com](http://amritt.com)**



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