



## Thinking Export? Think India

I have spent many hours over the years playing cricket. I was always struck by the old maxim “attack is the best form of defence”. It’s surprising that more often than not this strategy has worked, although not well enough to elevate me to the lofty heights of the Black Caps!

Given the recession, most boards will have reviewed their strategies. The defensive approach is to focus on cost reductions and try to weather the bad times. The attacking approach is to aggressively seek new markets and sales. One option for the ‘front foot’ player is to consider the huge opportunities that India offers.

India is one of the emerging superpowers of the 21st century, with a growth rate over 6% even during the global downturn. Already the world’s fourth largest economy, with a growing middle class of around 200 million, India is set to be one of the most vibrant markets for decades to come. India has been less affected by the recession than other nations, due to her dynamic internal economy, focus on cash and lack of appetite for complex financial arrangements that have dogged the west.

While doing business anywhere can be tricky, especially in Asia, India has the advantage of being the world’s largest democracy, with a well-established British-based legal system, English as the language of business and a passion for cricket. India is also entering negotiations with New Zealand over a Free Trade Agreement.

Despite all this, our exports to India have not kept pace with the growth of exports to other countries and commodities are

still over-represented. This is at a time when India is consuming higher-value goods and services that New Zealand is well placed to provide.

Of course, India is a complex place and it can be a mistake to think of it as ‘one market’. Even though India is a federation of states, it is more akin to the European Union than Australia, given the business, cultural and language differences across the country. It comprises regional and city markets. Several major cities, including Mumbai, have ten million consumers and 100,000 plus businesses. It is critical therefore to get a clear idea of the market you wish to target.

The vibrancy and complexity of the Indian market may seem daunting at first, but again, due to its sheer size, it offers a massive potential market for New Zealand, even if we can only capture a small slice of it. The best way to do this is to engage directly with Indian businesses, which are generally outward-looking and willing to share their local expertise if they can see a sustained benefit to themselves.

However, it is important to understand the cultural context. Indian business is conducted on a social foundation which emphasises collectivism, hierarchy and long-term social bonds. It may seem as if these would be

antithetical to a hungry competitive business culture, but in fact they work to foster the trust and partnerships from which long-run rewards flow.

Any serious effort will require a sustained amount of energy and discovery over a long period of time. But here are three things which would be an excellent start:

1. Take time to understand your target market including the cultural underpinnings. Indians will be far more hospitable to those who know more about their nation than what they have gathered from *Slumdog Millionaire*.
2. Take a long-term view of the market and make it clear in your overtures to businesses that an ongoing partnership is desired. This sends the message that Kiwi business has the passion to succeed in India.
3. Success in India hinges on establishing good contacts and learning from others with experience. Joining the India-New Zealand Business Council would be a good step to building the relationships you need.

So, India, the land of opportunity, awaits you. And they play attacking cricket! 🏏

**Hon Paul Swain is a director of India Horizonz Limited**