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Doing Business in China and India – Opportunities and Challenges

Santiago, Chile July 18, 2006

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A Cautionary Note: No one person can be an “expert” on doing business in either of these countries. Things are changing so quickly, experiences differ so greatly and the countries are so vast that it is impossible for a single person to know everything with certainty. Thus, what follows offers only a glimpse of what is possible and offers hints, ideas and suggestions only. Ultimately, you need to check, recheck and check again based on your own unique situation and your own unique goals. Hire an experienced consultant, but do not take his word as gospel. Drawn on his experience, but do not abdicate responsibility. Ultimately, you must decide your own course as you enter these markets. If it feels right, it probably is. If it feels wrong – rethink everything.



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China economy keeps powering ahead

Tuesday, July 18, 2006

Total exports in the first six months of the year surged 25.2 percent.

BEIJING, China (AP) -- Driven by surging exports, China's economic growth accelerated to a stunning 10.9 percent in the first half of this year compared with the same period of 2005, despite efforts to cool off the rapid expansion, the government announced Tuesday.



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Tien An Men June, 1989



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The Strengths and Weaknesses

China and India have radically different economic models. But given their robust, sustained and strong, both are expected to deliver very high growth for decades.

China will remain the manufacturing giant... while India starts in tech and services... India's companies are more profitable... and its banks are in better shape...

Handcapping the Race

China has surged ahead of India... but India's younger work force... and swelling population... will help it catch up

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Surging in Tech Adoption

China and India are the most important growth markets

RESIDENTIAL INTERNET SUBSCRIBERS (MILLIONS OF PEOPLE)

CELLULAR PHONE USERS (MILLIONS OF PEOPLE)

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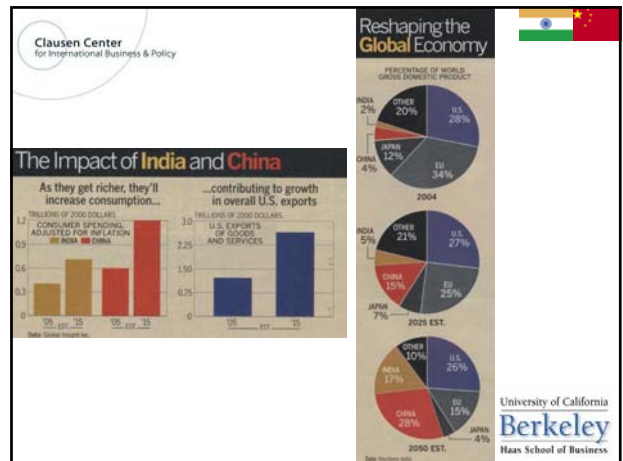
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Opportunity or Challenge ?

China consumes:

- 47% of the world's cement
- 37% of the world's cotton
- 32% of the world's rice
- 30% of the world's coal
- 26% of the world's crude steel
- 21% of the world's aluminum
- 20% of the world's copper
- 16% of the world's wheat
- 8% of the world's oil

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Challenges Facing China

- 6 of the world's 10 most polluted cities are in China
- Acid rain falls on 1/3 of the country
- 80% of China's sewage flows untreated into its waterways
- Contaminated water kills more than 30,000 children per year
- Pollution costs China more than \$54 billion per year

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	China	India	
Population 2002	1,294,400	1,041,100	2
Population 2025	1,445,100	1,369,300	2
Area	9,561,000 km ²	3,287,000 km ²	7
GDP	1,266.1 \$bn	510.2 \$bn	11
Econ. growth	9.3 % / yr 92-02	5.9 % / yr 92-02	16
Exports	4.13% of world	0.88 %	29
Industrial Output	647 \$bn	124 \$bn	12
Global Competitiveness			30
Business Environment			40
Software Piracy	92 %	70 %	15

Source: Economist Intelligence Unit

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	China	India
Population / km ²	135.4	316.7
Population < 15	24.8 %	34.1%
Urban Population	36.7 %	27.9%
Literacy	90.0%	61.3%
People / Household	3.6	5.9
Mobile Telephones / 100	16.1	1.2
Computers / 100	2.8	0.7
Agriculture % total empl.	50 %	67 %
Industry % total empl.	23 %	12 %

Source: Economist Intelligence Unit

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The World's Premier Sourcing Marketplace

Company	Industry	Year	China Sourcing (US\$ bn)
Best Buy	Retail (electronics)	2004	1.0
Ford	Automotive	2004	1.0
IKEA	Retail (furniture)	2004	1.0
Electrolux	Appliances	2003	1.2
Philips	Electronics	2005	2.2
Carrefour	Retail	2004	2.2
Motorola	Telecom	2003	2.8
General Electric	Manufacturing	2005	5.0
Walmart	Retail	2004	18.0

Source: Deloitte Development LLC.

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The 2008 Summer Olympic Games will be hosted by Beijing. The entire city is under construction.

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- At present, there are more than 1,000 KFC restaurants in China.
- They are increasing at annual rate of 200.
- A new KFC restaurant opens every other day.

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- Since 2001, KFC has introduced many Chinese items in their menus.
- Preserved Sichuan Pickle and Shredded Pork Soup
- Consumers felt their traditions were being respected when they could taste Chinese cuisine at a foreign restaurant.
- Mushroom Rice, Tomato and Egg Soup, and Traditional Peking Chicken Roll were added to the menu.
- KFC also serves packets of Happy French Fry Shakes that contain beef, orange and Uyghur barbecue spices.

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India's first KFC opened in 1995.



The company had the advantage of its world wide famous brand when it entered India.

But its growth was halted because of the problems in their product concept.

Its food exceeded the legal limits for the additive MSG and also they were using a beef extract in the chicken.

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KFC doesn't want to alienate the country "that gave birth to the vegetarian menu".

KFC offers a wide range of vegetarian products such as:

- the paneer tikka wrap 'n' roll
- the veg de-lite burger
- veg crispy burger
- crisp golden veg fingers
- crunchy golden fries served with tangy sauces
- peppery rice
- spice curry.
- The mayonnaise and sauces don't have egg in them.

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- The vegetarian menu in India came about when KFC learned that about 35% of Indians are vegetarian - in urban areas such as Delhi and Mumbai, almost 50%.
- The non-vegetarian is the obvious target customer because Bangalore and the rest of south India have over 70 per cent non-vegetarians.
- But chicken is KFC's strength.

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- KFC's vegetarian menu is almost exclusive to India
- A vegetarian menu has made the brand more relevant to a wider cross-section of the consumer society
- While the vegetarian menu has a significant presence in India, KFC's chicken products are also modified in certain regards to suit local tastes. The original chicken is based on a standard recipe. This "brand standard" chicken will taste the same in New York or Bangalore, but the sauce or topping is changed.

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The KFC menu strategy is to "**balance standardization and localization**". - to modify a standard chicken product with a different topping or sauce; and to have a vegetarian menu, where necessary, along with the flagship product, chicken. Asian markets like India have been more experimental and adventurous. Here, they have rice meals, wraps, and sides.

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Having arrived on the mainland in the early 1990s, McDonald's has more than 600 restaurants in nearly 100 cities.

China's McDonald's have grown at a rate of 100 restaurants per year.

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McDonald's Vegetable and Seafood Soup and Corn Soup were introduced, and the company worked to modify the restaurants' design.

During the 2004 Spring Festival, McDonald's on Beijing's Wangfujing Street attracted many people with a traditional Chinese look, decorating their interiors with paper-cuts of the Chinese character Fu (Happiness), magpies and twin fishes, all auspicious symbols.

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Some customers complained that (American) fast food was not as good as their Chinese cuisine, and that it lacked variety. McDonald's and KFC restaurants were almost empty during the traditional celebrations of Spring Festival and Mid-autumn Festival, while Chinese restaurants were full to overflowing. The reason? Cultural differences. Eating styles.

Fast food restaurants like KFC and McDonald's are distinct American brands.

American corporate culture could not be understood or accepted here, especially in the restaurant field, where culture plays a crucial role.

An inter-cultural management mode, with American business culture at the core, supplemented by Chinese traditional culture, had to be developed.

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McDonald's opened its doors in India in October 1996. They now have restaurants in Mumbai, Delhi, Pune, Ahmedabad, Vadodara, Ludhiana, Jaipur, Noida Faridabad, Doraha, Manesar and Gurgaon.


McDonald's in India is actually two 50-50 joint venture partnerships between McDonald's Corporation [USA] and two Indian businessmen.

Amit Jaitia's company Harcastle Restaurants Pvt. Ltd. owns and operates McDonald's restaurants in Western India.

Connaught Plaza Restaurants Pvt. Ltd headed by Vikram Bakshi owns and operates the Northern operations.

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"McDonald's India has developed a special menu with vegetarian selections to suit Indian tastes and preferences.
McDonald's does not offer any beef or pork items in India. Only the freshest chicken, fish and vegetable products find their way into their Indian restaurants.

They re-formulated some of their products using spices favoured by Indians. Among these are McVeggie™ burger, McAloo Tikki™ burger, Veg. Pizza McPuff™ and Chicken McGrill™ burger. They also created eggless sandwich sauces for vegetarian customers. Even the soft serves and McShakes™ are egg-less, offering a larger variety to vegetarian consumers."

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McCurry Pan™

Veg McCurry Pan™
[Broccoli 'n' Mushroom]
A rich Béchamel eggless sauce mixed with exotic vegetables like broccoli, baby corn, mushrooms, red capsicum and freshly baked on rectangular spiced bread with a cheese topping.

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McAloo Tikki™

McAloo Tikki™
Fried breaded potato & peas patty that is flavoured with a special spice mix, fresh tomato slices, onion, and veg. tomato mayonnaise between toasted buns.

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McDelivery
11:00 am to 11:00 pm
McDonald's India is one of the few countries that provides a home delivery service. In Western India, this service is currently available at select localities All you have to do is dial our telephone number - 2851-6666 and place your order. There is no restriction on the minimum order for home delivery, however there is a fee of **Rs 15 per order** as delivery charges, irrespective of the size of the order. The restaurants will deliver to neighbourhoods which are up to 10 minutes away by road.

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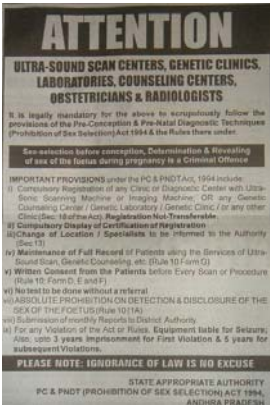




McDonald's in Western India joined hands with The Nalanda Foundation to support education of the girl-child. **Research shows that even today, in India, the girl-child is less favoured than a boy. Thus she is deprived of many benefits, which should rightfully be hers.**

The Nalanda Foundation is working towards improving the situation of the Girl-Child by providing her with all the benefits and privileges that she deserves.



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More Chinese women are using fertility treatments to get around China's one-child limit, resulting in increasing numbers of multiple births. The main pediatric hospital in Nanjing recorded 90 births of twins or triplets last year, up from an average of 20 in past years, the China Daily said. CNN February 14, 2006


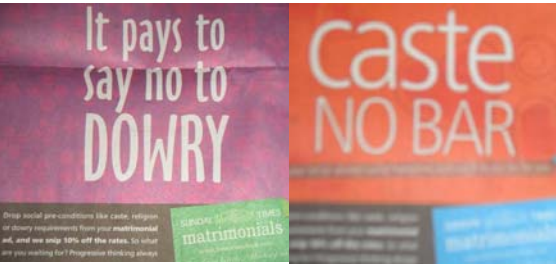
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Both India and China are still small players in terms of domestic coffee consumption. China has one of the world's smallest coffee markets whereas India ranks 36th out of 53 nations with the most sales of packaged coffee, according to market research firm A C Nielsen. The United States tops the list, followed by Germany, France, Japan and Italy. (Finland is actually the country with the highest, per capita, coffee consumption in the world.)

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Beijing – 47 stores
Shanghai – 57 stores
Hong Kong – 34 stores
All China – close to 400 stores

While the opportunities are great, China presents many logistical and staffing challenges.

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At a price of 22 renminbi (\$2.65), even a medium latté takes a bite out of the monthly disposable income of an average three-person Shanghainese household: about \$143 in April 2003.

Starbucks has no plans to cut prices, and says that, in a Shanghai survey, most of its customers said they were happy with the charges.

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BEIJING, CHINA; September 19, 2005 – In recognition of China's long and rich tradition of placing an importance on education, Starbucks Coffee Company today announced the establishment of the Starbucks China Education Project, a US\$5 million (approximately 40 million renminbi) commitment to support educational programs in China.

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Starbucks opened its first store in China in 1999 and now has more than 400 in the country. The company enjoyed its fastest year of growth in China last year, helped by Beijing's lifting of restrictions on foreign retailers.

The company is now moving into second-tier cities such as Shenyang in the northeast and Chengdu in the western part of the country.

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Starbucks Takes To The Courts In China.
In the land of tea, the world's best-known coffee chain is going to court to protect its name.

Seattle-based Starbucks Corp. sued a competitor in Shanghai over use of their shared Chinese name.

Starbucks said it filed the lawsuit on Dec. 23, 2003 against the **Shanghai Xingbake** coffee shop chain for trademark infringement after it was unable to settle out of court.

Both companies use the same three Chinese characters in their names - "Xingbake." In Chinese, "xing" means "star" and "bake" (bah-kuh) is a phonetic rendition of "bucks."

The other company, Shanghai Xingbake, claims the name was registered as its company name, rather than as a trademark, making Starbucks' complaint invalid.

A Chinese court ordered Shanghai Xingbake Coffee Co. Ltd. to pay about \$61,900 to Starbucks for copyright infringement earlier this year.

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"Our point of entry in China was different. Consumers were not initially drawn to Starbucks for the coffee but for the opportunity to socialize outside of the home," said Christine Day, president of Starbucks Asia Pacific Group.


"India is a tea-based culture. We're not saying coffee is a substitute. We're saying Starbucks is a place to hang out, to eat and drink, to see and be seen."

Starbucks captured a niche market early in China.

It's a slightly different story in India, where a coffee revolution has been quietly brewing and the retailer may already have lost the first-mover advantage.

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But maybe not for another two to three years, according to Martin Coles, president of Starbucks Coffee International.

"India is an important long-term growth opportunity in the Asia/Pacific region," said Coles. "We're approaching the Indian market in a thoughtful way and it's important for us to be observers of the Indian market first."

Until the late 1990's coffee drinking in India was restricted to the intellectual, the South Indian traditionalist and the five star coffee shop visitor. (CCD web site)

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Industry reports suggest that India's gourmet coffee market holds the potential for 5,000 cafes over the next 5 years.


New Delhi-based **Barista Coffee Company** opened its first "coffee bar" in India four years ago. Today it operates 130 cafes, around the country, which bear an uncanny resemblance to Starbucks.



Barista is partly owned by Tata coffee

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Café Coffee Day, a division of India's largest coffee conglomerate, Amalgamated Bean Coffee Trading Company Ltd., pioneered the café concept in India in 1996 by opening its first café at Brigade Road in Bangalore.

From a handful of cafés in six cities in the first 5 years, CCD has become India's largest and premier retail chain of cafes with 268 cafes in 62 cities around the country.

Enthusied by its success in India, CCD plans to open a chain of 50 cafes overseas in 10 cities of Middle East, Eastern Europe, Eurasia, Egypt and South East Asia.

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Unlike its domestic approach, where its stores are largely company-owned, government regulations in India would require Starbucks to either form joint ventures with local players or create franchise operations.

Apparently that's not an issue, said Coles, since the company faced a similar hurdle in China and opted for the joint venture route.

For critics who say a \$3.50 cup of Starbucks coffee is unlikely to win over fans immediately in a country where the average per capita income per month among India's vast middle class population is about \$680 a month - well -- Barista has proven that's not the case.

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China - Opportunity



- Retail sales, an increasingly important driver for growth, climbed 12.9 percent year-on-year to 6.7 trillion yuan (\$831 billion), the (China) Statistics Bureau reported.
- The consumer price index, China's main gauge of inflation, rose 1.8 percent.

Source: CNN January 25, 2006

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Walmart Super Center in Chongqing




The foods section offers snails, live frogs and chickens prepared in various styles



Lay's potato chips with flavours such as: Green Tea, Spicy Crab, Cool Cucumber, Peking duck

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WAL-MART®
ALWAYS LOW PRICES *Always!*

WAL-MART IN CHINA

- Opened first Wal-Mart supercenter in Shenzhen in 1996.
- Currently operates 56 stores in China, including supercenters and Sam's Clubs in more than 22 cities
- Employs more than 25,000 associates
- In 2004, Wal-Mart purchased about \$10B in goods from China



Street markets continue to be a major competitor

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WAL-MART®
ALWAYS LOW PRICES *Always!*

- Walmart (US) has 56 stores in China
- Carrefour (France) already has more than 240 supermarkets and discount stores
- Tesco (UK) operates about 50 "hypermarkets" -- typically between 120,000 to 140,000 square feet -- in partnership with China's Hymall grocery store chain. Tesco plans to open 15 new stores in 2006
- Metro (Germany) has 30 discount, cash-only stores in China. The company plans 6 to 8 news stores a year over the next three to four years.
- domestic supermarket chains like WuMart or the Lianhua Supermarket Co. are major players

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物美 WU MART




Wumart Group, a non-state-owned enterprise, is a retail chain store operator in Beijing. It is principally engaged in the operation and management of hypermarkets, supermarkets and convenience stores in Beijing, Tianjin and Hebei, with a view to providing a comprehensive range of merchandise to cater for the daily needs of the general public.

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Reuters, May 6, 2005
BOMBAY : The international president of Wal-Mart Stores Inc., the world's largest retailer, is scheduled to visit India next week amid signs the government may soon lift a ban on foreign investment in the retail industry. The Bentonville, Arkansas-based group has no stores in India, **where foreign retailers are only allowed to set up joint ventures or wholesale operations.** But Wal-Mart buys apparel, home textiles and accessories from India.

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Said Menzer, "India represents a \$250 billion retail market, growing 7.2 percent a year, but modern retailing is just starting to emerge.
But it's not without some challenges - the supply chain is still very weak in India.

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Retail Challenges in India

- More than 76 % of the Indian Economy is rural (71% farmers)
- 93% of all workers work outside of the formal sector
- 7% in formal sector – but **half** of these in government!
- 56 cities with populations over 1 million
- 98.3 % of retail sales in "mom & Pop" type outlets
- 12 million outlets with average sales of 350 IR/day (\$7.00 USD) each (supermarkets have average sales of IR 2 million/day each)

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India is Wal-Mart's **fastest growing sourcing market.** The world's largest retailer (2005) this year expects to export \$1.5 billion worth of merchandise to Wal-Mart stores from the country.

Wal-Mart already has over 2,000 stores worldwide, including 56 stores in China. Its only presence in India is through its sourcing office located in Bangalore.

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Regulatory hurdles, which bar international retailers from directly entering the Indian market, have thus far stymied its plans to set up shop in the country.
If the FDI regulations aren't lifted soon, Wal-Mart is prepared to make its foray into India with an Indian joint-venture partner to "take advantage of this market while it's still developing."
"The average urban household income in India is about \$3,000 a year, roughly in line with China, and the consuming class has grown from 35 million families in 1996 to an expected 80 million this year.
"This is a very big opportunity for us."

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In a significant step toward opening its retail market to outside competition, India will allow "single-brand" retailers such as Reebok and Nike to own 51 percent of their business operations in India.

India's cabinet relaxed the stringent foreign direct investment (FDI) regulations only for those overseas retailers that sell their own merchandise. The move would preclude big-box merchants like Wal-Mart because the it sells a large number of brands in its stores. Wal-Mart executives have made no secret of the fact that they would like to open in India as soon as possible.

India's FDI regulations, which bar international retailers from directly entering the Indian market, have thus far stymied its plans. (apply to Starbucks?)

The Wall Street Journal, January 25, 2006

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Reliance Industries, India's largest petroleum and refining group, recently unveiled plans to invest up to \$5bn in creating a chain of hypermarkets and back-up retail services to transform the country's retail sector.



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When Ikea arrived in China in 1998, it was regarded as an expensive Western brand. But it soon changed its strategy and lowered prices, based on China's huge market potential and Ikea's cost saving efforts.

The strategy paid off. Although prices dropped about 10 percent, sales rose by 35 percent last year and 50 percent during the first quarter of this year.

Store locations, instead of suburban, were made more central and the DIY aspect was played down.

China is the top purchasing source for the multinational in the 2003 fiscal year, as 18 percent of Ikea's sourcing was done in China.

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China (3 stores) 1998

Beijing	1998	15,400 m ²
Shanghai	2003	32,000 m ²
Guangzhou	2005	15,000 m ²

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"We expect Ikea China will be among the top five before 2020, taking into account the rapid economic development of the nation, its surging gross domestic product (GDP) and people's increasing living standards," said Duffy, president of Ikea China.

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China's timber imports are rising rapidly, with China now consuming over 130 million cubic meters of timber annually.

Work done by World Wildlife Fund and partners shows that in 2003 there was a deficit of **75 million m³** annually in the wood China uses to meet its domestic needs and export industry demand.

This deficit will have to be met by wood sourced from elsewhere, for example from the Russian Far East, Canada and perhaps *Chile*.

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Science and Industrial Parks




China - Singapore
Suzhou Industrial Park
www.sipzoo.gov.cn

New & Hi-Tech Industrial Development Zone
SND
BEIJING - THE SECRETARY'S OFFICE

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Anti-corruption anonymous informant box at Haidian Science Park

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China's H-P?

The Lenovo (formerly Legend) Group's first office –the mail room at the Chinese Academy of Sciences



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China, India attracting offshore R&D

- Corporations drawn not only by lower costs but also by opportunity to work with universities.
- A survey of more than 200 multinational companies, mostly headquartered in the United States and Western Europe, in 15 industries.
- More than half of the U.S. companies in the study said they had either recently expanded or planned to locate research facilities in China and India.
- one-fifth of the European companies surveyed by the study said they planned on expanding or locating new R&D facilities to the U.S.
- companies are still keeping their most cutting-edge research in developed countries - only 22 percent of research in emerging markets devoted to new science.

CNN February 16, 2006

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China Opportunities

China's economy grew by a robust 9.9 percent in 2005, the government said Wednesday (January 25), slightly exceeding earlier unofficial estimates. Growth in 2004 was 10.1 percent. China recently revised that 2004 figure upward from 9.5 percent based on an economic census that uncovered much larger than expected growth in the services sector.

Source: CNN January 25, 2006

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Challenges Facing China

China has reported 70,000 new people were infected with HIV last year, while a total of 650,000 were living with the virus, numbers that international health organizations say show the country's AIDS epidemic is still dire.

The figures were released January 25 in a joint statement by China's Health Ministry, the World Health Organization and the United Nations' AIDS agency.

The U.N. AIDS agency has estimated that that up to 10 million could be infected by 2010 without more aggressive prevention measures.

Source: CNN January 24, 2006

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Challenges Facing China

- Migrant workers in south China are wearing adult diapers on packed trains heading home for the Lunar New Year holiday because they have no access to a toilet, state media said on Tuesday.
- About 120 million peasants from China's vast rural areas swarm the cities for work and all try to make it home for the holiday, filling all standing room on trains and making access to the toilet impossible during trips often lasting 24 hours or more.

Source: CNN January 24, 2006

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Challenges Facing China

- Online search engine leader Google Inc. has agreed to censor its results in China, adhering to the country's free-speech restrictions in return for better access in the Internet's fastest growing market.
- The Mountain View, Calif.-based company planned to roll out a new version of its search engine bearing China's Web suffix ".cn," on Wednesday. A Chinese-language version of Google's search engine has previously been available through the company's dot-com address in the United States.
- By creating a unique address for China, Google hopes to make its search engine more widely available and easier to use in the world's most populous country.
- Because of government barriers set up to suppress information, Google's China users previously have been blocked from using the search engine or encountered lengthy delays in response time.

Source: CNN January 25, 2006

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Challenges Facing China



- For Ray Ma, freedom on the open road means riding his Harley-Davidson motorcycle behind two police cars through the Chinese countryside.
- The 53-year-old Hong Kong dental surgeon and members of his 35-bike riding group had to pay 10,000 Hong Kong dollars (\$1,290) per bike in **escort and paperwork fees** last fall to make their trip to Guilin city a reality.
- some 170 Chinese cities limit or ban motorcycle use or ownership, largely because they are viewed as underpowered, cheap, polluting machines that clog traffic and endanger others.
- "We are not encouraging motorcycle use," said Miss Huang, who only gave her surname, a spokeswoman for the police force's Shanghai Public Security Policy Consultation Office.
- Motorcycles have been banned from almost all the main streets in Shanghai, Huang said, and the city stopped accepting motorcycle registrations in 2002.

Source: CNN January 25, 2006

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U. S. China Trade



"... there is concern that the U.S.-China trade relationship lacks balance in opportunity, as well as equity and durability, with China's focus on export growth and developing domestic industries not being matched by a comparable focus on fulfilling market opening commitments and on the protection of intellectual property and internationally recognized labor rights," USTR said in a long-awaited top-to-bottom review of trade relations with China

CNN February 14, 2006

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China in Africa

- China, the world's second-largest energy consumer, now imports about 28 percent of its oil and gas from sub-Saharan Africa, compared with about 15 percent for the U.S.
- China's leading energy companies -- Sinopec, China National Petroleum Corp., and CNOOC -- have completed oil contracts from Equatorial Guinea to Algeria to Angola.
- "The U.S. will talk to you about governance, about efficiency, about security, about the environment," says Mustafa Bello, head of the Nigerian Investment Promotion Commission. "The Chinese just ask, 'How do we procure this license?'"

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China in Africa

- China has become the biggest foreign investor in Zimbabwe.
- Zimbabwe is the world's second-largest exporter of platinum, a key import for China's auto industry.
- Chinese radio-jamming devices block Zimbabwe's dissident broadcasts.
- Chinese workers built Mugabe's new \$9 million home, featuring a blue-tiled roof donated by the Chinese government.
- China supplied Mugabe with fighter jets and troop carriers worth about \$240 million, in exchange for gold and tobacco.
- China has also agreed to sell armaments to Nigeria -- \$251 million worth of Chinese fighter jets, financed by China's Exim Bank -- and satellite technology provided by defense contractor Norinco.

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India in Europe

India's drug industry is making a series of increasingly ambitious overseas acquisitions, and analysts expect more to come as companies seek greater scale in generics.

Dr. Reddy's Laboratories Ltd. (February 16, 2005) announced the biggest acquisition by an Indian drug firm, agreeing to pay up to 480 million euros (\$572 million) for German generic drug maker Betapharm.

Cheap generic -- or unpatented -- medicines are increasingly popular, as governments seek to cut costs and more branded blockbuster drugs lose patent protection. But prices are under pressure, obliging manufacturers to seek economies of scale.

Indian firms, with their low production costs, are well placed to win share in these tough international markets. They are still heading first for the United States but they are taking much more interest in Europe now.

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**“All people are the same. It is only
their habits that are different.”**

Confucius

“Let my house not be walled on four sides, let all
the windows be open, let all the cultures blow in,
but let no culture blow me off my feet.”

Mahatma Gandhi



Thank you

Questions?