



The Global Visions Community

Global India Business Meeting

21-23 June 2010, Madrid, Spain

a Horasis-leadership event

Report



Co-hosts:

Federation of Indian Chambers of Commerce and Industry (FICCI)
Casa Asia, ICEX-INVEST IN SPAIN, Municipality of Madrid,
Region of Madrid

Co-chairs:

Claude Beglé	Former Chairman, Swiss Post, Switzerland
Subodh Bhargava	Chairman, Tata Communications, India
Carla Cico	Chief Executive Officer, Rivoli S.P.A., Italy
Dinesh Dhamija	Founder and Chairman, Copper Beech Group, United Kingdom
Antonio Escámez	Chairman, Spain-India Council Foundation, Spain
Sunil Godhwani	Chairman and Managing Director, Religare Enterprises, India
CP Gurnani	Chief Executive Officer, Mahindra Satyam, India
Prakash Hinduja	Chairman, Hinduja Group, Switzerland
Rana Kapoor	Chief Executive Officer, Yes Bank, India
Rajive Kaul	Chairman, Nicco Group, India
Khater Massaad	Chief Executive Officer, RAK Investment Authority, UAE
Rajan Bharti Mittal	Vice Chairman & Managing Director, Bharti Enterprises
G V Krishna Reddy	Chairman, GVK Power & Infrastructure, India
Dhruv M Sawhney	Chairman, Triveni Engineering & Industries, India

Strategic Partner:

IESE

Knowledge Partners:

Arshiya International
Baker & McKenzie
Spain-India Council Foundation

Co-organizers

All India Management Association (AIMA)
Young Presidents' Organization (YPO)

Media Partner:

AseanAffairs
Global Asia
International Herald Tribune

Upcoming Horasis events:

Global Arab Business Meeting	Ras Al Khaimah, 26-27 September 2010
Global China Business Meeting	Luxembourg, 21-22 November 2010
Horasis Annual Meeting	Zurich, 25-26 January 2011
Global Russia Business Meeting	Time/location to be announced



'The Greek debt crisis will have minimal impact on the Indian economy'



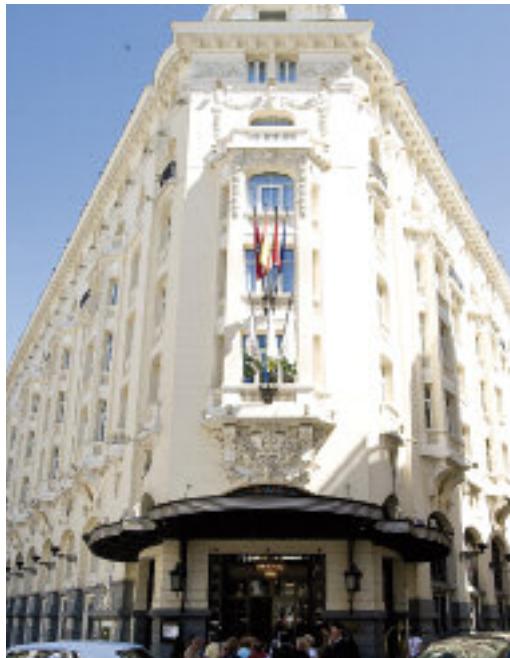
Discussion during a breakfast session



Indian CEOs are finding themselves wooed by European firms seeking new avenues of growth

Table of Contents

<u>Foreword</u>	<u>6</u>
<u>Connecting Spain and India</u>	<u>24</u>
<u>India: Maturing Global Role</u>	<u>25</u>
<u>Europe and India Push to Seal Free-Trade Deal</u>	<u>30</u>
<u>India-EU FTA Likely by Year-end, Says Sharma</u>	<u>32</u>
<u>Indian Hunger for New Technology Fuels Acquisitions</u>	<u>33</u>
<u>Brand India & Made in India - A Promise Forever</u>	<u>35</u>
<u>India's Gifts to the Global Village</u>	<u>39</u>



*The Hotel Westin Palace -
venue of the 2010 Global India Business Meeting*



Reception at the Retiro Park

Foreword

By all accounts, the second **Horasis Global India Business Meeting** which took place from 21-23 June 2010 in Madrid was a real success. A large number of CEOs from India came together with leaders from around the globe to discuss India's and the world's current economic state under the heading 'Overcoming the Crisis – Opportunities for India'. With more than 400 business and governmental leaders taking part in the event, the Global India Business Meeting provided the platform for India, Spain and the rest of the world to shape the post-crisis environment. The meeting was conceived to reflect on the increased emphasis of Indian firms to build global and sustainable brands – and thus contributing to the healing of the world economy.

The Global India Business Meeting was a meeting of many powerful minds. What emerged was the thought that the next decade was a tipping point for both India and the world. This report shall distil the outcomes and observations that emerged from the meeting. We hope you find this report to be an insightful and timely guide to how the Indian and global leaders being present in Madrid addressed the implications of the current economic, political and social challenges.

Business leaders from 30 countries came together for one and a half day retreat to debate the critical requirements for Indian firms to successfully expand their operations towards a global level-playing field. The **Horasis Global India Business Meeting** was co-hosted by the **Federation of Indian Chambers of Commerce and Industry (FICCI)** and **Casa Asia, ICEX-Invest in Spain, Municipality of Madrid, Region of Madrid** - and supported by a group of partners led by IESE, the Spanish business school. **Rajan Bharti Mittal**, Vice Chairman & Managing Director, Bharti Enterprises; President, FICCI, told participants that 'the Global India Business Meeting provided an excellent platform to discuss Indian firms' strategies, challenges and contributions to overcome the global economic crisis and to develop into truly globalized corporations.'

'India will become one of the three biggest economies of the world by 2030'

Anand Sharma, Union Minister of Commerce and Industry, India

Indian firm's corporate globalization was at the heart of the agenda indeed, with a joining of forces among an engaged community of business leaders, including the following co-chairs who represented the meeting vis-a-vis to the government authorities: **Claude Beglé**, Former Chairman, Swiss Post, Switzerland;



Arrival of Minister Shri Anand Sharma



The Spanish Crown Prince, H.R.H. The Prince of Asturias, calling for a new global partnership

Subodh Bhargava, Chairman, Tata Communications, India; **Carla Cico**, Chief Executive Officer, Rivoli S.P.A., Italy; **Dinesh Dhamija**, Founder and Chairman, Copper Beech Group, United Kingdom; **Antonio Escámez**, Chairman, Santander Foundation; Chairman, Spain-India Council Foundation, Spain; **Sunil Godhwani**, Chairman and Managing Director, Religare Enterprises, India; **CP Gurnani**, Chief Executive Officer, Mahindra Satyam, India; **Prakash Hinduja**, Chairman, Hinduja Group, Switzerland; Rana Kapoor, Chief Executive Officer, Yes Bank, India; **Rajive Kaul**, Chairman, Nicco Group, India; **Khater Massaad**, Chief Executive Officer, RAK Investment Authority, UAE;

Rajan Bharti Mittal, Vice Chairman & Managing Director, Bharti Enterprises; President, FICCI, India; **G V Krishna Reddy**, Chairman, GVK Power & Infrastructure, India; **Dhruv M Sawhney**, Chairman, Triveni Engineering & Industries, India.

After recovering from the impact of global economic crisis, the Indian economy is poised for more expansion. After the government provided stimulus by cutting taxes and increasing public expenditure, the economy improved and expanded by more than 7% from May 2009 to May 2010. 'The Greek debt crisis will have minimal impact on the Indian economy', as **Sunil Godhwani**, Chairman and Managing Director, Religare Enterprises, India, put it. **Prakash Hinduja**, Chairman, Hinduja Group, Switzerland, admitted that 'India's exports in short term to the European Union could face some problems due to ongoing crisis facing Greece.' Given the differences in macroeconomic conditions, the picture in Eurozone was somewhat more of a mixed nature. On the current problems, **Alan Rosling**, Chairman, Griffin Growth, Hong Kong SAR, said: 'It appears the Eurozone does not have institutions of adequate power to ensure effective policy coordination, especially in a crisis of the current magnitude.' **Javier Garoz**, Chief Operating Officer, Telvent, Spain, agreed. This is 'a



Rajan Bharti Mittal, Vice Chairman & Managing Director, Bharti Enterprises - 'when the world was melting, India still stood its ground'



Antonio Escámez , Chairman, Santander Foundation, Spain, commenting on the global economic outlook



Subodh Bhargava, Chairman, Tata Communications, India - 'Indian companies are emerging as global corporations'



CP Gurnani, Chief Executive Officer, Mahindra Satyam, India, summarizing the results of the Global India Business Meeting



Prakash Hinduja, Chairman, Hinduja Group, listening to a remark from the audience



Rajive Kaul, Chairman, Nicco Group

time of distinct economic uncertainty,' he observed. But after two days of interactive discussions, mealtime debate and soul-searching, participants together shaped an agenda of priorities to the enormous challenges brought on by the economic crisis.

The general sentiment was that India is emerging stronger from the current global crisis. Will India and its companies play a more pronounced role in this new emerging global order? And will this open up new opportunities for foreign players to shape and define economic development and hence to reposition themselves a world stage with India at the core? These were only two of many questions that were raised during the different discussion at this year's Global India Business Meeting.

Participants reached consensus that

- The Indian economy is expected to perform strongly in the years ahead. Of

course, there are still various challenges that the country faces particularly on including the underprivileged in the active economy. The growth prospects in India are certainly more compelling than what is being observed in the developed world.

- Investments in infrastructure, agriculture, healthcare and education will be the key drivers to ensure long-term and inclusive growth.
- India's influence as an international investor and reliable partner of the G20 is growing. A new generation of Indian entrepreneurs is driving innovation and growth - not only in India but on a global scale.

Union Minister of Commerce and Industry **Anand Sharma** opened the meeting with a special address that was informative, entertaining and hit the headlines. The Minister painted a lucid, inspirational grand vision for the future of the Indian economy. He



Anand Sharma, Union Minister of Commerce and Industry, India, at the 2010 Horasis Global India Business Meeting



Miguel Sebastián, Minister of Trade, Industry and Tourism, Spain



Dinesh Dhamija, Founder and Chairman, Copper Beech Group, United Kingdom



Claude Beglé, Former Chairman, Swiss Post, Switzerland, listening to his co-panelists



Sunil Godhwani, Chairman and Managing Director, Religare Enterprises, on India's impact on global growth

spoke about the government's plans to make India one of the largest and most competitive economies: 'India will become one of the three biggest economies of the world by 2030,' he said. On growth prospect he forecasted that the Indian economy would grow at anticipated rate of over 8 per cent in the current fiscal year despite crises in some suffering economies like that of Europe. The Minister was not worried about escalating inflation or higher interest rates. The strong growth is driven from the demand side, predominantly by investment. The annual budget is only one of the instruments to achieve planned economic growth as per the economic scenario on the national as well as international level.

Minister Sharma also mentioned that 'India's export sector is going to see a two fold increase by 2014. This will help tremendously in increasing the share of India in world trade.' He expressed confidence that

foreign direct investments (FDI) into India will continue to grow in coming years. 'Economic stimulus programmes launched by the government in reaction to the global economic crisis tended initially to focus on infrastructure, but efforts are now underway to direct stimulus spending towards efficient, capital-starved sectors - most notably, innovation-driven companies,' he said. While India's economic strength for the last decade has been built on the might of its IT sector, the government is currently attempting to steer the economy to high-valued added manufacturing of durable and non-durable goods.

'How well we do in the next decade will depend a lot on how India and its partners work on the most critical issues facing us - global imbalances, social well-being and the endangered environment'

Rajive Kaul, Chairman, Nicco Group, India



Alan Rosling, Chairman, Griffin Growth, Hong Kong SAR



Dhruv M Sawhney, Chairman, Triveni Engineering & Industries, on prospects for India's global trade and investments



GV Krishna Reddy, Chairman, GVK Power & Infrastructure - the status of India's infrastructure is improving



H.R.H. The Prince of Asturias, with participants

At the same session, **Miguel Sebastián**, Minister of Industry, Spain, reviewed Spain's economic relations with India. 'Economic and commercial relations between India and Spain have been growing steadily. Last few years have seen substantial growth in the trade relations between the two countries - Spain is one of India's emerging trading partner in the European Union and India will continue to be one of the most important investment locations and trading partners for the Spanish economy,' he said. 'I see signs of potential economic growth next year as Spain will benefit from the continued economic stimulus generated by fast expanding economies like India,' he concluded. Esperanza Aguirre, President, Community of Madrid, Spain, pointed out how Madrid is engaging with India in general and with India's large cities in particular. She highlighted ongoing projects in the area of urban planning, transportation and 'green' construction. 'Madrid is delighted to co-host this second Global India Business Meeting,' she told participants. 'Madrid will serve as important base for Indian firms to explore the European market. Home to

respected brands of global reach, Madrid is one of Europe's most important cluster for expertise in construction and modern urbanism – a natural fit with India's infrastructure needs.'

'None of the solutions to India's infrastructure challenges are simple, but we are committed to make things better'

G V Krishna Reddy, Chairman, GVK Power & Infrastructure, India

In his special address, **H.R.H. The Prince of Asturias**, the Spanish Crown Prince, called for a new global partnership. The economic partnership between India, Spain and the world has extensive synergies - especially during the current global economic turmoil. He called on leaders from business and government to restore trust in a decisive but sustainable way. He also stressed that Spain considers India a key partner as frequent high-level visits between the two sides have deepened cooperation and win-win. Furthermore, he also predicted the great potentials for future bilateral economic

and trade cooperation, which has been developing quickly over the recent years. The Crown Prince said that the completion of the free-trade talks between India and the EU would be good news for all of us.

Silvia Iranzo, Secretary for Trade, Spain, and **Jesús Sanz**, Director General, Casa Asia, Spain, noted that India's trade with Spain has risen sharply in recent years. 'The prospects for Spanish-Indian relations are very good. This Global India Business Meeting aims at improving the cultural and economic dialogue between the two nations and gives a further boost to the already existing cordial relations.'

Discussion topics for the meeting included India's role in global trade, as well as a specific focus on themes like merger & acquisitions, branding, human resources, renewable energy, infrastructure and the efforts to ensure sustainable growth – all rather practical topics to support Indian firms' efforts to globalize their operations. The Global India Business Meeting offered 20 individual sessions on those topics. The aim of the Global India Business Meeting was to not only jointly discuss the contemporary business challenges but also to concurrently identify ways of turning the same into efficient, real-economic and profitable growth opportunities in a global Indian context.



Silvia Iranzo, Secretary for Trade, Spain, 'country's trade and investment exchanges with India had so far 'not been at the height of our economic scale.'



The Spanish Crown Prince arriving at the Global India Business Meeting

The leitmotiv of the Global India Business Meeting was *globalization* and how Indian firms can benefit from the ongoing global shift from the West to the East. 'We will get brands from all over the world competing against brands from all over the world,' said **Subodh Bhargava**, Chairman, Tata Communications, India. 'Indian companies are emerging as global corporations, reaching a level playing field with the established Multinationals of the West,' he continued. The expansion of Indian companies into Europe and North America is yet another



Jesús Sanz and Rajan Bharti Mittal exchanging gifts



Karan A Chanana, Managing Director, Amira Foods, India, listening to his co-panelists



Rana Kapoor, Chief Executive Officer, Yes Bank, India, on what is needed to build global firms of Indian origin



Sunil Patel, Chief Executive Officer, Orion Ornamental Iron, USA, on innovation in the Indian context

facet of the globalized economy. As these companies get bigger, they need to start thinking about global positioning, and more and more, they are seeing Europe and North America as more than just places to trade their products and services. ‘Good products are borderless. And made-in-India is increasingly perceived as guarantee for reliability and advanced intellectual property,’ stated **Dinesh Dhamija**, Founder and Chairman, Copper Beech Group, United Kingdom. ‘India has the potential to improve its manufacturing competitiveness. We will build global firms of Indian origin, also in manufacturing,’ added **Dhruv M Sawhney**, Chairman, Triveni Engineering & Industries, India.

The Greek debt crisis will have minimal impact on the Indian economy

Sunil Godhwani, Chairman and Managing Director, Religare Enterprises, India

Group. We recognized and honoured those business leaders as they excel in entrepreneurship, innovation and leadership. ‘The chosen leaders have decisively impacted the economic development and global integration of India,’ said **Juan Roure**, Professor, IESE, Spain who announced the award winners during a lunch session.

‘Failing to prepare is preparing to fail!’ stated **Sunil Patel**, Chief Executive Officer, Orion Ornamental Iron, USA. Entrepreneurs from India and elsewhere are often too busy reacting to the latest crisis to take time to focus on future growth strategy. According to **Richard Heald**, Vice Chairman, Rothschild, India, ‘it is therefore key to think and plan for growth.’ All businesses go through successive stages as they grow from start-up to maturity. At some point, development often involves raising money for growth, looking at potential acquisitions, and ultimately either divesting through a trade sale or going for an Initial Public Offering (IPO) listing. ‘Especially in India, where the pace of action is quick, it is easy to forget to identify what is the ‘next step’ for our business and anticipate the strategic drivers that will enable it to move forward,’ said **Thomas Gilles**, Partner, Baker & McKenzie, Germany.

Announcing the 2010 Indian Business Leaders of the Year, Horasis - together with our strategic partner IESE Business School - celebrated three outstanding entrepreneurs who have been building and leading successful Indian firms: **Sunil Godhwani**, Chairman and Managing Director, Religare Enterprises; **Rana Kapoor**, Chief Executive Officer, Yes Bank and **Rajive Kaul**, Chairman, Nicco



Dhruv M Sawhney, Chairman, Triveni Engineering & Industries, and Thomas Gilles, Partner, Baker & McKenzie

Heinz Dollberg, Executive Vice President, Allianz, Germany, agreed that Indian companies 'would increasingly move into global markets, most notably through their outsourcing services and their exports.' The real impact of 'India Inc's globalization would not become evident for another three to five years and the country would eventually become a major source of foreign direct investment, alongside China. Both **Anil Kumar**, Chief Executive Officer, Ransat Group, UK and **Josep Piqué**, Chairman, Vueling, Spain, reckoned that Indian companies, particularly some of its larger players in the energy, IT and manufacturing sectors, would likely become major investment players in Europe and North America.

It is important, Anil Kumar advised, for global firms to forge trading partnerships and alliances with India. The key is to provide services or technologies that the Indians need. 'Global firms with the technological capability to keep ahead of India will benefit, while others will find their positions threatened,' Josep Piqué concluded.

Delegates heard from **Karan A Chanana**, Managing Director, Amira Foods, India, that 'the last decade has seen many positive developments in the Indian financial services sector. Banking is developing into an Indian success story and is one of the most advanced users of information technology. 'During the recent growth years, Indian banks increasingly began to resemble the banks everywhere in the world,' added **D.C. Anjaria**, President, International Financial Solutions, India. **Ranu Vohra**, Chief Executive Officer, Avendus Capital, India, told participants that 'the interplay between regulation and management strategies will determine the performance of Indian financial services over the next few years. With increased interest in India, competition from foreign banks will intensify.'



D.C. Anjaria, President, International Financial Solutions, revisiting financial services in India



Ranu Vohra, Chief Executive Officer, Avendus Capital, India



*Jesús Sainz, Chairman, Promomadrid, Spain,
hosting the session on Foreign Direct Investments
in India*



*Ron Somers, President, U.S.-India Business
Council, USA*



*Peter-Michael Schuster, General Manager, RAK
Investment Authority, UAE - what competitive
advantages can host countries offer potential
investors from India?*

In a plenary session on new frontiers for India's global engagement, participants learned about the newly emerging alliances between India and other nations. **Carla Cico**, Chief Executive Officer, Rivoli S.P.A., Italy told participants that 'India's strength and progress on world stage is deeply in the strategic interest of Europe.' **Ron Somers**, President, U.S.-India Business Council, USA, indicated that the Obama administration will soon take up the issue of expanding the UN Security Council and that 'India's time for a permanent membership may have come.' **Peter-Michael Schuster**, General Manager, RAK Investment Authority, UAE, argued that 'protectionism is not the answer – there should be collective cooperation among the nations, with India playing a proactive role.' In a similar vein, **Niraj**

Sharan, Chairman, Aura, India said that 'it is time to bring down existing barriers since multilateral trade will accelerate the process of recovery while the reverse will slacken the pace.'

It was also clear from the discussions that political and business leaders cannot expect that the benefits of globalization will be so obvious for India. 'Strong leadership is required, but also a strong partnership, between India and the rest of the world. To realize its full potential, India must play on its strengths, particularly the creative power of its young population,' as **Manish Prakash**, President, Indian Chamber of Commerce in Korea, reasoned. **Mehul Patel**, Member of the Board of Directors, Vantage Point Bank, USA, added that 'the



Niraj Sharan, Chairman, Aura, India



*Manish Prakash, President, Indian Chamber of Commerce in
Korea, reviewing the making of a new world order with India
at the core*



Participants during a session

change of economic patterns - especially the tightening of credit - may create a backlash against globalization in North America and Europe. However, the majority of Indian entrepreneurs perceive globalization as a beneficial spread of liberty and capitalism. Still, we need to reflect the political and economic balances of world nations.' **Colette Mathur**, President, Euro-India Center, France, concluded that 'India is on the global agenda and India is good news.'

A major theme discussed at the meeting was the significance of technology to improve productivity and boost the Indian economy's knowledge base. 'India is set to become a global leader in technology services as software companies move up in the value chain,' opined **Clas Neumann**, President,

SAP Labs India, Germany. 'Multi-sector efforts are needed to innovative methods to fund R&D in advanced technology and creative ways to increase the efficient use of resources,' stressed **Sudhir Sethi**, Chairman, IDG Ventures India Advisors, Global companies have been moving to India for the last decade, looking to reduce costs and increase revenue by outsourcing parts of their value chain. And as India continue its rise to become a global economic power, the trend continues. 'But is the perception of India as hub for BPO (Business Process Outsourcing) enough?' asked **CP Gurnani**, Chief Executive Officer, Mahindra Satyam, India. 'What we really need is to position India as a global technology leader'. 'Innovation does not come without R&D,' as **Sudhakar Shenoy**, Chairman, IMC,



Mehul Patel, Member of the Board of Directors, Vantage Point Bank, USA, on the United States' role in overcoming the current global economic crisis



Colette Mathur, President, Euro-India Center, France - 'India is good news'



Sudhir Sethi, Chairman, IDG Ventures India Advisors, India



Benita Ferrero-Waldner, EU Commissioner (ret.); Member of the Board, Gamesa, asking a question



Harsh Purohit, Executive Director, Cognito, India, speaking on The Sustainable Corporation



Ranjit Jakkli, Managing Director, Associated Powercon Equipment, India, on Renewable Energy - India's Next Aspiration

USA, put it. ‘Indian companies have to invest more into real breakthroughs than just being me-too innovators. We need to change from cost-driven strategies to innovative ways to reposition our business models.’

‘Renewable energy offers a real win-win for India and Europe, in terms of energy security, economic and social development, and the welfare of our planet. In renewables, the revolution is just beginning’

Benita Ferrero-Waldner, European Commissioner (ret.), Member of the Board, Gamesa, Spain

Business leaders debated what will be the next big driver for India’s growth story. Many pointed to the latent potential in renewable energy. There is a huge potential in green technologies if India decides to adopt a growth strategy which is based on the pillars of sustainability and inclusiveness. ‘We need to take advantage of green technology as we have to address global warming’, said **Felipe Garcia Mina**, Managing Director, Suzlon, India. ‘And we have to promote the new industries clustered around green,’ he continued. ‘However, we need clear incentives for the Indian private sector to develop renewable energy,’ added **Ranjit Jakkli**, Managing Director, Associated Powercon Equipment,

India. **Harsh Purohit**, Executive Director, Cognito, India, highlighted that ‘India cannot afford its current energy mix in the long term - we need to promote wind and solar energy and for this we need technological partners from Europe.’

Benita Ferrero-Waldner, European Commissioner (ret.), Member of the Board, Gamesa, Spain, told participants that renewable energy offers a real win-win for India and Europe, in terms of energy security, economic and social development, and the welfare of our planet. ‘In renewables, the revolution is just beginning,’ she said. **Santiago Seage**, Chairman, Abengoa Solar, Spain, reasoned that ‘we might need an open market framework to attract investments, stimulate technology transfer and provide skilled jobs.’ A smart employment of India’s young population and a



Man Mohan Bhagat, Chairman, Bhagat Group, Jesús Sanz, Director General, Casa Asia, and Frank-Jürgen Richter, President, Horasis



Santiago Seage, Chairman, Abengoa Solar, Spain, on partnerships to stimulate a new wave of low-carbon growth



Rajesh Shah, Co-Chairman and Managing Director, Mukand, India



Mohan Chainani, Chairman, Chaincorp, Spain, chairing the session on infrastructure

decisive raise of living standards in rural areas across the country will position India for even stronger quantitative and qualitative growth.

Does India have the right infrastructure to drive double-digit growth? The country still has a deficit in key sectors – roads, ports, airports, power, telecommunications, irrigation and urban infrastructure. But ‘the status of India’s infrastructure is improving rapidly, driven by major investments efforts by the government and the opening up of the market to foreign corporations,’ argued **Rajesh Shah**, Co-Chairman and Managing Director, Mukand, India. However, ‘the key impediment to becoming a sustainable globally positioned economy is still infrastructure bottlenecks. There is always a shortage of long-term finance in infras-

tructure projects’ argued **Man Mohan Bhagat**, Chairman, Bhagat Group, India. **Mohan Chainani**, Chairman, Chaincorp, Spain, suggested that ‘India has to decisively upgrade its infrastructure. Timing is propitious.’ **Ajay Mittal**, Chairman, Arshiya International, India, explicitly stressed the need to recognize the importance of the non-physical aspects of infrastructure involving the logistics industry. ‘The infrastructure story in India is still evolving. None of the solutions to India’s infrastructure challenges are simple, but we are committed to make things better,’ concluded meeting co-chair **G V Krishna Reddy**, Chairman, GVK Power & Infrastructure, India.

While India enjoys a major competitive advantage with its low cost of labour the country has to invest in developing India as a brand that stands for quality and sustained intellectual capital. ‘The need to generate a positive image of India’s competitive advantage and a new awareness of India’s emerging brands is of prime importance,’ **Sudip Banerjee**, Chief Executive Officer, L&T Infotech, India, insisted. At a packed session named ‘Indian Brands: Moving up the Global Level Playing Field’, **Ankur Bhatia**, Chairman, Bird Group, India, stressed the point that ‘Indian brands should demonstrate the country’s economic transformation, post-industrial thinking and



Sudip Banerjee, Chief Executive Officer, L&T Infotech, India, on outsourcing

a new type of communication with the world.' **Paul W. Bradley**, Chief Executive Officer, Caprica International, Singapore, proposed that 'in India and elsewhere, business should focus on the real economy - to produce goods and create genuine value - rather than on making money in the financial economy through bets on market volatility.'

On regional development, **Ambarish Paralikkar**, Director, TMT Investment, India, said: 'Regionalization and globalization go hand in hand. The Indian states are the building blocks of the Indian economy.' **Javier Sanz**, Chief Executive Officer, Invest in Spain, stressed how important India's states are to fuel economic growth in Europe – as the Spanish construction industry is a natural fit with India's emerging infrastructure needs. 'We are glad to be involved with India – that's where things happen right now,' said **Ricardo Melchior**, President, Government of Tenerife, Spain.

The co-chairs were equally candid about the priorities India must pursue. In the closing plenary session, they reflected on the key take-aways of the Global India Business Meeting and made the following proposals:

First, keeping the carrying out economic reforms at a fast speed. Partnerships between the private and public sectors shall be

promoted to translate fiscal stimulus into real economic growth. People on the bottom of the pyramid should be included in what the co-chairs called 'real inclusive growth'.

Second, diversifying the economy, by implementing a concerted strategy to invest in sectors other than IT. The transformation of the Indian economy would reduce the country's dependence on the outsourcing industries and lead to massive technological innovation in industry and infrastructure. The modernization of the agricultural sector, which accounts for one quarter of the economy should be a prime priority.

'The strong engagement of leaders joining the Global India Business Meeting showed 'the importance of India and entrepreneurial mentality and spirit of people who look beyond the crisis and see opportunities'

Antonio Escamez, Chairman, Santander Foundation, Spain

And third, encouraging more and more sustainable Foreign Direct Investment as well as trade. Foreign Direct Investment will increase management skills and intellectual property - in addition to the mere delivery of money. Foreign direct investment in those sectors which would attract advanced technology are key.



Paul W. Bradley, Chief Executive Officer, Caprica International, Singapore



Ambarish Paralikkar, Director, TMT Investment, on Indian firms' globalization



Sujata Mehta, Ambassador of India to Spain



Exchanging business cards

The co-chairs called for fundamental shifts in business models and government policies to address the striking imbalances exposed by the global economic upheaval. 'Inherited business models must change for economic recovery to be sustainable,' said **Rana Kapoor**, Chief Executive Officer, Yes Bank, India. People are much more willing to try new things in times of turmoil than they are in time of status quo,' said **Claude Beglé**, former Chairman, Swiss Post, Switzerland. In the same vein, **Mike Singh**, Chairman and Chief Executive Officer, Telkom Caribe, USA/Barbados, observed that 'companies from India and abroad will need to work together with all stakeholders to apply sustainability principles to the ecosystem

they are operating in.' **Sandeep Aneja**, Managing Director, Kaizen Management Advisors, India, surfaced a similar idea: the necessity to give back to society. On a daily basis, he said, Indian companies 'may be concerned most about success and survival but, undoubtedly, they have to be deeply aware that they remain embedded within a wider social framework.'

The closing plenary was followed in the evening with a Cocktail Reception at Madrid's famous Retiro Park, which once again featured the format that Horasis introduced since the inception of its leadership events - structured discussions to provide a maximum amount of knowledge in a relaxed atmosphere amongst peers. The Global India Business Meeting is a place to forge enduring new friendships and enjoy a rich personal experience. On this occasion, **Sujata Mehta**, Ambassador of India to Spain, told participants that 'while there was both appreciation and awareness regarding India's recent rapid economic growth, there were also concerns regarding our liabilities.' But she predicted that 'India will balance equity and efficiency over time.' **Juan Tomás Hernani**, Secretary



Juan Tomás Hernani, Secretary General of Innovation, Spain



Concepción Dancausa, Member of the Governing Council, City Council of Madrid



Opening Plenary Panel

General of Innovation, Spain, added: 'As the gloom of the financial crisis appears to be giving way to a brighter future, there could be no better place than India to tap into the extraordinary promise of the world's growth economies. The key to economic growth is innovation - and India is an innovation leader.' **Concepción Dancausa**, Member of the Governing Council, City Council of Madrid, Spain, added that she believes in the chosen growth pattern for the Indian economy. And: 'The Indian market is one of our key markets of future growth, especially in infrastructure.'

The mood for this year's Global India Business Meeting was celebratory, particularly on the bright future for India. The meeting closed on a note of optimism and called for stronger collaboration between private and public sector initiatives to address the global economic turbulences. As meeting co-chair **Antonio Escamez**, Chairman of both Spain-India Council Foundation and Santander Foundation stated, the strong engagement of leaders joining the Global India Business Meeting showed 'the importance of India and entrepreneurial mentality and spirit of people who look beyond the crisis and see

opportunities. India's youthful population calls attention to a demographic dividend that could see India at the forefront of global economic growth.' **Mukesh Patel**, President, Diplomat Companies, USA, stated that 'we experienced so much of interest to join us in Madrid for this Global India Business Meeting. This clearly indicates that India has become a priority destination for partnership and investment.' 'While India still has to address many structural problems, the country has already pushed through significant reforms,' **Jacques-Etienne de T'Serclaes**, President and Founder, Agence du Don en Nature, France, added. 'Gradually, India is trying to get a vision of its future - a much clearer,



Glenn Proellosch, Chief Executive Officer, Travelpaper.com, Switzerland, reflecting on innovation



Gunjan Sinha, Chairman, MetricStream, USA



Registering for the Global India Business Meeting

assertive and pronounced sense of destiny.' **Rajive Kaul**, Chairman, Nicco Group, India, concluded: 'Our hope is that the meeting will encourage a close partnership between India and the world in order to stabilize the global financial system through entrepreneurship, innovation and internationalization. How well we do in the next decade will depend a lot on how India and its partners work on the most critical issues facing us - global imbalances, social well-being and the endangered environment.' This statement drew a round of applause during the closing session.

Horasis has created the Global India Business Meeting to bring together business

leaders from India and the world. For two years now this international event has attracted delegates from India and countries all over the world. The presence of eminent politicians, entrepreneurs and experts is not only an indicator of the growing interest in the meeting, but a clear signal of readiness for mutual cooperation. Originally, an offshoot of the other programmes Horasis is conducting, the initiative took momentum at the inaugural meeting in Munich in 2009. We envision to attract leading Indian and global CEOs year after year, creating a community of engaged leaders from business and government. We are planning the expansion of the community's ranks in the years ahead.



*Gustavo Welcker, Chief Executive Officer,
Win Mate International, Portugal*



*Jeff Heenan Jalil, Head of Europe,
Wipro Technologies, United Kingdom*



*Joachim Reidiess, President, Dr.Wirth Group,
Germany*



Congratulating the Indian Business Leaders of the Year

Participants from India perceive the meeting as a global platform for a constructive dialogue with leaders from other world regions. With the Global India Business Meeting, we are seeking to play a proactive role in India's development process. The meeting has the mandate to develop a road map for increased partnership and cooperation between India and the world at the business level. It is our hope that the meeting will continue to serve as an important conclave for stimulating thought and creative solutions.

On behalf of Horasis, I would like to personally thank the co-hosts, co-chairs, partners from the private sector and all participants for the spirit of constructive dialogue and their active contributions. This second Global India Business Meeting was a unique experience which would not have been possible without the dedication and enthusiasm of our friends from India, Spain, and the world.

Horasis looks forward to welcoming you back to next year's edition of the Global India Business Meeting.

RL). 27

Dr. Frank-Jürgen Richter
President
Horasis: The Global Visions Community



Frank-Jürgen Richter, President, Horasis, during the opening plenary



Indian Business Leaders of the Year - Rajive Kaul, Rana Kapoor, Sunil Godhwani



Juan Roura, Professor, IESE, Spain, with the three award winners

Connecting Spain and India

*By Jesús Sanz, Director General,
Casa Asia, Spain*

Madrid has successfully hosted the second edition of the Global Indian Business Meeting. More than 400 businessmen, political leaders and representatives from civil society met in Spain to discuss the role of India in the twenty-first century. This symbolizes our keen interest to strengthening links with this fascinating country.

Spain is developing several initiatives to promote relations with India. Casa Asia, whose primary mission is to bring the reality of India to our citizens and advance in our knowledge in the country, together with Casa de la India, the Spain- India Council and the Center of the Cervantes Institute in Delhi are some of our key pieces in the implementation of our bilateral relations. Moreover, we enjoy full support of the Embassy of India in Madrid and our Embassy in New Delhi.

'This meeting has proved to be an excellent opportunity to discuss about new models of cooperation in a changing world'

Jesús Sanz, Director General, Casa Asia, Spain

We are facing difficult moments due to the global economic environment. Therefore, it is important to have global perspectives, seek solutions and create shared spaces and synergistic action to overcome the current situation. This meeting has proved to be an excellent opportunity to discuss about new models of cooperation in a changing world.



Jesús Sanz, Director General, Casa Asia, with participants from India

On behalf of Casa Asia, the Region of Madrid, the City of Madrid, ICEX and INVEST IN SPAIN I would like to thank you for your participation, support and involvement in the Global India Business Meeting.

Our most sincere congratulations also to Horasis on attracting business leaders from all around the world to participate in this edition.



A question during the closing plenary

India: Maturing Global Role

*By Rajan Bharti Mittal, President, FICCI,
Vice Chairman & Managing Director,
Bharti Enterprises*

The current global financial crisis has been one of the most turbulent times that we have seen since the Great Depression. The crisis which started due to the disturbance in the US housing market and was thought to be a localized event has shaken both the global financial system and the real economy. The critical phase of the global economic crisis and the recent Eurozone is perhaps behind us, but the process of recovery is still fragile and uneven.



Rajan Bharti Mittal, Vice Chairman & Managing Director, Bharti Enterprises; President, FICCI, addressing the Global India Business Meeting

The impact of the crisis has been felt by almost all countries, either directly through the financial channel or indirectly through the real channel. Economies around the world are recovering from the global financial and economic crisis, and Multilateral organizations like IMF and the World Bank have been continuously revising upwards their estimates of global growth in the past



Arrival of the Spanish Crown Prince

one year. The latest available report from Peterson Institute for International Economics forecast world GDP growth for the year 2010 at 4.5 percent and about the same rate for the year after. India witnessed a slowdown in economic activity in 2007 with a GDP growth of 6.7 percent in 2008-09 bounced higher to 7.4% in fiscal 2009-10.

The monetary and fiscal stimulus measures put in place by the Indian government played an important role, first in mitigating the adverse impact from contagion and then in ensuring that the economy recovered quickly. In the year 2010-11, we expect our economy to grow by 8.5%. There is also a remarkable improvement in the business sentiment as indicated by the FICCI's Business Confidence Survey along with a rapid build-up in momentum of investment activity. The results of FICCI's latest Export Survey have also shown some optimism with regard to near term performance of India's exports.

India's USD1.2 trillion economy not only acts as a market for goods & services but also as a supplier of a range of services and increasingly knowledge-intensive goods. With India's strong human capital base and

cutting-edge innovation, it is clear that the knowledge and technology content – the real competitive smart-edge of India's exports – is only going to rise. India is also increasingly becoming a centre for low cost innovation and new business models. Global companies with R&D centers in India are now designing low cost models in India and propose to use these in new emerging markets.

'The Global India Business Meeting provided an excellent platform to discuss Indian firms' strategies, challenges and contributions to overcome the global economic crisis and to develop into truly globalized corporations'

Rajan Bharti Mittal, Vice Chairman & Managing Director, Bharti Enterprises, India

India is a rising economic power that is contributing to world growth in new and powerful ways – not in the least in the form of multinational Indian firms. The story of the rise of Indian multinationals can be traced back to the start of this century

when the process of internationalization of Indian enterprises through Outward Foreign Direct Investments (OFDI) began with their increasing involvement in developed countries. Over the last few years India's OFDI has surged with some very large scale acquisitions being made by Indian multinationals. This clearly signals a new wave of internationalization taking place in the world economy with emerging Indian multinationals posing critical challenges to leading global firms. With an unprecedented growth at 526.4 percent during 2004 to 2007, India is much ahead in terms of OFDI growth when compared with other emerging countries like China, Malaysia, Russia and Republic of Korea. The favourable economic conditions combined with continuous liberalization of OFDI policy, an urgency to acquire additional firm-specific intangible assets, rising export competitiveness and growing corporate and bond markets all contributed to this trend of rising outward investment.

The global economic meltdown, continuous fall in international demand and steady



Keynote speakers at the end of the welcome ceremony



'Indias rise to global eminence will be a measure of how emerging markets can cope with the crisis.'

decline in exports has no doubt, taken a toll on the performance of Indian companies and their subsidiaries abroad. After years of overseas expansions, the Indian firms are consolidating their foreign operations and preparing themselves for reduced business opportunities caused by financial and economic crisis in the global economy.

The major problem faced by Indian firms has been the credit crunch in both Indian and overseas markets. The Indian banking sector which was less exposed to the toxic assets of western nations also adopted a cautious lending policy during the recent times. This reluctance on part of banks to lend to the corporate sector along with drying up of liquidity in the international market resulted in the postponement of several domestic and overseas projects of Indian firms last year.

Secondly, the negative impact of global financial crisis also intensified the problems in Indian equity foreign exchange and money market. These in effect undermined the accessibility of India firms to cheap sources of finance and reduced their profitability. Further, the sudden depreciation of the Indian rupee

against US dollar in 2008 also led to a substantial increase in the overseas debt obligation of Indian companies in terms domestic currency during the crisis period.

Although profit margin remain unchanged, Indian multinational companies on a standalone basis have suffered seriously from contracting domestic and export demand and substantial reversal in profit growth in the slowdown period. At the same time, Indian companies are working in a variety of ways to tide over the problems at hand and working out innovative albeit cautious strategies to contest the fallout of the economic upheaval.



Joan Rosás, La Caixa, Spain, on India's financial sector



Rajan Bharti Mittal, President, FICCI and Mohan Chainani, Vice Chairman, Spain-India Council Foundation, signing an agreement as Minister Anand Sharma and Minister Silvia Iranzo look on

Coming to the Indian economy in the current scenario, certain sectors of the Indian economy would continue to be drivers of high growth in the coming decade: telecom, automobiles, and infrastructure. To consolidate recovery, the financial sector and international capital flows should contribute to economic growth rather than encourage speculation and volatility in the international system. At the same time, focus should be on greater investments in science, innovation, infrastructure, human capital, education and inclusive growth. We must work together to create new sources of growth.

I would also like to touch upon an interesting dimension of India's maturing

role internationally: Our engagement with the world today goes beyond trade and investment flows. We are also an active interlocutor on matters related to global economic policy. India plays an important role in the G20 level exercises on global economic management. We coordinated with other countries on fiscal and monetary stimulus measures. Based on our experience we are also contributing to the evolving debate and discussion on a new global financial architecture and banking framework. FICCI plays an active role in these exercises and will also be taking a delegation to Toronto. Be it climate change negotiations, trade talks at WTO or international efforts to change governance structure in multilateral institutions such as



Rajiv Gujral, Member of the Board,
Taj International Hotels, India



Per Olofsson, Chief Executive Officer,
ClimateWell, Sweden



Mohan Murti, Managing Director,
Reliance Industries, reviewing the pros and cons of
globalization



Participants listening to the remarks of the Spanish Crown Prince

IMF and World Bank, India is a key negotiating party in all these efforts. Today, India is indeed a global citizen and a country without which any major global initiative cannot be complete. And there are several reasons behind this.

- We are one of the fastest growing economies of the world. During the crisis India maintained a strong growth of 7% and is now clawing back to the 9% growth trajectory. Given our high savings and investment rates, we may well cross the 10% growth mark over the next few years and surpass China in terms of economic growth.

- With a billion strong population, and more importantly, the demographic dividend, we represent over a sixth of humanity.
- We are a storehouse of knowledge and of cutting edge technology. Indian companies are taking up challenges, which no other company anywhere in the world has dealt with before. There are many examples of cutting edge work being undertaken by Indian corporates.

In conclusion, we see today that the centre of economic gravity is shifting from west to the east. Given the strength of its minds and markets, India is destined to play a critical role in and contribute to global economic and geo-political issues in times ahead.



Oltmann Siemens, Trustee, Orient Institute, Germany and Florian Taeube, Professor, EBS, Germany



Miguel Otero, General Manager, Leading Brands of Spain Forum, Spain

Europe and India Push to Seal Free-Trade Deal

By Raphael Minder and Tom Redburn,
International Herald Tribune, published
on June 22, 2010

Madrid - With global trade negotiations stalled, India and the European Union are pressing to complete a bilateral free-trade agreement in the autumn that is intended to triple their 53 billion euro (\$66 billion) trade flow within five years.

After nine rounds of negotiations, India and Europe are closing in on such a free-trade agreement, **Anand Sharma**, the Indian minister of commerce and industry, said in an interview. Mr. Sharma said that he would meet with the European trade commissioner, Karel De Gucht, in September and that 'we hope that both of us will be able to reach an agreement.' Both sides are aiming for a framework agreement in time for a Europe-India summit meeting in Brussels, scheduled for October.

Europe and India started their trade negotiations in 2007, but talks initially made only slow progress. Given the impasse in the Doha world trade talks, however, countries have renewed their focus on bilateral deals as a less ambitious but useful proxy for increasing trade flows. Europe signed separate free-trade agreements last month with a group of Central American countries, as well as Peru and Colombia.

Mr. Sharma was speaking on the sidelines of an India business conference in Madrid sponsored by Horasis, a global networking group based in Geneva. His speech coincided with the start of a visit to India by

Catherine Ashton, the European Union's new foreign policy chief, also meant to prepare the ground for the summit meeting in Brussels.

'The willingness is definitely there, and both sides are now putting a lot of effort into completing the work on the remaining issues so that the E.U.-India summit in the autumn can give the final push for concluding this deal, which we do think is possible,' said **John Clancy**, a trade spokesman for the European Union.

'If an industrial group thinks that it doesn't have to be in India, it's making a real strategic mistake'

Germán Lorenzo, Managing Director Asia-Pacific, Mondragón, Spain

'We won't reach a multilateral agreement this year, but the E.U.-India bilateral agreement is much advanced,' **Rajan Bharti Mittal**, President of the Federation of Indian Chambers of Commerce and Industry, said at the Madrid conference. Such an agreement, he added, would be 'beneficial to both sides.'

European companies are increasing their presence in emerging markets like India in part to offset sluggish domestic growth.



Minister Anand Sharma and Minister Miguel Sebastián signing a bilateral agreement



Germán Lorenzo, Managing Director Asia-Pacific, Mondragón, Spain - 'our domestic market is shrinking so our boys have to go for India.'



Thomas Homberg, Corporate Vice President, EADS, Germany - 'I would not say that it is impossible in India to develop commercial aircraft manufacturing.'

That is also true for Spanish companies that have traditionally focused on former Latin American colonies rather than on Asia.

'If an industrial group thinks that it doesn't have to be in India, it's making a real strategic mistake,' said **Germán Lorenzo**, the Asia-Pacific managing director of the Mondragon Corporation, a Spanish conglomerate that recently bought land in India. 'Our domestic market is shrinking so our boys have to go for Asia, particularly India.'

Silvia Iranzo, the Spanish secretary for trade, conceded that her country's trade and investment exchanges with India had so far 'not been at the height of our economic scale.' She added: 'Spain is going through economic difficulties so we are putting in place policies of internationalization to help our companies overcome the crisis, and these policies inevitably involve India.'

India is expected to spend as much as \$50 billion in the next five years to modernize its military equipment, but barriers to foreign investment in this sector were underlined recently. The Indian government blocked an electronics joint venture between European Aeronautic Defense and

Space and Larsen & Toubro, an Indian engineering company. The concern was that EADS would breach the 26 percent equity ownership limit for foreign investors in the sector.

But **Thomas Homberg**, Vice President of EADS, insisted Tuesday that 'definitely we haven't given up' on the joint venture. Facing such hurdles in the 'sensitive field' of military contracting did not preclude EADS from developing commercial aircraft manufacturing in India, as EADS has done in China by setting up an Airbus assembly line. 'I would not say that this is impossible in India, not at all,' he said.

'Spain is going through economic difficulties so we are putting in place policies of internationalization to help our companies overcome the crisis, and these policies inevitably involve India'

Silvia Iranzo, Secretary for Trade, Spain

European and other investors also want India to loosen foreign ownership curbs in sectors like insurance and retail. Other concerns include India's manufacturing of counterfeit drugs and its unwillingness to include procurement in a trade deal.

Among outstanding issues for India is greater access to Europe's highly subsidized agricultural market, which also was a major obstacle in the Doha talks. India also wants to make it easier for its work force to work temporarily in Europe.

When asked whether the euro's decline could influence the pace of Indian corporate investment in Europe, Mr. Sharma said, 'I don't think these decisions are taken because of currency fluctuations.'

India-EU FTA Likely by Year-end, Says Sharma

By Pallavi Aiyar, Business Standard,
published on June 22, 2010

Madrid - Both multilateral trade negotiations at the World Trade Organization (WTO) and bilateral free trade agreements (FTAs) like the India-EU (European Union) FTA, need to be speedily concluded in order to aid global recovery from the economic crisis, Commerce and Industry Anand Sharma said on Monday.

'I hope the event would spur cooperation between Spain and India'

Miguel Sebastián, Minister of Trade, Industry and Tourism, Spain

Speaking at the Global India Business Meeting, a gathering of Indian and European investors, in Madrid, Sharma said an 'in principle' agreement between India and the EU on the FTA was likely to be had by the end of this year.

He added it was India's desire to bring the Doha Round of the WTO to a successful end because a 'fair, rule-based system of international trade would ensure global economic benefits in excess of \$700 million.' Sharma urged Spanish and European investors to participate in India's growth story in particular in the agro processing, tourism, renewable energy and infrastructure sectors. He claimed India would be the world's third largest economy in real terms within the next two decades, creating huge opportunities for business.

The two-day India-Europe investment meet is co-chaired by amongst others, FICCI. Several dozen Indian CEOs are



During one of the breakfast sessions

participating and finding themselves wooed by European firms seeking new avenues of growth at a time of economic stagnation at home.

But despite India's increasing economic clout, countries like Spain remain unsure about how to leverage that growth. Spanish Minister of Trade Industry and Tourism Miguel Sebastian said he hoped the event would spur cooperation between the two countries, which currently remains low.

Although badly hurt by the global economic crisis, Spain is nonetheless the world's ninth largest and Europe's fifth largest economy. It is also the sixth biggest foreign investor in the world. In 2008, its total foreign trade was worth close to 500 billion.

Yet bilateral trade between Spain and India is paltry, at less than 4 billion. To put this in perspective, at 8.8 billion India's trade with Belgium, a country of only 10 million people, is worth more than double its trade with Spain, which has a population of 40 million.

Indian Hunger for New Technology Fuels Acquisitions

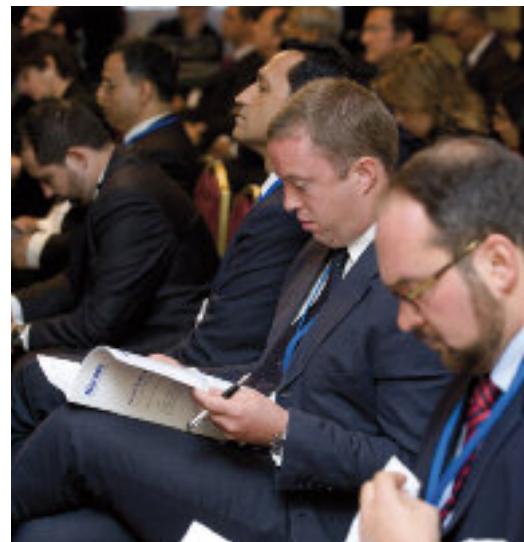
By AFP, 23 June 2010

Madrid - The pursuit of technology is driving the growing number of foreign acquisitions by Indian firms as much as the search for new markets, top Indian business leaders said during a business conference in Spain.

Since 2000 Indian companies - bolstered by rapid economic growth at home and looser rules on investing abroad - have announced over 1,000 international mergers or acquisitions worth over 70 billion dollars (56.5 billion euros), according to research firm Dealogic.

Vijay Chandok, the managing director of ICICI Bank UK, the British subsidiary of Indian bank ICICI, said these overseas purchases are being fueled by the desire to diversify geographically as well as the need to acquire know-how in order to boost growth.

'They are looking to build capabilities by acquiring access to brands and patents,' he



Studying the programme

said at the Global India Business Meeting, a two-day gathering of top Indian business leaders in Madrid which wrapped up on Tuesday.

'Overseas purchases are being fueled by the desire to diversify geographically as well as the need to acquire know-how in order to boost growth'

Vijay Chandok, Managing Director, ICICI Bank

In an example cited at the gathering, India's Tata Steel went from having not one single American patent to owning over 80 after it bought Anglo-Dutch steelmaker Corus in 2007 for 12 billion dollars. As Indian firms have grown bigger, they have boosted their spending on research and development to help them move up the value chain. But such investments take time to bear fruit and buying a foreign firm is an attractive shortcut to getting more sophisticated production equipment.

'Acquiring knowledge and the potential for research will continue to be a major driver of foreign acquisitions by Indian firms,' said **Ravi Chaudhry**, the Chairman of India's CeNext Group. Often firms gain staff with needed skills that are scarce in India along



Vijay Chandok, Managing Director Europe, ICICI Bank, on best practices when breaking into foreign markets

with new technology when they buy a foreign firm. Tata Steel for instance gained almost 1,000 research staff when it bought Corus.

Indian universities churn out millions of graduates each year but a large number lack the skills needed to satisfy the new global ambitions which many Indian companies now have.

International consultancy McKinsey estimates that only one-quarter of India's engineering graduates and 15 percent of its finance and accounting professionals are qualified to work for a multinational company.

'Acquiring knowledge and the potential for research will continue to be a major driver of foreign acquisitions by Indian firms'

Ravi Chaudhry, Chairman, CeNext Group, India

'We have the financial resources, the intellectual power. We need to look at buying technology, buying engineering companies, brands. What India really lacks

are brands, we do not have brands,' said **Rana Kapoor**, the chief executive of Indian private lender Yes Bank.

'We have the financial resources, the intellectual power. We need to look at buying technology, buying engineering companies, brands. What India really lacks are brands, we do not have brands'

Rana Kapoor, Chief Executive Officer, Yes Bank, India

The number of Indian firms on the Financial Times' list of the world's 500 largest companies by market value doubled from eight in 2007 to 16 this year.

This was the second edition of the Global India Business Meeting. The first was held last year in Munich, Germany.

Among the Indian companies that took part this year were Religare Enterprises, Nicco Group, Fortis Healthcare and Amira Foods.



Closing Plenary - Building Global Firms of Indian Origin

Brand India & Made in India - A Promise Forever

*By Swarup Roy, Founder & Chairman,
Asean Affairs*

A thirty page special feature titled 'Spotlight on India' is being published in AseanAffairs global magazine in the July-August 2010 edition. www.aseanaffairs.com

I begin with a story, variations of which we have all heard before. An Indian businessman from Calcutta was visiting his client in US and he was presented with a beautiful painting depicting life of the red Indians in the Wild West. He asked his host where in America such paintings were now being made since the red Indians had dwindled in numbers and it was difficult to find such authentic works. His host turned the painting around and on the back of the frame at the bottom were the words 'Made in China'.



*S Roy, Chairman, Asean Affairs, Thailand,
moderating the session on sustainability*

There is something about the tag 'Made in....'. I wonder when the 'Made in India' tag will be seen on products across the globe. When that happens, we can all proudly claim that 'Brand India' or 'Global India' has arrived. Now is not the time to celebrate based on the facts that we escaped the global crisis because we were smart, or that we are the hired hands (cyber-cookies) of the American outsourcing industry. We escaped all these crises because we are insular, not connected to the global economy as a global brand. CEO's after CEO's kept up the rhetoric at the recently concluded Horasis **Global India Business Meeting** (21-23 June, 2010 in Madrid) how India



A celebration to harness India's past, present and future



Carla Cico, Chief Executive Officer, Rivoli S.P.A., Italy - 'the global importance of the Indian economy increases'



Gulu Lalvani, Chairman, Royal Phuket Marina, Thailand - does India have the right infrastructure to drive double-digit growth



Tom Schick, Executive Vice President, American Express, USA - on the next big driver for India's growth story

stands on a solid base of fundamentals and that we are on the track for great growth and even double digit growth. These sound great because of the abysmal growth rate figures in the first 40 years of our independence, the so called 'Hindu rate of growth'. For real prosperity to trickle down to the bottom of the pyramid, as any economist knows, we have to not only double but treble our GDP in a short span of time. As **Carla Cico**, CEO, Rivoli SPA, Italy put it during one of the plenary sessions: 'One of the reasons why China has developed so fast is due to the fact that in the last 15 years a lot of investment has been poured into the upgrading of the infrastructure. India should follow this example. Good infrastructure is the key to fast development. Therefore, this should become the focus of the Indian government in the next 5-10 years. I think that India has not yet shown to the world its real potential and value: they should look to the Chinese to learn how to advertise themselves.' 'Indian markets are the backyard and must be defended but the best defence is to grow fast and an important part of that is investing overseas', **Rana Kapoor**, Chief Executive Officer, YES BANK, India, concluded.

A devastated, war torn, divided Germany rose from the ashes like a Phoenix to achieve an export figure of \$1 trillion plus

to become the world's leading exporter. Just the exports, mind you, the GDP of a country with a mere 80m population is much higher at \$3.673 trillion (2008). 'Ours is a domestic led growth model', declares the policy makers and businessmen of India. Does that mean we will produce products of 'Indian' quality or 'Global Quality' meant to be sold to Indians only? With a mere population of 5m, Finland has a global brand name such as Nokia. Microsoft, Apple, Nike, IBM, Dell and the list goes on, they set their benchmarks against a global standard for the domestic consumers of America first and because of the great quality they produced their products found ready markets overseas and became gold standards in their industry. So the debate is not of a domestic versus export model, but to set our sights sky high, to create and produce products of the highest standard and not lean on a 'Cheap' or 'Low cost' model only. A country like India with 700m at the bottom of the pyramid cannot afford products of a high quality may be the argument. If so then no global brands can succeed in India is my counter argument. And therefore we cannot

'I think that India has not yet shown to the world its real potential and value: they should look to the Chinese to learn how to advertise themselves'

Carla Cico, CEO, Rivoli SPA, Italy

and should not aspire to be a global economy. As Professor **Jorge Gonzalez** of IESE Business School showed us in his presentation in Madrid, a brand is created by reaching out and touching the lives of people. Chinese products are doing just that, they are reaching out across the globe through all kinds of products (from high tech to the most mundane) with the 'Made in China' tag. The result, the China name is getting imprinted on the minds of people all over the world and telling us all that China has arrived on the global stage as a global power.

'This already-large domestic market is poised to grow significantly over the coming years. I believe that Indian incomes are likely to grow threefold in the next two decades and India will become the world's fifth largest consumer market by 2025'

*Tom Schick, Executive Vice President,
American Express, USA*

One of the greatest missed opportunities for India Inc was during the outsourcing boom. Indian IT industry had the whole field to them when wave after wave of American companies outsourced their business processes to Indian IT firms. We had the resources, the revenues and the attention of the world. We could have used

this opportunity to spur a silicon valley in Bangalore and possibly (at least we could have tried) given birth to world class start ups who could dream to be a Google, a Microsoft or an Apple. Instead we basked in our limited glory and each of these companies hired hundred of thousands of hands to be faithful cyber-cookies to America.

In 2001 Jim O'Neill, global economist at Goldman Sachs, coined the term 'BRIC' for four countries, Brazil, Russia, India and China. In the style of a forced marriage these four countries were joined together, due to their perceived economic potential in the 21st century. The four countries account for more than 25 percent of the world's land mass and 40 percent of the world's population and have a combined gross domestic product of US\$ 15.5 trillion. Yet, there are significant differences between each of them and as the spotlight of this issue of Asean Affairs is India, it will be differentiated most vividly from Brazil, Russia and China, although as a group, BRIC is anticipated to overtake the G7 nations (Canada, France, Germany, Italy, Japan, United Kingdom, and United States) very soon. **Tom Schick**, Executive Vice President, American Express, USA, stated that 'this already-large domestic market is poised to grow significantly over the coming years. I believe that Indian incomes are likely to grow threefold in the next two decades and India will become the world's fifth largest consumer market by 2025'.

In a recent World Bank report, 'India and the Knowledge Economy', authors Carl Dahlman and Anuja Utz cited a number of obstacles to India's continued development. These were: speeding trade reform by reducing tariff protection and phasing out tariff exemptions, encouragement of increased foreign direct investment, stimulating the growth of manufactured and



Sharing a light moment



Kamil Hasan, General Partner,
Hitek Venture Partners, USA



Juan Pablo Lázaro, Vice President, CEIM, Spain,
reasoning about the risks when advancing from
a start-up to a global business



Utpal Sheth, Chief Executive Officer, Rare
Enterprises, India

service exports, strengthening intellectual property rights, simplifying procedures for the entry and exit of firms, easing the restrictions on employing and discharging employees, improving access to credit for small and medium enterprises, dealing with problems in the use and transfer of land, improving transport services, improving the efficiency of government and using ICTs for delivering social services, especially in health and education.

This is a substantial laundry list that flies headlong into the hidebound ways of doing things in India, particularly at the provincial and local levels. If most of these obstacles are surmounted then India could return to its glory days around 1770, when it was the world's second largest economy. 'There is no question that India's infrastructure shortages present a major hurdle to attracting greater investment flows into

India. But infrastructure development is happening – and to a mind-boggling – degree', declared **Ron Somers**, President, U.S.-India Business Council, USA.

'There is no question that India's infrastructure shortages present a major hurdle to attracting greater investment flows into India. But infrastructure development is happening – and to a mind-boggling – degree'

*Ron Somers, President, U.S.-India Business Council,
USA*

But first we have put our nose to the wheel and immerse ourselves into building the India of our dreams. It is a long and arduous task and the day will come when we are ready to pop the bottle of bubbly and celebrate the arrival of 'BRAND INDIA' on the global stage.



Sachin Dev Duggal, Chairman, Nivio, India, on
India's Technology Pioneers



Timothy Beardson, Chairman, Albert Place
Holdings, Hong Kong SAR, on the future of
economic growth



René Seifert, President, Level 360 - 'do what you
can do best and outsource the rest'

India's Gifts to the Global Village

By Lou Marinoff, Professor of Philosophy,
The City College of New York, USA



Community building at the Global Indian Business Meeting

In the late 19th and early 20th centuries, three outstanding Germanic thinkers - Frederick Nietzsche, Thomas Mann, and Oswald Spengler - independently foresaw the decline of Western civilization.

'Indian civilization will make its presence increasingly felt in the global village'

Lou Marinoff, Professor of Philosophy, The City College of New York, USA

Although undeniably correct in their prognostications, they neither envisaged nor addressed the complementary and concomitant rise of Asia. Fast-forward to the 1960s, when Canadian media theorist Marshall McLuhan coined the term 'global village,' and most Asian nations still lagged far behind the West in terms of cultural dynamism and economic development. But during the past few decades the tide of globalization has dramatically turned. The

West's decline has become more palpable and precipitous, while Asia's rise is undeniable and ineluctable. The BRIC has emerged as a major constellation of developing nations, and India is showing every sign of becoming a leading player on the 21st century's global stage.

India and China are the two most populous nations on earth, as well as two of the planet's most ancient civilizations. Both have been long-sustained by their indigenous philosophical systems – Confucianism, Taoism and (intermittently) Buddhism in China, and a tapestry of interwoven 'schools' on the subcontinent, manifested in Hinduism and associated religions, and grounded in Vedic philosophy. India and China have both endured political occupation, economic exploitation, and religious proselytization by various foreign powers. Yet their national characters have been conserved. They both regained their independence in the late 1940s, and adopted distinctively different models of governance. Now they are both thriving economically, exerting ever-increasing influence in and on the global economy.



Lou Marinoff, Professor of Philosophy,
The City College of New York, USA



*Yatindra R Sharma, Joint Managing Director,
KHS, India*



*Tom Redburn, Managing Editor, International
Herald Tribune, France*



*Miryam Sanchez Porcel, Director General,
Valdeminguémez Technology Park, Spain*

In a previous Horasis Report on the Global China Business Meeting (Lisbon, November 2009), I contributed an article concerning the influence of Chinese philosophy on the West. In this Report, I would like to celebrate India's philosophical gifts - not only to the West, but to the global village entire. While there has been a good deal of discussion and admiration of India's emergent role in IT, and of the outsourcing that has become a driver of Indian growth, we should not lose sight of a much earlier and more long-standing phenomenon: the world-wide dissemination of Indian philosophy, and its uplifting and enduring impact on humanity. India represents an eclectic mosaic of religions, cultures, ethnicities and spiritual practices. A great civilization took root in the Indus Valley perhaps ten thousand years ago, during the

late Neolithic revolution. It evolved and bequeathed to humanity an incomparably rich mythology and advanced philosophy, embodied in the voluminous Vedas. The indigenous Indian religions are social manifestations of schools of Indian philosophy emanating from Vedic lore, and its culmination in the Upanishads.

'This is a time of distinct economic uncertainty'

Javier Garoz, Chief Operating Officer, Telvent, Spain

In contrast to the Abrahamic faiths, which are paradigms of monotheism (one God, one prophet, one book), the polytheism and pluralism of indigenous Indian philosophies are mind-expanding. Westerners have learned of nine recognized 'traditions' or



John Cook and Jitesh Gadhia



*Satish Batra, Chairman, Horizon Group, -
'how will India achieve its growth objectives'*



Sriram Chandrasekaran, Chief Executive Officer, Broadvision Group, debating globalization



Sonya Madeira, President, Rice Communications, Singapore, taking notes



Anupam Sibal, Group Medical Director, Apollo Hospitals Group, India

'schools' in Indian philosophy, six orthodox and three heterodox. The orthodox schools that accept the authority of the Vedas are Nyaya, Vaisesika, Samkhya, Yoga, Mimamsa, and Vedanta. These schools are interrelated, and highly nuanced. Yet their common spirit is shaped and pervaded by a trio of immortal works –the Bhagavad Gita, the Upanishads, and the Yoga Sutras of Patanjali – beacons of spiritual light to all humanity. The heterodox schools, which reject Vedic authority, are Carvaka, Jainism, and Buddhism. Carvaka is a form of materialism, which even Buddha lambasted for its immorality. Jains are renowned for their practice of ahimsa, non-harm to all sentient beings, a practice which many Buddhists also share.

It is fascinating that the orthodox Indian schools regard the so-called 'heterodox'

schools that reject Vedic authority as part of Vedic tradition nonetheless. If the Vedanta is truly the 'summit of knowledge' – that is, of knowledge conducive to spiritual progress and reunion with the Godhead – then everything after the Vedas must be contained or presaged in the Vedas. Perhaps this is why so many Indian faiths, especially in contrast to the Abrahamic ones, are seemingly open to everything. Not confined to 'one God, one prophet, one book,' they blissfully absorb 'all Gods, all prophets, all books.' Only in India can someone who rejects the Vedas still be considered an adherent of the Vedas. This ancient and enchanting openness is reflected in the Bhagavad Gita, when Krishna declares to Arjuna, 'By whatever path they follow, they come to me at last.'



Esperanza Aguirre, President, Community of Madrid, welcoming participants

'Madrid will serve as important base for Indian firms to explore the European market'

Esperanza Aguirre, President, Community of Madrid, Spain

In terms of cosmic pathways, modern science agrees more closely with Vedic cosmology than with any other of antiquity. The kalpa, or age of the universe, is of closer order of magnitude to current scientific calculation than any other ancient estimate. The cyclical nature of the Vedic picture, in which the universe passes through vast cycles of development, decay,

destruction, and rebirth, is thoroughly compatible with current cosmological thought. Indian insight into the nature of the phenomenal world, the orders of beings it contains, and the laws governing not only their physical but also their soulful interactions, is truly profound. From this cosmology springs a complex theology and nuanced philosophy, possibly the oldest philosophy known to man. The spiritual richness of India more than offsets its socio-economic disparities. To digest and experience the Bhagavad Gita (among other great Indian books) as a work of practical wisdom for one's life is also to fall in love with Indian philosophy for life, and to share its conviction that there is nothing else worth knowing in this life.

'Gradually, India is trying to get a vision of its future - a much clearer, assertive and pronounced sense of destiny'

Jacques-Etienne de T'Serclaes, President and Founder, Agence du Don en Nature, France

Alexander the Great reached and occupied part of India, but left little trace of his teacher's – Aristotle's – philosophical tradition. The Macedonian conqueror came east not to build Lyceums, but to destroy

the Persian Seleucid dynasty that had almost toppled Athens and the West. When India was finally ready to absorb Aristotle, he appeared in the form of the British Empire. Britain's dominance of global sea lanes, and the docility of millions of Indians in permitting the English to rule their sub-continent (for a short while) allowed the British East India Company to monopolize India's cotton and salt markets, and more notoriously to create a microstate of opium addicts in China, coercing Indian farmers to grow the opium poppy. Yet India absorbed the English language, which helped unify its five hundred tongues and innumerable dialects, absorbed the British Civil Service and its Mandarin model of government, and began to absorb Western democracy, science, technology, commerce, and education. (It appears to have absorbed some bureaucracy, too.)

India's capacity for absorption seems boundless. The all-embracing worldview of the Vedas remains effortlessly receptive to 'all Gods, all prophets, all books,' and remains tolerant of all interpretations of everything, including itself. Indian philosophy views the cosmos as a thetic spectacle, where illusory matter meets playful spirit and where material bodies are but castaway



Sushil Premchand, President, PRS Services, Switzerland and Perry Madan, Executive Director, Elixir, India



Alfredo Bonet, Director General, Ministry of Foreign Affairs, Spain



Dorian Bishop, Chief Executive Officer, BV Capital Group, Andorra - what can Indian entrepreneurs learn from their global counterparts?



Discussion during a break

garbs for souls, which skip on stepping stones of lifetimes to their serendipitous immersion in Brahma's sea of light and love. Ideas are the emanations of divine consciousness, not the tokens of academic dispute. So Indians exposed to modern Western mathematics and physics absorbed them with great facility – on the foundations of their more ancient mathematical prowess – and began to make significant contributions themselves in the 20th century, from Srinivasa Ramanujan's representation of π to Subramanyan Chandrasekhar's physics of black holes.

'Made-in-India is increasingly perceived as guarantee for reliability and advanced intellectual property'

Dinesh Dhamija, Founder and Chairman, Copper Beech Group, United Kingdom

Scattered drops of Indian culture had rained on the 19th-century West, preceding the 20th century's monsoon. Inconsolable Arthur Schopenhauer recognized Indian philosophy as a panacea against suffering, while Russian theosophist George Ivanovitch Gurdjieff sought mystic revelation in the East. Canadian physician R. M. Bucke embarked on a lifelong spiritual pilgrimage after a spontaneous kundalini experience opened his crown chakra. But when the Indian yogi Vivekananda settled in New England in the early 1900s, he was probably

regarded as a cultural freak. It was during this period that Rudyard Kipling predicted of East and West that 'never the twain shall meet.' As it turned out, Kipling was a far better poet than prophet.

An Indian named Mohandas Gandhi, trained in British law and Socratic philosophy, and influenced by New England idealist Henry David Thoreau's treatise on nonviolent civil



On the sidelines of the Global Indian Business Meeting

disobedience, absorbed these teachings and blended them with austere Hindu practices. Over decades, Gandhi cultivated enough spiritual force, and attracted sufficient followers, to convince the British to relinquish India pacifically and graciously. Gandhi's form of militant but nonviolent resistance to oppression – 'Satyagraha,' or unflinching adherence to truth – was also adapted in the United States by Martin Luther King Jr., who found it equally effective in catalyzing civil rights for African Americans. Although both Gandhi and King were assassinated, their moral influence on the global village is imperishable.

'It is time to bring down existing barriers since multilateral trade will accelerate the process of recovery while the reverse will slacken the pace'

Niraj Sharan, Chairman, Aura, India

Nowadays New England, like America coast to coast, abounds with gurus, ashrams, and yoga camps of every kind. The 1960s was the pivotal decade during which Asian philosophies – Hinduism, Buddhism, Taoism – pervaded mainstream Western culture, thanks partly to celebrity musicians, poets, and authors who took them up for the sake of their own spiritual development, popularizing them in the process. These practices paid large dividends for their artistic development too.

In pop music, The Beatles and their involvement with Maharishi Mahesh Yogi imported transcendental meditation wholesale into Western public consciousness. On Chicago's legendary South Side, the Paul Butterfield Blues Band recorded their East-West album, whose title track blended Dixieland with raga. Sri Chinmoy became the guru of jazz-rock fusion guitarist John McLaughlin. Jazz immortals Wayne Shorter, Herbie Hancock, and Larry Coryell discovered Nichiren Buddhism – a Japanese tradition



Continuing discussions over lunch

based the Lotus Sutra – which elevated their energy, clarity, and creativity, and inspired their musical evolution. Thanks to the genius of Ravi Shankar, Indian classical music also became well-known in the West, attracting the likes of violinist Yehudi Menuhin, whose recordings with Shankar are celebratory meetings of India's ancient and Europe's more recent classical traditions. Al Di Meola and L. (Lakshminarayana) Subramaniam further fused Western and Indian forms. Intellectual Richard Alpert reincarnated himself as Ram Dass. A triumvirate of generation-defining Jewish poets – Allen Ginsberg, Bob Dylan, and Leonard Cohen – all flirted with Buddhism, as India's extended family of philosophies migrated to the West. The industry of Indian



Reception at the 2010 Global India Business Meeting



Amit Shahi, Co-Chairman and Managing Director, The IdeaWorks, India



Colin Hill, Executive Chairman, Hill & Associates, Hong Kong SAR



Gian Luca Tabarrini, Managing Director, Ros Roca Group, Spain

gurus burgeoned too. The orange-clad sunsyasin of Bhagwan Shree Rajneesh, the blissed-out premies of Guru Maraji, the Hare-Krishna chanters of Swami Prabhupada, along with eclectic dharma bums and die-hard hippies, all received, absorbed, reflected, and transmitted sat-sang into Western thought.

And because Indian philosophy is so well-attuned to the fundamental vibrations that create, sustain, and annihilate the cosmos, Western physics and Indian cosmology also merged in the atomic age. When Robert Oppenheimer, the ‘father’ of the A-bomb, witnessed the first nuclear detonation at Alamogordo, New Mexico, he was moved to think not of Prometheus stealing fire from the gods, but of Krishna metamorphosing into Kali, the goddess of destruction, and of her terrible words to an awestruck Arjuna: ‘Now I am become Time, the destroyer of worlds.’ The next generation of this lineage is more pacific. David Bohm, a student of Oppenheimer’s, who subsequently revealed the implicate order and discovered the quantum potential, also teamed up with Indian guru Jiddu Krishnamurti to develop dialogues on education and betterment for a global humanity.

Indian civilization will make its presence increasingly felt in the global village. But India’s greatest gift of all may be among its most ancient: Buddhism. Viewed in one way, Buddhism is a world religion, deeply embedded in Asia and increasingly popular in the post-Christian West. Viewed another way, Buddhism is a heterodox school of Indian philosophy: Vedanta without theology; Nirvana without a Godhead; karma as volition instead of fate. Siddhartha Gautama reformed orthodox Indian philosophy without schism, revolution or bloodshed. He crafted a universal and perennial humanistic philosophy that – true to its tolerant roots – is compatible with everything under the sun. Expressing compassion for all and disparagement toward none, eliciting that which is noblest and best in the hearts and minds of human beings regardless of origin, and demanding no commitment to dogma, the secular philosophy of Buddhism is helping illuminate the globalized world. Notwithstanding humanity’s economic progress, there is at every juncture a dire need for moral clarity. Indian philosophy affords this in abundance.



Valentin Romanov, Executive Director, SUN Group, Russia



Luis Villarroya, Chief Executive Officer, Eptisa, Spain



Mark Runacres, India Advisor, Confederation of British Industry, United Kingdom

When Bodhidharma ventured from India to China in the 5th century C.E., transmitting Buddhist lore and Dhyana yoga, (which became ‘Chan’ in China and ‘Zen’ in Japan), he sowed a seed that took root in the very bedrock of East Asian philosophical culture. By the 7th century, Mahayana Buddhism had become ensconced in the Tang Dynasty, alongside Confucianism and Taoism, as one of the ‘Three Jewels’ of Chinese philosophy. Indian Buddhism was transformed in the crucible of China, spreading to Korea, Japan, and (centuries later) to the West. In the 20th century, China was also instrumental in disseminating Tibetan

Buddhism, Mahayana’s other main branch, westward. So this heterodox yet compelling voice of Indian philosophy, namely Buddhism, has become a legacy to the global village entire. As India modernizes and adapts herself to the challenges of the global economy, she also assumes her rightful place as a seminal civilization, well-spring of philosophical sagacity, absorber and transmitter of influential cultures. Let us celebrate India’s myriad and precious gifts to the global village. May her venerable wisdom traditions continue to enlighten humanity.



Networking break

Horasis

The Global Visions Community

Horasis: The Global Visions Community

Rue du 31-Décembre 47

CH-1211 Geneva 6

Switzerland

phone +41 79 305 3110

fax +41 22 718 4140

www.horasis.org

