

## 10 BUSINESS INDIA

# A land of opportunity

India has undergone huge transformations and the time has never been better for business investment, says **Fiona Laing**

INDIA is land of contrasts – wealth and poverty, lush fertile lands and inhospitable mountains, ancient history and state-of-the-art industry. The past decade has seen enormous changes across this country of more than 1 billion people.

The deregulation of industries, liberalisation of foreign trade and the growth of Foreign Direct Investment since 1991 have unleashed an economic powerhouse.

The liberalisation of the economy continues, with trade barriers largely removed and the peak tariff down from 350% in 1991 to 20% in 2005.

Privatisation programmes are gradually reducing the still-significant role of the public sector in the production and consumption of goods.

At the same time, people have more spending power and the growing middle-income consumer class is using it. There is a growing demand for a wide range of quality products and services.

According to UK Trade & Investment, India is the UK's 18th largest export market. In 2005, the UK exported £3.9 billion of goods and services to India.

Opportunities for the entrepreneur exist in every one of India's states, but the big cities are probably where the most immediate opportunities lie.

Here we profile some of the cities tipped for growth, highlighting just a few of the reasons why they are so attractive to foreign business.

● **Note: all population statistics are from 2001 Census.**

## VISITING INDIA: FAST FACTS

### VITAL STATISTICS

**Population:** 1.029 billion (2001 census) expected to overtake China and become the most populous nation by 2045.

**Total area:** 3.3 million square kilometres seventh largest country in the world in terms of geographical size.

**Languages:** Hindi, written in the Devanagari script, is the national language, while English is the business language. Twenty-two languages are recognised in the constitution, including Bangla, Gujarati, Hindi and Urdu.

**Religion:** India is secular and all religions are accorded equal status before the law. Religions practised include Hinduism, Islam, Christianity, Sikhism, Buddhism, Jainism, Judaism and Zoroastrianism.

**Indian Standard Time:** GMT + 05:30

**Business hours:** Normal hours are from 9am to 5.30pm, Monday to Friday, but some businesses also work on Saturdays. Banking hours are usually 9am to 3pm, although some branches open until 8pm. Shops are normally open until 9pm six days a week. Sundays are usually the weekly holiday.

**Telephone country code:** +91

**Currency:** Indian Rupee

### TRAVEL

**International airports:** Ahmedabad, Amritsar, Bangalore, Chennai, Dabolim, Guwahati, Hyderabad, Kochi, Kolkata, Mumbai, Nagpur, New Delhi, Srinagar and Thiruvananthapuram.

**Visas:** Britons travelling to India must obtain a visa. Passports are required to be valid for at least six months. Contact the Consulate General of India in Edinburgh at Rutland Square for visas. Foreign nationals arriving in India on long-term, multiple-entry visas are required to register with the nearest Foreigners Regional Registration Officer within 14 days.

**Domestic flights:** Regular airlines include Air India, Jet Airways and Kingfisher Airlines, as well as budget airlines like Air Deccan, Spice Jet, Go Air and Paramount.

**Rail:** There are various types of train from Rajdhani (air-conditioned coaches which run overnight) or Shatabdi (air-conditioned coaches, fast daytime intercity services) to passenger or local trains.

**Bus:** Regular, deluxe and luxury services are run by government agencies and also by private operators.

**Road:** India has the one of the largest road networks in the world (3.34 million km). About 2% are highways/expressways and carry 40% of the traffic. Driving is on the left.



### 1. NEW DELHI

AS the seat of government, New Delhi houses the important offices of the federal government and the Parliament. These institutions, together with numerous historical sites, make the city a major destination for visitors.

With a population of 13.85 million, it owes its vibrant culture to the diversity of peoples, religions, and civilizations past and present, all of which have left their mark. The wide, tree-lined boulevards are the legacy of its architect Edwin Lutyens. The government and the quasi government sector account for much of the workforce, while service industries, including IT, telecommunications, hotels, banking, media, tourism and manufacturing are also key employers.

Construction, power, health and community services and real estate are other key sectors.

With both the Commonwealth Games and first ever Indian Grand Prix on the horizon for 2010, infrastructure upgrades and construction projects abound. But it is the hi-tech, sophisticated export-oriented, small-scale industries that are seen as key to the future industrial development of Delhi.

The transport policy aims to provide eco-friendly, cost-effective and efficient modes of transportation through a multi-modal system. The state government envisages Delhi emerging as a major cyber state with its population of e-citizens.

### 3. MUMBAI

WITH a population of 11.98 million, Mumbai is most famous as the home of Bollywood, the world's largest film-production industry. The capital of Maharashtra, India's largest state, it is the country's financial capital and the economic heart of a state which has achieved average growth of 7% in recent years. It's a city of contrasts with modern art galleries, thriving markets and a beautiful beach, as well as intense traffic and large slum areas.

Mumbai is the corporate HQ of many Indian – and international – companies, while its port handles over half of India's maritime cargo. Maharashtra has always led the country's industrial development and continues to attract the largest

amounts of domestic and foreign investment. The state has established strengths in every sector, including engineering, electronics hardware, automobiles and auto components, consumer durables, chemicals, petrochemicals, pharmaceuticals, textiles, IT and biotechnology. This is backed up with a good infrastructure, excellent educational facilities, quality trained manpower and investment-friendly industrial policies.

Maharashtra is aiming for a service sector growth rate of 12% and industrial growth rate of 10% by 2010. It has the largest share of public funds for the development of industrial and social infrastructure.

### 6. BANGALORE

KNOWN as the Silicon Valley of India, Bangalore is the capital of Karnataka with a population of 6.54 million. The state has been pursuing progressive industrial policies to meet the changing needs of its economy and industry for several years and it has emerged as the knowledge and technology capital of the country.

The state is also strong in biotechnology and has 131 of India's 265 biotech companies. Not only has Bangalore developed into one of India's major economic hubs, it is home to some of the leading

colleges and research institutions and has the second-highest literacy rate in the country.

The vibrant economy, tropical climate and a cosmopolitan lifestyle, make it a popular city to live in. A survey by American Express found Bangalore was home to more than 10,000 individual dollar millionaires. There is an excellent telecommunications network and optical fibre connectivity throughout the state and the Bangalore Metro rapid transit system is expected to be operational by 2011.

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