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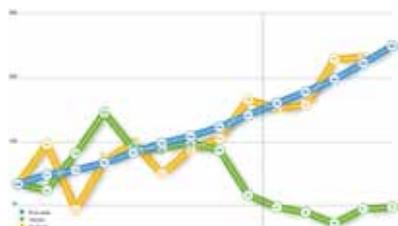
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An Essential Challenge

by Ettore Mazzotti

India is like an incredible, life-sized kaleidoscope, where Pune gives one of the clearest views of the general situation. The city's verdant hills, 130 kilometers south-east of Mumbai, used to be the rich's favorite summer retreat, allowing a break from the heat of the metropolis. Yet today its two districts, Baramati and Chaka, have become the realms of real estate developers and of food and automotive multinationals from all around the world. It hosts hundreds of factories, serving brands as General Electric, Coca Cola, Ferrero and Mahindra, where all involved parties – including all-size subcontractors, down to the smallest family business – work 6 days per week, three to four six-hour shifts, with no lunch breaks. Commuting takes 2 to 3 hours a day, and despite the surge in real estate development, half of the buildings remain empty. Public infrastructures are in critical conditions, in particular communication ones – in dire need for an upgrade following the steep increase in mobile phones usage, so much that a fixed lines revival was necessary to start making decent phone calls again. Air quality levels are at an all-time low, as reported by the local weather forecasts. Who would ever want to work under such conditions, if it weren't for a yearly production and sales growth of 25-30% on average? "India is a very big ship that's about to sail, so I cannot imagine how anyone would want to miss it," says a successful Italian manager, working in India for years. Quite the bet turned lucky: today there are over 600 Italian companies plus 200 operative sites on the territory, reaping the be-

nefits of a years-old bold decision. All of it despite the enormous contradictions – with annexed collapse risks – Pune and other Indian realities have started to let on, walking a tightrope between the need for development and for sustainability (quality of life), between innovative technologies and backwardness, and between some rich's excessive private spending and the need for public investments. Yet if the size

finance. Thus his company, counting on 12 thousand employees, managed to aggregate three million Indians, and has been listed in the Mumbai stock exchange for six months now, while supported by all major institutional investors in the world. Again, it is quite fascinating observing the effects of the Aadhaar program, the result of the Modi government's intense push to digitalization. In 2016 the initiative gave a 12-digit (plus chip) digital identity to one billion Indians, thus leading them to promptly open 200 million new bank accounts. As some of the more sensible observers may have already noticed, it also affects Millennials – young people between 15 and 24 years old, a section of the population made of 250 million individuals – whose habit of using mobile technologies will be the backbone of consumption influences and drives. And also because they register the highest incomes, since they ride the best responsibility horses in the Make in India race. The analysis is approximate yet convincing, as 30% yearly growth in purchasing volumes is giving businesses like denim manufacturer and managers of e-commerce platforms a tangible proof.

All this makes it for the backbone of the analysts' statement: leaving all the macro data out, as it is favorable yet unstable, it is safe to say that the Indian elephant has started running, ignoring all duties and international tensions – mainly focused on what will happen to computer science in Bangalore and Chennai, in the automotive industry in Pune, and in agriculture in the north of the country. So why not following in the slipstream?

THE NEXT RELEASES



of all concurrent problems can have the brain-scan of Western rationality go flat, people from the East know how to approach things in a very different way – through a rather pragmatic analysis of events and opportunities, giving back a much more encouraging overview. So Paolo Brinchetti learnt from the masters and applied this predictive strategy to his microcredit project, betting on what's unanimously considered the segment with the brightest future in

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INDIA TODAY

by Pier Paolo Albricci, Milena Bello, Martina Mazzotti

THE BUSINESSMAN OF THE YEAR

With a Wallet in His Hands

Vijay Shekhar Sharma, 40, over 2 billion dollars of assets, a self-made man who started from nothing

He is only 40, but he is already doing business with Warren Buffett, Jack Ma (Alibaba) and Masayoshi Son (Softbank). According to Forbes, his personal fortune in 2017 exceeded the \$ 2 billion. A walking and talking revolution since birth. Of modest origins, he comes from Aligarh, a small town in northern India, and couldn't even afford two meals a day while studying. An entrepreneur with the broadest of smiles, brilliant yet never patronizing, and definitely the type to show up at meetings wearing denim and a t-shirt. Vijay Shekhar Sharma is the creator of Wallet PayTM, a payment platform and electronic purse worth 10 billion dollars. At the age of 15, two high school promotions allowed him to enroll at the Delhi College of Engineering, where



Vijay Shekhar Sharma

he soon understood it would have been impossible to achieve his plans by speaking only Hindi. So he took an English dictionary and started studying. And when he couldn't find the money to move to the already-legendary Silicon Valley, he decided he was going to build everything himself. At 20, he launched Indiasite.net, followed two years later by One97 Communications, offering different mobile contents including news, cricket scores, and ringtones. It was thanks to One97 that, in 2010, he could come up with the idea for PayTM – a payment system easily accessible from smartphones and QR-code activated, enabling the user to buy anything, even a 20 cents cup of tea. The boom came at the end of 2016 with the overnight government decision to withdraw India's most used notes, the 500 and the 1,000 rupee ones. Then there was the 2017 jump in the B2C with PayTM Mall, competing against Flipkart and Amazon giants. Thanks to the 300 million registered users, Buffett's Berkshire Hathaway invested 300 million dollars in the Sharma company, supporting Alibaba – a 40% shareholder since 2015 through its Ant Financial Services, and Softbank, holding a 14%, through a 1,4 billion dollars investment.

THE DEAL OF THE YEAR

Nerves of Steel

Those Mittals from Calcutta, the new owners of Ilva-Taranto

«**T**hey showed extraordinary mediation and endurance skills. They personally browsed every possible solution and, in the end, the one who rounded it off with Di Maio was Lakshmi». Francesco Gianni, business lawyer and founder of his namesake law firm, spent the last four years representing the Arcelor Mittal group in one of the most important industrial and financial negotiation ever conducted between Italy and India. Finally, the world's leading steel group could put its own signs up at the Ilva in Taranto last year, on November 1st. The Mittal family,



Lakshmi Mittal with his son Aditya, 42, CEO of Arcelor Mittal Europe



Francesco Gianni

resident in London for some time, made its first offer back at the beginning of 2015, and they could wrap everything up only last September. «It was a good lesson in entrepreneurial vision, supported by a great industrial competence,» added Gianni. Lakshmi Mittal, 68, was born in Rajasthan (Western India), but his family is from Calcutta, hometown of the steel industry. He founded his first steel mill in his early twenties in Indonesia, and started building his career from there. All the steel plants he bought and renovated around the world, including those in the United States, benefited from his aptitude to innovation and efficiency, leading him to become a steel world leader in the early 2000s – acquiring, of course, an immense wealth as well. In 2017, AM had a turnover of \$ 67.8 billion and produced 93 million tons of steel.

TREND

Football is Right on Cricket's Tail

Seems like football has become the second most popular sport in India, with a huge following in some states of the Union, and placing just after cricket. The Indian Super League keeps bringing foreign players and trainers in, increasing its technical ratio. The big English, German and Spanish clubs – including Barcelona, Real Madrid, and Arsenal – are already opening football schools, looking for sponsors, and making their brand known to future fans. Italy is still in its approach phase. Indian BKT Tires, \$ 850 million of turnover in the production of special tires, took the first step, while Lucia Salmaso, leading the European business, decided to sponsor the B series – rather, the BKT series, if last year's contract



Lucia Salmaso and a free-style football exhibition sponsored by BKT



is anything to go by. Milan and Verona football teams have also requested for Stefano Boldorini's WINH to investigate the opportunities offered by the

new market, where strong growth is expected both for companies trading in sport infrastructure products, as well as for those active in business-to-consumer

products. Not to mention that even these sectors seem to interest the Italian companies, which are now working to enter the Indian market.

MICRO-CREDIT

How Much It Pays to Lend to the Poor

The exceptional growth of Credit Access, listed on the Mumbai stock exchange last August

Together with the Credit Access Grameen brand, inspired by the Grameen bank founder and Nobel prize Mohammad Yunus, Italy's microfinance debuted at the Mumbai stock exchange last August. The



Left, Paolo Brichetti and a micro-credit meeting in a Indian village

merit goes to Credit Access' founder and number one man, leading an organization providing over 3 million customers in India and Southeast Asia with microcredit – unsecured loans on existing assets from a minimum of 100 to a maximum of 5 thousand dollars, repayable over 2-3 years. The organization, launched in 2008 by Brichetti – first active in Altroconsumo and then in venture capitals with Microventures – has its main place of business in India, where it serves 2.5 million customers in 1,000 branches; its jobs flow grows at 50% per year, while its last year's profit was of 14% and is expected to reach 20% when

fully operational. In its efforts to collect the \$ 150 million needed to finance rapid development, including Indonesia and the Philippines, the Mumbai Stock Exchange felt as the natural choice. The roadshow, managed by Credit Suisse, the Indian Kotak bank and ICICI, hosted over 200 institutional investors, mainly Americans and Asians and no more than 4-5 Europeans, which eventually signed for the issuing of new shares for an amount 2.2 times higher than the offer. Individual subscriptions were over 200 thousand. «So far we have grown organically and at incredibly high rates, but with the capital raised on the stock exchange, we will aim higher,» Brichetti explained to MFI. Even though the latter had Udaya Kumar, formerly Barclays, take the CEO chair and the following direct responsibility of the Indian business, allowing himself to focus on development programs, he still kept supporting him with management. «We are working on three strategic frontlines,» announced Brichetti. The first one regards the possible acquisition of competitors both in India and in Indonesia, already identified. The second aims at launching a microinsurance company, initially focused on life insurances. The third one is the diversification of the business through new products, in the first place co-housing, that is the realization of housing units, in the crowded metropolises of Asia, for young middle-class people.

A ZERO-RISK PUBLIC COMPANY

Credit Access is de facto a public company, where two new institutional investors – the Asian Development Bank with 9%, and the US Olympus Asia, a private equity fund, with 27% – have joined the initial nucleus of Italian shareholders, including those family offices and big moneys gathered by Paolo Brichetti. The secret behind its business

model's success relies in funding capitals for small family businesses and for workers with no access to the banking system – ultimately, the best types of repayers. The quality of the credit provided by Credit Access boasts a 1% bad loans rate, dropping to 0.5% in India, and confirming what all wise bankers know: the risk is lower in lending money to the poor.

FLASH

A Cappuccino with Birla

«The small appliances market is experiencing a significant growth, and India holds the potential to enter our foreign markets' top10». Tunc Gencoglu, vice president of De'Longhi, head



De'Longhi Eletta

of Middle Eastern and India markets, announced the Indian partnership with Orient Electric, part of the CK Birla group. The company has a 1.8 billion dollars in turnover, and is active in automotive technologies, constructions, healthcare, and education. Orient Electric will become the exclusive distributor of De'Longhi, Kenwood, and Braun products in the country. A possible first step toward the opening of a production plant, seizing the opportunities offered by Make in India.

A Journey on Myntra

In the end they chose to focus on Myntra, the vertical platform of the Flipkart group in the fashion and accessories sector. The managers of the Pianoforte group that controls Carpisa, an accessories and travel brand, is getting ready to make their debut on the Indian e-commerce market – an ideal target for their products. Myntra, founded in 2007 by Mukesh Bansai, and acquired by Flipkart in 2014, reached its success by gaining customer loyalty through its marketplace model – initially selling customized products, T-shirts, mugs, mousepad, and then exploiting the space to introduce its own brands.



A Carpisa trolley

Fila Together with NBNW

Founded in Biella at the beginning of the 20th century, the sportswear brand managed to turn global thanks to its new owner Korean designer Gene Yoon, and generates today a 2 billion turnover. And Norblack Norwhite, one of the youngest and most successful streetwear brands in fashion, is now getting ready to have Fila land in India. NBNW was launched ten years ago by Mriga Kapadiya and Amrit Kumar after they left Canada, where they grew up, to rediscover their Indian roots. Fila, linked above all to



Kiki Bertens, 27, from Netherlands

the world of tennis, where it introduced color in the seventies, is the sponsor of Kiki Bertens, the 27yo Dutch tennis player, number 9 in the world in the WTA ranking.

CHARITY

Here, Business is Good for Children

The initiatives of Ferrero, Bonfiglioli and Binda to provide education and future for street children

Many of the Italian companies operating in India have children as the main recipients of their charity activities. The Bonfiglioli of Calderara (Bologna) established the Cheer Future Land association for the construction and management of two shelters in Chennai (Tamil Nadu); the first one opened



Sonia Bonfiglioli among the children of Cheer Future Land. Left, Giovanni Ferrero and, above, the kindergarten at Baramati by Ferrero

its doors in 2010 to all youth, while the second one, completed last year, welcomed 50 young girls. «Thanks to Cheer Future Land, over 80 youth had the opportunity to access education and to receive training for facing future challenges,» explained president and CEO Sonia Bonfiglioli. «We also want to offer practical help to the most vulnerable sections of the Indian population, and actively promote awareness for the need of a culture of social sensitivity,» said Simone

Binda, 53yo, CEO of the family group and one of the most important Italian players in the watch market (with Breil, Hip Hop, Wyler Vetta). Mr Binda, together with his brother Marcello, started in 2006 a beneficial and lasting collaboration with the two Indian NGOs Terre des Hommes Core Trust and Life Line Trust, based in Tamil Nadu and focused on supporting childhood. Binda Onlus focused its support on the development of aid programs launched in the Tamil Nadu region, in four shelters hosting a hundred children.

MICRO ENTERPRISES

Pangea Aims to Help Women

Micro-credit and financial education are the weapons of the onlus founded by Luca Lo Presti in 2002

The project was launched in April 2017 and developed in 11 villages, near Varanasi (Uttar Pradesh) involving a total of 684 women. It is a female empowerment program, managed in partnership by the non-profit organization Pangea, founded in 2002 by Luca Lo Presti, 55, from Milan; the local organization Sampark; and the Krishnamurti Foundation. It aims at promoting the economic emancipation of women through business development, savings collection, microcredit granting, and the creation of local cooperatives. In 16 years of activity, Pangea helped almost 50,000 women, and over the years the organization specialized in consulting services – providing women with broad support and giving them the material strength to transform their lives. Through weekly group meetings, working women learn to manage their money and follow financial literacy courses, as well as vocational training with the aim of achieving an independent and virtuous management of their work. Lo Presti has been living in Asia for almost thirty years, dealing with the protection of human rights in South Asia and then focusing its activities with Pangea in India, Pakistan, Afghanistan, and Nepal, choosing as a privileged ground the aid to the female component of the society.



Luca Lo Presti and Simona Lanzoni, in charge of the micro-finance activities. One of them is the Koppal project: two buffalo as the initial asset for the business

SUSTAINABLE LUXURY

A Golf Kart for Lamborghini

Golf karts create a 2 billion dollar market, which grows annually in double figures. The Green Energy and Power Solutions of the



Kinetic group of Pune decided to rely on the Tonino Lamborghini, operating in luxury accessories design and production as well as in the hospitality sector, for the design and the production of a premium features kart. In the majority (75%) Kinetic jv, Indians will have an exclusive right of ten years on the product,

which will initially be distributed in India, China and the United States, and then in the rest of the world. The first samples should come out of the Kinetic plant in Ahmednagar, Maharashtra, as early as next September. Kinetic Green entered the electric vehicle market three years ago and has already produced 25,000

vehicles, mostly three-wheeled, sold through a network of 200 dealers. For Tonino Lamborghini, founded in 1981 by the son of Ferruccio, the founder of the sports car factory, now owned by Vw, is an opportunity to expand its international



Tonino Lamborghini

strategy so far focused on China and Russia on a new market with high growth potential.



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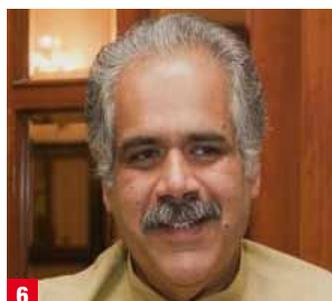
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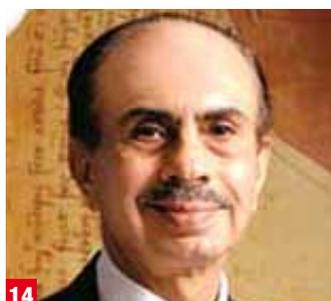
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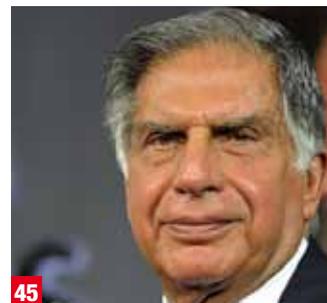
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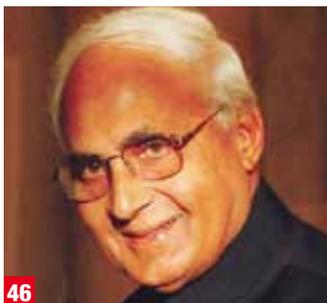
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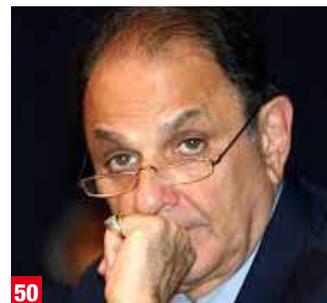
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President, Wadia Group

1 GAUTAM ADANI President, Adani Group

Class of 1962, son of a Gujarat textile trader, Mr Adani started business as a precious stones broker in Mumbai. When his brother opened a trading company in the capital city of Amhedabad, Gautam took over and focused on commodities (plastics) and logistics. He's now the most important private port operator in India, managing eight different ports. His group was among the promoters of the Mudra terminal – the biggest in the country – in Gujarat, and is now building a new hub in Kerala, South India. The group is currently working toward a partnership with Finmeccanica, and has a joint venture running with Diego Ponte's MSC on container traffic.

2 MUKESH AMBANI President and CEO, Reliance Industries

Class of 1957, he is the oldest son of Reliance Industries Ltd (RIL, once Reliance Commercial Corp) founder Dhirubhai Ambani. He graduated with a BE in Chemical Engineering from the University of Mumbai and then joined the family business in 1981 as Petrochemical sector director. When his father died in 2002, he and his brother Anil inherited all assets before staking them off four years later: Mukesh is now in charge of petrol and chemicals, while Anil oversees communications, retail, and investments. The Ambani brothers have built a number of connections with chemical and petrochemical Italian companies like Maire Tecnimont and Eni. The Versalis group relies for trading on the production of their Reliance rubber factory in Hezira, provided the technology licensing and know-how for its construction. Regarding retail, Reliance distributes a range of Italian brands including Zegna and Diesel.

3 DEEPAK BAGLA CEO, Invest India

Mr Bagla, a New Delhi Economic School alumnus, started his 30-year-long solid career in the central branch of the World Bank, in Washington. In 1989 he became part of Citibank Global Corporate, where he held different positions of responsibility in Europa, Africa, Asia and Australia during the following 18 years. In 2003 he joined 3i Private Equity wishing to kickstart an India-specific fund for building basic infrastructures. Invest India, the national agency for investments promotion, is a joint venture between the Industrial Policy Bureau, the Ministry of Trade and Industry, the federal government, the Chambers of Commerce, and the India states governments.

4 SANJIV BAJAJ CEO, Bajaj Finserv

Class of 1969, he is the vice president of Bajaj Finserv, a financial services provider operating in insurance through its Bajaj Allianz Life and General Insurance branch, and in finance through Bajaj Finance, capitalizing 7.3 billion euros. The Bajaj group, founded in 1926 by head of the family Djamnàl Bajaj, aggregates 36 companies – including Bajaj Auto, considered the fourth biggest two and three-wheeled vehicles producer in the world. The automotive company collaborated with Piaggio in the 60s on the production of some Vespa models, all built under the Italian's company license and trademark. It also owns the once-Austrian KTM. Bajaj graduated from the University of Pune with a degree in mechanical engineering, and is also Bajaj Holdings CEO, managing the family's possessions.

5 SHRI HARI MOHAN BANGUR CEO, Shree Cement

Chemical engineering Mumbai IT alumni, 66yo, Shri Hari Mohan Bangur is the head of the first cement plant in India – based in Calcutta, with a 1.2-billion-euro turnover, and a 33% EBITDA margin in 2017. After obtaining the company following the family business' inheritance division in 1979, he managed to raise production from 600 thousand tons to the current 29 million tons and to give the company its cost-competitive edge over competitors. According to an international credit rating agency, his success' critical factor was the employment of innovative and environmental- conscious technologies.

6 RAHUL BHATIA President, IndiGo

Mr Bhatia, 54yo, founded in 2006 India's first low-cost airline as part of InterGlobe Enterprises – a travel & hospitality group worth 2.6 billion dollars in turnover and over 5 thousand

employees, founded 25 years ago. Last November the flagship IndiGo could count on its 207 Airbus aircraft fleet, connecting 66 destinations (15 overseas), to hold a solid grasp on 43% of market share over domestic flights. It is considered the market's most profitable company, managing to keep a positive profit margin for the past ten years. Mr Bhatia is known for being extremely reserved, and for having a strong distrust in media and, supposedly, in economic theories. He has been collaborating with French Accor, managing their seven Ibis hotels and building a further 13; he also opened 22 outlets for Hudson News & Café in Delhi's subways stations.

7 ARUNDHATI BHATTACHARYA President, State Bank of India

She has been the first woman to hold office as the president of the State Bank of India, an 200 years old historical credit institution. According to Forbes, she is one of the 25 most powerful women in the world. Born to a Bengali family in Calcutta, she attended an English Literature course in the University of Jadavpur and managed to break into the reality of the bank at the tender age of 22. During her 36-year-long career she played different roles, some involving treasury, human resources and investment banking supervision. She also worked in New York for some time. The bank has 190 branches in 38 countries around the world, including one in Milan.

8 KUMAR MANGALAM BIRLA President, Aditya Birla Group

The so-called "commodities king", Mr Birla belongs to the fourth generation of one of India's most important families, native of Rajasthan. Born in 1967, he spent his younger years growing up between Kolkata and Mumbai, successively furthering his studies at the London Business School. At 28, after the sudden loss of his father, he took over the group and turned it into the first viscoser and fibers manufacturer and the third copper and steel producer in the world, turning over more than 40 billion dollars. He was also responsible for expanding toward telecommunications and software, and for strengthening the cement, fertilizers and textile businesses. Under his management the group has seen the opening of 74 plants around the world – including the one in Trecate, Novara province, Italy.

9 ANAND BURMAN President, Dabur

Mr Burman, 66yo, University of Wisconsin Chemistry course alumni, is the son of Dabur's founder, and joined the family company in 1980 as part of R&D. Dabur produces and sells consumer goods worth 1.3 billion Euros in turnover, and its revenues have gone up during the last few years thanks to its hair oil, toothpaste, juices and household products. The company is collaborating with the Indian government to develop two Ayurvedic medications for treating malaria and diabetes

10 SUBHASH CHANDRA President, Essel Group

Class of 1950, Mr Chandra leads a media empire worth 10 billion dollars and founded in Mumbai in 1926. He has also been elected to the Upper House of Parliament in 2016. Essel Group is comprised of Zee News, Zee Entertainment, Zee Media Corp e Daily news, one of UK's eight most important newspapers. In 1992 he released, together with Li Ka Shing, Zee TV, India's first satellite channel and today's Sony Television and Star Plus leading competitor. Zee Entertainment has broadcasts in Indonesia, Thailand, Malaysia, Singapore and Philippines in more than 75 channels, reaching well over one billion viewers. The group is also active in packaging (Essel Propack), infrastructures (Essel Infracore), precious metals (Shirpur Gold Refinery), education and charity.

11 UMESH CHOWDHARY CEO, Tittagarh Wagons

Tittagarh Wagons is based in Kolkata and produces cargo wagons, passenger coaches, as well as railroad and subway electric trains. It owns six plants in India and one in north France and is quoted in Mumbai. In 2015 Tittagarh was also responsible for saving Firema from bankruptcy, thus restarting its production; the Italian company works in trains supply and repairs. Tittagarh took over in partnership Paolo Scudieri's Adler Pelzer, which owns 10%. Mr Chowdhary has a degree in Commerce and is Vice-President of Indian Industrials.

12 SHREERAJ DESHPANDE KMP, Future Generali India Insurance

Last November Mr Deshpande took over from CEO KMP Rao, who was relocated to Malaysia, and became the company's Key Managerial Personnel; he is now in charge of healthcare, customer service and IT. Future Generali India Insurance is a joint venture between Generali and Future, one of India's most important retailers, and there are now 125 insurance offices all across India offering their policies. The insurance premium, amounting to 370 million Euros on March 31st, 2018, has doubled in the last four years, while corporate customers are now over 2 thousands.

13 SAMEER GEHLAUT President, Indiabulls Housing Finance

US Halliburton ex-manager, Mr Gehlaut was only 25 when he founded Indiabulls in 1999, together with two friends he met while studying for a Mechanical Engineering degree at the Indian Institute of Technology in Delhi. They started working as online broker in a small office close to the coach station. In just about ten years Gehlaut's group became active in real estate, infrastructures, consumer finance, loans, and retail. Today it is worth 3.5 billion Euros and operates through its three companies – Housing Finance, Real Estate e Ventures. In 2008, at 32yo, Gehlaut was considered India's youngest self-made billionaire.

14 ADI GODREJ President, Godrej Group

His family's conglomerate boasts 115 years of history and close to 4 billion dollars in turnover and Mr Godrej, as its 74yo third generation president, is active today in real estate, daily consumer goods distribution, industrial engineering, appliances, furniture, safety, and agriculture. Mr Godrej has very strong ties with Italy, where he's been scouting a number of SMEs in the hope for Godrej & Boyce to start trade Italian quality products as well as to produce Italian-inspired goods in India. He is an active WWF supporter, and created a school campus for his employees' children in Vikhroli, close to Mumbai, comprehensive of a 150-acre mangrove forest.

15 SANJIV GOENKA President, RP-Sanjiv Goenka Group

Class of 1961, he's the RPG Group founder's youngest son. His family's business has a turnover of 2.5 billion and owns companies operating in energy, carbon black, IT & education, retail, media, and infrastructures. Regarding the food sector, he owns the Spencer's supermarket chain, managed by his son Shashwat – who is also in charge of the meragrocer.com website for online food shopping, and is now planning to implement a home delivery service. Mr Goenka also controls the power utility CESC – a 117yo subsidiary serving 3 million customers, enjoying a recent expansion through the acquisition of electric power distribution rights in Rajasthan. In 2014 CESC Properties oversaw the construction of Quest, Kolkata's first luxury shopping mall, selling Canali, Ferragamo, Gucci, and Zegna.

16 SENAPATHY KRIS GOPALAKRISHNAN CEO, Axilor Venture

Class of 1955, holding a degree in Physics and Computer Science from the Indian Institute of Technology in Madras, Mr Kris has been the president and one of 1981 co-founders of Infosys, India's second biggest outsourcing services company. In 2014 he launched in Bangalore the Axilor platform, meant to provide support to thousands of businessmen – reaching 8 thousand in IT during its initial phase in 2015. Through their 100-day programs held twice per year (in March and in September), Axilor Venture allots 180 thousand Euros for new ideas in e-commerce, healthcare, life science, sustainability, and clean technologies. Mr Kris is also a philanthropist, donating 4 million dollars every year for scholarships.

17 VINITA GUPTA CEO, Lupin

Mrs Gupta, 49yo, together with her brother Nilesh, are among Lupin's new managerial generation. The pharmaceutical multinational, based in Mumbai, was founded fifty years ago by their father and current company president Desh Bandhu Gupta. Under her 2013 direction, Lupin managed to become India's second pharma company in terms of capitalization, not to mention the biggest generic drugs producer in the world

and the fifth biggest in the US – where it produces 48% of its turnover (2.4 billion Euros in 2017). Through its aggressive enterprise policies, the company achieved a 15% per year growth complimented by a 14% EBITDA margin just in 2017. Lupin acquired 12 companies – six of which just in 2015 – during the last ten years.

18 DHEERAJ GOPICHAND HINDUJA

President, Ashok Leyland

Class of 1971, he is the most-probable heir to the Hinduja Group. The family company was founded in Mumbai in 1914 and is currently managed by his uncle Srichand (83yo), operating in textiles, transport, oil & power, banks, and cable services. Parmanand, Mr Hinduja's grandfather, started his commercial activity in the Sindh region (today part of Pakistan) and always showcased a clear interest for expanding offshore. Eventually, his four sons established the company's headquarters in London, in 1979. In 1978 the Hinduja Foundries, together with Iveco, took over Ashok Leyland and nominated Mr Hinduja its president, then becoming India's first heavy-duty vehicles producer.

19 MUKESH MICKY JAGTIANI

President, Landmark Group

He lived in Madras, in Mumbai, and in Beirut, then emigrated to London to attend an accountancy school – which he dropped out of almost immediately to become a taxi driver. The rebellious Micky, class of 1952, moved to Bahrain to take over the family's children products shop. Today he manages Landmark's business from Dubai. The massive retailer owns more than 2,400 shops in Middle East, Africa and India, with an estimate turnover of 6 billion dollars. The group expanded to include fashion, electronics, furniture, and hotels in Middle East, South-East Asia and Europe (Venice). Since 2010 Landmark owns Carluccio's, a restaurant and coffee shop chain based in London originally founded by chef Antonio Carluccio.

20 TARANG JAIN

CEO, Varroc Group

Mr Jain, 55yo, son of Naresh Chandra Jain, founded the group in 1988 and owns today 86% of the main car parts section, and 60% of the headlights one. He is also responsible for driving the expansion toward Europe and US, where the group produces 60% of its turnover – 1.3 billion Euros in 2017 plus a 9% EBITDA margin. Last December Varroc, owning a research laboratory in Italy, created a joint venture with Dell'Orto aiming to produce together the new electronic ignition systems in India.

21 SAJJAN JINDAL

President and CEO, Jindal Group

59yo, he is the oldest of four brothers. They inherited the management of the family's steel group – one of the most dynamic in the industry, generating a turnover of 18 billion dollars – when their father Om Prak, founder in 1952, died in 2005 in a plane crash. In 2011 Naveen, his younger brother and head of Jindal Steel&Power industrial activities, acquired the Trieste-based Sertubi, specialized in spherical cast iron pipe production. Mr Jindal lost the bidding for acquiring Ilva, in Taranto, but managed to take over from Cevital the ex Lucchini steel plant in Piombino last July. He put in place a 1-million worth investment plan to turn it into a flagship plant, managing a production of 2 million tons per year.

22 RANA KAPOOR

Founder, Yes Bank

Rana Kapoor, 61yo, has been a Bank of America manager in different Asian countries, working for the institution for sixteen years – up until 1996. He kickstarted a number of banking businesses for Rabobank, in India, then sold them to the Netherlands, intending to use the profit to start his own business in 2003 and planning to turn it into the best banking institution in India by 2015. Thus, he founded Yes Bank, co-owned at 20% with Rabobank, experiencing a development rate of 42% per year and owning assets worth 33 billion dollars by the end of 2017; in addition, it registers a 500 million dollars profit margin and a ROE always above 20%. Mr Kapoor met some troubles last years, when the central bank asked him to renounce his role, questioning his scrounging on non-performing assets; in the end, he had to give up management. Together with his daughter, Mr Kapoor launched an investment holding including retail, fashion, media, education, sport, and financial services businesses.

23 UDAY KOTAK

Executive VP, Kotak Mahindra Bank

Class of 1959, during the 80s, when India was still economically closed off, Mr Kotak kick-started a financial services and real estate brokerage society, also offering car loans, life insurances, and unit trusts. He started with a 80 thousand dollars capital, collected among his family and friends. In 2003 his private financial firm was the first in the history of India to receive a banking license from the central bank. Today his bank totals 45 billion Euros in assets, plus 24.9 billion in managed funds – making it the fourth best performing private institution and one of the most effectively managed, with 600 branches and a non-performing asset at 0.73%.

24 KALYAN KRISHNAMURTHY

CEO, Flipkart Group

Mr Krishnamurthy, head of the most popular Indian e-commerce platform (acquired by Walmart for 16 billion dollars), made his debut in the company in 2013 as sales and finances director, yet left the position almost immediately after a clash with the founder, Sachin Bansal. In 2016, after selling to the US, Bansal left office, allowing Mr Krishnamurthy to make a comeback and become CEO of all e-commerce business, including the Myntra platform, in 2017.

25 BABASAHEB NEELKANTH KALYANI

President, Kalyani Group

Better known as Baba Kalyani, 70yo, he's the president of a 2.5 billion dollars group operating in steel, car parts, renewable energy, finance. Its main asset is Baharat Forge, second biggest steel goods producer in the world – following Germany's ThyssenKrupp. Bharat Forge, founded in 1961 by his father, is listed in the stock market and is India's biggest car parts exporter, supplying 38 big car brands everywhere in the world. Mr Kalyani joined the company in 1972, and in the last 40 years he raised the then 1.3 million dollars turnover by a thousand times. Bharat Forge is considered one of Asia's best performing companies. In regard to defense, they landed an agreement with Beretta, which is now providing the Indian army with Italian guns.

26 SIDDHARTHA LAL

CEO, Eicher Motors

Eicher Motors, a vehicle production flagship, was founded in 1948 as a tractor manufacturer; it later diversified its business, and operating now in trucks, buses, motorbikes, and automotive parts design, development, and production for local and international markets. In particular, Siddhartha Lal is linked to the Royal Enfield Bullet revamp – the legendary Indian motorbike produced by Royal Enfield, and owned by Eicher since 1999, whom rode it to success at the age of 26. A few years back he moved to London, and has recently overseen the opening of a shop in Milwaukee – home of rival brand Harley Davidson.

27 ABHISHEK LODHA

CEO, Lodha Group

Mangal Prabhat's oldest son, co-founder of Mumbai's first real estate group and BJP (the governing party) Vice-President of the Maharashtra state, became CEO of Lodha Group in 2016, after graduating from a master's at the Technology Georgia University in Atlanta. In 2018 the Lodha group sold apartments for over 1 billion Euros and is currently involved in 39 construction projects totaling 4 million square meters, spreading from China to the US. World One, a 117-storey luxury skyscraper, is one of them, featuring apartments designed by Armani Casa. Among its most important projects, the development of the 1-billion-dollar New Cuffe Parade village, including four 63-storey towers spread over a 10-hectare area; and the construction of a Trump Tower, already in its advanced state. Ariston, Smeg, and Kaffe are among its suppliers.

28 ANAND MAHINDRA

CEO, Mahindra Group

Mr Mahindra, 61yo, holds a degree from Harvard and is the head of a group worth 17.8 billion dollars in turnover with over 200 thousand employees. Most of his wealth can be traced back to a steel trading society founded by his grandfather, active today in a variety of sectors, including: automotive; agriculture; aerospace; parts; consultancy services and defense; energy and finance;

industrial equipment; logistics and constructions. The group is well-known in the automotive sector, launching 14 new models in 2015 alone – including the Blazo truck, with optimized fuel efficiency based on road conditions and load, as well as the eVerito electric sedan. In 2016, its subsidiary Tech Mahindra held a long negotiation eventually leading up to the acquisition of 76% of Pininfarina. Mahindra Europe, car sales leader in the continental market, is based in Ariccia (Roma), and has been selling the Kuv 100 city car in Italy since last year.

29 DARSHAN MEHTA

President and CEO, Reliance Brand

Reliance Brand, a company from the Ambani group, is one of India's biggest retailers, owning over 3,800 outlets in 680 cities. In the fashion sector, it has been running some collaborations to open online and physical shops for Ermenegildo Zegna, Ferragamo, Canali, Gas, Paul & Shark, and Kenneth Cole. Mr Mehta – ex-accountant, as well as financial director of Lalbhai group and Arvind Brands CEO – has been with Reliance since 2007 and has played a pivotal role in the company's expansion.

30 CYRUS PALLONJI MISTRY

MD, Shapoorji Pallonji Group

Last October Mr Mistry, 52yo and Mumbai business community's ex golden boy, launched the investment firm Shapoor, Mistry Ventures together with his older brother. Until 2016 Mr Mistry was chairman of Tata Sons, India's most important industrial group; his family was also the company's largest single shareholder, owning up to 18.4%. After his ousting, following a clash with Tata Trust's head and 66% shareholder of the group Ratan Tata, Mr Mistry didn't take on any other operative roles in Shapoorji Pallonji, even after his 20 years of service. The construction group, founded by his father and worth 2.5 billion in turnover, is chaired by his brother Shapoor and is currently active in the infrastructures and the oil&gas sectors. In 2016 the subsidiary Sterling & Wilson invested 77 million dollars to acquire the most part of Italian Stc Power.

31 LAKSHMI MITTAL

President and CEO, Mittal Arcelor

Class of 1950, born in a village in the Rajasthan state, went on to become one of the world's richest man – now living in Kensington, London, in a 57-million-dollar Taj Mahal style house. Mr Mittal founded in 1976 and is CEO of Arcelor Mittal, the world's biggest steel manufacturer. In 2017 the company produced 90 million tons of steel, generating a 70 billion dollars turnover, even after losing momentum in 2015 and registering revenues for 64 billion dollars, 20% lower and totaling a 7.9 billion seven-time higher net loss. Since last November, Arcelor Mittal has been managing the Ilva plant in Taranto: it plans to invest 2.5 billion Euros and raise production to 6 million tons per year.

32 PAWAN MUNJAL

President and CEO, Hero Motocorp

Mr Munjal, 61yo, comes from the group's founding family, native to Punjab. In the early 80s, after graduating from a degree in Mechanical Engineering, he joined the direction of the society representing Honda in India. The company later became Hero Motocorp, one of the biggest in the country and leading world motorbike manufacturer, producing a 2018 turnover of 4 billion Euros plus 16% EBITDA margin. In 2017 the society sold 7 million motorbikes, but they are planning to swiftly achieve 10 million. Mr Munjal is a sport lover, golf in particular, and also a member of the Indian Business School.

33 SHIV NADAR

President, HCL Technologies

Class of 1945, also known as Magus, he is an IT pioneer, and founded HCL Technologies in the mid-70. The company, based in Noida, in Uttar Pradesh, is one of the world's most forefront hi-tech multinationals, and played a key role in the creation of the high-tech Indian stock market infrastructure. Its HCL Healthcare subsidiary aims at becoming a sector leader by providing innovative medical services. Nadar's company is one of India's 20 biggest listed companies, operating in 31 countries (including Italy) while boasting 22.1 billion dollars in capitalization and 6.4 billion Euros in consolidated turnover

in 2018 – an almost 50% growth compared to the year before – plus a 20% EBITDA margin. Last February, HCL Technologies acquired Volvo's IT section for 130 million dollars; in April came following Geometric, for 190 million dollars, a software brand controlled by the Godrej family. Nadar is well known for being a philanthropist, always investing in developing India's education system.

34 VIKAS OBEROI
President and CEO, Oberoi Realty

Mr Oberoi graduated from the London School of Economics and started his banker career back in 1977. In the early 80s he played a part in founding HDFC, India's first real estate financial firm, aiming at boosting housing, before becoming its general director. The firm is also active in the bank and insurance sectors, owning 50 billion dollars in assets. He holds a chair in nine Management Boards, including Tata Motors, Tata Chemicals, Britannia Industries, Go Airlines, Cummins India, ABB India, and Ambuja cements. He's also managing a charity trust, the Aga Khan Fund for economic development.

35 MADHUKAR PAREKH
President, Pidilite Industries

Pidilite Industries was founded in 1945 by Mr Parekh's father, and today is the world leader in the adhesives and sealants sector – earning half of its turnover through that market, for a total of 800 million dollars. Pidilite is a well-known brand, both in India and abroad, because of the Fevicol white glue. Mr Parekh, 69yo, holding a degree in Engineering and Chemistry, has recently entered the construction chemistry sector thanks to its Dr Fixit brand. Last April he signed a joint venture with a chemical factory in Cesenatico – a wooden topcoat leader – and created Wood Coat, now active everywhere around the world.

36 ADAR POONAWALLA
CEO, Serum Institute of India

Mr Poonawalla, 38yo, son of the vaccines' king and Serum Institute founder Cyrus, has got back on managing the company in 2011. Serum is the world's biggest vaccine manufacturer according to produced doses – more than 1.3 billion. Its 2016 profit margin was of 360 million dollars, with a 695 million turnover. Mr Poonawalla is currently investing 150 million dollars in a super research center, which is expected to become operative this year. The structure will house new researches for the production of vaccines against dengue, pneumonia, and diarrhea. In 2015 he donated 15 million dollars for helping clean Pune, his family's city of residence. He is considered one of the 50 most influential Indian youth in the world.

37 AZIM PREMJI
President, Wipro

Class of 1945, in 2016 he celebrated his 50 years as Wipro director. First a soap factory, Mr Premji turned Wipro into one of the biggest ICT companies in the world, serving over 300 important clients (including Boeing, Cisco, Ericsson, IBM, Microsoft, Sony, and Toshiba) and producing 8 billion dollars in turnover. Mr Premji is the son of an important businessman operating in the food sector and graduated from Stanford University before taking over control of the company at 21yo, at his father's death. Though the company was originally trading vegetable oil for soap-making, he started at the management with the idea of expanding business: in 1980 Mr Premji took advantage of IBM backing from the Indian market to found Wipro Technologies and started manufacturing small computers in collaboration with US Sentiel. He is considered India's fourth richest man, boasting 15 billion dollars in assets.

38 ABHIJIT JAGDISH RAJAN
President and CEO, Gammon

Gammon Infrastructure Projects, founded in Mumbai in 1922 and listed on the stock exchange, is the biggest civil engineering group in India, and built the most bridges in all of the British Commonwealth. Mr Rajan, 58yo, promoted the assimilation of Ansaldo Caldaie (now AC Caldaie), Sofinter's most important company, in the Gammon group. Sofinter is an integrated group made of highly-specialized societies working in the steam and energy productions sectors using a variety of fuels. AC Caldaie, operating in India since 2005, is the front runner in power boilers design and construction, and relies on traditional fuels as well as biomasses and solid urban waste.

39 REENAT SANDHU
Indian Ambassador in Italy

Born in 1964, working in diplomacy since joining the Indian Foreign Office in 1989, Mrs Sandhu took office in Rome in July 2017. Married to another Indian diplomat, she graduated from the Delhi School of Economics with an MA in Economics. Previously working in the Mosca Fiev and Washington embassies, she also represented India during the World Trade Organization in Geneva from 2011 to 2014. Mrs Sandhu was Vice-Ambassador in Washington before landing in Rome.

40 DILIP SHANGHVI
President, Sun Pharmaceutical

Class of 1955, he started business helping his father with his generic drugs wholesale activities in Kolkata. In 1982 he founded Sun Pharmaceutical Industries, and in 1997 he took over Caraco Pharma with the intention of reaching the US market. In 2014 Sun Industries acquired Ranbaxy, another industry titan, and proceed to become India's biggest pharma company. In 2016 the company bought 14 medicines from Novartis in Japan for 293 million dollars, and they are now ready for distribution under Mitsubishi Tanabe Pharma. Ranbaxy has been active in Italy as well since 2005, where it acquired GlaxoSmithKline-Allen activities.

41 VIJAY SHEKHAR SHARMA
Founder and CEO, PayTm

Mr Sharma, 40yo, is one of new India's youngest billionaires thanks this payment platform, PayTm. The service, allowing even payments for a few rupiah, was launched in 2010 and reached an estimated worth of 10 billion dollars in 2017 (see article on page 6).

42 KIRAN MAZUMDAR SHAW
President, Biocon

Mrs Shaw, 65yo, daughter of a Bangalore brew master, founded Biocon in 1978, starting at 25yo with a 10-thousand-rupiah capital – about a few hundred Euros today. Her first office was in her rented house's garage. Biocon came to be one of Asia's biggest insulin manufacturer, aiming at acquiring 10% of the world's market. The businesswoman's latest hits include: disposable insulin pens in Japan with her Fujifilm Pharma partner; and the new EU-approved biosimilar drugs for cancer treatment. In 2018 Biocon registered a 5.4 billion Euros turnover plus a 24% EBITDA margin, growing at a over-30% rhythm.

43 BAVAGUTHU RAGHURAM SHETTY
CEO, NMC Healthcare

Dr Shetty's career can be summed up as "from pharmacist to billionaire": born in 1942 in Kapu, he moved to the United Arab Emirates and there founded, in 1975, the New Medical Centre Healthcare, now the Emirates' biggest healthcare services provider – with over 2 million patients every year and 12 structures in 5 different cities. NMC is listed in the London stock exchange, and it managed to break in Saudi Arabia through the acquisition of two hospitals. It is also investing 1.8 billion dollars in a few healthcare, hospitality and education projects in Andhra Pradesh, India. NMC provides different services in a variety of sectors, including pharmaceutical, financial, retail, advertisement, and IT.

44 RONEY SIMON
CEO, CRS TrendLab

Mr Simon is the Italian-Indian trade relations reference point when it comes to fashion. First director of FICCI, the Federation of Indian Chambers of Commerce and Industry, he now represents the federation in Italy, establishing an office in Turin in 2004 to promote bilateral relations with India. He is also the president of Indo-European Association of Fashion & Design, and the vice-president of Italy-India Association, the most important associative body promoting culture exchange and links between the two countries. He was awarded with the Cavaliere della Repubblica title [Italian Knighthood] for his service in promoting bilateral relations.

45 RATAN NAVAL TATA
President, Tata Trusts

Born in Mumbai in 1937, grandchild of founder of the founder Jamshedji, he is the main person in the Tata Trust family. Mr Tata comes from an ancient Parsi family and grew up with

his grandparents after his parent's divorce. Cornell University alumnus, joined the family's company in 1962 as steelworks manager. He became Tata Industries' president in 1981 and then, ten years later, of the whole Tata Sons, holding the position until 2012. In 2016 he fired Cyrus Mistry, head of the group, on the base of strategic differences, shaking the world of finance and the markets. Tata is also a member of the International Advisory Council Board at Bocconi University, in Milan.

46 KUSHAL PAL SINGH TEWATHIA
President and CEO, DLF Limited

Mr Tewathia, class of 1931, built in New Delhi India's biggest, as well as one of the world's biggest, real estate company in terms of turnover, market capitalization, and housing assets. In 2018 his property sales yield him 2.2 billion Euros in gross revenues, together with 610 million Euros in rents. DLF, aka Delhi Land & Finance, founded by Mr Tewathia's father-in-law Thakur Raghvendra Singh in 1946, built its fortune over housing displaced population after the Partition. The company owns 42 square kilometers in land, 12 of which are in Gurugram – so-called DLF City – and in Gurgaon.

47 BHAVIN TURAKHIA
CEO, Directi

Mr Turakhia, together with his brother Divyank, joined the Indian billionaires roster in 2016, after selling their Media.net – one of the world's top-5 advertising tech companies – to a consortium of Chinese investors for 900 million dollars. They were shy of 30 years of age. They have recently concluded a few big deals with US Endurance International, selling them four hi-tech companies in 2013 and part of their Directi – an investment company trading in technology – in 2014. The latter earned them 160 million dollars. The two brothers started business in 1996, working as technical advisers from their Mumbai bedroom. Directi manages web-hosting activities, cloud-based transaction frameworks, and advertisement technologies.

48 SUNNY VARKEY
President, GEMS Education

Born in 1957 in Kerala, Mr Varkey founded in 2000 the biggest private kindergarten operator in the world: GEMS Education, aka Global Education Management System, boasting a 130-school network spread over a dozen different countries. Blackstone Group is among its main investors. In 2016 Mr Varkey invested 250 million dollars in funding GEMS expansion toward Middle East. Varkey Group, founded in 1979, is also involved in healthcare and constructions, developing hospitals and clinics in Middle East and India through its Varkey Welcare.

49 SHAMSHEER VAYALIL
CEO, VPS Healthcare

Mr Vayalil, 42yo, is a doctor, a businessman and a philanthropist. Its healthcare company, VPS, boasts 19 hospitals, clinics, medical centers, pharmaceutical companies, and pharmacy chains spread over the United Arab Emirates, Oman, ad in the subcontinent, as well as a turnover of about 1 billion dollars. Born in India from a family of entrepreneurs, after finishing his Medicine studies he emigrated to the Middle East, where he started working as a radiologist at the Sheikh Khalifa Medical City of Abu Dhabi. In 2007, supported by his father-in-law, he started providing medical assistance in his first hospital in Abu Dhabi. His flagship project is the Burjeel hospital, Abu Dhabi's biggest private cure center. He invested 140 million Euros in the Indian market for Lakeshor hospital acquisition in Kochi (Kerala), and over 220 million dollars for the Rockland Hospital chain in Delhi.

50 NUSLI WADIA
President, Wadia Group

Class of 1944, he is the leader of India's oldest group, dating back to 1736. Wadia and Tata are two of the most relevant Parsi families, making up one of the nation's founding constituents. Wadia Group is currently divided over six sectors, including: civil aviation with Go Air – connecting 24 Indian locations and 2 international ones; chemistry, with industrial gas production; agriculture; food; medical and real-estate consumer products.



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1

LUCIA ALEOTTI
President, Menarini



2

LORENZO ANGELONI
Ambassador in New Delhi



3

DIEGO APONTE
President and CEO, MSC



4

RENZO ARCORIA
MD, Citi India



5

GIORGIO BASILE
President, Isagro



6

VALERIO BATTISTA
CEO, Prysmian



7

GIANFRANCO BATTISTI
CEO, FS Group



8

GIANPIETRO BENEDETTI
President, Danieli



9

LUCIANO BENETTON
President, Benetton



10

ALBERTO BOMBASSEI
President and CEO, Brembo



11

SONIA BONFIGLIOLI
President and CEO, Bonfiglio



12

ANGELO BONISSONI
Business Manager, CBA Studio



13

DOMENICO BOSATELLI
President, Gewiss



14

PAOLO BRICHETTI
CEO, Credit Access Asia



15

GIANPIETRO CALZOLARI
President, Granarolo



16

ANTONIO CAMMIECRA
CEO, Enel Green Power



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STEFANO CAO
CEO, Saipem



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ENRICO CARRARO
CEO, Carraro



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ROBERTO COLANINNO
President and CEO, Piaggio



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ALESSANDRO DECIO
CEO, Sace



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BIAGIO DELLA BEFFA
President, Indena



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ANDREA DELL'ORTO
Vice-President, Dell'Orto



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ERMANNO FERRARI
CEO, Magneti Marelli



24

GIOVANNI FERRERO
President, Ferrero



25

ALESSANDRO FICHERA
CEO, Octagona

most focused on India



26 **PIERROBERTO FOLGIERO**
CEO, Maire Tecnimont



27 **ALDO FUMAGALLI**
CEO, Sol



28 **FEDERICO FURLANI**
President, Simem



29 **ALESSANDRO GIULIANI**
MD, SDA Bocconi Asia Center



30 **CLAUDIO GROTTO**
President, Gas Jeans



31 **PIERO GUIZZETTI**
CEO, Value Prism Consulting



32 **MICKEY MANLEY**
CEO, FCA



33 **MIRCO MASCHIO**
President, Maschio Gaspardo Group



34 **VICTOR MASSIAH**
CEO, Ubi Banca



35 **CARLO MESSINA**
CEO, Intesa Sanpaolo



36 **GIUSEPPE NATALE**
CEO, Valagro



37 **PASQUALE NATUZZI**
President and CEO, Natuzzi



38 **FRANCESCO PENSABENE**
ICE Supervisor, New Delhi



39 **PAOLO RAMADORI**
CEO, Maccaferri



40 **CARLO ROSA**
CEO, Diasorin



41 **RENZO ROSSO**
President, Only The Brave (OTB)



42 **CESARE SACCANI**
President, Indio-Italian CCI



43 **ANGELO DARIO SCOTTI**
CEO, Riso Scotti



44 **ANTON SEEBER**
CEO, Leitwind



45 **PIETRO SELLA**
President, Sella Holding Bank



46 **UBALDO TRALDI**
President, Perfetti Van Melle



47 **CESARE TREVISANI**
Vice-President, Trevi Group



48 **ALBERTO VACCHI**
President and CEO, IMA



49 **GIUSEPPE VAILATI VENTURI**
General Director, Kos



50 **ROSARIO ZACCÀ**
Lawyer, GOP Studio

1 LUCIA ALEOTTI
President, Menarini

Mrs Aleotti, 45yo, leads Italy's biggest pharmaceutical company together with her brother – producing a 3.6-billion turnover just in 2017, with a 75% in external. She became active in India in 1994 through a joint venture with Raunaq Industries. In 2011 she strengthens the company's presence in the Asian-Pacific area, constituting the renowned Menarini Asia-Pacific by acquiring the Invida. In India Menarini trades about eighty products, either acquired or licensed, including a few OTCs.

2 LORENZO ANGELONI
Ambassador in New Delhi

Mr Angeloni is a top expert when it comes to Asia and is also much involved in reviving Italy-India diplomatic relations. Class of 1958, he graduated from a degree in Law at the University of Perugia, in his hometown. Started his diplomatic career in 1985, when he advised companies to follow a granular approach for the Indian market (see page 24).

3 DIEGO APONTE
President and CEO, MSC

Mr Aponte, together with his local partner Adani Group, invested in building Mudra's containers terminal. The airport is managed by TIL, an MSC subsidiary, giving the company access to the most important transshipment hub connecting the Middle East, South Asia and India.

4 RENZO ARCORIA
MD, Citi India

Since 2016 Mr Arcoria has been in charge of market & securities services for Citigroup in India, present in the local market since 100 years ago. He works for Citi since 2010 and held leading positions in both Italy and Europe. Through its guidance, Citi has become the Italian flagship bank regarding fixed income, holding a 11% share of the market.

5 GIORGIO BASILE
President, Isagro

Mobil Oil and Montedison ex-manager, Mr Basile founded Isagro in 1993 and proceeded to become a crop protection leading producer, working mainly in fungicides. Its 50-billion dollars turnover has in India one of its most thriving markets, where Isagro has some manufacturing and research facilities.

6 VALERIO BATTISTA
CEO, Prysmian

Main character in one of latest years' best industrial adventures and leader of Prysmian, a fiber-optic cable production flagship, Mr Battista is now showing interest in the Indian market. He holds 51% shares of a cable factory in Pune, in partnership with the Ravin Cables Indian company. His chances at furthering development in the area are related to the government big plans for TLC and energy networks implementation.

7 GIANFRANCO BATTISTI
CEO, FS Group

Mr Battisti, 57yo, spent the last twenty years of his life managing FS from the top. He oversees some of the group's biggest international projects, including railway and subway development ones (through Italferr), and certification ones, with Italcertifer.

8 GIANPIETRO BENEDETTI
President, Danieli

About ten years ago, Mr Benedetti worked in promoting the company's expansion in emerging economies. They started production in India in 2013. Danieli controls the local market through two big plants – one in Kolkata, Indian steel capitol, and one in Chennai, in the south, boasting over a thousand employees and with trading offices in Pune, Mumbai, and Delhi, recording over 120 million euros in turnover.

9 LUCIANO BENETTON
President, Benetton

Benetton's founder, 83yo, took back control of the company and lead it toward India, where Benetton has already become an Italian brands flagship. Mr Benetton plans to see the revenues of its 770 Indian stores doubled by 2020, increasing the network's extension and taking advantage of the development dynamics

currently pacing the Indian economy.

10 ALBERTO BOMBASSEI
President and CEO, Brembo

In 2006 Mr Bombassei betted on the biggest market in the world for two-wheels (25-30% with disk brakes) and won. In 2008 he opened a plant in Pune, entrusting it to Luca Bottazzi – who started production for Indian-made disc brakes branded ByBre and managed to obtain 50% of the local market share. In November he opened a second factory in Chennai.

11 SONIA BONFIGLIOLI
President and CEO, Bonfiglio

In 1998 Mrs Bonfiglioli traveled to India, where she oversaw the planning and management of Chennai's new production plant, as well as starting the factory's new business. As of today, Bonfiglioli India has two engines and industrial gearboxes production units – one in Chennai and one in Mannur – plus a BRPC India plant in Bangalore, working with renewable energy; all together, it is putting 650 people to work.

12 ANGELO BONISSONI
Business Manager, CBA Studio

In 1985 Mr Bonissoni founded his legal and tax assistance firm, where he also became a managing partner. CBA works with 120 professionals, has a German branch, and has recently joined hands with Singhania & Co. Advocates and Solicitors, founded in 1969, used its competence in all aspects of law to become one of India's main legal firms, as well as one of the most active on the Milan-Mumbai axis.

13 DOMENICO BOSATELLI
President, Gewiss

Mr Bosatelli, founder of Bergamo-based Gewiss – one of the world's biggest electrical devices producers – chose India to diversify its business: in 2004 he created a joint venture with C&S Controls & Switchgear Group, thus constituting C&S Gewiss India (P) Ltd. He signed the deal with Ravinder Nath Khanna, C&S president and general director.

14 PAOLO BRICHETTI
CEO, Credit Access Asia

Mr Brichetti is the president and CEO of Credit Access Asia, which he originally founded in 2007 in Brescia with the name of MicroVentures Group Finance. His society is a public company and one of India's main players when it comes to microfinance, and its 140 private and public shareholders include Mittel, Istituto Atesino di Sviluppo, Fondazione Cr Trento e Rovereto, and Banco di Brescia. CA Grameen is now listed in the Mumbai stock market since last August.

15 GIAMPIERO CALZOLARI
President, Granarolo

Mr Calzolari started from a small gardening cooperative and ended up, at 63, at the top of one of the biggest ones, Granarolo – right after finishing a 10-year mandate as Lega Coop di Bologna's president. He joined Granarolo in 2007 and became its president in 2009. The Bologna-based cooperative, generating a turnover of 1.3 billion in 2018 alone, has been active in India since 2016, where it sells made-in-Italy produce through Europe Food India.

16 ANTONIO CAMMISECRA
CEO, Enel Green Power

The Indian market is one of the world's most dynamic ones when it comes to renewable energy, and Mr Cammisecra is set on investing Enel's advanced green technologies in it. Enel started operating in India three years ago, when it took part to the first few races even through all the haggling on costs. The group managed to buy a local company, and last spring used it to reach an agreement for the development of a 285 megawatt wind farm in Gujarat, investing 290 million.

17 STEFANO CAO
CEO, Saipem

Class of 1951, born in Rome, Mr Cao leads the same society where he started his career in 1976 – and knows quite a lot about India. Actually, Saipem is one of the biggest petrochemical international contractors in the country, also thanks to Ottavio Quattrocchi's activity. Mr Quattrocchi is a close friend of the Gandhi family, and represented Saipem in the market for many years.

18 ENRICO CARRARO
CEO, Carraro

In 1997 he signed for 51% of a joint venture on behalf of Carraro with Escorts Ltd, one of India's main industrial groups. The JV led to the development of a production unit in Pune, which became operative in 1999. In 2006 Mr Carraro acquired the whole capital of Carraro India; the company is set on gaining the leadership of the local farming mechanization sector.

19 ROBERTO COLANINNO
President and CEO, Piaggio

Class of 1943, during a first period Mr Colaninno pushed for investing in the premium segment of the Indian market – the first in the world for two- and three-wheel vehicles sales. Ape and Vespa have kept growing at a 25-30% yearly rate, boasting further leading market shares for light cargo transport (4 wheels) as well. Through its Aprilia SR 150 scooter, launched in 2016 and priced at 800 Euros, the company managed to reach the middle-lower segments as well. The group has a production plant in Baramati, close to Pune, and generates a turnover for 350 million Euros.

20 ALESSANDRO DECIO
CEO, Sace

He is the inventor of so-called "push strategy", which he employed in his Mumbai office in particular. Following its opening in 2011, it became a flagship in the sea of South Asian markets (India, Bangladesh, and Pakistan), and imputed almost 2 billion Euros in the area in support of new projects. Mr Decio, ex Unicredit top banker, renewed Sace's commitment in India, where he is planning to implement oil&gas, technology, and infrastructure projects worth hundreds of million Euros.

21 BIAGIO DELLA BEFFA
President, Indena

Indena has been active in the market since 1921 as an ingredients farmer, developer, producer and seller for the pharmaceutical, nutrition, and cosmetic sectors. The company owns over 120 basic patents in more than 70 countries spread across the five continents. India is one of Indena's biggest markets in regard to both production, concentrated in Bangalore, and sales. Giuliano Micheletti, manager for the Indian division, played a big part in the company's development in the area by launching and nurturing the local activity.

22 ANDREA DELL'ORTO
Vice-President, Dell'Orto

Mr Dell'Orto, 47yo, Civil Engineering graduate, was one of the main advocates for the company's opening toward India. Through Simest's help, Dell'Orto could launch a facility in Pune in 2006. In 2008, when Tata Group started developing its people cars – including the Tata Nano – Dell'Orto designed and produced these new cars' throttle bodies. In December the company signed a joint venture with Varroc and will now expand in the electronic injection systems market.

23 ERMANNÒ FERRARI
CEO, Magneti Marelli

Magneti Marelli, which holdings FCA transferred over to Japanese Kalsonic Kansel, is well established in India, where it owns eight sites operating in powertrain, lighting, exhaust systems, suspension, shock absorbers, electronic systems, infotainment & navigation. The company has been pushing for a few new projects since a couple of years back. It has expanded toward automated gearboxes production through a running joint venture with Maruti Suzuki. It also opened a new production plant for two-wheel engine control systems together with MotoCorp.

24 GIOVANNI FERRERO
President, Ferrero

Mr Ferrero, 54yo, controls one of the biggest confectionery production companies in the world. And India, through its modern factory in Baramati (Maharashtra), constitutes one of the company's major development poles on a global scale. Ferrero has been active on the Indian market since 2004 and saw the construction of one of the group's best equipped facilities on a technological level, expected to double production over the next three years.

25 ALESSANDRO FICHERA
CEO, Octagona

Business Management graduate from the University of Wales,

UK, Mr Fichera is a senior partner and founder for the consultancy firm Octagona. The firm was the first to open in New Delhi, back in 2002, and has strengthened its presence since, opening a new office in Bangalore in 2016. The Octagona team provides support to over 300 Indian companies, and set 50 of them up for as many customers.

26 PIERROBERTO FOLGIERO

CEO, Maire Tecnimont

Mr Folgiero has been Maire Tecnimont's CEO since 2013, and well knows India has always been an historical market for the company. The Tecnimont Private Ltd in Mumbai is an assets and expertise center for both the internal and the foreign market (see interview at page 28).

27 ALDO FUMAGALLI

CEO, Sol

Mr Fumagalli created the SicGilSol India joint venture together with Indian businessman Farooque Dadabhoy, number one in the arsenic sector. SicGilSol produces and trades technical, special, and medical gasses, together with all connected materials, facilities, and equipment. The society has recently set up a new plant in the south of the country, meaning to turn it into the biggest technical gas producer of South India.

28 FEDERICO FURLANI

President, Simem

The company led by Mr Furlani – together with his brother Michele – is specialized in concrete machines production. The innovative technologies used in both design and production have turned Simem in a sector global leader. Its Indian subsidiary, based in Gujarat, was the first Italian construction company to start production in India. At the moment, Simem is involved in dam construction projects in the North of the country, as well as in some treatment of industrial waters ones.

29 ALESSANDRO GIULIANI

MD, SDA Bocconi Asia Center

A couple of years ago Mr Giuliani took over the management of Mumbai specialization school, launched in 2012 by deputy dean Stefano Caselli as part of Bocconi University's internationalization scheme. Mr Giuliani, supported by the Italy-India trading chamber in Mumbai, intends to make the current Management course campus an aggregation site for the Italian House of Education, opening up to all kinds of disciplines.

30 CLAUDIO GROTTO

President, Gas Jeans

Mr Grotto, founder and patron of the Chiuppano-based company, was one of the first Made-in-Italy fashion businessmen to look at India. In 2010 he signed a master franchise agreement with Reliance Brands. Gas Jeans has opened 19 monobrand and 30 so-called shop in shops since, becoming the second most popular Italian brand in India, straight after Benetton.

31 PIERO GUIZZETTI

CEO, Value Prism Consulting

Mr Guizzetti's MBA, taken from the Indian School of Business in Hyderabad, worked as a fantastic launchpad to get him into all major industrial groups. In 2007 he managed to open his consultancy firm in Mumbai. Today his society is considered one of the most trustworthy and better placed advisers for SMEs intending to reach the Indian market.

32 MICKEY MANLEY

CEO, FCA

Tata Motors is one FCA historical allies, and together in jv they have been producing their Jeep vehicles in a world class facility in Pune. Given the product's success, FCA is now expected to further its involvement in the local market. Since starting production in September 2017, the jv sold 32 thousand Compass, 10 thousand of which have been exported toward 13 Asian markets. Onward, they're expecting an even stronger growth.

33 MIRCO MASCHIO

President, Maschio Gaspardo Group

Mr Maschio, 40yo, became the group's president in July 2015, a few days after his father's death. The company has 1,800 employees working in 10 production plants everywhere in the

world and has produced 60 thousand machines for agriculture in 2015 alone. In 2011 it opened a plant in Aundh, close to Pune, for shanks and cutters production, destined to the local and the broader Asian market.

34 VICTOR MASSIAH

CEO, Ubi Banca

Mr Massiah got the ball rolling for the bank's international presence – starting from Morocco and, passing from Dubai, reaching all the way to China. Mumbai is also an important stop, where its representative office, led by an Indian manager, is particularly active in getting Italian business missions to land agreements with Indian companies.

35 CARLO MESSINA

CEO, Intesa Sanpaolo

The Intesa Sanpaolo bank leads its international growth on through its open industrial strategy, looking at Asia's stronger markets and at the available New Silk Road opportunities. India, followed closely by Hong Kong e Singapore, represents one of its flagship locations.

36 GIUSEPPE NATALE

CEO, Valagro

After the 2015 acquisition of Sri Biotech Laboratories India, Valagro has managed to expand its commercial presence to Andhra Pradesh, Telangana, Kerala, Tamil Nadu, Karnataka, and Maharashtra. Further growth will lead the business toward Chhattisgarh and Odisha, two key states rice and horticultural crops. Sri Biotech Laboratories India, founded in 1994, develops a wide range of solutions, including nutrition and biostimulation.

37 PASQUALE NATUZZI

President and CEO, Natuzzi

Mr Natuzzi, the group's founder, looks at India as a strategic market – in particular thanks to the real estate boom leading to an increase in quality furniture demand. Even more so if made in Italy. Natuzzi has shops in Pune, Bangalore, Hyderabad, Kolkata, Mumbai, Chennai, Belgaum, New Delhi, and Ahmedabad, building a network of sales unlike any other in the local market – where furniture trading suffers from great fragmentation.

38 FRANCESCO PENSABENE

ICE Supervisor, New Delhi

Mr Pensabene holds a specialization in International Law and has been the International Cooperation director for ICE (the Italian National Institute of Foreign Trade), as well as of the institution's legal, human resources, organization departments. He also led several business missions everywhere in the world. After many years of permanence in India, where he vigorously leads the Italian delegation, he has also started overlooking the market situation for Sri Lanka, Bangladesh, Maldives, Nepal, and Bhutan.

39 PAOLO RAMADORI

CEO, Maccaferri

He worked for per Bombardier Transportation from 2005 to 2011, managing big international projects. Once Oerlikon Graziano Group CEO, working in transmission components, he went back to Bombardier for a year before taking the actual position on. Maccaferri is well on the Indian market track, where it mainly trades in the transport and renewable energy sectors.

40 CARLO ROSA

CEO, Diasorin

It took Mr Rosa just a few years to lead his company to success, and now he is aiming at a 775-million-euro turnover plus 300 million EBITDA. He breeched the Indian market in a joint venture with Triviron Healthcare, specialized in in-vitro diagnostics, a sector with a 15% annual growth. Diasorin is also investing on a strong market for innovative medical equipment.

41 RENZO ROSSO

President, Only The Brave (OTB)

Class of 1955, Mr Rosso, aka "Denim Man", reached an unprecedented agreement between his Diesel brand and the Mumbai Indians. The cricket team belongs to Nita Ambani, who happens to be the wife of Reliance's biggest shareholder – the company distributing Diesel in India. The relationship yielded the MI-Diesel collection, ready for distribution in all cricket-enthusiast countries. Diesel has 11 stores located in Mumbai,

Delhi, Gurgaon, Chandigarh, Hyderabad, Bangalore, Pune, and Chennai, and are among the millennials' favorites.

42 CESARE SACCANI

President, Indo-Italian CCI

Mr Saccani was the main actor in restoring IICCI (Indo-Italian Chamber of Commerce and Industry) fiscal balance. After years of financial losses, the Chamber has generated profit for the last two years – all thanks to an energetic focus on business, implemented through Mr Saccani and Mr Claudio Maffioletti's attuned cooperation. He also manages a small office for ICMQ quality certifications in India, and he is a representative for Fagioli.

43 ANGELO DARIO SCOTTI

CEO, Riso Scotti

The company has been operating in India for the last five years, where its flagship product is the 5 kg and 1 kg rice bags, serving mainly the horeca and the risotto sectors. The business is yet to start generating an important turnover, but the "risotto ready-to-prepare" products (pre-cooked rice dishes) are selling well.

44 ANTON SEEBER

CEO, Leitwind

In 2009 Leitwind pushed for opening a factory in Chennai, Tamil Nadu, investing 16 million euro in a joint venture with Shiram EPC. As of today, their production covers the Asian internal market demand, inputting over 250 wind generators completed with blades every year. In India the company built also a 43.2 MW wind farm in Tadipatri, Andhra Pradesh, and a 51 MW one in Kaluneerkulam, near Tirunelveli – a 50-million-euro commission.

45 PIETRO SELLA

President, Sella Holding Bank

In 1997, while CEO of the family bank, Mr Sella took the quite innovative decision of opening Synergy (a software development company) in Bangalore, and of having it create an e-banking independent information system starting from the existing mainframe. The bank's brand-new platform was implemented three years later. The experience led him to open a Chennai branch in 2008, aiming at turning it into an innovative software house. Following its actualization, the branch is now serving the whole Sella group.

46 UBALDO TRALDI

President, Perfetti Van Melle

Perfetti has been active in India for the past twenty years, owning three production sites and one of the biggest and best organized sales networks in the food sector. Its product range boasts 21 different brands, generating a several hundred thousand euro in turnover.

47 CESARE TREVISANI

Vice-President, Trevi Group

In India the Trevi Group controls Drillmec India, a company based in Kakinada, Andhra Pradesh, and specialized in engineering and building oil rigs, geothermal plants, and water well.

48 ALBERTO VACCHI

President and CEO, IMA

Following its recent acquisition of the German company Oystar, IMA has managed to expand in India through the fresh food packaging equipment sector. Together with the pharmaceutical, cosmetic, and food (tea and coffee in particular) ones, the packaging industry is one of the fastest growing ones in the area.

49 GIUSEPPE VAILATI VENTURI

General Director, Kos

Mr Vailati Venturi contributed to creating Kos and has been its General Director since 2007. This far, the group as invested around 20 million euro in India and is active through two joint ventures – one being ClearMedi Healthcare, now one of the most important outsourcing technology services in the health sector; and the other being ApoKos, specialized in the yet rather unknown rehabilitation services market.

50 ROSARIO ZACCÀ

Lawyer, GOP Studio

He's in charge of the India desk, as well as being a Mumbai IICCI member and the studio's co-managing partner. GOP is an advisory services leader in Italy, working mainly with big international deals and all SMEs interested in bringing their business on an international level.

Growth & consumptions, the virtuous circle goes on

Two Indian personalities, the economist who managed the market liberalization on the government side and the top manager of a dynamic privat group, share with MF International their vision on the near future

by Cecilia Giannini

Montek Singh Ahluwalia

Question: What does the recent GDP growth rate of 8.2% for Q1 FY19 indicate about the Indian economy? Is it attributable to low base effect or can we expect a sustained high growth cycle?

Answer: There is a base effect in the first quarter. Most commentators think India's growth rate in 2018-19 will be around 7.3 or 7.4 percent. I think the economy has the potential to get close to 8 percent, but that will take a lot of domestic reforms and a benign global environment. There are a lot of reforms that need to be done but in the short run. I think fixing the remaining problems with the GST, recapitalising the public sector banks with appropriate governance reforms,

and making sure the insolvency and bankruptcy code works in practice to allow banks to clean up their balance sheet are critical. The big risks are oil prices and global dislocation of trade because of unilateral tariff wars.

Q. How critical is the NPA situation in India and how important is it for the banking sector to free up these from the financial system's balance sheet to infuse credit to retail customers and corporates? What is the role of the Insolvency and Bankruptcy Code in curbing the NPA situation?

A. The NPA situation has now stabilised and the real question is how quickly can it be reduced. An acceleration in growth will help. The



MONTEK SINGH AHLUWALIA

was born in New Delhi in 1943. He studied at St. Patrick's High School, Secunderabad and Delhi Public School, Mathura Road. He graduated with a B.A. (Hons) degree from St. Stephen's College, Delhi, University of Delhi. He was a Rhodes scholar at the University of Oxford where he studied at Magdalen College, as a graduate obtaining an MA in Philosophy Politics and Economics.[3] He then read for an M.Phil at St. Antony's College at the University of Oxford. While at Oxford, he was president of the Oxford Union. He has received several honorary degrees, including an honorary degree of Doctor of Civil Law from the University of Oxford and an honorary degree of Doctor of Philosophy from the Indian Institute of Technology, Roorkee. Ahluwalia joined the World Bank in 1968. At the age of 28, he became the youngest «Division Chief» in the World Bank's bureaucracy, in charge of the Income Distribution Division in the World Bank's Development Research Centre. He returned to India in 1979 to take up the position of Economic Adviser in the Ministry

of Finance. He held several senior positions as a civil servant, including Special Secretary to the Prime Minister, Commerce secretary, Secretary Department of Economic Affairs in the Finance Ministry and Finance Secretary. In 1998 he was appointed Member of the Planning Commission.

In 2001, he was chosen by the Board of International Monetary Fund to be the first director of the newly created Independent Evaluation Office, in which capacity he supervised several studies critical of various aspects of the functioning of the IMF. Ahluwalia has been a key figure in the Indian economic reform process. He has consistently pushed for economic reforms involving a shift from the earlier reliance on extensive government control over the economy with high levels of protection, to a much more open economy with a larger role for the private sector responding to market forces and greater openness to imports, foreign technology and direct foreign investment.

Sumeet Yadav

Question: **Demographics is an important driver of the Indian consumption story, can you tell us a bit about the famous «Millennials» demographical cohort's characteristics in India. Who are they, what do they look for? How can they be reached?**

Answer: Demographics is great way to focus brand building efforts, even more relevant to as India, has been redefined by the number of people we've added to our middle class which in turn has created a

great consumption story. India is set to become the youngest country in 2022 with an average age of 29. Being the largest generation in history, millennials have become the juggernaut that can wield immense influence on the way businesses are run. It becomes extremely important to understand their buying preferences.

Q. Could you give us an example?

A. Among millennials, car ownership is seen more as a liability than an asset. It is pushed down lower on the priority list of a millennial. With renting, commuting and

«India is set to become the youngest country in 2022 with an average age of 29. Being the largest generation in history, millennials have become the juggernaut that can wield immense influence on the way businesses are run»

sharing cabs being a click away – millennials save their money for travel, leisure and experiences. They are also a generation native to technology, with instant access to product reviews, deals, price comparisons and instant opinions

through social media. This affects buying decisions. As a generation they have responded to sustainable development far more aggressively than others. In an age where brands are called out in seconds for anything unethical, misogynistic or harmful to the environment; millennials stand in solidarity with brands which are good for them and good for the world around them.

SUMEET YADAV

Sumeet has over 20 years experience in building brands India, with 15 specifically fashion retail. He was part of the founding team Reliance Brands where he spearheaded launch some most successful fashion franchises in the country including Diesel, Tommy Hilfiger, SuperDry, Brooks Bros, Thomas Hilfiger, SuperDry, Paul&Shark etc. His role was not limited to being country-head of these brands, but he had several general management functions like HR, Projects, E-commerce and Training, gaining a deep insight into the Indian market along way. Most recently, Sumeet turned and scaled up the India business of Nando's, the US\$1.8, South African restaurant chain, now headquartered in London. South African restaurant chain, now headquartered in London. His role was not limited to being country-head of these brands, but he had several general management functions like HR, Projects, E-commerce and Training, gaining a deep insight into the Indian market along way.

Q. What does it mean in concrete?

A. They are the chief wage earners with 47% of our workforce being made of millennials– this means they are the primary decision makers and this is something brands can easily ignore. In terms of reaching millennials, since they are a cohort that does not take kindly to intrusion, we think the best way to engage them is through building communities around brands and adopting a digital first philosophy. Focus on innovation whether at a product or communication level is absolutely pivotal.

Q. Can you talk a little bit about e-commerce in India. Is it helping the overall retail story or is it pinning online vs offline?

A. E-commerce in India is growing at a CAGR of 30% It is an industry going full steam ahead and its almost astonishing how far and how quickly it has grown. However, despite being the second-largest userbase of smartphone users in the world, only behind China (650 million, 48% of population), the penetration of e-commerce is low compared to markets like the United States (266 million, 84%), or France (54 M, 81%). On the global e-commerce read-



INSIDE INDIA

IBC is a good reform and is sending the right signals but it is a long term institutional reform. The more immediate challenge is how to improve the governance of public sector banks since the government has said they will not be privatised.

Q. What does the depreciating India Rupee mean for the Indian economy? How does one balance the dual attempt of reining-in India's import bill while spurring exports?

A. The depreciation of the rupee is a market correction to a long standing real exchange rate appreciation. It will help improve the competitiveness of the economy. Of course there are many other things that must also be done. Clearly better infrastructure and improved logistics and connectivity would help export competitiveness. Skill development is another important element in competitiveness. We have a lot of young people but they are not adequately skilled and

without skills a young population is actually a disadvantage.

Q. How do you perceive foreign investors and how do you think FDI can contribute to the growth of the Indian Economy?

A. FDI has an important role to play and has been playing it. But India's growth will be driven much more by a revival of domestic investment. That is where we should concentrate. Especially investment in infrastructure which is India's weakest point. It is difficult to say what is necessary to mobilise fi-

nance for infrastructure. Clearly the projects have to be financially viable and to the extent they are not, but government still want to do them, it will have to bear a subsidy.

Q. In which sector/ businesses is foreign technology / know how required?

A. I would welcome FDI and foreign know how everywhere. Perhaps most of all in renewable energy and related sectors and in any sector which helps India to link up with global value chains.

«Skill development is another important element in competitiveness: We have a lot of young people but they are not adequately skilled and without skills a young population is actually a disadvantage»

ness index, India at 10% ranks below countries like Brazil (20%) and Russia (30%) so while the demand drivers are in place, there's still a load of work to be done on the ability to serve customers.

Q. So what?

A. I don't think brands can think of e-commerce as just another channel anymore. It cannot be online vs offline. E-commerce has helped the retail industry in more ways than one. Brands are now able to reach consumers in tier 3 cities and several remote towns – something unheard in the past, unless the brand was deeply penetrated in the Indian market. Awareness about various brands has increased thanks to e-commerce and with Indian consumers becoming more brand conscious, this industry is helping the retail industry. Overall, e-commerce has made the pie larger for retail and that's always a welcome move. Brands in India are embracing e-commerce to build their businesses.

Q. Luxury ones, also?

A. Luxury brands, that earlier saw e-commerce and the digital comms platforms as democratic and not exclusive, are now lining up to engage with their consumers one on one and have a sales footprint in tier 2 and 3 cities where they cannot easily expand. However, while currently the industry is driving consumer purchases through discounts, there needs to be a shift towards creating efficiencies and passing on those benefits to consumers, and move away from discounts.

Overall, the e-commerce industry is definitely a big boon for retail in India. This doesn't mean brick and mortar stores have lost their sparkle. In fact, they're even more important currently. Stores are the bastions of brand experience and are thus a key element of the retail story in India.

Q. Can you give us your view on the overall consumption story at large in India? Is it sustainable?

A. India is one of the fastest grow-

ing large economies in the world that has elevated millions of families from poverty to the middle class. India redefined itself from being thought of as a laggard and slow paced to being the growth engine of the world. India's ascent has led to increased incomes which in turn leads to increased consumption which boosts the economy. It's a virtuous cycle. After the 1991 economic liberalisation, India achieved 6-7% average GDP growth annually. Since 2014 with the exception of 2017, India's economy has been the world's fastest growing major economy, surpassing China.

Q. But the per capita income is still very low?

A. India is one of the fastest growing India's gross national income per capita had experienced high growth rates since 2002. It tripled from \$272 in 2002-03 to \$760 in 2010-11 currently the per capita income is \$2016. The world bank has stated that one of the most significant achievements of our times has been

Q. What are the key initiatives taken to ensure that India's progress is not only an urban story but is an inclusive growth across socio and economic classes of society?

A. Inclusive growth has been a key element of India's growth strategy for many years and this remains a stated priority of the present government also. It includes targeting a faster growth in agriculture, generating more productive jobs in non agriculture to take the pressure of population off the land, improving skill levels of the population to make them more likely to find jobs in the changing economic environment, It is also important to ensure more inclusive regional development which requires massive improvement in infrastructure in the lagging states regions and improving human capital in those states. Finally there is gender equality. This is a very important part of inclusiveness. There are challenges on all these fronts but then no one said development was easy.

India's growth and development. So, indeed, the consumption story in India has been wonderful. Consumer spending has never been higher and economic progress has faced very few hurdles over the years.

Q. What about the next challenges?

A. There is still a lot of work to be done on infrastructure as well as the benefits of this massive growth percolating down to the smaller towns. One of biggest challenges for India is the massive wave of urbanization as several million people move to towns and cities each year in search for jobs and opportunities. It is the largest rural-urban migration of this century. Massive investments will be needed to create the jobs, housing, and infrastructure to meet soaring aspirations and make towns and cities more liveable and green. The challenge thus, is too real. However, isn't insurmountable. The growth of consumption in India is not one to be hindered at least not in the near or distant future.

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TESTIMONIAL/LORENZO ANGELONI

The success of the granular approach

The Italian ambassador considers India an indispensable market, where there are more opportunities opened up by social transformation than critical issues. And he suggests a recipe for dealing with it

by Pier Paolo Albricci

Question. What are the main features of the Indian boom?

Answer. The boom that put India under the spotlight of world economy came from the reformist and business-oriented actions of Modi's government within a particularly favourable international economic situation.

Q. More specifically?

A. In the last four years the downward trend in oil prices has allowed the government to free up resources

Bio

ASIA EXPERT

As a top expert on Asia, Angeloni is actively engaged in the relaunch of bilateral diplomatic relations. He was born in 1958, earned a law degree from the University of Perugia, his city of birth, and has been in diplomacy since 1985. Before moving to Delhi, in the spring of 2015 he was ambassador to Khartoum, in Sudan (2003-2007), Deputy General Director of the Asia, Oceania, Pacific and Antarctica Directorate (2008-2010) of the Ministry of Foreign Affairs, and Ambassador to Vietnam from 2010 to 2015. While in Delhi, he has also launched a communication campaign to exploit the potential of Indian tourism in Italy. «Indians mainly tend to visit the most famous destinations, based on feedback received from other Indians. Few know the South».



«These statistics make India the next place to be for Italian companies with a strong international vocation»

for infrastructure investments, make cuts to indirect taxation and launch numerous social programs with a sure impact in terms of popular consensus.

Q. Is the scenario destined to last?

A. The short-term dynamics do not alter the underlying context: by 2040 the Indian GDP will reach 6 trillion dollars, while by 2050 India will become the second world economy,

surpassing the United States in terms of equal purchasing power according to analysts. In demographic terms, India will overtake China already in 2024. These statistics make India «the next place to be» for Italian companies with a strong international vocation.

Q. Do you see a political risk in the next elections?

A. No, even if the macro-economic picture of the next few months is likely to present greater uncertainties, because the rupee has suffered strong depreciation against the dollar. In addition, the current volatility of oil prices translates into upward pressure on consumer prices and a growing trade deficit

for India, a net importer of crude oil.

Q. Since your arrival in India three years ago, how and how much has the Italian presence changed in the market?

A. The year 2017 marked a watershed; it was Italy's return to India, with a full revival of bilateral relations not only on the political level, but also on an economic, commercial,

and cultural one. Exports grew in double digits last year and SACE has increased its previous growth estimates. Furthermore, there has been a renewed dynamism for national companies, which have recently managed to win important contracts in relation to the imposing infrastructure modernisation plan interesting the country.

Q. A concrete signal of the new climate?

A. Italy was invited to participate as a partner in the 2018 edition of the Tech Summit that took place in Delhi at the end of October, in the presence of the Presidents Conte and Modi. The event was attended by highly specialised companies and cutting-edge research centres. It was a magnificent showcase of the excellence of Italian production in the field of technological innovation.

Q. Does your assessment also apply to SMEs?

A. Absolutely yes, it could not be otherwise, since Italy is present in India with 600 companies including joint ventures, representative offices and subsidiaries, with more than 23,000 jobs generated, and this figure will only grow.

Q. Have you launched specific initiatives in their direction?

A. The SMEs will be at the centre of a pilot project that the Embassy is putting in place in partnership with CNA, which will make use of social marketing and innovative web marketing.

Q. What are the principal obstacles that mainly

continue on page 89



Italian Exhibition
& Trade Fair
Association

AEFI activity and the internationalisation policy

AEFI is the association of Italian exhibitions and fairs representing the Italian exhibition system, which is the second largest in Europe and the fourth worldwide in terms of exhibition space. AEFI has always focused on initiatives aimed at the internationalisation of fairs and the companies participating in them in order to seize new opportunities on the world market. AEFI operates with the goal of being present abroad, with attendance to fairs in Italy as its main objective. The activities carried out have led to agreements with interlocutors in strategic markets: to date, partnerships have been signed with Iran, Taiwan, Lebanon, India, South Africa, Thailand and China, and a memorandum of understanding has been signed with AmCham (American Chamber of Commerce in Italy), with IEIA, the global association that groups all the operators involved in logistics relating to the exhibition world and with CENTREX, the organisation that represents the exhibition sector in Central and Eastern Europe. An agreement was also signed in 2014 with the ICE Agency to promote the Italian exhibition system on the main international plazas through dedicated meetings and initiatives and incoming foreign delegation activities. A memorandum of understanding was signed with SACE and SIMEST in July 2017.

AEFI PRESENCE IN INDIA

Within the scope of the activities carried out, collaborations with the Indian exhibition system should be highlighted. The increasing attention to fairs in India has been used as a tool for industrial policy and territorial marketing, and the great interest for Made in Italy and the fairs expressing the same. India has great confidence in the future of the sector and has the ambitious goal of making the country the best destination for the MICE industry, helping local production establish itself in the world. The Indian exhibition system has grown by 27.7% in the last five years, and significant investments are planned starting from the new district of New Delhi. Alongside, the investment sector is growing, which guarantees the truthfulness of its set-ups



with investments both for logistics and communication to support fair activities, with the most modern technologies. International collaborations are highly sought after for development, especially with Italy. AEFI is encouraging these collaborations thanks to the partnership signed in 2017 with the IEIA (Indian Exhibition Industry Association) which includes: information exchange, the activation of contacts between members and support for the development of various forms of collaboration, and periodic meetings to update the existing possibilities in the two countries. Following this agreement, in 2017 AEFI was invited to participate as a “supporting association” at the 7th edition of the “IEIA Open Seminar”, the main conference of the Indian exhibition sector dedicated to networking and knowledge, attended

by over 300 delegates from all over the world including presidents, managing directors, general managers and other decision makers of the sector, together with representatives of the government and ministers. The event was held from 4 to 6 May at the Bombay Exhibition Centre, and had the theme “Fairs: the engine of economic growth”, representing the first concrete collaboration between the two associations. It was an extraordinary opportunity for all members to meet industry professionals in a dedicated context specifically organised by the local association, where they could further mutual knowledge, and start or consolidate relationships to support internationalisation and Indian market development projects. The contacts continued at the IEIA Open Seminar in Hyderabad in 2018; AEFI participated in the annual conclave of Indian industry for the second consecutive year. “CONVERGE & CONNECT” was the title of this year’s event, held from 9 to 11 May in Hyderabad and organised by the IEIA-Indian Exhibition Industry Association and Rom on the occasion of World Fair Day 2018. Those interested in learning more about AEFI’s activities in India can contact international@aeфи.it.

The sector data in India, provided by IEIA, indicate the following situation:

- Number of events: 750 every year, of which: • 40% national • 60% regional
- Covered exhibition area: 7.1 million square metres
- Annual growth rate of the exhibition system, higher than GDP growth in the country in recent years
- 76% of the events are at annual intervals
- 75% of the events are B2B
- 51% of the organisers are national
- the main Indian events are dedicated to sectors such as construction, automotive, chemicals, and are organised by trade associations with the support of institutions

TESTIMONIAL/PIERROBERTO FOLGIERO

The right chemistry of the Italian-Indian alliance

The CEO of Maire Tecnimont group, the parent of Tecnimont PL in Mumbai, explains how the late became a leading example of a large, locally-managed company projected on international markets

by Pier Paolo Albricci

Question. What are the growth forecasts in India, according to your chemical background and those of the major Italian-Indian company?

Answer. The group is benefiting from the recent growth in both public and private investments already under way, thanks to the synergies between Tecnimont PL and our EPC contractors Tecnimont and Kinetics Technology. The first is a market leader in polyolefins for installed capacity in the last five years, the

second in refining and in hydrogen and sulphur processes.

Q. More specifically?

A. We have already secured three EPC contracts within a few months, two with a private customer in the polyolefin sector and one with a public customer for upgrading a refinery.

Q. What customers have you worked for lately?

A. For Hindustan Petroleum Corporation, an Indian oil company owned by the

government, and for Mittal Energy Investment, a subsidiary of Mittal Group, and for Reliace. Over the past five years, we have won four projects from the latter, demonstrating the strong loyalty of prestigious customers, because we know how to comply with deadlines and quality standards.

Q. Deadlines and quality standards are therefore your key factors in the competition?

A. Not only that, there is another specific factor that characterises us in a particular way. It is the fact that we are an Italian-Indian company with technological DNA that can count on the international network of the Maire Tecnimont group, and at the same time play a leading role in the local market.

Q. In concrete terms, what is the competitive advantage?

A. Excellence in the supply of engineering services and in the sustainability of our work. In fact, when procuring goods and services for each project we know how to interact, as Indians, with local suppliers equipped with an adequate skill-set to reduce costs and at the same time create value in the business fabric in which we are operating. It is a huge competitive advantage.

Q. Who reaps the benefits of this major advantage?

A. The advantage is shared by all stakeholders: the contractor, the local supply chain consisting of many subcontractors and suppliers who need to grow by working on international projects, and by the final user, whether it is the Indian government or a large private colossus.

Q. How have you obtained this result?

A. By increasing our Indian unit, which has become our extended desk of Milan, and is able to dedicate more than two-thirds of the engineering hours on all the Group's global projects on a yearly basis: a fundamental contribution also in terms of cost advantage.

Q. Can you explain further?

A. Finding workers who work at lower hourly costs is not difficult, however, this often pays off with lower productivity levels. The difficulty is finding the right combination of the two factors, cheaper work and unaltered productivity. The result is possible with TCML thanks to decades of experience

Bio

A CAREER IN FINANCE

Folgiere was born in Rome in 1972 and graduated from Insead of Fontainebleau, then the Luiss University of Rome in Economics. He joined the Maire Tecnimont Group in 2012 where he became General Manager in May and CEO in May of the following year. He began his career in the Administration and Finance area of Agip Petroli, before moving on to Ernst & Young and PricewaterhouseCoopers. In 2000 he joined Wind Telecomunicazioni and became its Corporate Development Director in 2006. He became the CFO and General Manager of Tirrenia di Navigazione in 2008. In September 2010 he joined the Maire Tecnimont Group as a CFO of KT, becoming CEO a year later. Maire Tecnimont registered record results in the first nine months of last year. Its turnover rose up 5.6% to 2.7 billion euros, but above all, its EBITDA reached almost 150 million euros, with over 12% growth, while consolidated profit grew by 27% to 89 million, with a backlog of 7.3 billion euros in orders.



File/Tecnimont PL

A CENTRE OF EXCELLENCE FOR ENGINEERING SERVICES

From just a few hundred employees in the 90s, the Indian subsidiary of the Maire Tecnimont group, Tecnimont Private Limited, currently has more than 2,000 engineers in its Mumbai headquarters and coordinates 4,000 specialists involved in electro-instrumental installation activities. It is with this force that Tecnimont PL is able to carry out an average 2 to 3 million man-hours in engineering services every year, equivalent to about two thirds of the total engineering man-hours at the group level. To date, it has completed more than 400 projects in the manufacturing sector (chemical and petrochemical, fertilisers, refineries, power and oil & gas) and has an annual turnover of more than 100 million dollars. The acquisition of the entire capital was completed in 2008 at the end of an ascent that began in the second half of the 90s. Tecnimont PL has been active in India since 1958. Over the years it has developed considerable experience in design activities and in the implementation of feasibility studies; it entered the petrochemical segment with its first engineering services project related



Haidia plant, built by the Tecnimont PL to produce plastics in the State of West Bengala, 120 kilometres from Kolkata

to the construction of a methanol plant in 1973. Its track record in the oil & gas industry was then enriched over the years, making Tecnimont PL a reference point for local and international engineering services. Since joining the Maire Tecnimont Group, it has undertaken a progressive internal growth process thanks to strong investments.

in India. This is supported by the fact that the company has won almost 60% of projects for polyolefin plants built in India in the last 10 years.

Q. In which segments do you intend to grow?

A. In our distinctive sectors, from polyolefins to refining and gas processing, crucial segments at the moment considering both the volatility of crude oil prices and the great abundance of cheap gas globally. Up to fertilisers, of course, with increasing demand not only in India, but also in the countries of the reference area.

Q. In Italy you have begun to approach so-called green chemistry. And in India?

A. The launch of NextChem, the new Group company dedicated to new technologies to support the

current energy transition, is not limited to the Italian landscape, but to all the markets in which we operate, including India. In this moment of discontinuity it is necessary to «drive» change: this is why we look with increasing interest to technologies and investments adjacent to our core business, in the field of renewable energy and green chemistry and in particular bioplastics, a sector that is constantly acquiring importance next to traditional chemistry.

Q. Is it a strategic choice?

A. Yes, because in doing so we further enhance our leadership in large downstream processing plants and at the same time confirm our role as a pioneer of change, anticipating the evolution of international environmental regulations. Our DNA includes knowing how to seize the opportunities that market discontinuities and the energy transition in progress can offer.

Q. So you see a market that is still expanding?

A. Important investments are currently underway and others are planned in the short and medium term in the major industrial and infrastructural sectors, currently contributing to GDP in a relatively limited way, and thus needing a decisive push. This is why the Indian government is pushing Make in India a great deal. For oil & gas, the program envisages the implementation of EPC projects with a greater incidence of local content. Make in India is connected to Skill India, aimed at creating a class of skilled workers with particular attention to the new generations, and obviously a strategic factor for the government.

Q. So you do not see a risk of slowdown?

A. The growth rate is very high, around 7%, despite the fact that the economy is significantly depend-

ent on exchanges and has therefore suffered from the effects linked to the intensifying of economic sanctions against certain countries. Even if India is a net importer of hydrocarbons (between 75 and 80%) and the increase in the barrel price has had an inflationary effect, it is driven to increase production capacity and modernise energy infrastructure to meet the growing demand for petroleum products and fertilisers.

Q. How do you see your role as a hub?

A. Strategic, both towards the Middle East, and in particular the Gulf countries where we have a historical presence, and in Southeast Asia.

Q. Which of these two areas is more interesting at the moment?

A. In the Gulf the support of our Indian subsidiary in the implementation of large EPC projects is particularly important in terms of engineering services, the procurement of goods and services, and the direct implementation of electro-instrumental construction activities, in which TCM P L excels at an international level.

Q. And in Asia?

A. The Southeast is showing growth rates and increasing investment trends in the industry for the transformation of oil and gas into refined and semi-finished plastic products with higher added value, the so-called downstream, also for initiatives linked to the Silk Road.

Q. Where are you working right now?

A. We are working on two important orders. The first is in Malaysia for Petronas and is for the construction of a polypropylene plant and two high-density polyethylene plants. The project is worth over 800 million total dollars. In the Philippines we are working on a new high-density polyethylene unit and expanding a polypropylene unit; the order is worth approximately 180 million dollars. And we are considering entering other countries in the area soon with important projects. ■

The elephant's charge

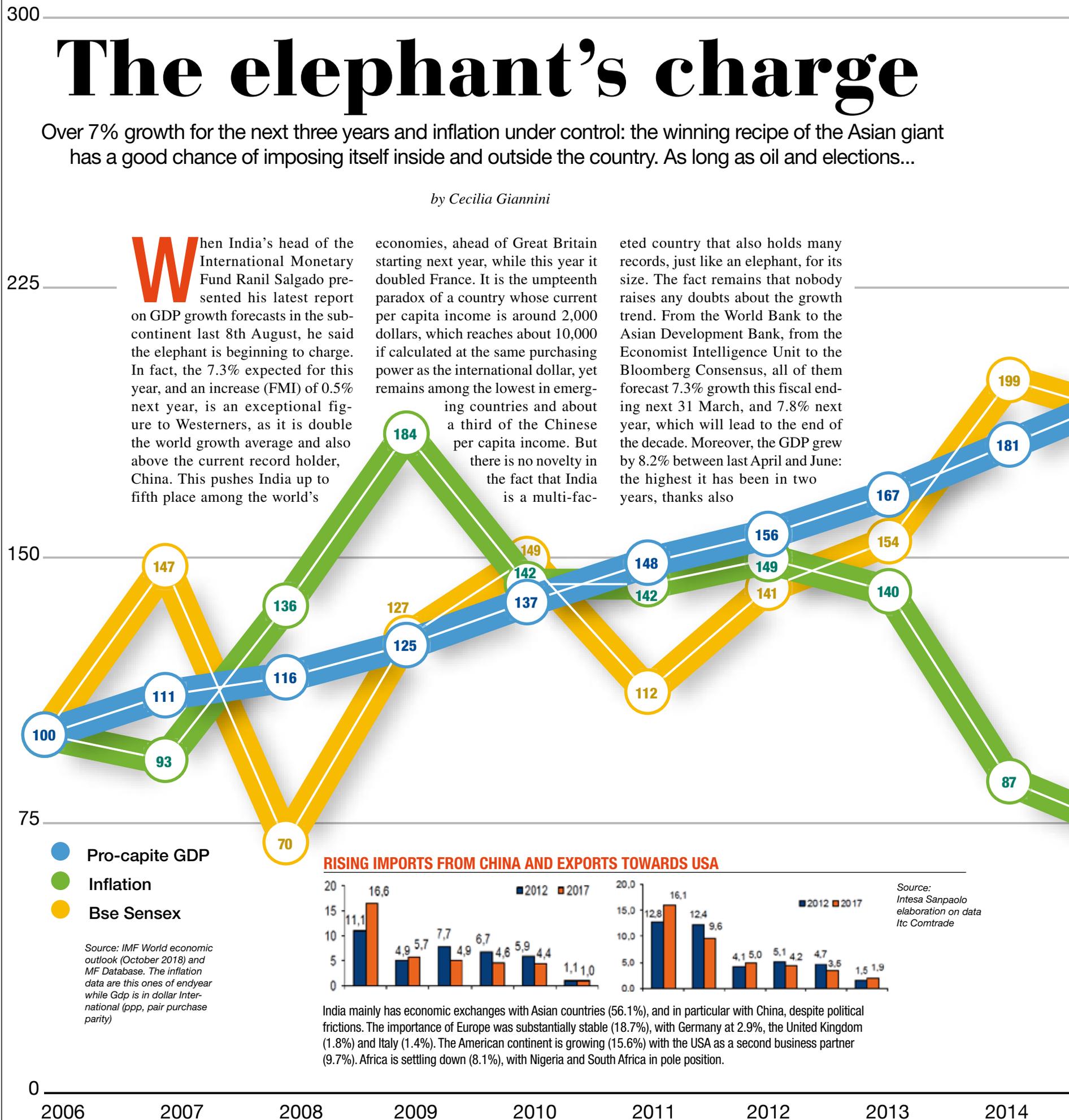
Over 7% growth for the next three years and inflation under control: the winning recipe of the Asian giant has a good chance of imposing itself inside and outside the country. As long as oil and elections...

by Cecilia Giannini

When India's head of the International Monetary Fund Ranil Salgado presented his latest report on GDP growth forecasts in the sub-continent last 8th August, he said the elephant is beginning to charge. In fact, the 7.3% expected for this year, and an increase (FMI) of 0.5% next year, is an exceptional figure to Westerners, as it is double the world growth average and also above the current record holder, China. This pushes India up to fifth place among the world's

economies, ahead of Great Britain starting next year, while this year it doubled France. It is the umpteenth paradox of a country whose current per capita income is around 2,000 dollars, which reaches about 10,000 if calculated at the same purchasing power as the international dollar, yet remains among the lowest in emerging countries and about a third of the Chinese per capita income. But there is no novelty in the fact that India is a multi-fac-

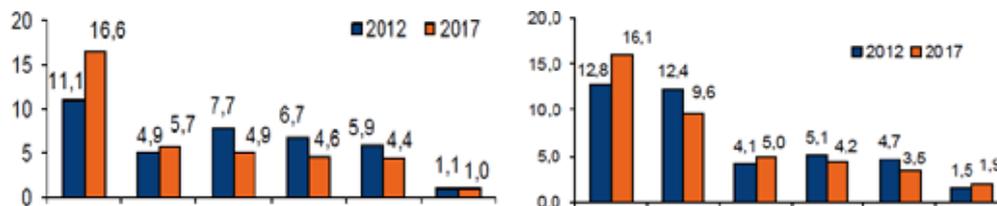
eted country that also holds many records, just like an elephant, for its size. The fact remains that nobody raises any doubts about the growth trend. From the World Bank to the Asian Development Bank, from the Economist Intelligence Unit to the Bloomberg Consensus, all of them forecast 7.3% growth this fiscal ending next 31 March, and 7.8% next year, which will lead to the end of the decade. Moreover, the GDP grew by 8.2% between last April and June: the highest it has been in two years, thanks also



● Pro-capite GDP
● Inflation
● Bse Sensex

Source: IMF World economic outlook (October 2018) and MF Database. The inflation data are this ones of endyear while Gdp is in dollar International (ppp, pair purchase parity)

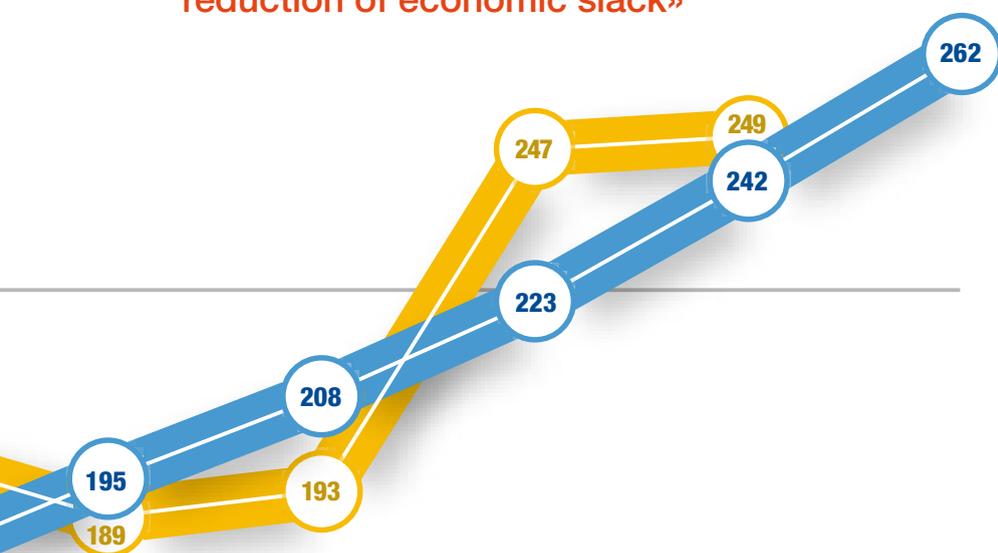
RISING IMPORTS FROM CHINA AND EXPORTS TOWARDS USA



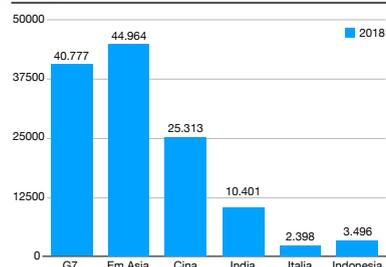
Source: Intesa Sanpaolo elaboration on data ITC Comtrade

India mainly has economic exchanges with Asian countries (56.1%), and in particular with China, despite political frictions. The importance of Europe was substantially stable (18.7%), with Germany at 2.9%, the United Kingdom (1.8%) and Italy (1.4%). The American continent is growing (15.6%) with the USA as a second business partner (9.7%). Africa is settling down (8.1%), with Nigeria and South Africa in pole position.

«We expect economic growth to pick up to about 7.3 percent for fiscal year 2018/19 from 6.7 percent in the year prior. Meanwhile, inflation has edged higher, in part due to a reduction of economic slack»

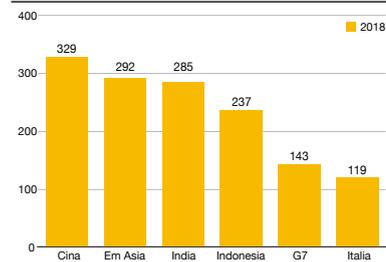


ASIA BEATS G7: WHAT IS THE WEIGHT OF GDP...



The graph shows the GDP in dollars with equal purchasing power. The statistic of the emerging Asia countries, which include China, India, the Philippines, Indonesia, Thailand, Malaysia, Bangladesh and minor states, has exceeded that of the G7 since 2016, i.e. the most developed economies. China and India alone are slightly below the entire G7.

...AND HOW MUCH IT HAS RISEN SINCE 2006 (BASE 100)



The graph shows the evolution of the GDP growth trend (in dollars with equal purchasing power) taking 2006 as a 100 basis. China is the record-holder, followed by India. Overall, Asian countries have developed at double the rate of Western ones over the past decade, including Japan.

Source: IMF World Economic Outlook Database, October 2018 - GDP in billion dollars at ppp



INDIA, INCOME RISING AND INFLATION DECREASING

With values attributed to 2006, the chart clearly indicates the divergent paths of GDP per capita growth in India (in blue) and inflation (in green), while the financial markets (the Mumbai Stock Exchange index in yellow) follow the income trend with greater volatility. The containment of inflation, which the Monetary Fund estimates at 4.7% for 2018 and 4.8% for next year, is one of the key indicators for assessing the stability of the growth path.

2015 2016 2017 2018 2019

to the effects of the demonetisation in December 2016, which caused private consumption to decrease in those three months of 2017. In fact in the second quarter of last year, i.e. between July and September, the growth rate dropped to 7.1%, affected by the weakness of exports and a partial tightening of credit. But the key to India's growth, for example the consumption that exceeded 70% of GDP in 2017-2018, continues to push the subcontinent's economic cycle. This salient feature and guarantee of stability, however, has another side: in order to meet the needs of businesses and consumers, India must massively import goods and services, much more than it exports. Imports in the six months from April to October last year still grew by 16%, against +13% of exports, pushing the trade balance deficit to over 17 billion dollars (+17%), mainly due to the import of petroleum products which represent almost a third of imports and grew by 50% in the semester. The trade deficit last 31st March for the previous 12 months was 157 billion dollars out of a total 762.5 billion dollars in trade with the rest of the world. The export of services was 75 billion in 2017 and is the main item on the other side of the scale, but it is far from balancing out the weights despite the substantial inflow of capital from abroad - 52 billion in 2017 between direct and portfolio investments - and the high level of Indians working abroad, which mitigate the impact on the payments scale, i.e. that which measures financial transactions, of the trade deficit. «With an average barrel of oil costing 75 dollars, the current account deficit should rise from 1.9% in 2018 to 2.7% of GDP in the 2019 financial year», predicted Gordon Rodrigues, head of exchange rates and interest rates in the Asian area of one of the world's largest banks, Hong Kong Shanghai Bank Corporation (HSBC). According to the Central Bank it should not exceed 2.4%, but in any case this situation opens the risk scenario up to investors, undermining the value of its money. «The impact of oil and the recent spread of emerging markets have meant that India probably has a negative balance of payments for the first time in five years, and even if we expect an improvement for next year, that

gives rise to a negative sentiment towards the rupee», Rodrigues explained to MF International (see also Forum, on the next page). However, analysts note that the solid foreign exchange reserves in dollars, 392 billion dollars at the end of October, is a reassuring element on the state of public finances. Also because the incidence of public debt on the GDP is limited to 50%, down next year to 47.8%.

GOOD NEWS FROM INDUSTRY

But the news that most comforts analysts and observers is from businesses and the real economy. «The monthly data between March and May confirm the stabilisation of activity with sustained rates, although they are lower than the peak of the first quarter», wrote Silvia Guizzo of the Intesa Sanpaolo Research Office in her latest report on India, updated last July: «Industrial production rose 5.4% in April, slowing down from a peak of 7.8% in January, supported by the production of infrastructure goods that partially offset the deceleration of that of intermediate goods and industry energy. Companies' confidence also remained strong in the second quarter and the manufacturing SME index continued to expand slightly below the average of the first quarter (51.8)». According to the latest Central Bank data (October), overall production grew 5.1% since April and September of last year: double the growth recorded in the first half of 2017. This performance is also the result, which should continue to occur throughout the year, of the tax reform that introduced a single general tax on goods and services from the first of July last year, known as GST (goods and services tax) and comparable to VAT, at the national level, instead of taxes decided by the 29 regions, which created enormous difficulties for large domestic groups and foreign multinationals in terms of trading and sales planning. However, performance is not uniform in all sectors; as always, there are those who drive and those queued up. The automotive industry has a solid growth basis with broad demand across all segments. «This year's good monsoon made our farmers optimistic, and they are now planning to trade in their motorcycles and buy

that new tractor», explained Luca Bottazzi, general manager of Brembo India, which dominates the drum-brake market for motorcycles and whose plants are operating at dizzying rhythms. In the automotive sector, the mother of all industries, growth driven by urbanisation processes and the middle class living standard is pushing the demand for energy. «It will be the third largest market in the world by 2021», assured McKinsey, the most authoritative scenario think tank. PriceWaterhouseCoopers has calculated that the market is growing at a rate of 9% a year, while the list of producers investing to increase their capacity is growing month by month, led by the Easterners Isuzu, Nissan, Honda and Hyundai, with some Westerners as well, for example Ford, Mercedes and Psa. Thanks also to the automotive industry, the steel industry has reaped the benefits of rising local demand and rising prices, contributing almost 2% to the GDP. Steel consumption is at its maximum capacity of the last five years. Cement manufacturers are facing more difficult recovery as rising material prices erode profit margins. However, the increase in public

Invest in India

BONDS AT 8%, STOCK WILL YIELD LONG-TERM

Growth, monetary stability, financial market returns, possible risks: MF International asked the managers of three large investment funds (which can also be bought in Italy) for their opinions regarding those which have had the best performance in their respective market segments in the last five years, as well as about shares, bonds and ETF.

Question. What are your forecasts on the evolution of the short-term macroeconomic framework, especially inflation and rates?

Mehta (Nomura): The recent context has also been challenging in India. As a major oil importer, India is held hostage to high prices of the black gold, and the recent strength of crude oil has had a negative impact on the current account deficit, interest rates and currency, even if inflation has remained reasonably contained to date.

Rodrigues (HSBC): But the economy is growing strongly, and inflation has fallen close to the 4% target set by the Central Bank in recent months. The marked increase in rates in July and August strengthened the requirements for combating inflation and consolidated the independence of the RBI.

Taylor (DWS): It is true, inflation was at its highest

at the beginning of the year, but the results have been lower than expected since then. After the last rise at the beginning of August, we expect the Central Bank to stop until December unless the rupee, which has depreciated by 11% against the dollar since the beginning of the year, is not again put under pressure.

Q. Do you expect the rupee to stabilise?

Rodrigues (HSBC):

The rupee is at an all-time low against the dollar, but with oil at 75 dollars a barrel, the current account deficit is expected to rise from 1.9% in 2018 to 2.7% of GDP in 2019. It is the first time in five years that the balance of payments is negative, which gives rise to a negative sentiment against the currency. On the other hand, the foreign currency reserves accumulated when the rupee was strong, 402 billion dollars last 3 August, which should mitigate the weakness of the currency.

Mehta (Nomura): The signs of a recovery in activity are significant, although you have to consider that the basis for comparison is low due to the tax reform disruption last year. The recovery has driven the growth of company profits, which we estimate at around 15-20% for the current and next fiscal year. In summary, the scenario is of a micro-context that is currently being improved in a complicated macro-context.

Rodrigues (HSBC): Much of the volatility we have seen is a consequence of the contagion from emerging markets. But India is in a good position to resist this situation. The yields on 10-year government bonds exceed 8%, the highest since 2014, making India a very attractive investment-grade bond market.

Taylor (DWS): I agree that India has a history all its own in relation to emerging markets: this year its growth shows visible recovery, offering a sign for the recovery of stocks. For 2018/2019, we expect 7.5/8% GDP growth.



Vipul Mehta has been responsible for Nomura investments in Asia since 2007, with the exception of Japan, and as manager of the India Equity Fund, which has achieved an annual performance of 19.4% in the last five years, the best among equity funds. The fund managed 719 million dollars last 3 January, with 93% invested in Indian stocks. The top five stocks in the portfolio were Hindustan Unilever, Maruti Suzuki India, Larsen & Toubro, Housing Development and HDFC bank.

BEST PERFORMERS IN INDIAN MARKET: EQUITY FUNDS...

Fund	Manager	Revenues %		
		5 years	3 years	2018
1 Nomura Fds India Equity A €	Nomura AM UK	19,4	11,7	-6,3
2 PineBridge India Equity A	PineBridge Invest. Ireland	18,3	3,9	-6,3
3 Stewart Investors Indian Sbctnt A Acc€	First State Investments (UK)	16,8	5,7	1,0
4 Comgest Growth India € R Acc	Comgest AM Intl	16,5	3,1	-11,3
5 GS India Equity I A Inc \$	Goldman Sachs AM	16,3	3,9	-12,8
6 Kotak India Growth I \$ Acc	FundRock Management	16,1	6,0	-5,2
7 Fidelity India Focus A-Dis-\$	Fidelity Inv Mgmt (Lux)	16,0	7,4	-1,0
8 BGF India A2	BlackRock (Lux) SA	15,9	6,0	-7,6
9 Schroder ISF Indian Opports A Acc \$	Schroder IM (Europe)	15,4	5,8	-3,1
10 Invesco India Equity E € Acc	Invesco Management	15,1	4,1	-12,3
11 Mirae Asset India Sector Leader Eq A \$	Mirae Asset GI (HK)	14,3	4,6	-9,8
12 Aberdeen Global Indian Equity A Acc \$	Aberdeen Global Services	14,2	5,7	-0,3
13 Pictet-Indian Equities R \$	Pictet AM (Europe)	14,2	5,4	-8,5
14 EdR India F	Edmond de Rothschild AM	14,2	5,9	-6,7
15 SLI Indian Equity Midcap Opps D Acc \$	Standard Life Investments	13,6	9,0	-15,0
16 Schroder ISF Indian Equity B Acc \$	Schroder IM (Europe)	13,5	5,9	-1,6
17 Jupiter India Select L \$ A Inc	Jupiter Unit Trust Managers	13,5	-1,1	-20,7
18 AB India Growth C Acc	AllianceBernstein (Lux)	13,3	1,4	-19,8
19 Franklin India N(acc)\$	Franklin Templeton IS	13,2	3,1	-11,9
20 Amundi Fds SBI FM Equity India FU-C	Amundi Lux	13,0	3,9	-7,4

... BOND FUNDS...

1 Kotak India Fixed Income I USD Acc	FundRock Management	9,09	2,45	0,03
2 HSBC GIF India Fixed Income EC	HSBC Investment (Lux)	8,77	1,84	-0,02
3 Rubrics India Fixed Income UCITS C1 GBP	Carne Global (Ireland)	6,97	0,46	-2,67
4 Aberdeen Global Indian Bond A Acc USD	Aberdeen Global Services	-	3,02	2,20
5 Invesco India Bond E EURH MD-GI	Invesco Management	-	0,38	-8,36

... ETF

1 X Nifty 50 Swap ETF 1C	Deutsche AM	13,9	4,3	1,9
2 Lyxor MSCI India ETF €	Lyxor Int. AM	11,9	3,2	-0,6
3 WisdomTree India Quality \$	WisdomTree Mgmt	-	-	-3,7

Source: Morningstar Direct - Data in euro at 28 December 2018, for Etf at 30 July 2018 - Funds distributed in Italy to retail clients

Q. Do you predict an increase in political risks in the economy caused by the general elections next spring?

Mehta (Nomura): Yes, political chaos will likely increase as we approach the end of the year, with elections in three major regions, and in the first half of the next with the general elections. As in the past, the NDA government currently in power will manage them like a presidential election, but Modi's victory as a leader cannot be taken for granted. If the country's helm passes to a disordered coalition, the economic risks will increase. But this is not our basic scenario.

Rodrigues (HSBC): Our basic hypothesis is that Modi will be re-elected in 2019. There are very few elements supporting a significant decline in his popularity and his reform program is appreciated in urban areas. However, we believe that political uncertainty is destined to last over the coming months, but has already been taken for granted by the market.

Q. What should we expect in the medium term?

Taylor (DWS): There are still a lot of challenges with oil, which risks rising again due to inflation, while the political landscape leading up to the 2019 elections does not offer any glimpses of tax relief. External pressures from rising interest rates in the United States, the dollar and trade could dampen sentiment globally.



Gordon Rodrigues, foreign exchange manager in the Asian area for HSBC, is the manager of the Anglo-Chinese bank bond fund which has achieved an 8.7% annual return in the last five years. Last 3 January he managed 823 million dollars, with 95% invested in fixed income bonds, for the most part (20%) Indian government bonds with yields between 6.7 and 7.8%.

with the task of an inflation target. Furthermore, the benefits of the many reforms established by Modi's

Rodrigues (HSBC): The fundamentals of the economy are solid. The quality of the sovereign debt and the corporate market should continue to improve in the long run as the economy develops. India is a country with enormous potential for its young, educated and large population. An important point is the significant improvement of the institutional framework in recent years, with a strong independent central bank which has been entrusted

government will be reaped in the coming years. The tax on goods and services makes India a truly unique market for the first time, while the policies that led to digitisation and greater protection for home-buyers have further freed citizens within a stable democracy.

Q. How much is India vulnerable to the global trade war?

Rodrigues (HSBC): US duties on Indian steel and aluminium exports amount to only 240 million dollars, so the direct impact is very small. However, fears of a slowdown in world trade have undoubtedly damaged investor sentiment and contributed to the sell-off of certain assets from emerging markets. We believe that trade disputes between the United States and other countries will end up being solved in a positive way for most actors, but the times are hard to predict.

Q. What is the composition of your portfolio and the most interesting sectors in the near future?

Taylor (DWS): We are neutral in India within our global Emerging Markets portfolios, with a relatively unchanged positioning, preferring consumer and rural stocks and at the same time adding to those which benefit from the weakness of the Indian rupee (IT and Healthcare) and reducing the weight on metals due to the worsening of the global situation.

Mehta (Nomura): We continue to be optimistic about consumption, which will continue to grow because it is driven by the young demographic profile, rising incomes and the optimistic nature of Indian society. So we appreciate both the discretionary and non-discretionary consumption sectors. We are also optimistic about private banks oriented to consumption and retail. Aided by technology, they have the right conditions to acquire market shares from state-owned banks. We are less optimistic about the manufacturing sector.

Rodrigues (HSBC): With the current yield, the market is already pricing at least a further rate hike by December. We lowered the average portfolio duration, with 12-24 month securities, and sold 10-year corporate bonds and 15-year government bonds without sacrificing yield, and we expect to maintain this position.



Sean Taylor is the manager of the ETF X Nifty 50 Swap Etf 1C on behalf of Deutsche Asset Management, which has a portfolio of 164 million dollars invested on an index including 50 stocks representing 21 sectors of the Indian economy. The annual 5-year performance is close to 14%.

spending for the construction of affordable infrastructure and housing in the run-up to next year's elections should support demand.

Another positive aspect can be seen in the consumer goods sector, which is the fourth in the economy. Private consumption recorded 8.6% growth between March and June last year and the sector recovered well from the chaotic introduction of last year's GST. The propensity to consume should be well-supported by the increase in wages for millions of

government employees, by the increased prices of agricultural products, of certain crops, especially with the basic price being guaranteed by the State, and by an increase in public spending as the elections approach. In a country as large as India with very poor land transport infrastructure, significant indicators of the economy's state of health can be seen in the air traffic statistics that are growing at double figures and, at the same level, also the ability to transport because the operators are expanding their fleets. The increasing price of oil which appears stably high could slow down growth in the short term in this sector as well, but the long-term outlook is definitely positive.

TAIL LIGHTS

The real deterrent to this growth could instead come from the banking sector, where against a sustained demand for new loans, the gross rate of bad loans could rise to 12.2% this year, the highest in two decades, from 11.6% last year according to data from the Reserve Bank of India. The deterioration of asset quality is eroding credit institutions' capital, limiting their ability to finance large public works. However, in the first half of last year bank credit rose by 14%, double what was recorded in the same period of 2017. The energy sector is also lagging behind, causing concern for bankers and politicians. Difficulties in the supply of fuel mean that producers cannot guarantee long-term supply contracts to the state-owned electricity distribution companies, which are all in

red. Almost 40% of the coal-powered generation capacity is unused and the sector is recovering from the loss of permits for coal mining in 2014, as well as funding and liquidity problems.

RATES DOWN OR UP?

In this context, one thing is certain: more than Donald Trump's tweets on tariffs, the threats of trade wars or the difficulties of other economies, the stability of growth in India will be determined by internal problems and political power relations. This figure clearly emerged on 5 October when the Committee for Monetary Policy met, which is the highest decision-making body of the government. The forecast was that the RBI would have increased, for the third time in a year, the primary rate by at least a quarter of a point, bringing it above the 6.5% threshold and providing an unequivocal sign of the economy's cooling. Instead the Committee decided not to touch the rate in force at 6.5%, despite the growing gap between the yield of Indian and American securities, the outflow of nearly 6.5 billion dollars from India in the first six months of 2018, and the subsequent depreciation of the rupee, which has risen to 74 to a dollar, as well as the increase in oil prices to 84 dollars per barrel. The decision strengthened the credibility of the Central Bank, which is committed to keeping the real bomb of the Indian economy under control: the level of inflation. The latest surveys of the same Central Bank indicate inflation at 3.3% at the end of October, slightly down from 3.7% in September, and regardless below the limit of 4%. However, the government shockingly called for the resignation of Governor Urjit Patel, who on 12 December was replaced at the summit of the Central Bank by Shri Shaktikanta Das, 61, a second-level official of the Ministry of Finance who already had worked with the World Bank and the Asian Development Bank, and will remain in office for three years. At the root of the unexpected replacement were divergences with the government on cleaning up issues with the banking system, a theme that has not been addressed in view of the upcoming elections, but according to the central banker could not be postponed.

Political risk

MODI OR GANDHI, BUT THE ECONOMY FEARS EXPENSIVE OIL

The two contenders at the next general elections scheduled for May are Narendra Modi, prime minister and president of the Bhartiya Janta Party (BJP), and Rahul Gandhi, president of the Congress Party. Both present a contiguous profile in terms of the economy, despite their profound historical differences. The Congress Party is historically identified as a secular party far from religious influences, while the BJP has roots in the concepts of Hindutva, a form of Hindu nationalism. Both, however, have left the centre, with the Congress Party having a more leftist vein and the BJP more to the right. The charge of the Indian elephant began gaining speed in 2004 under the Coalition Government (UPA) led by the Congress Party and Prime Minister Manmohan Singh, a worthy economist. And he accompanied the country's rapid growth up to the international crisis of 2009, initiating fundamental social reforms, including that of welfare with the Rural Employment Act of 2006, and of education with the Right to Education Act of 2009, which recognises education as a fundamental right of every child between 6 and 14 years. But when the country entered a difficult economic phase marked by rising oil prices, reaching 110 dollars a barrel in mid-2014, from the depreciation of the rupee to the historical low of 68 rupees per dollar



Narendra Modi, 68, government Prime Minister leader of the Nda party, and above, Rahul Gandhi, 48, head of the Upa.

in 2013, the government was unable able to control the high rate of inflation. So in the following year's elections, the National Democratic Alliance (NDA) led by Modi took over the helm. Also benefiting from the sharp decline in crude oil prices, which at the beginning of 2016 had fallen to 30 dollars a barrel, Modi's economic policy has been substantially in continuity with the previous government. Between 2016 and 2017, the NDA initiated two bold economic reforms: the demonetisation of 500 and 1,000 rupee banknotes, withdrawing 86%

of the old paper money from circulation and replacing it with new, larger banknotes to be withdrawn from the bank along with the identification of the person presenting them, and the introduction of a single tax on goods and services (GST) for the whole national territory. The demonetisation was claimed as an attempt to clean the country of black currency but caused a serious liquidity crisis that slowed down growth for at least a few quarters, with the GDP losing almost 2 points, and especially affecting the lower strata of

the income pyramid, above all in rural areas. In force since 1 July 2017, the GST instead had almost immediate positive effects on all sectors of the economy, unifying the market. The Real Estate Act of 2016 to clean up the real estate sector and the Insolvency and Bankruptcy Code to solve the problem of non-performing bank assets completed the reform package, which convinced many investors to focus on the country with 52.2 billion dollars in 2017, a real record, also attracted by liberalisation in certain key sectors, including retail distribution. The undeniable successes achieved by Modi's government are, however, questioned by a difficult international context in which the volatility of crude oil prices is accompanied by the depreciation of the rupee back to historic lows.

2018 ended badly for Modi, who lost the election in three important states, Rajasthan, Chhattisgarh and Madhya Pradesh, where two thirds of the population lives, punished above all by the vote of the peasants. The Congress Party is currently led by a young and ambitious leader, who is currently working on the creation of a great coalition that wants to serve as a unification for all anti-BJP parties opposed to the «totalitarian» and strongly nationalist model of the current government.

Several bankers and economists continue to believe that a rise in interest rates would be a more conservative move, reassuring the financial markets that the RBI is willing to give up some of its growth to keep prices and fundamentals stable in response to the turmoil on international markets. Pranjul Bhandari, the influential chief HSBC India economist, and Balachander Prasanna, head of the Global Markets Division of ICICI Banks, both believe that the RBI is

probably underestimating the overall inflation for the fiscal year 2020. «Various indicators suggest that economic activity continues to be strong despite the risks. Thanks to greater inflows of foreign investments, the increase in financial resources for the corporate sector and strong private consumption, the RBI has maintained its forecasts for a GDP of 7.4% for 2018-19», countered Keki Mistry, the CEO of HDFC, one of the largest commercial banks

with 120 billion dollars in assets and 84,000 employees, saying «The RBI has remembered that growth is still a priority». It is and especially will be for the millions of young Indians who knock at the door of the labour market every year, where the development of services will no longer be enough to ensure sufficient employment as in the recent past. And the only decent answer can come from a dynamic industry and from the transformation of the countryside. ■

MITA INDIA Dewas Plant

Eighteen years after the inauguration of the subsidiary Mita India Pvt. Ltd. in Ghaziabad, near Delhi, the Modenese group CBM has relaunched its efforts with a new investment, reflecting the great potential it sees in this country and giving rise to one of the most significant commitments in recent years for the Emilia-based company. The inauguration of the second production plant took place on 26th April in Dewas, a thousand kilometres south of Delhi in the Madhya Pradesh region, a strategic area for agriculture and one which foresees strong industrial growth. Since its last financial statements, Mita India has reached the remarkable goal of 300 crores (about 38 million euros). The new plant will produce hydraulic lifts, three-point and towing connections that constitute the entire rear tractor, for which CBM Group is an OEM supplier. The new plant rests on a total area of 40,000 square metres, has been designed according to the latest technology and is equipped with innovative production facilities. Its production capacity in 2019 will be 8,000/10,000 units/month for hydraulic lifts, to reach 15,000/20,000 units in 2020. The data and information are provided



by the company, which guarantees its accuracy for the three-point connections. The CEO of CBM, Enrico Cornia, explained, «The Ghazi-

abad site specialised in the manufacture of elevators and three-point connections has now reached its maximum production capacity. The new plant was necessary to allow us to further expand our offer not only on the Indian market, where we still have significant numbers, but also in North America, Europe and Turkey. Among other things, the plant is located in a strategic area for logistics, on the Delhi-Pune motorway, and one of the two companies that is settling in the area is also one of our main customers (Mahindra, ed), with which we could activate a door-to-door supply channel». With about 600,000 tractors sold every year, the Indian market undoubtedly offers great potential. Currently the medium-low power classes prevail (30-50 hp), but according to CBM forecasts this situation is bound to change in the next five years with a progressive increase in power, which will push the demand towards product technology that is more similar to what is currently used in Europe. Cornia concluded, «In this context, the ability to innovate will increasingly be a key factor in being competitive, even in the Indian subcontinent».



The future between hi-tech and sustainability

Architects, designers and engineers are all collaborating on public and private plans to build the smart cities of the next decade. For now, the Italians are mainly considering design, with a few exceptions

by Martina Mazzotti

«The land of dreams and romance, of fabulous wealth and fabulous poverty, of splendour and rags, of palaces and hotels... of a hundred nations and a hundred tones, of a thousand religions and two million gods... This is indeed India!», Mark Twain wrote in 1897 during his first trip to the country. Poetic words, but that's not everything. The American author's description almost seems to have inspired

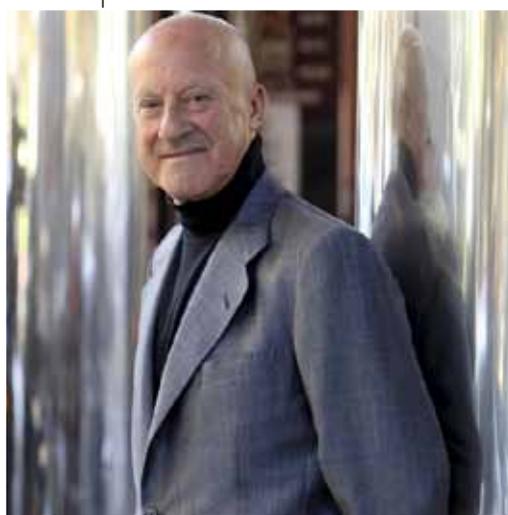


GURGAON

The DLF Gateway Tower in Gurgaon, the satellite city of Delhi 30 kilometres from the capital, has become a financial and residential hub for the emerging classes in the country. The new Trump Towers will rise here inside the Prime Golf Course: 50 floors each, 182 metres tall, its expected delivery date is 2022. The interior design will be seen to by the design studio of the Italian Matteo Nunziati. One of the project's features is the huge lagoon that opens up inside, while there are also 14 kilometres of promenade on an artificial beach and about ten kilometres of bike and jogging paths.

AMARAVATI

Amaravati, the city of the future, is the masterplan designed by the British studio of Norman Foster (photo). The project includes a new and futuristic metropolis potentially capable of housing up to 35 million people. It will be the new capital of the state of Andhra Pradesh, with a government building with a needle-shaped roof at the centre. It will cover 217 square kilometres and is a candidate for being one of the most sustainable cities in the world.





VERSACE TOWERS

On the left, The Amaryllis project developed by the Italian group together with the Indians from the unity studio, creating two towers linked by a skywalk on the 20th floor, two double-height entrances in each tower, wide open spaces, a clubhouse and a series of luxury services. Above, Abil Mansion, an all-duplex skyscraper in South Mumbai built in collaboration with Abil Group (Avinash Bhosale Group), one of the leading Indian real estate constructors and developers.



MOTHERBOARD HOUSING

Carlo Ratti of the studio of the same name (Cra), based in Turin and with a second office in New York, has developed the project Livingboard: A Motherboard for Instant Open-Source Housing in India in collaboration with WeRise. It is a sort of motherboard that makes it possible to quickly build houses over a prefabricated core using few tools. The product can easily be transferred to the most remote places with a helicopter and even with a drone.

the greatest archistar of all, Norman Foster, when he was commissioned to plan Amaravati, the city of the future: a mammoth project that should come to stand in Andhra Pradesh, in the south-east of the country and become a new and futuristic capital capable of housing up to 35 million people. On the banks of the Krishna River and with

a government building with a needle-shaped roof in the centre, it will cover 217 square kilometres and is supposed to be one of the most sustainable cities in the world, despite its size. And Carlo Ratti seems to also have been inspired by Twain; born in 1971, he is an architect and engineer of international fame who teaches at MIT in Boston, where

he directs the Senseable City Lab. The Lab is a research group that explores how new technologies are changing the way we conceive, plan and finally live in cities. His design and innovation studio is based in Turin and has a second office in New York, and has developed the project Livingboard: A Motherboard for Instant Open-Source

Housing along with the non-profit company WeRise. It is a prototype of a house which can improve the housing conditions in rural areas of India, a motherboard that makes it possible to quickly build housing over a prefabricated core with few additional tools. Livingboard encourages an open-source approach to design and

INDIAN LOOK

is currently being tested in the state of Karnataka, in the centre of the country. Made with low-cost materials that can be flattened, Livingboard is also inspired by Richard Buckminster Fuller and his dream of air-deliverable building, as Livingboard can be transported by helicopters, or even drones, to the most remote locations. Ikea was a bit more prosaic when it flooded electric rickshaws with bright canopies and cushions as a clever promotion - which also spread to all the social networks - for the inauguration of its first Indian



Trump Organization is an international player in the luxury real estate market. It chose the design studio Matteo Nunziati to furnish the 46 apartments, 400 square metres each, in the two skyscrapers of the imposing Trump Towers project in Pune. In addition to the penthouses, the interior design involved the public areas (photo below), the entrance with reception and the waiting area on the ground floor, the Podium Floor on the first floor with outdoor swimming pools, fitness and yoga areas, two massage rooms, a reading area, a business centre and a room for poker.



Testimonial/Bijoy Jain

INDIA FAVOURS ITALIAN HUMANISM

The awarding of the Pritzker Prize 2018, the Nobel prize for architecture, to Balkrishna Vithaldas Doshi of Pune, one of the most influential architects of the twentieth century, and collaborator with Le Corbusier and Louis Kahn, has added splendour to the Indian architectural scene: it is not only bustling, but full of new trends relating to sustainability, urban planning and social impact. Bijoy Jain is the founder of Studio Mumbai and one of the leading professionals in the generation of fifty-somethings, as well as a passionate traveller to Italy and strongly believes in an architect's social role. Born in 1965, Jain trained in the United States, collaborating with Richard Meier. In 2005 he founded his studio with the aim of combining tradition and modernity to preserve the relationship between man and nature as much as possible to maintain the link between design and territory. Bijoy Jain plans to open a studio at Assab One in Milan, a non-profit organisation founded by Elena Quarestanti in a former printing press, which has promoted art and culture through exhibitions, events and artistic projects since 2002.



Bijoy Jain

Question. What priorities characterize the Indian architectural landscape?

Answer. High-quality accommodations and public infrastructure. I'm not just talking about railways and subways, but also cultural infrastructure for the public, places for healing the body and the mind, infrastructure for exercise and reading, capable of nurturing society. And, of course, there are priorities related to saving energy and water consumption.

Q. What is the core of sustainability?

A. True sustainability is ensuring that 1.3 billion people live with

dignity. We have five different religions, more than 24 languages spoken: every Indian state is a world in itself. The real challenge is how to find a fair quality that respects this multiplicity.

Q. How do you apply this vision to Mumbai, where you were born and live?

A. What fascinates me about this metropolis of 23 million inhabitants (there were only 5 million when I was born) is work, just like Milan. People come to Mumbai to work, and it affects the way people live in the city: an incessant flow.

Q. From an architectural point of view?

A. The challenge is not just how to solve immediate infrastructural problems. We need answers that take people's needs into account. Italy can teach us a lot in this aspect: it is really about rediscovering a new humanism, where the human is at the centre.

Q. You are considered an advocate of slow architecture. What does this mean?

A. It's not about being slow or fast, the interest is more in the way the work is done and how architectural inspirations are collected. I think the key is more in the source of inspiration; the important thing is to focus on things and approach them with the right level of concentration.

Q. What collaborative possibilities do you see among Italian and Indian architects?

A. I think we are very culturally similar. Large families, food culture, a certain sensitivity that dictates

megastore in Hyderabad last August. The 37,000 sq.m. maxi-store has 7,500 products on sale, one thousand of which cost less than 200 rupees (2.50 euro), with another 24 stores following by 2025. «India is already a 2 trillion dollar economy and by 2030 it will be the third largest in the world», predicted Peter Betzel, the CEO of Ikea India, confirming that over 30% of the products on sale are manufactured locally. Twain's fabulous riches are instead the cornerstone of the Versace Home



INDIAN LOOK



Architectures by Jain: on the left MPavillon in Melbourne, Australia (2016). Top, Palmyra House in Nandgaon, near Mumbai, private residence in Mumbai, Byculda West (2015), and a glimpse of Copper House II, in Chondi in the Indian State of Maharashtra (2012)

the country's aesthetics. When I'm in Milan and I observe the city, everything seems familiar or close to the cultural landscape of my country. So I would say yes, there are some similarities. But not in the understanding of contemporary architecture.

Q. What do you mean by that?

A. I'm referring to the glass and steel buildings that make us all the same. I believe that we are more united by a cultural and aesthetic base as well as a common sense of materials. I recently visited Palermo for the first time, and I found it more intense than Mumbai. A fascinating chaos. I believe that Italy in general is the home of a very expressive culture, in which India recognises itself.

Q. What are you planning in Milan?

A. I am renovating some parts of a former factory in the suburbs, Assab One. I would like to have my own studio in Milan, not only because I love this city, but because it is strategic for some of my important works in progress in Southern Europe. I have two projects in France, one in Nice and a winery near Avignon; and I also work in Portugal and teach at the Faculty of Architecture in Mendrisio.

Q. What do you like about Milan compared to other European capitals?

A. It's an interesting city, one of my favourites. There is architecture everywhere, especially civil architecture, a sort of chaos in which I recognise various eras and stimulating schools, from modernism to the post-war period up to the 60s. The influences of Giovanni Muzio, Giò Ponti, Mangiarotti and Sottsass are tangible, up to the contemporary with buildings like those of the Prada Foundation or the Bicocca Hangar. A very balanced urban density and the utmost culture of food and dining are added to this.

Q. What do you enjoy most in Milan?

A. Walking around the city, simply looking around. Especially in the morning, when the Milanese are hurrying to work in their perfect clothes. It is a city with a lot of style.

projects, which debuted in Mumbai in 2016 with ABIL Mansion, an all-duplex skyscraper in South Mumbai, the city's main commercial area and India's richest urban district with real estate prices per square metre reaching the top ten in the world's ranking. In collaboration with the ABIL Group (Avinash Bhosale Group), one of the leading real estate constructors and developers, Versace has added its touch to all the ultra-exclusive duplexes of the building's 32 floors. It should be

completed by this year, including its façade designed by Hafeez Contractor, one of the best-known Indian architects. A partnership between Versace and Unity Group was signed in New Delhi in 2018 for The Amaryllis, one of the largest private projects under development in the capital, to be built in various phases. It will include two towers, a skywalk that connects the two buildings on the 20th floor, two double-height entrances in each tower, wide open spaces, a clubhouse, and

a series of additional luxury services. The first phase of The Amaryllis will see completion by the end of this year and the 148 real estate units will all be internally designed and furnished under the direct supervision of Donatella Versace. «Interior design is a different way of expressing the Versace world, offering a unique vision of the lifestyle for which the brand is famous», said Jonathan Akeroyd, CEO of Versace. «We are focusing on India to show our vocation to work on only the high-



Giorgetti extra luxury furniture, company of Meda (Brianza) that realises fine cabinet-making, present in the market for over ten years: it recently opened in New Delhi a monobrand showroom of 900 sq.m.

est standards of real estate and luxury homes, with a unique and unmistakable look».

However the problem is addressed, the increase in urbanisation is leading to a frenzy of work throughout the country, with millions of new construction sites, residences, offices, commercial developments and infrastructures. All this activity will likely create a demand for construction and interior furnishing components worth over 500 billion dollars by 2020, not counting the opportunities created for architects, engineers, designers and many other professionals. The Indian scenario has so many levels: luxury, sustainability, the boom of the middle class, but also nature, esoterism, and the challenge of its complexity, as mentioned by Bijoy Jain, an established Indian architect (interview on the previous page).

INDIAN LOOK

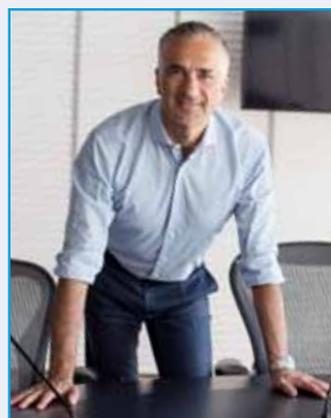
In this game with so many elements, Italy seems to have a great advantage. «Made in Italy is considered the best at all levels», assured Stefano Boldorini, who has been helping medium-sized furniture companies, including Cassina, Lualdi, and Aster Cucine, approach Indian markets since 2012. «India is a very fertile land where design and planning go hand in hand with innovation», Alessandro Biamonti, a design professor at the Milan Polytechnic Institute said in charge of the Design Faculty's internationalisation programs, to MFI. «A population predominantly below 30 years of age, on average, can only give rise to a thirst for know-how and new technologies». Biamonti continued: «Italian research enjoys an excellent reputation, and important industrial groups are manifesting a growing interest in the development of innovative solutions in textiles and fashion, IT, mechanical engineering, interior design and service design». The Polytechnic Institute's Design Faculty has long had a solid relationship with the School of Fashion and Design of Gd Goenka University in Guargaon (New Delhi), which provides study programs developed between Italy and India, as well as courses held in India by Poli.Mi professors. In addition to relations with the NID National Institute of Design, a historic governmental institution dedicated to design, there are about 20 agreements with universities or institutes in India related to the areas of engineering, architecture and design. Alliances between the major private and public engineering and design schools are also overlapping the business relationships between design firms and companies seeking synergies and reference points in Italy. «Although there are no high-level architects and designers in India, the interest in Italian know-how and the creation of stable relationships is increasing in this regard», Boldorini added.

What if a company or a designer wants to sell in India? The privileged port of entry is still Mumbai, the economic capital and a sprawling city of 20 million inhabitants with a dynamic real estate market and a constant increase in values. Here the generation of thirty-somethings, all professionally prepared and with a university-level education, is trying to stage new landscapes in the workplace, in the home, in leisure and in retail, and the high-end

Testimonial/Antonio Recinella

ELICA'S VALUE IN THE INDIAN GAME

«It's a very challenging market, probably the most complex and fragmented that exists in the world. It is said that, after the Indian market, only the Italian one is as difficult». But Antonio Recinella, the CEO of Elica, a world leader in the field of cooktops and range hoods with 479 million



Antonio Recinella

euros in turnover in 2017 and 20 million pieces produced per year, has won his Indian bet. Not only on an economic and financial level, but as a standard-bearer of a modern conception of the home and its use.

Question. How did your Indian adventure begin?

Answer. Internationalisation is a priority mission for our shareholders; it was already pursued at the beginning of 2000 with the expansion in Japan, then in China, in the Americas and then in India, where we signed a JV with a local partner in 2010.

Q. What strategy have you adopted to face a market of this magnitude?

A. The goal was to produce and to market products under our own brand and others, relying on the brand's value and the group's technological know-how. We entrusted the management of the business to Pralhad Bhutada, the entrepreneur with whom we established Elica PB India in Pune.

Q. How did you find him?

A. After careful due diligence to identify individuals



Italian design brands have understood this. Intercepting this demand Porro, a Brianza-based company that projects an image of sophisticated luxury with high design content worldwide, opened a 250-square-metre space on two floors in collaboration with Furnitech in the prestigious area of Lower Parel, also promising bespoke

able to leverage Elica's innovation, creativity and design, with an excellent ability to implement the same. And we needed someone who could provide vouch from an ethical point of view: a must for a company listed on the stock exchange.

Q. What results have you obtained?

A. In the last two financial years, the economic and financial results have recorded an excellent trend in revenues, which grew at rates of over 30%, settling at 24.3 million euros at the end of 2017. The level of margins in the last year more than doubled compared to 2016, recording an EBITDA equal to 14.3% of net revenues.

Q. Future outlook?

A. We would like to keep our growth rates around 25-30% year on year.

Q. On what basis?

A. The demand is supported by the demography and the social changes that are transforming the extended families into smaller ones-which move from rural areas to cities, have a higher income and a greater sensitivity to the brand. An increasingly innovative range of products is in line with this trend in terms of connectivity, and is quite rich, with a range that satisfies the most price-sensitive customers and those who instead seek something distinctive in the brand for their homes.

Q. Besides the product and technology, what else has allowed you to conquer the market?

A. Several factors: we have invested in marketing in a very targeted manner, then there's also the supply base and local production, R&D and branding, together with a great distribution capacity and impeccable after-sales service. All of this has led us to unprecedented expansion. In



INDIAN LOOK



Example of the futuristic hood designed by Elica, like Interstellar, here on the left. At the bottom of the page on the left hand side, the interiors of the New Delhi showroom



seven years we have become the undisputed market leaders in our category, with a 25% share.

Q. How is your distribution organised?

A. We do not own stores, but we rely on a network of about 200 stores owned by Indian retailers

exclusively with the Elica brand. In essence they are flagship stores, present in the strategic locations of the country, with the largest and most fascinating one to be found in New Delhi. In such a fragmented market of over one billion people with a diversified and heterogeneous distribution of income, having so many mono-brand stores has been Elica's main strength, all thanks to the work carried out by our partner.

Q. Last August you signed a new JV with Whirlpool of India. Why is that?

A. We were truly shocked when the number one household appliance in the world, with 22 billion in turnover, approached us. Whirlpool of India is not very focused on cooktops, our main sector, and sought us out to forge both a financial and product-based partnership to exploit the complementary strength of its product portfolio with Elica's ability in design, production, distribution, and the intuition of consumer needs.

Q. Why did you decide to produce in India?

A. We focused on the premium market, and having a local production base in this segment is essential. We chose to settle in Pune, which is an excellent manufacturing district. It has all the characteristics a company needs in order to develop a supply base and obtain the necessary organisation to be more and more efficient in an elastic market compared to the price.

Q. In terms of R&D, did you find all the resources in line with your standards?

A. Our Indian team has been able to develop products which match consumer needs, and this guaranteed for our products to be immediately welcome on the consumer market. It means that in India, as in the rest of the world, the product is considered reliable and of high quality. The fact that we are recognised as a leader in design and technological innovation has allowed us to adapt existing technology to the taste of the local market.

been successfully sold in India since 2005, and counts the sales of over three million pieces of furniture to date. «The Indian market is in continuous development, especially in the contract sector, particularly the residential one», agreed Giovanni Del Vecchio, CEO of Giorgetti. His artisan high-end cabinetmaking workshop has developed to reach a turnover of 46 million euros, with 80% coming from abroad. Giorgetti has been present on the Indian market for more than ten years, instead focusing on Delhi, where it opened a 900 sq.m. mono-brand space and a contract division two years ago to support the design and implementation of works for high-end clientele. Its position was recently strengthened by the acquisition of Battaglia Contract, a company specialised in the creation of luxury hotels, fashion retail and super yachts.

Those dedicated to the luxury market

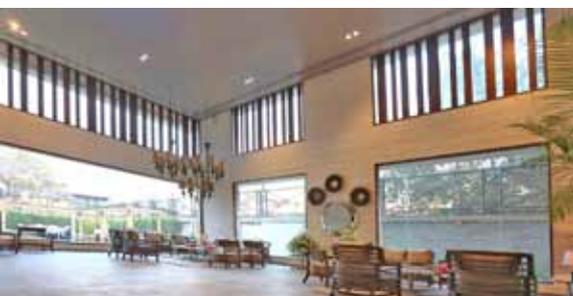
«Anyone can find the right formula for working in India: the opportunities are huge, but you have to invest time and creativity to hit the bull's eye»

have a particularly appealing challenge in the new skyscrapers rising up all over the large city. Born in 1972 in Bologna, Matteo Nunziati can confirm this. He opened his architectural and interior design studio in Milan in 2000. The Trump Organization, an international player in the luxury real estate market, appointed Nunziati for the turnkey supply of the Trump Tower Residence's interiors in Pune. «We were tasked with furnishing 46 400-square-metre apartments in both of the two 25-storey skyscrapers», the architect told MFI. In addition to the penthouses, the planning involved the public areas, the entrance with reception and the waiting area on the ground floor, the Podium Floor on the first floor with outdoor swimming pools, fitness and yoga areas, massage rooms, a reading area, a business centre, and a room for poker. «The request was to

DIWAN HOUSE

Diwan House in Kolkata was designed by the Indian architecture firm Agrawal & Agrawal. The ventilated façade was built with extra-large Laminam ceramic slabs from the Avorio Collection. With a consolidated turnover of about 85 million euros in 2017, the company based in Fiorano Modenese has technology specialised in the production of ultra-large, minimal-thickness ceramic slabs for architecture, façades, interiors and furnishings.

services. Visionnaire has instead chosen the area of Shakti Mills to create its own 300-square-metre space this year. «Luxury furniture is almost exclusively purchased through the intermediation of architects or interior stylists, which high-end customers turn to for the creation of a home's overall design», Andrea Gentilini, CEO of the Bologna-based company with 46 million euros in turnover, explained to MFI. Visionnaire is the ultra-luxury brand of the historic company IPE in Bologna, which was founded in 1959 by the Cavalli family. The brand has



INDIAN LOOK



Ikea in Hyderabad, a 37 thousand sq.m. store and the three-wheelers used to advertise the new facility

use exclusively and strictly Made in Italy brands and materials, starting with Silver Travertine marble, up to the furnishing accessories, for which I chose Lema, Molteni&C., Listone Giordano, Florim Ceramiche, Fontanarte, Teuco and Lualdi», Nunziati shared. Started in 2011, the works were completed in February 2018 with the inauguration of Tower B, designed by the studio Panchshil Realty. «The first floor of the tower has a 1,600-square-metre area that will become a showroom for Italian furniture and Italian style», concluded Nunziati, who is committed to replicating Pune's success with the Trump Towers in New Delhi: 182 metres tall and with 50 floors, it is located in the Gurgaon district and is scheduled to be delivered by 2022.

NOT JUST DESIGN

According to Boldorini, a brand can only be successful with the fundamental support of local partners who are able to convey the product to architects, developers and interior designers. Intercepting those who work and advise in the construction market is essential. With this idea, Winh collaborated on the opening of Ottimo Disegni in 2015: a 1,000-square-metre showroom in New Delhi and a true temple of Italian design in the capital. It is owned by the Indian designer Ashok Basoya, the founder of Blacksmith Design. Meanwhile in Mumbai, the person to thank is the Indian entrepreneur and owner of Glasswallsystems Kamlesh Choudhari, as well as his passion for

Innovation

NOW OFFICES ARE BUILT FROM THE TOP

The first 10 floors were delivered in two months, the other 10 of the second building in four months. Not even the wizards at Intel who are accustomed to working with the fastest chips in the world could believe it, and yet the offices in Bangalore sprung up before their eyes in the amount of time it usually takes to prepare and sign a contract. The record was established by Fagioli of Sant'Ilario d'Enza, Reggio Emilia, owned by the family of the same name and known all over the world as the leader in the most difficult handling and hoisting operations imaginable. Active in India since 2000, it completed the Intel headquarters in Bangalore last June. The basic idea (shown in the photographic sequence below), which can revolutionise the construction of buildings, was to assemble each floor on the ground, in all its components, from the flooring to the side and partition walls to the furniture, services and systems, then lift it with a special system of hydraulic jacks to fix it, starting from the top, within the external structure. «This system has great potential in the future in India for its advantages in terms of implementation times, an element which Indians are very sensitive to, and in terms of safety, because the construction site works envisage working on one level thanks to the pre-assembly on the ground», explained Riccardo Tippmann, Fagioli Group's development manager.



Made in Italy design. His is the largest curtain wall company in India, and last December it opened Quattro Italia, a 600 sq.m. showroom dedicated to Italian furniture which aims to promote Italian companies for turnkey solutions ranging from door and window frames to flooring (Lualdi, Lithos, Mutina) up to complete, finished children's bedrooms (Tumidei).

«Anyone can find the right formula for working in India: the important thing is to strongly invest in the people who will actually be explaining the products». Boldorini concluded: «The opportunities are huge, but you have to invest time and creativity to hit the bull's eye». However, luxury is not the only ground on which Italian companies are trying their

hand at within the construction world, they are also looking to innovation, and construction techniques in particular. Another example that is setting a standard is given by the Emilia-based company Fagioli, a world leader in the design and construction of handling and hoisting equipment with high engineering content, which completed the two buildings of the Intel headquarters in Bangalore last June in record times, thanks to technology that was perfected for the first time in India (box to the side). Technology is also the key factor for Laminam, a specialist in the production of large-format ceramic slabs with minimum thicknesses for architecture, interiors and furnishings. The company Fiorano Modenese has a consolidated turnover of 85 million euros, 70% of which is attributed to exports, with a rich portfolio of works in North America, the Gulf countries, Russia and the Far East thanks to its patent on the production of large-surface ceramic slabs. Its products are displayed in a large showroom in Delhi and have been used in a great deal of buildings, including the Diwan House in Kolkata designed by the studio Agrawal & Agrawal and the Ruby Tower in Mumbai, a 40-storey skyscraper designed by the studio Access Architect.

Environmental sustainability is the other current trend, in the wake of the 100 Smart Cities government project: a large 7.5 billion dollar plan wanted by President Modi to build new cities or convert old urban centres with avant-garde technologies, buildings and structures, especially in the field of digital connections. Cesare Saccani is a manager at ICMQ India, which deals with quality certification; he clearly understood this when, some time ago, he sent a proposal to Italian companies in the construction industry to develop the Legem project together. When Saccani became president of the Indo-Italian Chamber of Commerce and Industry (IICCI) last year, which is particularly involved in bilateral relations, Legem (acronym for Living Space, Energy, Governance, Environment and Mobility) became part of a project for the creation of a small city built with the best of Made in Italy, which however is still in its earliest stages. But the IICCI scouting among different Indian states has already begun to poll for interest. «It will be one of the Chamber's priorities, falling within the driver of building development linked to the environmental trend,» Saccani assured. ■



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E-commerce, a vertical space in between the giants

While American marketplaces remain nonviable, fashion, luxury and lifestyle vertical platforms could become a good entry point in a rapidly growing market

by Cecilia Giannini

The beginning of the 21st century was the time for online bookings, working for train, plane and cinema tickets. Then came online books and electronic products sales during the first decade, leading up to the current third stage of Indian e-commerce – marked by a significant growth thanks to the introduction of lifestyle, clothing, accessories and jewelry products sales, as well



as the digital shopping experiences through specific apps. Respect for timing is the first lesson to learn for those who want to face the Eldorado of Indian e-commerce. Despite 36 billion dollars transacted in 2017 alone, the sector is still developing, and with a growth rate of over 30% per year – the highest in the world – it is set on generating 150 billion dollars in revenues by 2022. BigBasket, the digital supermarket that attracted investments from Alibaba and Softbank, gave everyone a lesson. When the founders attempted its launch in 1999, they missed a better evaluation of India's e-market – characterized by a poor Internet



Figures about Flipkart, the main Indian marketplace, acquired by Walmart for 16 billion dollars; on the left, Spedon, the platform's delivery system. Below, Narendra Modi and Jeff Bezos, Amazon founder, who is spending 4 billion to place Amazon India on the market, Flipkart's main competitor. Together with the two giants there is PayTM Mall owned by an Indian entrepreneur



presence and a lack of secure digital payment systems, discouraging people from performing online transactions. The obvious result was the initiative's fast failure and its following termination. In 2011, BigBasket made a comeback and things have been going quite well since, with 18 thousand products from a thousand brands on sale and

its 120 million dollars in turnover by the end of 2017, two times higher than the year before. Above all, the platform is providing a way out to thousands of people who, after spending an hour and a half stuck in traffic to cover 10 kilometers to go back home, cannot really think of getting out again to do their shopping.

THE SECOND LESSON

The third phase is rapidly fading into a fourth, where safe money transfer technologies are what is really making a difference. At least that is what we can deduce from PayTM's success. The platform created by Vijay Shekhar Sharmache, offering an online payment system integrated digital wallet, has been taking advantage of the exponential growth in online transactions (from 226 million in August 2017, worth around 950 million euros, to 341 million for 2.1 billion euros the year after) to increase its assessment from 1 billion to 10 billion dollars. So, it attracted the interest of the notoriously-wary Warren Buffett, who decided to pay 360 million dollars anyway, making it his first investment in an Indian company. He was soon followed by the usual Alibaba and Softbank. The trigger to their interest for PayTM was pulled when the Modi government decided, at the end of 2016, for a demonetization

Trend

CHASING AFTER MYNTRA

While e-commerce marketplaces have managed to grow significantly, vertical players, benefitting from lower financial strength, have had a complicated experience in India so far. Over the past five years Zovi, YepMe and Freecultr platforms, all focused on fashion, have attempted to copycat Myntra's achievements of Myntra, but had no luck. Myntra, founded in 2007 by Mukesh Bansai and acquired by Flipkart in 2014, managed to win customer loyalty over through its marketplace model – selling personalized products like T-shirts, mugs, and mouse pads during its initial phase, then exploiting the gained ground to introduce its own brands. As of today, all those non-Indian brands already holding a good online positioning, can find their own spot in the vertical players game, a rapidly growing market focusing on niche segments. They offer exclusive discounts and unique customer experiences, leaving the price comparison to all horizontal players' customers. It is a common opinion among professionals that luxury consumers are now ready to accept products that can stand out. Therefore, as B2C remains the relevant playground, it is essential to identify a suitable local partner capable of storing and selling products at a local level. The drop shipping model is not a feasible option for the single brand strategies, as the transport costs are high, delivery time too long and the procedures of import reimbursement of duties still not clear.



Khrisnamhurty, Flipkart CEO

policy, and proceeded to withdraw all notes with the most common denominations – trying to hit the «moonlighted» earnings making up a big part of most Indians' funds. Yet PayTM came to the rescue, allowing Indians to use their QR PayTM code to keep buying their fine chai tea, costing 7 euro cents on average at the nearest tea walah. In three months, platform users have grown from 125 million to 185 million. So, even after demonetization, the money traveling on the Internet for private transactions has continued to grow. In 2017 the India Unified Payments Interface (UPI), a real-time payment system that facilitates interbank transactions, recorded 16.6 million transactions for a total value of 550 million euros, while in October 2018, registered a further 406 million transactions with an aggregate value of 7.9 billion euros.

The third lesson shows us that the current winners of the Indian e-commerce race – Flipkart, Amazon, and Paytm Mall – managed to arrive where they are at the cost of huge investments, needed to strengthen logistics and delivery schemes, thus launching incredible offers and discounts, paving the way to further fuel market growth. Amazon revealed that it spent 4 billion dollars in the first five years of activity in India, while Flipkart, the largest online retailer (Walmart bought it for 16 billion dollars, the biggest purchase in e-commerce companies ever), is spending 2 billion dollars to acquire new market shares. PayTM is chasing after its two rivals with PayTM Mall, its e-commerce platform, but thanks to the financial power of its investors and its leadership in the mobile payment sector, the insiders believe that it will manage push through.

For those without Buffett or Alibaba, what are the options for exploiting the Indian e-commerce system? First they need to understand that the sector is segmented according to different operating categories – like e-travel, e-tail, e-wallet and insurance, e-services (services for consumers), and digital content. It is estimated that e-travel is worth 18 billion dollars and e-tail 16 billion dollars, equal to 94% of the pie chart. In e-tail, electronics and clothing represent, respectively, 45% and 33%, followed by furniture and home products, then beauty and personal care ones. On the operating models, the marketplace is still dominating the market, but omnichannel and inventory-led models are breaking through. Among these, the fastest growing segment is represented by online financial services, led by the exponential increase in startups – promoting, as their primary services, digital transactions for money and loans transfers.

NEW OPPORTUNITIES

Fashion/lifestyle sector newcomer or wanting-to-join operators should know that e-commerce is probably the fastest way to India, but they shouldn't rely on improvisation. It is first necessary to collect data and real dynamics information, and to develop an appropriate business strategy, outlining a product portfolio and a supply point development plan. Farftech and Ynap, world leaders among fashion online retailers, have started to ship and deliver in the Indian market thanks to governmental policies opening the sector up to foreign ownership (but with some limitations in B2B). Something not possible two years ago, but now they are getting ready for a new size leap, as they are now planning to operate through local subsidiaries. So they are much more integrated into the territory, and can take advantage of diversified storage facilities and marketing strategies.

A second opportunity for Italian brands lay in exploiting the competition between the three big marketplaces – Flipkart, Amazon, and PayTM Mall – as they try their

FURNITURE & DESIGN

At Made in Italy on-line store

In the Made in Italy design cluster, the e-commerce SedieDesign took a step forward in the Indian playground. The company from Montebelluna, Treviso, founded in 2008 by Simone Battaglia and specialised in the manufacturing and online selling of furniture – including lighting and outdoor – has over 10 thousand products on its catalogue. The format entirely focuses on Italian design e-commerce, as well as on some private consumers, mainly architects and interior designers. It is a marketplace offering not only furniture, but also design and consultancy services, all from a B2B perspective. SedieDesign, which in 2017 registered a turnover of almost 3 million euros and exported to over 50 countries, after opening its first international branch in Toronto, decided to open another one in New Delhi at the end of 2017. Pierpaolo Piatto, the capital city's ItStyle Home Solutions owner, coordinates the activities. «The goal is to establish India's first digital superstore, dedicated to Italian furniture exclusively, and capable of intercepting the middle class' growing demand for quality furniture and for pre-and-post sales services. Indian consumers are becoming increasingly sensitive in this regard,» explained Mr. Piatto.



hand at any possible way to diversify the offer, in particular through very aggressive tactics based on fast cashing. Thus the brands' sales managers, as they are able to offer an outstanding product on the platform, can also benefit of some leeway in negotiating more favorable conditions for minimum off-takes, preferential positioning, and product display. New Balance and Under Armor, two sportswear brands, tried this tactic against Amazon, and have seen their volumes triple in a short period of time. ■

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Target 2025

The Indian government plans to inject investments for 780 billion dollars in the economy by 2025, 92.2 billion of which by the end of the current fiscal year. Several are the promises, but so are the construction sites already in operation. A key point is the entrance of private capitals

<p>Smart Cities</p> <ul style="list-style-type: none"> • Target: environmental rehabilitation (greenfield and retrofiting) of 90 Indian cities by 2023 • Investment: 34 billion by 2023 	<p>Railways</p> <ul style="list-style-type: none"> • Target: opening of high-speed lines, traffic decongestion, safety, total electrification (by 2022), replacement and upgrading of rolling stock and stations • Investment: 21 billion in 2018-2019 	<p>Metro</p> <ul style="list-style-type: none"> • Target: 25 approved projects for a total of 500 km of metropolitan lines • Investment: 7,7 billion in 2018-19 	<p>Ports</p> <ul style="list-style-type: none"> • Target: 150 initiative for the ports modernization and their connectivity, 23 projects of new inland river routes • Investment: 53 billion Euros for ports, plus 770 billion Euros more to the river routes
<p>Highways</p> <ul style="list-style-type: none"> • Target: 10 thousand km of highway built in 2017-18, plus 50 thousand km more by 2022 • Investment: 11 billion dollars in 2018-19, 22.4 billion dollars by 2020 	<p>Airports</p> <ul style="list-style-type: none"> • Target: 250 new airports by 2020, an increasing capacity of the current airports from 350 billion of passengers to 550 billion by 2030 • Investment: 45 billion 	<p>Renewables</p> <ul style="list-style-type: none"> • Target: 175GW by 2022 (100 GW from photovoltaic, 60 GW from aeolian) • Investment: 125 billion by 2022 and, overall, 300 billion in the energy sector in the next 10 years 	

Sources: The Indo-Italian chamber of commerce and industry, Yes bank, PriceWaterhouseCoopers



«In South Asia, especially in India, we noticed a completely new system aimed to use the market, for example, by issuing bonds to collect the capitals needed to the infrastructural development (...) over the past five years all their platforms and political debate focused on infrastructure, so that politics know to have a lot of promises to keep».

Parag Khanna, global expert, Senior Research Fellow of the Centre on Asia and Globalization

«Today more than ever infrastructure represent an essential facility to guarantee the supply of goods and services that drives the growth and contributes to the well-being of everyone and the conservation of our environment. Infrastructure are an important market with a strong global network».

Andrea Goldstein, managing director of Nomisma



DOSSIER: INFRASTRUCTURES

Who Leads the Main Projects

For many years the Indian market could provide important contracts to the companies in the construction & energy. To overcome the main financial obstacle, SACE made sure that...

by Francesca Bruni

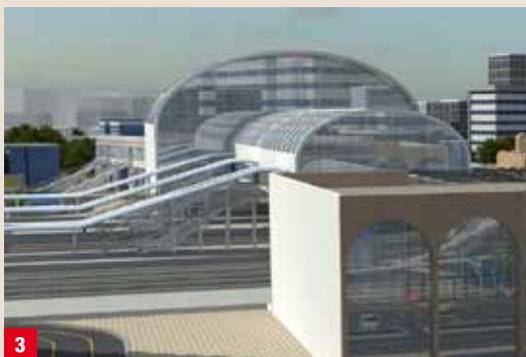
«The main international institutions predict that India will be the driving force of global growth over the next decades». On October 7th, 2018, Narendra Modi, the Indian Prime Minister, choose this statement to inaugurate the Investors' Summit taking place in Uttarakhand, in the north of the country. The small state, laying at the foothills of the Himalayas, is famous for its natural beauty, but could also gain some popularity from the dams that the government wants to build for energy production. Just a couple of days later, the International Monetary Fund confirmed that Indian economy's upward trend will continue for at least the next three years, keeping the highest rate in the world – above 7%. But the most reassuring news came a few weeks later from Nitin Gadkari, a key minister in the transformation of the Indian



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- 1. The bridge under construction in New Delhi, sustained by the central pillar, built by Tensoaccial, part of the De Eccher group
- 2. The Trans Harbor link to Mumbai will connect the new international airport and the highways with the port area
- 3-4. Rendering of the new refurbishment project of the Habibgany station in Bhopal
- 5. The refurbishment project of the main train station in New Delhi
- 6. A rendering of the Trans Harbor Link in Mumbai



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6

Who's at the Construction Site

WORKING ON METROS, BRIDGES, AND HIGHWAYS

ITALFERR ON TRANSPORTS

The operational phase of the cooperation signed between FS Italiane and the Indian Railways was launched in September 2017, envisaging the development of railway traffic safety systems, infrastructure diagnostics, and training of Indian personnel. Italferr, the group's engineering company, which opened an office in New Delhi, is currently the busiest in the Indian market. It is collaborating with Rites, the operating arm of the Indian Railways, in the design, planning, and construction supervision of the Anji Khad Bridge – a 750 meter long structure, with a central span of over 260 meters, and suspended between Katra and Reasi on a 200-meter gorge. The work is among the most demanding of the entire Udampur-Srinagar-Baramulla railway line, which will cross the North-Western region of India, running along the slopes of Kashmir up to the border with Pakistan. Italferr is also contributing to the supervision, control and project management of all the design, construction, and supply activities for the implementation of two lines of the Mumbai Metro Rail Project. It is also engaged in Quality and Safety Audit Consultancy Services in some

sections of the Eastern freight corridor (Dedicated Freight Corridor Corporation of India), as well as running for other engineering and construction management contracts. Another area of activity for the group has to do with the certification capacity entrusted to Italcertifer: after receiving accreditation as Independent and Competent Safety and Functional Assessor from the Indian Ministry of Railways, the company has certified management and control systems of some sub-urban

lines in Chennai and New Delhi. Italcertifer has also acquired contracts for the inspection and the revision of the Mumbai metro line 1 project (Navi Mumbai).

ANAS BETS ON ANDHRA PRADESH

Anas International Enterprise, the foreign division of Anas, signed a MoU with the authorities of Andhra Pradesh, one of the largest states in the Southeast of the country. The company will now overlook the design, construction, and management of Amaravati's ring road, a 90 km 12-lane work. At the same time, it is participating in the acquisition of Design & Build and O&M contracts in the same state, which has launched

an impressive infrastructure program in the urban and suburban transport sector in view of the construction of the new capital. Anas Tec, controlled by AIE, has also developed a roadmap for commercial activities in the state.



ASTALDI WINS ON RIL

Astaldi's financial crisis, currently under special administration, blocked the opening of the construction sites for one of Mumbai's future landmarks: a connection bridge passing over the sea, about a kilometer from the coast, linking the neighborhoods of Versova and of Bandra. The infrastructure, meant to reach a length of 17.7 kilometers, involves the construction of a cable-stayed bridge with a central span of 150 meters plus 3 bridges with variable sections and a main light of 100 meters, ensuring navigation through the area. The works will last 60 months. The builders will ensure infrastructures maintenance for 2 years. The contract, won by Reliance Infrastructure Limited in jv with the Roma-based group – boasting a world-renowned expertise in bridge construction – has a total value of 780 million Euros, with Astaldi owning a 390-million share. The commissioner is the Maharashtra State Road Development Corporation, and the works will receive state funding. This year Astaldi was also awarded three lots of the Mumbai Metro Line 4. This contract is another result of the decisive alliance with Reliance Infrastructure – the group leading one of the Ambani family's branches, and one of the main contractors on the Indian infrastructure market. The two commissions, where Italians are currently at risk, could assist the Salini-Impregilo group in concluding an industrial and financial agreement with its main competitor, thus earning an entrance to the Indian market, where Salini is yet not present.



transport system and responsible for the coordination of investments in the aviation, rail, port and road sectors. Mr. Gadkari announced that the first tranche of loans, 1.2 billion euros, was oversubscribed for the construction of nine toll motorways, according to the TOT (toll-operate-transfer) model. He also announced the launch of a second, slightly higher tranche. Putting all statements aside, what's sure is that there are construction sites all over the coun-



The Ahmedabad metro project, the capital of Gujarat. Below, the 17-kilometer bridge project in Mumbai, contracted to Ril and Astaldi. Right, the Mumbai metro line itinerary and, above, the new subway in Bangalore



DOSSIER: INFRASTRUCTURES

«We also took into consideration the government's \$ 200 bn investment plan, aimed at developing infrastructure projects over the next five years»



The excavations of the metro Line 3 in Mumbai, the state of art project, aiming to give to the economic capital a 33-km-long infrastructure with 27 stations, linking the suburban areas to the center. It is one of the 16 metro projects currently under development

Testimonial/Alessandro Decio

BUY ITALY, SACE PAYS

The starter was in July, when 90 million credit lines were handed to SREI, the Indian giant in construction machinery leasing (interview on the next page) to spend in Italy. The main course arrived in October, with a further 500 million dollars organized by HSBC with BNP Paribas as lead arranger, in favor of Reliance Industries – the 55-billion-dollar group led by Mukesh Ambani and active in oil & gas, telecommunication, and energy, and acting as the largest distributor of consumer products, online and offline. And SACE's push strategy hides behind both operations. We are talking about the only export credit agency, together with the Canadian one, to have adopted it, thanks also to Alessandro Decio's vision, the man who started it in 2017.

Question. Why did you opt for accelerating toward India?

Answer. It is an indispensable market for Italian export, since its trade rates are growing double-digit this year. We also took into consideration the government's 200-billion-dollar investment plan, aimed at developing infrastructure projects over the next five years. It's an ideal playing field for Italian companies which intend to take those projects on.

Q. How?

A. All credit lines are in view of the financed companies purchasing Italian products and services.

Q. When will it happen?

A. They are 6-7 year credit lines, but the operation will start immediately. In July, SREI met in Italy with dozens of SMEs which had showed interest in taking the projects on. Reliance invests hundreds of millions of dollars a year in purchases on all fronts of the industry.



Alessandro Decio, SACE CEO (GDP Group)

Q. How do you choose the groups to finance?

A. Based on the countries we are interested in developing, and on the involved sectors. So, we identify the most important groups satisfying these two conditions and having a high reliability in terms of commercial risk. At that point we contact them and offer our service.

Q. And what is their interest?

A. We work together with international banks of the highest level, which can secure them long-term funds at competitive prices thanks to us acting as guarantor.

Q. And what is SACE's trump card?

A. Together with the Canadians we are the only export agency in the world to offer this service. From the operational point of view, we have learned to be very effective in concluding these operations. We started to talk about it with Reliance in March, and in June we were already signing.

Q. What's the next stop?

A. We are dealing with Yes Bank as one of the largest Indian private groups, trying to pull the banking world into our strategy.

try, working on transports, energy, residential and office infrastructures – following the direction and drive of Modi, Gadkari, and Arun Jaitley, the Minister of Finance coming from the International Monetary Fund. Jaitley is pushing for an increase in sovereign debt, currently at 49% of GDP, which would allow, in addition to international interventions, the coverage of the 200-billion-dollar plan. It would also help settle potential problems, like the insolvency of IL & FS, the leading private finance company for infrastructure. Many investors were concerned over the questionable interconnections the company had with the National Authority of Indian Motorways - thus Gadkari's ministry – which was act-

ing as its customer and debtor at the same time. Ownership of the bank could pass over to the public sector, at least for what concerns road infrastructures, if the Japanese, Russian and even Italian investors of Atlantia were to lose their interest in injecting fund in it.

In regard to the government's most ambitious project, the realization of a high-speed and high-capacity smart link between Mumbai and Delhi – 100-billion-dollar project coordinated through the Delhi-Mumbai Industrial Corridor (DMIC) – the construction works are well under track in eight points, according to Alkesh Kumar Sharma, CEO of DMIC. The eight nodes involve the whole north-west area of the coun-

try, as well as some important states, including Gujarat, Maharashtra, Madhya Pradesh, Haryana, and Uttar Pradesh. A first completion is expected by this year already, and the rest by 2022. The railways are benefiting from direct foreign investments, whose best-known example is the agreement signed with Japan for the construction of the Mumbai-Ahmedabad high-speed rail corridor. It is expected to become operational by 2022, and its costs, estimated at 14.5 billion dollars, were covered by Japanese banks for the 81%. There is one important detail demonstrating that high speed is one of Indian authorities' big dreams. The IREE, the International Railway Equipment

Testimonial/Devendra Kumar Vyas
SREI, WATER WILL BECOME THE MAIN BUSINESS

Devendra Kumar Vyas, number one of SREI Equipment Finance, leads a team of 2 thousand professionals and finances through lease the construction of equipments and mines – in particular in the sectors of earthmoving, cement manufacturing, road construction, and all related materials. With a market share of 32%, Srei is also expanding its business to healthcare supplies, IT, and agriculture. Its network, developed throughout India, includes 264 original equipment manufacturers, and manages assets for 5.5 billion Euros. Basically, it is the main private financial operator in the infrastructure sector, and has already traveled to Italy to meet dozens of SMEs – looking for potential suppliers on the basis of the 90-million credit line granted by SACE in the framework of its push strategy.



Devendra Kumar Vyas, SREI Equipment Finance CEO

energy, advanced technologies, and ICT. I believe that there is an ideal match between the availability of young Indians with a good technical background and the Italian ability to produce technology and design applied to industrial products. There will be great results in terms of trade and direct investment.

Q. In particular, SREI is committed to the environment issue. Which Italian technologies could be the most useful in this regard?

A. Italian companies are leaders in Europe in waste recycling, both civil and industrial. There has been a cooperation agreement running between the two countries since 2016, covering the scientific and technological fields.

Q. What does this mean, in practice?

A. The environmental technology market is worth 17.8 billion dollars this year in India. One quarter of this figure concerns water treatment technologies, a sector destined to grow at a rate between 13% and 15% per year over the next five years. Public investments will mainly concern the transmission and distribution of water, and the treatment of sewage. In the private sector, all kinds of industries are looking for technologically efficient systems to feed their needs of managing dirty water.

Q. Can you give us a specific example?

A. The market is rapidly moving toward particular membrane filters rather than using chemistry or demineralization processes in their purification systems. Basically, it is approaching clean recycling systems at a fast speed, so that water will become completely reused and not dispersed, eventually.

Question. What opportunities does SREI offer to Italian companies?

Answer. The agreement with SACE is an extraordinary opportunity to enter with Italian machinery in the government's 200 billion dollars investment plans to build ports, railways, and roads, and to develop mines in the next five years.

Q. What kind of demand can we expect for new equipment?

A. We calculated a new demand for machinery and equipment of about 30 billion dollars.

Q. Which sectors of the Italian industry will be the most involved?

A. Italian companies are already collaborating in food processing, transport, heavy machinery, renewable

Exhibition, scheduled for October in Delhi, is India's most important exhibit related to railways, and picked a Frecciarossa train inspired by the Italian FS layout as its representing image. But the relationship between Italian and Indian railways runs even deeper – they have been constantly cultivated over the years, resulting in a series of commissions, including the design and certification of the metropolitan railway lines. For the development of the three new sections of the Dedicated Freight Corridor (DFC), the Indian government has planned investments for 50.98 billion dollars, which include the adoption of the European ETCS systems to help unifying train control systems across all lines.

THE RAILROADS

India has the third largest railway network in the world – extending for 115 thousand km, hosting 12,617 passenger trains carrying around 23 million passengers per day, and 7,421 freight trains, moving 3 million tons of goods. And its urgent need for revision and upgrading makes it for a great opportunity for in-depth interventions. The route from Delhi to Jaipur could be updated with a semi-high-speed corridor, and in March the Indian Railways announced the signing of a MoU with FS-Italferr intended to assess the project's feasibility, as the final product would allow trains to run at a speed up to 200 km/h, reducing travel times between the two destinations from 4



hours and 30 minutes to just 90 minutes.

The other side of the railway coin is the metro revolution. The Indian Minister of Urban Affairs, Hardeep Singh Puri, announced that they intend to implement 700 km of new metropolitan lines in 50 cities during the next few years. «Metro projects in India are not only perceived as a

solution to transport requirements, but as a mean of transforming cities,» the minister pointed out. Currently, there are about 16 subway projects in the planning phase, expected to be completed between 2021 and 2025, while a further 4 are being discussed. In October 2018, the Ministry offered two contractual packages, part of the Delhi-Meerut RRT corridor and worth almost 84 million dollars, with a deadline for submission in early November. Despite the concerns related to IL & FS winning some of the subway calls for tender, which could lead to possible slowdowns, the Bangalore Metro Rail Project, already in phase 2, received funds for 690 million, 340 from the Asian Investment Infrastructure Bank and 350 from the European Bank for Investments (BEI). They will be used to build 72 km of tracks and 61 stations with an implementation period of 5 years from the start of construction.

Another big project is the Kolkata subway, partly financed by the Japanese who have granted a new



The key ministers of the Modi government infrastructural plan. On the left, Nitin Godkari, in charge of the transport plan, and Jayant Sinha, Minister of the Civil Aviation. Above, Arun Jatley, Minister of Finance

line of credit for 240 million dollars through the Japan International Cooperation Agency (JICA). Plans include the construction of 64 km of tracks, where all new lines will

DOSSIER: INFRASTRUCTURES

host driverless trains, enabled by the CBTC control system and monitored through a designated control center. Projects for the East-West line also include the construction of its first underwater section, passing under the Hooghly river thanks to a tunnel built by ITD Cem – a subsidiary



«Our most recent technological innovations in wheelset components attracted interest in India as well. After all it is an extremely critical subsystem for vehicle safety, including a lot of parts»

of the Italian-Thai ITD multinational – which should become operational by June 2021. Actually, a segment should become operational as early as this March, and the first new station was opened last August in Phoolbagan.

In terms of rolling stock, the French Alstom seems to have taken the best momentum. In March it completed the production of the first all-electric locomotive in the Madhepura production plant in Bihar. Now it aims at winning calls for tender for rolling stock on Mumbai's metro lines, competing against companies like Korean Hyundai, Canadian Bombardier, Italian-Indian Titagarh Firema. Yet Italian technology has several cards to play in this sector.

Testimonial/ Giovanni De Lisi

ECOLOGICAL TRACKS FROM GREENRAIL

«The Modi government has just approved the resolutions with the specifications on the composite railroad ties. It is a moment of great excitement». Giovanni De Lisi, 32yo, from Palermo, thanks to his Greenrail, founded in 2012, developed a high performance and long-lasting railroad tie made of recycled materials, tires, and plastics. «For these ties we took a cue from a project kickstarted

Giovanni De Lisi and the green ties designed by Greenrail

in India in the early 2000s, which involved the production of recycled plastic ties to replace the old wooden ones,» he told to MF International. The startup, incubated in

the PoliHub, a structure of the Polytechnic Foundation of Milan, collected several awards during the recent years – entering the finals in 2013 for the Gaetano Marzotto award, and winning the Edison Start one the year after. This year it concluded its first major deal with the United States, where SafePower1, a company created by a group of investors to produce and market Greenrail products in the US, closed a contract for a 26 million Euros supply, plus royalties on future supplies for up to 75 million. Now it has taken an interest in Asia, especially in India and in the big investments plan hitting the railway network. The startup can rely on the fact that the Greenrail tie not only helps the environment, but helps saving on maintenance costs as well. «Greenrail cuts them by 50%. These ties last up to 50 years, more than those in concrete and, for each kilometer of reinforced lines, 35 tons of out-of-use tires and 35 tons of plastic are recovered,» explained Mr. De Lisi. While waiting for the Indian market to come unlocked, Mr. De Lisi is developing its product's most recent update: the new type of smart ties should be ready within the year, and will electronic systems integration, data transmission, and energy production.

«Our most recent technological innovations in wheelset components attracted interest in India as well. After all it is an extremely critical subsystem for vehicle safety, including a lot of parts – bearings, braking devices, transmission reducers – and contributing to turn the wheelset into an integrated system for high speed, heavy transport, and public transport in urban area,» explained Francesco Lombardo of Lucchini

RS, the Lovere-based company in Lovere leader in the production and innovation of these systems. High speed and metros will not only mean tracks and trains. «The areas around the high-speed corridor stations could be developed in self-sufficient intelligent cities, which could serve as commercial, educational, or recreational hubs,» said Mangal Dev, head of Hitachi Rail Systems Co. in India and south Asia.

The company also controls Ansaldo STS, bearer of the most advanced Italian technologies in the field of railway signaling and, therefore, of new network connections. So, stations are at the center of development. The government has also approved proposals for the refurbishment of stations and is inviting tenders to provide services and other requirements. These stations will allow commercial and mixed-use de-



Gandhinagar, one of the greenest Indian city, in the state of Gujarat, housing about 200 thousand people. Next, the new station project, one of the 236 that will be refurbished by 2020

velopment, as well as increasing the leasing period from 45 to 99 years, making projects more attractive to investors. Rajeev Mehrotra, CEO of Rail India's technical and economic services, said the Indian Railway Stations Development Corporation is «aiming for the refurbishment of about 600 stations». For Habibganj, Chandigarh, Pune, Mohali, as well as 2 stations in Delhi and 2 in Gujarat, the refurbishment and modernization works are under way or scheduled to start shortly. «The stations' refurbishment will be a turning point in the transportation system of new India,» said Lamberto Cremonesi from Crew,

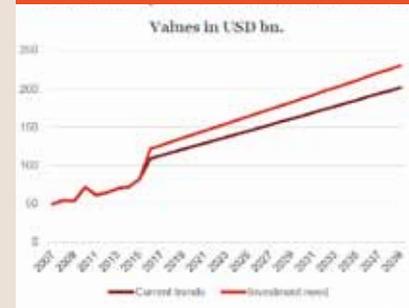
one of European gold standards for metro design. «The stations designed by Crew in other countries are designed with the idea of continuity towards the outside-inside, making this public space welcoming, safe and well lit, allowing easy orientation and visible circulation routes». Until today, Crew is yet to receive concrete signs from the Indian market, despite constant monitoring. But Italferr (FS group) joining Crew as a major shareholder last November should open new opportunities for the company – enhancing its expertise in the integrated design of architectural and engineering mod-

els through the Building Information Modeling (BIM) methodology, and could be using it for public and private clients all over the world.

THE ROADS LEAD TO...

The huge plan for infrastructural development is in full swing for the road system as well. India has one of the longest networks in the world – over 5.5 million km – with 64% of goods and 90% of passenger traffic travelling through it. This year the construction of new highways reached 9,829 km, with an average of 26.93 km per day. However, the number of cars and road freight

IL GAP DEGLI INVESTIMENTI



Fonte: Global Infrastructure outlook, Oxford economics

«Regarding the dams, as well as other projects, both the government and the builders tend to prefer cutting-edge technologies over traditional methods taking advantage of the abundant underpaid manpower»

Testimonial/Federico Furlani

SIMEM BRINGS THE 4.0 TO THE DAMS

«We are working on the project of a huge 3D printer that makes concrete products. The hope is to use it to accelerate construction works for the 30 dams planned by the Indian government in the north of the country, meant to feed as many hydroelectric plants. The energy will support the great industrial programs of the Make in India,» said Federico Furlani, the president of Simem. His company is based in Manerbe (Vicenza), and was the first Italian society active in the construction sector to produce in India through a subsidiary in Gujarat. Mr. Furlani has already had meetings with the Indian Ministry of Energy, where he illustrated the details of a project that is raising interest among the government authorities. «Regarding the dams, as well as other projects, both the government and the builders tend to prefer cutting-edge technologies over traditional methods taking advantage of the abundant underpaid local manpower,» said Mr. Furlani. Builders find it more interesting to spend on time-accelerating technologies, leading to the powering up of a hydroelectric plant producing 1.5 million dollars a day, rather than save money by employing traditional methods. The Indian game, started in the early 90s on a commercial level, is one of the top priorities for the Vicenza-based company. So much that Mr. Furlani decided to open a second site in the center of the country, in Pune, employing over 130 workers. «In the near future India will become a hub for the entire South-East Asia,» he predicted. For now, however, it is the fast-moving Indian market that offers the greatest opportunities across the entire supply chain of the Simem infrastructure. Thousands of kilometers of new roads, subways in big cities, buildings and skyscrapers counting 30/40/50 floors are being built everywhere, opening construction sites where Simem has the competitive advantage of being able to provide



Federico Furlani

cutting-edge technology. Practically, it can provide manufacturers with specific plants, allowing them to produce fundamental components in-house, thus removing the need for imports, undermined by the congestion of the Indian cities. Simem India is also working on major projects for the treatment of industrial dirty waters. In West Bengal, one of the largest states, with over 100 million inhabitants – still growing – where the tanning industry develops a turnover of 2.5 billion dollars, it launched a study for the treatment and purification of the Berntala's effluent waters, in the eastern district of Kolkata, center of tanning production. Simem is a world authority in the design and construction of concrete machinery, with the gallons conquered in the production of concrete at a record pace to realize the expansion of the Panama Canal and the Gibe 3 dam in Ethiopia, the highest in the world. «We achieved a similar performance through the use of predictive algorithms, thus establishing plant maintenance strategies which can save time and costs, as well as ensuring productivity increases,» explained Mr. Furlani. «It is the so-called factory 4.0». Simem works for 95% of its 55 million Euros turnover abroad, in 45 countries.

transport increased in proportions higher than expected, so 18 billion dollars of this year's public budget have been allocated to road construction – 11 billion specifically for highways under the direction of the India Highway National Authority, mainly working through BOT contracts (Build-Operate-Transfer). Meanwhile, the government is working to attract foreign investors, as they are necessary to reach the 200 thousand km of completed highways goal by the set date of 2022. Part of the government investments cover projects, approved last August, to improve connectivity between Gujarat, Maharashtra, Rajasthan, Madhya Pradesh, and Diu. Not to mention 7,000 km of climate-resilient roads, which will be implemented with the help of the World Bank, and will be built for 3,500 km using green technologies. For the current fiscal year, the Ministry of Transport has set a general goal to allocate 15 thousand km of projects and the construction of 10 thousand km of national roads. The Hindustan Construction Company, in a joint venture with the Korean company Hyundai, won the

DOSSIER: INFRASTRUCTURES

Mumbai coastal road project worth about 320 million dollars.

The state of West Bengal is playing a particular role in the roads plan, since three bridges collapsed in the region last September. Prime Minister Mamata Banerjee promised for the entire arch of the collapsed Majerhat bridge to be demolished and then rebuilt «within one year». The governor decided not to go through a bidding process to avoid delays, and to directly appoint Mackintosh Burn Ltd, a public company. In addition, West Bengal Highway Development has recently called for tenders to build a six-lane link between the Belghoria highway and the Kalyani highway in 30 months – including the expansion of the six-lane segment of the Kalyani expressway – offering an investment of 83.5 million dollars.

The plan includes some projects attracting interest from all over the world, with the most popular being a 22-kilometer six-lane bridge – the Mumbai Trans Harbor – which will connect the capital of Maharashtra with its port, with an almost 80% share financed by the Japanese International Cooperation Agency. The work will reduce travel time by one hour, linking the future Navi Mumbai international airport with the highways to the south, the center, Pune, and the port area.

Another symbol of the new India is the Yamuna Signature Bridge, which will link Delhi with the industrial areas of Uttar Pradesh by the end of this year. The main actor of this work, which is already set on becoming an extraordinary landmark, is the Italian Tensacciai of the De Eccher group, responsible for designing and building, together with Gammon India and Cidade Brazil, the 154-meter central pillar supporting the infrastructure. From the very top, tourists will be able to enjoy a fantastic panoramic view. Meanwhile the Italian Astaldi (box on page 49), in jv with Reliance Infrastructure, will work on the Versova-Bandra Sea Link, 17.7 km of seaside roads.

SUPER OCEAN PORTS

A further strategic theme, related to trades support, is the restructuring of the port system, as they host the transit of 95% in volume and 70% in value of total trades. Most



Diego Aponte, CEO of MSC, invested in doubling the huge container terminal in Mundra, the largest in India. Above, the aerial view over the port area of Vizag in the Dada Pradesh, southeast of the country, overlooking the Bay of Bengal. It will become one of the main hubs on the routes of the new Maritime Silk Roads. Above, the Jawaharlal Nehru Trust Port docks in Mumbai

of the ports, built in shallow waters, are not suitable for large container ships and packed loads. Furthermore, the freight and container transport service between the major coastal cities must be adapted to support domestic and international trade, following a roll-on-roll-off operations development plan based on large road transport at competitive prices. Sagarmala, the name that the government gave to the development plan including both coasts and inland waters, is based on four assumptions: port modernization, connectivity, industrialization, and development of the coastal community. The goal is to double the number of national, inland and coastal waterways, generate savings on logistic costs, increase exports of goods by 110 billion dollars, and create over one million new jobs over the next ten years.

Further plans have also been made to cope with the rising freight traffic – +4% last year – wanting to increase capacity in 1,500 mtpa ports (metric tons per year) to more than 3,500 mtpa by 2025 – especially through the development of six new huge

ports in Vadhavan (Maharashtra), Sagar Island (West Bengal), Paradip Outer Harbor (Odisha), Cuddalore/Sirkazhi and Enayam (Tamil Nadu), and Belikeri (Karnataka). The plan is fueled by the belief that even ports could come to generate, according to an estimate by the Ministry of Transport, a billion dollars per year, attracting foreign investments. Thus, the government chose to allow non-Indian companies to own new port infrastructures in their entirety, or to deal maintenance services, and granted a ten-year tax exemption for companies developing and managing ports, inland waterways and inland ports – responsible for initiating the National Maritime Development Program. But there is more. Since March, the Ministry of Navy has allowed ships carrying foreign flags to transport containers for transshipment, and has revised a model of concession agreement that offers greater flexibility to investors. MSC of Aponte is taking advantage of these opportunities on several fronts. Last September it announced the collaboration with Zim Integrated

Shipping Services, a large company based in Haifa (Israel), in order to connect India with the main ports of the Eastern Mediterranean, traveling on the new Maritime Silk Roads. In addition, Diego Aponte, CEO of MSC, has invested in doubling the super container terminal in Mundra, the largest in India, in collaboration with the local partner Adani Group. «Mundra will strengthen and confirm its role as a transshipment hub for South Asian markets,» said Aponte. A second huge terminal for container ships will open in the south-western region of Vizhinjam, in Kerala, by 2019. The port, where the Adani Group invested as well, will offer a depth of 18 meters, with the possibility of mooring and providing service to 23,000 container ships – obviously aiming at becoming a traffic hub for the entire South-East area, including China.

AVIATION DEVELOPMENT

The strengthening of civil aviation transport, which currently involves only 5% of the population, will be one of India's keys to modernization and internationalization. Yet planes are already the most-used mean of transport of the middle and upper classes, since airports are efficient, can operate as stations even in smaller towns, and ensure a dense network of connections across the country. And service is guaranteed by a dozens internal lines, where those taking the front are Indigo, one of European Airbus' clients; Jet Airways, participated by Etihad; and Vistara, part of the Tata group. «In 2017, India registered the fastest growth in domestic passengers for the third year in a row, followed by China and Russia,» officially announced the International Air Transport Association. The government has decided to increase the current number of airports from 100 to 150/200 by 2035, injecting investments that could amount to more than 60 billion dollars – a capital expected to come from the private sector mainly. In order to attract them, the government wants to guarantee investors not only the hedging of investments, but also a good yield. Meanwhile, the government has allocated 1.83 billion dollars for the development of infrastructure and air navigation services. ■



Dellorto è presente con un **sito produttivo in India**, dove sono state avviate importanti produzioni in **partnership con i più grandi produttori locali**.

Lo stabilimento, altamente tecnologico ed organizzato secondo l'esperienza ed il know-how italiano e nel pieno rispetto degli standard qualitativi europei, ha iniziato la propria attività nel 2006 con la produzione di **corpi farfallati meccanici** per il nascente mercato locale dell'iniezione e per l'export.

Dopo questa prima fase, ha consolidato sempre di più il proprio posizionamento sul territorio indiano diventando tra i primi **player locali per i componenti di sistemi di iniezione**.

A **febbraio 2018** è stata siglata una **joint venture con Varroc** per rafforzare ulteriormente la presenza di Dellorto in India come **SYSTEM INTEGRATOR** per i sistemi di iniezione moto, Varroc, infatti, affiancherà Dellorto per la produzione della **nuova gamma di centraline di iniezione DaVinci e Monnalisa**, completando ulteriormente la famiglia di prodotti realizzati internamente.



DOSSIER: INFRASTRUCTURES

Betting on yellow

During the first quarter of 2018-19 photovoltaic production capacity has gone up by 1 megawatt per hour, while the goal remains reaching 100 gigawatts by 2022. Meanwhile wind energy keeps turning blades at full regime

by Stefano Catellani

Economic growth, with its higher energy needs – demand keeps going up by 8% every year – and the government’s decision to rely on renewable sources for production make it for the perfect match and create some of the best new opportunities for sector operators. Plans provide for 300-billion-dollar investments to go out in the next 10 years, with a 125 billion segment designated for increasing the renewable energy production capacity to 175 gigawatt – with 100 from solar and 60 from wind – by 2022. These goals make it for the biggest plan in the sector of the entire world without looking too unattainable. Last July renewable energy production touched the new record of 116 gigawatts, accounting for 33% of the entire installed capacity, and still aiming to reach 49% by 2040. Yet, it is trend data rather than stock ones that supports the predictions. During this year’s first quarter the investments in clean energy went up by 22%, adding a solar energy capacity of 1 megawatt every hour.

Foreign investors keep their attention up, if the growing use of Private Equity funds and the 28 new M&A agreements, worth over a million dollars, are anything to go by. Meanwhile, last March ReNew Power acquired Ostro Energy for 1.5 billion dollars, creating the biggest domestic operator in India. Again in 2018, the financial year closed last March 31st, energy production from renewable sources touched 101 billion units, following the growth trend of 25% per year characterizing the market since 2016; between April and June 2018, falling under the 2019 financial year, the sector grew for a further 20%. Solar energy registered a particular increase in that period, going up 30%, yet wanting



Pictures from Shakti Sthala, in the south region of Karnataka, where in March 2018 the biggest solar energy park in the world was launched, costing 2.5 billion dollars and covering 5 thousand hectares. Above, the massive operational center; on the right, the endless rows of panels. The drawing shows some parts manufactured by Bonfiglioli for wind turbines



to reach the 100-megawatt objective by 2022 from the current 25, solar installations numbers should triplicate by 2020. In truth, 2018 has been a pivotal year for this segment of the sector, as it hosted the inauguration of Shakti Sthala, in Karnataka, the biggest solar park in the world, costed 2.5 billion dollars. In the same period the government decided for import duties cancellation for panels parts, hoping to attract big energy groups like Adani Power and Reliance, thus

boosting domestic production. At the same time, solar and wind energy producers have been trying to bring their presence share in the market up, offering to local administrations and company prices ever so low they reached an all-time record last September. The programs have been piquing the industrial investors’ interest everywhere in the world and led to 7 billion dollars in foreign investments during the last 15 years. Italians are racing with two thor-

oughbreds – Enel Green Power, world-leading facilities builder in all segments of renewable energy bar hydroelectric; and Bonfiglioli, using India as its production site for wind energy components. They both work in partnership with local companies well-positioned in the India’s production reality.

Testimonial/Antonio Cammisecra

ENEL GP RIDES ON THE WIND'S WINGS AND AIMS FOR THE SUN

«2019 will be a key year for our activities in India. We are trying to win contracts for solar and wind energy, and we believe our technologies and our implementing capacity make us extremely competitive». Antonio Cammisecra, Enel Greenpower number one, trusts the Indian market, and believes it can win his company some good rewards. Enel GP, a world-leading company in the renewable energy sector, chose a soft approach for the Indian market, starting to take part in tenders about three years ago – even if they were quite haggled, price-wise. Last spring, they got the first results, when the group managed to win a contract for the development of a 285-megawatt wind farm in Gujarat, investing a total of 290 million.



Antonio Cammisecra

at guaranteed prices – thus guaranteed margins – for 25 years following the site's entry into operation.

Q: How can we expect the Indian market to transform?

A: Premier Modi is a big fan of photovoltaic energy production and knows the technology behind it very well. So, he will probably push in the direction of solar energy. India wants to overtake China and the US and become world's number one country of green economy, in particular through renewable energy usage.

Q: What are the figures?

A: In three years from now, in 2022, we expect 100 gigawatt of photovoltaic energy and 60

gigawatt of wind energy to become fully operational, together with a further 10 gigawatts from geothermal and biomass plus 5 from mini-hydroelectric sources. So, the current available capacity should grow by 20 gigawatts for solar and by 33 for wind energy. We've got a lot to do.

Q: Do you think it's achievable?

A: India's starting condition is very good – a lot of available technologies, good research activity, and many expert and well-equipped technicians and engineers. All these features make it for the best stepping stone toward the target achievement, in particular since they contributed to the creation of excellent production chains in each specific technology.

Question: What was the tie breaker?

Answer: We stood strong about our price policy and pitched all in favor of our technological know-how. We also aligned our image to the local reality.

Q: What does it mean?

A: In 2015 we acquired a small Indian company, BPL Energy, owning dome wind plants in Gujarat and Maharashtra. We managed to swiftly integrate them in our production chain, also thanks to the human resources we found. We won the contract in Gujarat in partnership with them.

Q: Are the expected revenues appealing?

A: According to the contract, we can supply energy

«We are planning for a further future expansion in India, aiming at reaching the whole Asian-Pacific area, promoting its growing energetic demand,» said Antonio Cammisecra, Enel GP number one (see interview at the top). «India offers some great opportunities. Finding the right key-

stone to remain in the market ensures a long-lasting and appealing success,» explained Sonia Bonfiglioli, leader of her namesake group, summing up her 20-year experience in the region. Through its three segments – industrial, wind, and mobile – her company is about to reach a 1-billion turnover, as it totaled 870 million euros just last year. The group built three plants, one in Pune and two in Chennai, housing a total of 800 employees. India was the first over-sea production site for Bonfiglioli

Riduttori and has now become one of its most strategic markets. «Our market shares keep going up, driving the turnover as well – it has recently surpassed the 100 million euros,» Mrs. Bonfiglioli said to MF International. «We've started to leave the safe space of the Indian market and have our exports reach its neighboring countries as well. We expect a further growth for our business in the next few years». Mrs. Bonfiglioli, daughter of the founder, didn't forget to give her warnings on the difficulties posed by such a market – where it is necessary to invest for several years before seeing a return. Yet once the gears have started turning, the keep going on their own, running after different business lines. Mrs.

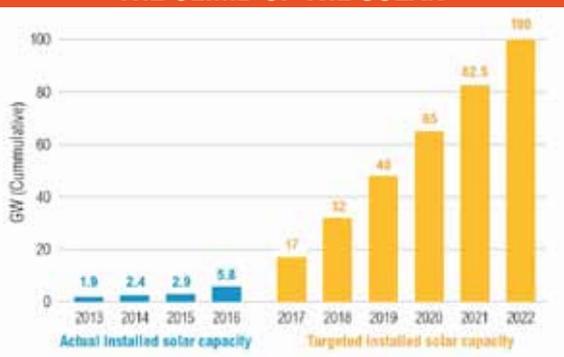
Bonfiglioli knows well this means betting on both new and retrofit facilities, as in renewing the first plants created on the territory. «It's an interesting business for gearboxes, electronic parts, and engines,» she added she has been tackling the future by investing in research and development, and has around twenty engineers working in the Global R&D center in Pune at the moment, exploring ad-hoc innovations and product solutions for the Indian



Sonia Bonfiglioli opened her businesses in India in 1995. 800 employees work in the three plants of the group plus several hundred more in auxiliary sectors

market – in particular those for yaw & pitch handling and control, as well as those for the management of production turbines in any size. They are also cooperating with the group's global customers to research specific solutions for agriculture, constructions, materials handling, and electric mobility. On the other hand, Gianluigi Angelantoni, president of his Perugia-based namesake group, seems less optimistic on the Indian market. Mr. Angelantoni, together with the Nobel prize winner Carlo Rubbia, developed an innovative technology for photovoltaic plants – the so-called thermodynamic solar energy. Probably the lukewarm results of its semi-experimental facility – built in Rajasthan using his trademark components – left him a bit sunburned and led him to abandon Indian in favor of China. «We were given no certainties regarding the government incentives for implementing these facilities,» he said to MF International.

THE CLIMB OF THE SOLAR

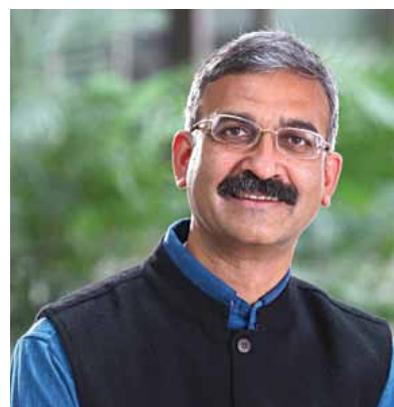


At Research's Front Line Main Projects

Telemedicine, genetic engineering, clean energy, aerospace, as well as culture, agri-food, and mechanics – the strongest players aiding Italy in building cooperation

by Francesco Bisozzi

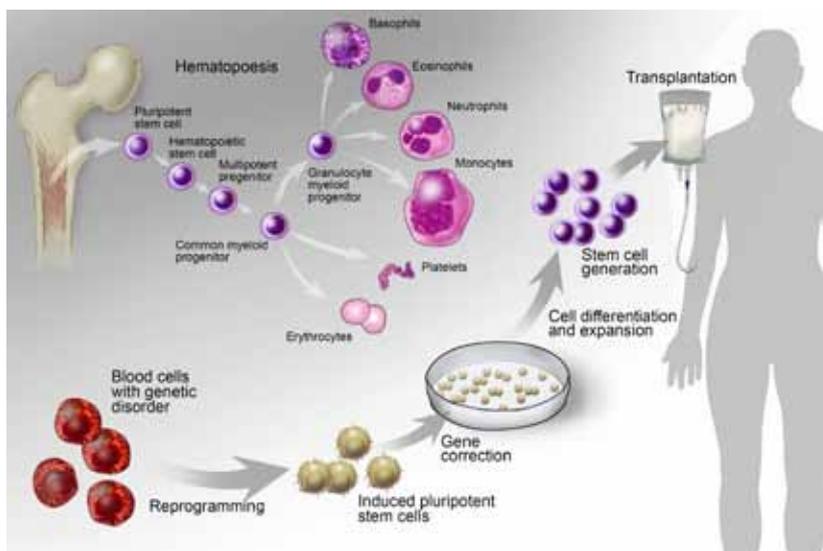
ICT, aerospace, and clean energy technologies are all frontliners. «India has a deep social stratification, and innovating its information and communication technologies could help the country solve many of its problems. I'm thinking of telemedicine, for example,» explained Massimo Spadoni, scientific ex-



pert at the New Dehli embassy, to MF International. Mr Spadoni has been among the organizers for having an Italian delegation at Technology Summit as honorary guest, held last October by the Confederation of Indian Industry. Since 2012 IFOM and inSTEM have been working together on an innovative project, researching and investigating molecular processes favoring tissue regeneration in cancer treatment. IFOM is a research center in Milan focused on studying cancer formation and development at the molecular level, while inSTEM is a similar facility in Bangalore, specialized in stem cells and in regenerative medicine. «Tissue and whole organs regeneration from stem cells is one of the most promising branches in biomedical research,» Mr. Spadoni explained, «This field is opening up new possibilities for the scientific community, which hopes to rely on them for finding a cure to selective cell death diseases – as Parkinson's, heart diseases, or diabetes». Recently, the International Center of Genetic Engineering and Technology in Trieste, operating inside the UN framework, opened a branch in New Delhi and joined the research program. Even aerospace cooperation is well on its way – ASI (the Italian Space Agency) and its Indian counterpart have undersigned a MoU and have been implementing some joint initiatives, including the SKA radio telescope for radio wave detection. «India is a leader in the field of renewable energy and is now betting



The radio observatory at Medicina, near Bologna (Italy), which cooperates with the Indian Aerospace Agency and the bionic hand made by the Istituto Sant'Anna di Pisa, recently exhibited in India. Above left, Massimo Spadoni, scientific officer at the Delhi Italian Embassy, and, right, Satyajit Mayor, general manager of InStem, the Indian most advanced research center for Stem Cell Biology and Regenerative Medicine (right, and, above, the Bangalore headquarter)



Testimonial/Giulio Cesareo

GRAPHENE MAKES JEANS COOLER

«India is way too hot to wear normal jeans». That's why Giulio Cesareo, Directa Plus co-founder and CEO, put its company's expertise on graphene to use and betted on thermal fabrics. «We draw patterns with graphene, and once they're printed inside different fabrics, they can help regulate body temperature,» he explained. Directa Plus is specialized in graphene G+ production, and doubled its turnover in just one year, registering 573 thousand Euros last June 2018. The company is listed in London's Aim share market since 2016 and has just signed a milestone partnership agreement with Indian giant Arvind - specialized in jeans production, supplying brands like Levi's, Gap, Wrangler, and Lee of around 6 million items every year.

The two companies have been working together on a special graphene denim, using the material's unique heat-conducting properties to create high-comfort and adaptable jeans items, capable of dispersing heat in hot climates and of evenly distributing it in cold ones. This fabric is also bacteriostatic, meaning it needs to be washed fewer times – quite the benefit when it comes to places like India, where water is scarce. «It is also scratch resistant,» Directa Plus CEO added, «So it can replace expensive fabrics like kevlar». Not to mention that graphene denim is an electric conductor, and can be used in data transmission applications - Arvind has recently worked with Levi's and Google on launching a motorcycle jacket with touchpad-integrated cuffs, allowing riders to answer their phone from their garment. Finally, graphene circuits could also substitute wires, adding to cleaning and maintenance ease, and allowing to gather all kinds of information. «We've submitted the fabric to all main US and European brands as soon as we've finished concept proofing and testing. Buyers will already be able to purchase some products by the end of the year,» Mr. Cesareo stated. There are thousands of Indians who prefer western-style clothes to their traditional ones, and soon their dream to dress according to taste could be coming to life.



Giulio Cesareo, Directa Plus co-founder and CEO, put his company's expertise on graphene to use and betted on thermal fabrics.

Testimonial/Pietro Sella

FROM CHENNAI TO THE SOFTWARE WAR

The Chennai Branch of the Sella bank, founded in 1996 in ex-Madras, rode on current CEO Pietro Sella's experience in computer services and turned into a straight-up software company. Today the branch employs about half of all of the group's IT staff – about 260 people between managers and analysts. Every year the Indian team works with its Italian counterpart on 200 different projects, designing IT solutions for both traditional (core banking, credits, investments, risk management, and payment methods) and innovative banking services (mobile apps, internet banking, voice banking, chat bots, AI, machine learning, and data analysis). Specialized teams oversee the provision

of data management services – often B2B, thus implemented in e-commerce systems. «When we created the group's software back in the 90s, we were working on mainframe. Once we had to switch to a client server technology, we also had to look for the necessary expertise. At the time, choosing India was one of the most innovative things to do,» Mr. Sella, 50yo, explained. The decision had the banking group top the Italian charts of information technology, where its cutting-edge solution had it keep a firm grip on first position. Some examples are Frabrick, an open financial eco-system enabling and promoting cooperation between banks, corporate, and fintech; and Platfr.io, the first Open Banking API Platform in Italy, allowing companies and third-party start ups to have their IT platforms automatically dialogue with their systems. Chennai's success story grew hand in hand with the transformation of local economy, where the local government's investments toward incubators and acceleration centers turned the country from a low-cost IT outsourcing reality to a start-up forge. Banca Sella keeps drawing power from university campuses, often generating the best new ideas.



Pietro Sella, class of 1968, joined his family's group in 1997 to upgrade the company's IT systems, and became the CEO in 2004. Left, the reception in Chennai

on smart electrical grids. And Italy is a world leader in the sector, if its role in the Mission Innovation global initiative for clean energy is anything to go by,» Mr. Spadoni highlighted. He also noted that India keeps paying great attention to technologies for the protection and conservation of cultural assets – a yet developing reality, but still

counting on Italy as its role model. After all, Italian companies can rely on governmental funding for their industrial and scientific cooperation plans. In an effort to modernize the country, India's central government has been pursuing strong investment policies, and has overseen the implementation of projects like Digital India – 15-bil-

lion-dollar intervention for digital infrastructures – and Smart Cities, hoping to promote IOT (Internet Of Things) in 100 pilot cities. «I believe that the mentioned fields offer fertile ground for developing cooperation in the very next future,» Mr. Spadoni said. In regard to biotechnologies and the genomic sector, Italian companies

active in agri-food have been looking at the country's recent approval for GMO field testing with some interest, knowing that the local government is aware of how dire is the nation's need for such a technological improvement in fighting the dramatic food problem. One of the concrete, available opportunities for market entrance is the project

Testimonial/Daniel Silva

KART, THE KEY TO SUCCESS IS IN THE STRUCTURE

Ipkarting (Innovative Products for Karting) is still pitching on traditional, but it has also started looking at electric-powered systems with a certain interest. The company, known world-wide for its go-karting Praga chassis, is based in Salizzole, in the Verona area, but has landed in India just about now. «We signed an agreement with a local retailer, which is already well positioned in the motorsport market and working



Daniel Silva, CEO and founder of the Verona-based Ipkarting company, renowned for its Praga chassis. Mr. Silva exports already toward China, Malaysia, and Australia, and has recently entered the Indian market as well



with mono-brand projects. We delivered our first batch of go-karts with Praga chassis at the beginning of 2018 – 36 models in total. Our modern and innovative methods applied to design, development, and management stages, as well as the know-how cultivated in our Ipkarting production site, make it for the best business card we could possibly hand out,» said Daniel Silva, the company's CEO. Ipkarting generates the 80% of its annual 4-million-euro turnover abroad, exporting toward China, Malaysia, Australia, Canada, USA, as well as in the whole of Europe. Its activity in India is just at the beginning, but it is already attracting attention. «Negotiations with another potential reseller are well on track,» Mr. Silva added. Their go-karts have also been Ralf Schumacher's first choice for its own RS kart line, ever so active in that competing area.

The key to Ip's success hides in the materials. «When it comes to selecting the materials with the highest values of elasticity and durability, monitoring tyres types usage during different competitions allow us to collect a lot of useful information,» Mr. Silva explained. «Once that's done, we can move on to choosing which material fits the use best, together with other characteristics – like pipes diameter, pace, and all other stuff we may need to develop a prototype to test on track».

aiming at opening 42 new «mega food parks», meant to attract foreign investments. The plan hopes to achieve consistent improvements in the production-distribution chain, and to support agricultural equipment manufacturers – featuring a strong local production as well as a 2-billion-worth export market for Italy. Now Indian companies use

half as many machines as the more advanced and more industrialized countries do. Such a favorable environment for scientific cooperation comes under the Modi government's guidelines in full, fitting the investment plan for the development of infrastructures like motorways, railways, ports, and airports. During the next

Testimonial/Elio Marinoni

RENEWABLE ENERGY CONQUERS TUCTUCS

«We're dealing with a local company interested in entering the Indian transport market. We've already been conducting some market analysis to try and assess if it's possible to implement the project». Elio Maroni is the founder and main person of Askoll, a Dueville-based (Vicenza) company specialized in the production of high-efficiency electric engines for home appliances, as well of electric scooters and bikes. It has recently reached the Indian market, where its best move could be pitching on tuctucs – the local three-wheeled transport system of choice. «Air pollution is one of India's biggest problems, and much of its resolution depends on Modi government's new policies in support of sustainable transport,» he added. Askoll's electric scooters must compete with Chinese products – cheaper, but of a much lower quality. The company can boast 40 years of research experience in the sector, where its work with sustainable solutions for products and technologies resulted in more than 800 patents. It also operates in Spain, France and in Scandinavia, and while it covers 80% of the Italian demand for electric scooters, this particular market builds up just a little fraction of the group's total 220-million-



Elio Marinoni, 72yo, leads a 40yo group leader in high-efficiency electric engines production. Now betting on electric transport thanks to its scooters (photo below) and bikes



euro turnover. Yet they keep aiming very high. Askoll Eva is the company's division in charge of sustainable bikes and scooters production, and has managed to put 12 million together for investments by listing its shares on the Milan Aim stock exchange. Now it aims at swiftly increase its turnover (5 millions in June 2018), and hopes to reach 70 million euros by 2022 – relying on the strong demand coming from both Italy – +60% during 2018 first quarter – and Europe.

ten years, the country is expected to invest between 40 and 60 billion dollars every year for urban development. The government has also made all rules governing offshore direct investments much simpler: foreign investors have now access to a number of sectors – including the energy one – and can control their capitals from start to

end, with no need for finding local partners. There are no more blocks in the automotive sector as well. This progressive liberalization should work in favor of the renewal of the Italian-Indian agreement on new investments protection – gone out of date in 2017. It is an EU policy already protecting all in-place capitals until March 23rd, 2032. ■

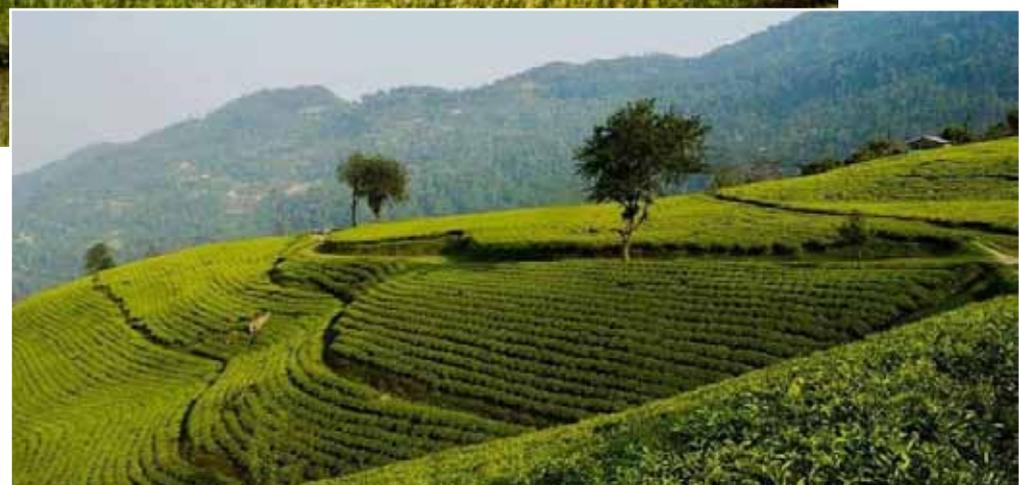
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Innovation Leads the Field



Also the economy first macro-sector is looking ahead: bio, food processing, crop protection and new flavours. Made in Italy often contributes

by Franco Canevesio

Pandli, Gujarat, North-West of India. Inhabitants: 576, according to the 2011 census. No bus service within 5 kilometers, while the first train station is 10 kilometers away. Yet Pandli is not really a no-man's land: rather, it is the land of pharma, a special economic zone deeply connected to the sector. And pharmaceuticals are one of new India's strengths. Isagro figures among the companies operating in Pandli. Founded in 1993

through a merger of Montedison and Enichem industrial activities, led by Montedison former manager Giorgio Basile, the company has since gained the leadership in its section of the local market – trading in the development, production and sale of plant protection products. The Pandli one, purchased in 2001 for 16 million euros from the Indian conglomerate RPG, is of strategic importance in the synthesis of the those group-owned active ingredients, as well as a hub

The images on this page show Sikkim, a state in Northeast India resting at the slopes of the Himalaya, and bordering Bhutan and Tibet. Last October the region was awarded its first FAO prize thanks to its 100% organic agriculture, ahead of 51 competitors – with Brazil, Denmark and Quito in Ecuador ranking second. In 2003, the government of Sikkim launched a plan for a totally organic agriculture, benefitting 66 thousand farmers, and increasing both consumption and revenues of specialized crops – such as tea – and of tourism

Trend

FOOD PARK FOR AGRO 2.0

Opened on October 28 through a 1.2-billion-euro investment, the huge, agro Mangrol food park in the Surat district, Gujarat, is one of the 42 structures that the Indian government has planned to spread across the country. The main objective wants to be the improvement of agricultural production and, above all, its conservation, bringing the



Il master plan del lotto base del food park di Surat, in Gujarat, progettato e costruito con l'aiuto di tedeschi, svizzeri e svedesi per ottimizzare produzione e conservazione

percentage treated from the current 6% to 20%. At the same time, it also hopes to attract foreign capital. For this reason, operating in the park entitles to a government grant, covering 50% of the investment, as well as to a tax exemption policy on income during the first five years of activity – followed by a further five with reduced rates. Currently, there are twelve fully-active operators, plus 30 more in various stages of implementation. The project aims at transferring the park's ownership and management over to a specially-established company shared by farmers, associates or other individuals, and with business-related investors subscribing the shares. The manager will be in charge of arranging and operating the base plants for energy supply, and the warehouse for the foodstuff treatment, from washing, to pressing, to storage, till the beginning of distribution. The opportunities for Italian companies can be articulated at different levels: energy supply, water and waste processing, the cold chain and logistics, and, last but not least, the machines for processing vegetables, fruit, poultry, fish, cereals, and for packaging. The Park's manager must also call for tenders for supplies in all production segments, and for all required equipment. Clearly, the Italian companies interested in selling in India should keep an eye out for these park operators.

to other countries in the Middle East. Exports make up a quarter of the 40-million-euro turnover generated in India, part of the 156-million total revenues from 2017. 144 of the sum was realized thanks to crop protection, and is expected to grow to 200 million by 2020. The Indian plant produces, inter alia, the intermediate m-alcohol used for the Tetraconazole synthesis. «It's the most important product. At Panòli we make chemical synthesis and formulations, then we finish it in Italy,» explained Mr Basile. Formulations, or combination of an active substance with other ingredients, is a booming market. According to IBEF's Healthcare report, India is the largest exporter of formulations with 14% market share, the 12th country in terms of value, expected to grow in double figures over the next 5 years. At the Gujarat factory, 100 professionals are testing innovative research



Gianpiero Calzolari, President of Granarolo

and development methods, putting to good use the 15 million euros allocated every years. «We are getting ready to start production two years from now. Aside from other fungicides, we're presenting an absolute novelty – an organic fumigant, a new product to apply directly in the soil of greenhouses or other closed environments, capable of disinfecting and, through fumigation, of killing any ground worms and insects,» revealed Basile. He built the fortune of Isagro on the sale of products for crop protection, a market of over 50 billion dollars destined to keep growing even if at lower rates. New India is betting hard on agribusiness, as it can rely on the second largest area of cultivation in the world – 160 million hectares in 20 different agro-climatic zones – and on 60% of the population employed in agricultural properties, 85% of which either small or micro, for an annual turnover of 42 billion dollars. «Italy is an ideal partner to help India meet the goals set by the government, which is providing funding for 160 billion dollars in agriculture,» said Claudio Maffioletti, secretary at the Indo-



Giorgio Brasile, of Isagro; below, Eraldo e Francesco Peccetti, of Colines, and one of their production sites



Testimonial/ Gianluigi Peduzzi

THE BATTLE OF DURUM WHEAT...

«In 2005, while returning from China, I made a stop in Delhi. It was my first time in India. As I was going around the city, I found myself in a market in the centre, and there I asked a merchant what kind of activities were the most profitable in India. He looked at me and firmly replied: pasta and bricks. From there on I started preparing a project, destined to last a few years, just because finding the right partner was not easy». This is how the current president of Rustichella d'Abruzzo, Gianluigi Peduzzi, 55yo, recounts of his arrival in India. Founded in 1924, in Penne, the pasta factory is managed by the third generation of Peduzzi – Gianluigi and his sister, Maria Stefania, head of marketing and CEO, as well as her husband Giancarlo d'Annibale, co-CEO and production manager. In India, the ideal partner arrived in 2010 in the guise of the Goyal family, with interests in paper mills, hotels, and restaurants. In February 2012, they inaugurated the plant in the industrial area of Jaipur, investing about

1.5 million euros. Simest participated in 30% of the capital of the new company. The three production lines of durum wheat semolina pasta, destined for the local market, churn out 2,500 tons per year. «This January we launched a new line that will triple

the production. In the same plant we have a line dedicated to sauces and ketchup, with which we produce 500 thousand pieces a year,» said Peduzzi, who bought that 30% back from Simest last November, and will now control together with the Goyal. The Indian turnover is 3 million euros, in addition to the 11 million generated in Italy, mostly through export in 70 countries. «In 2020 we should conclude our three-year plan with a turnover target of 25 million euros,» the entrepreneur revealed. Pasta consumption is growing above all among young people, who consider it a lot

Maria Stefania and his brother Gianluigi Peduzzi, grandchildren of the founder of Rustichella, and the company's CEO and President respectively. The pasta factory was founded in 1928 in Penne d'Abruzzo



more trendy than rice. Rustichella sells in India with the Gustora brand, which was the first to start production using 100% semolina from Indian durum wheat. The company offers a selection of over 15 pasta formats, thus focusing on product quality, and gained the appreciation of the many Italian restaurants spreading like wildfire in Delhi, Mumbai, Bangalore, and Chennai. The Rustichella brand, on the other hand, is sold in large hotel chains, by Hyatt and FourSeason. «Gustora's success can also be traced back to its focus on innovation,» Peduzzi highlighted. In 2014 he began producing a line of pasta for children; one year later, he added the whole wheat pasta, mindful of that 70% of vegetarians in the population. Then came the instant pasta with freeze-dried pesto, 'arrabbiata', and cheeses seasonings. The climb to the Bambino brand, the largest Indian producer, for most of soft wheat with some spaghetti-like format, has started.

most quoted companies in the world in the production of machines for the extrusion of plastic materials, from polyethylene to flexible film of low thickness for packaging. Operative in India for over twenty years, it works in supplying the market with the base films used by large retailers in the trays for their packaging. Successful company, tripling the turnover between 2014 and 2018, it gained importance in India thanks to technology. «Indians recognize that our machines are the most performing,» assured Peccetti, whose customers are suppliers of big multinationals like Henkel, Pepsi, Cosa, Johnson & Johnson, and Ferrero. The Colines machines serve plants with a production capacity of 5,000 tons a year. At the moment the Novara-based company is working on a contract for

4 machines worth 18 million. In order to double the turnover in India, with which they have been working for 20 years, Carpigiani of Anzola (Bologna) decided to focus on circular marketing. «In recent

years, we have been working for 20 years, Carpigiani of Anzola (Bologna) decided to focus on circular marketing. «In recent



Alessandro Sità, export manager of the family's oil mill – having in Asia one of its biggest markets, where extra virgin oil well meets the local taste



Italian Chamber of Commerce of Mumbai. Along an articulated supply chain that starts from the fields and reaches the products for large-scale retail trade or the luxury market, dozens of Italian companies are busy trying to get ahead, often successfully. One of the segments where the bilateral collaborations are more accentuated, thanks to the development of Italian technology, is that of specialized instrumental mechanics. It can rely on agricultural machinery or components suppliers such

as Carraro (transmissions and axles for tractors) and Maschio Gaspardo (equipment for agricultural work), as well as for food processing. This sector is a quite crucial one for Indian agriculture, forced to discard most of the products due to the lack of effective conservation facilities. Sales of agricultural machinery are going through a positive moment with increases of 20% per year. For food processing, the demand is sustained by the commitment of the central government to double

the percentage of treated products. Currently it is below the 10%, and Italians sell in India for about 111 million, a quarter of total machinery. «The packaging sector is one of the most active, also thanks to the government's behest, which imposed that all the packaging must be recyclable,» explained Francesco Peccetti who, together with his father Eraldo, manages the Colines of Novara, 135 millions of euros in turnover, of which 90% from abroad. Colines is among the five

Testimonial/Pierluigi Garuti

... AND THE CAP REVOLUTION

2019 is the year of India, according to Pierluigi Garuti, Pelliconi general manager and one of the world's kings in the production of bottling stoppers. «It is a strategic country both for the products and for the market, with all the potential for beverage and closures,» he explained. In 2017 Sace-Simest helped Pelliconi in the acquisition of 51% of the Indian Oriental Containers, one of the major players in the production of plastic and metal capsules for the beverage market. And there is the chance this

Pierluigi Garuti, Pelliconi
Managing Director

could be the first step in a new acquisition, strengthening its position against its competitors through optimization of costs control and transport times. «We want India to become the first market where we offer plastic or metal caps that are no longer crown types. The State of Maharashtra has already banned non-recyclable stoppers,» Garuti explained. The new Maharashtra plant for ring pull caps production – meant for beverage such as peps, soft drinks, or coconut drinks – should become operative midway through the year. «When fully operational, we expect a turnover of 4-5 million euros,» the manager revealed, «and we are ready to seize opportunities in the packaging sector».

The company, founded in 1939 in Bologna by Angelo Pelliconi and now led by the third generation of the family, employs over 400 workers in plants in Italy (Ozzano Emilia and Atessa) but also in Orlando, Florida; in Cairo, Egypt; and in Suzhou, China. Exports toward 110 countries account for 75% of total production. This year it is expected to produce 30 billion pieces that could generate a 200-million-euro turnover, against 154 million in 2017 and around 170 the year before.

years they opened many small ice cream shops that buy our machines to produce premium ice creams,» explained Achille Sassoli, head of market development, «And they've been asking us to organize competitions to train new professionals. We've never seen anything like this before. In this way, we can understand in which direction the market is going». Carpigiani is exploiting its Gelato University driving force also in the huge Indian market. The University is an international school of professional training that teaches homemade ice cream production techniques – employing the company's machines together with the MyGelato App. The app was launched in 2014 to help ice cream makers expand their service through a website (MyGelato Shop), and ice cream lovers to buy ice creams – even for others – via the app itself. Through its Delta Nutritives dealer, Carpigiani sells hardware and machines to ice cream parlors, patisseries, and restaurants using them for their own production and for sales toward third parties. It also sells the soft part, as in the typical plug from

which ice cream comes out, to yogurt shops and McDonald's. «European trends exercise great attraction on the new generations,» agreed Filippo Marchi, Granarolo general manager, 1.3 billion turnover, after the recent decision of pushing the accelerator in the sub-continent. In December it acquired the majority of Europe Food India, of which it had bought a 10% in 2016. Granarolo in India, where it has a turnover of about 15 million euros, sells packaged milk and cheese such as the Granopera – their flagship product, which key feature is being made without preservatives and vegetable rennet, given how 50% of Indians are vegetarian. And now he wants to enter the fast growing snack segment with a new product, the Groski. «They are 100% natural cheese rice cakes, and the production process is of our own patent. The idea is to immediately produce at least 20 million pieces,» the manager revealed. «Indians are have shown great interest in these products, since they have only fermented and yogurt-based cheeses but no hard ones». Although India is the leading

milk producer in the world, Granarolo succeeds in exporting its own by focusing on large-scale distribution, selling to big hotel chains. It still takes into account street vendors and small shops, as they remain a relevant segment of the booming market. «Our certified cowsheds for India are 250 out of 699,» revealed Marchi, who admits that «exporting to India is not particularly complicated».

«It's a very difficult country from a commercial point of view, given its ever-changing laws and regulations, heavy duties, under-developed inland connections, and rampant corruption,» Alessandro Sità complained. More than once, the containers carrying his company's olive oil have been stopped in the harbor by the customs officers. «We're not the only ones in this situation, with documented regular goods stuck in the port for over a month». Giuseppe and his sons, Antonio and Alessandro, make up the fourth generation of the Sità family, managing the namesake Agnana Calabria-based oil mill. They consider India as a train not to be missed and have decided to aim for it, trying to educate the local consumers – starting



Achille Sassoli, in charge of the development of Carpigiani, world leader in the production of ice cream makers. India is registering an increase in small ice cream shop numbers

«In recent years they opened many small ice cream shops that buy our machines to produce premium ice creams»

from their habits. «Immediately imposing the extra virgin olive oil would have been a defeat at the outset,» said Sità, «educating the population about its use was the key to enter the market.» The sales of the Calabrian oil mill are represented, for the most part, by refined olive oils, matching the local taste very well, in particular as a complement for food or for frying local dishes. With a 9-million turnover in 2018, 70% abroad, five-fold in less than four years, and a budget of 15 million by 2020, the Sità is focusing mainly on Asia, China, Singapore, Japan, Vietnam, Pakistan and, obviously, India, where in 2017 it obtained financial and insurance coverage for 150 thousand euros from Sace-Simest. That allowed it to offer Indian customers competitive payment extensions, insuring itself against the risk of non-payment. ■

It's Premium Time for Malls and Online Stores

Gucci, Versace, Armani, Ferragamo plus denim's major brands, Gas and Replay, pick up the cues of a new boom and get ready for their next comeback – investing in the construction of 20 million sqm

by Milena Bello

Sector insiders play the weathermen and predict that «it's about to rain malls and shops». JLL real estate agents expect most of the India's bigger cities, from Delhi to some of the lower-tier ones like Hyderabad and Chennai, to be hosting up to 20 million sqm of large areas for commercial use by 2020. The raise in constructions could correspond to a retail boom, hand in hand with the expansion of e-commerce. «Indian retail is about to go up one, important size,» said Darshan Mehta, first on the Indian market for retail and Italian brand distribution (see next page for the interview). The world of fashion, including its Made in Italy segment, must have sniffed the onset of some good business and have been answering the call of the wild. In 2026, less than ten years from now, the market's value could have gone up to 115 billion dollars, make it one of the biggest and fastest-growing in the world. In particular, the surge has been driven by womenswear and kidswear, 13% and 17% respectively, followed closely by menswear (+11%). India is also the second producer of footwear in the world, lining up just behind China, and sales in the sector, accounting to 9 billion dollars in 2017 (+16%), are expected to reach 15 billions by 2022. Leather should grow as well, going up by 19% every year, led on by the women fash-



ion segment and its 700 million euros in revenues. At this oncoming «mall rain», opening up new spaces for luxury brands – where Made in Italy is king – could be the release to one of fashion's stronger brakes, and find a solution to the distribution problem. 70% of the clothing market sales are currently disorganized, handled by local shops retailing mass market and local products mainly, giving very little action ground to international brands. Yet the situation is about to change, also because of governmental liberalization meant to encourage foreign investments toward mono-brand retail. Now there are several global brands – including H&M, Gucci, Versace – aiming at the Indian market, thus choosing to invest on retailing spaces.

LUXURY STRATEGY

Le At the moment, such growth of the wider market remains a mirage, so the wrong move can still be paid dearly. Different maisons have been following a variety of strategies to approach the situation – also according to their financial capacity – following one of three possible lines of action. Number one – they can invest directly, us-

ing one of their own companies, following the examples of some renowned brands like LVMH, Hermes, or Gucci. «We're recording growth in each segment of our portfolio of products, including leathers, accessories, shoes, and clothes,» pointed out a representative from Gucci. The group, owned by French Kerig, opened four shops: two in Mumbai, inside the Trident Hotel and the Palladium mall; one in New Delhi, inside the DLF Emporio, and historical mall; and one in Calcutta's Quest Mall. At the moment, Versace has just one direct store in New Delhi, inside the Emporio Mall. Number two – creating a joint venture with a local operator, copying Armani, Gas, Diesel, and Canali's strategy. As for the given example, they are all working with the Reliance brand, part of the Ambani group. Armani has managed to open 13 local retails – 8 Exchange, 4 Emporio, plus a higher level one. In order to rent and furnish a selling space according to the house styling lines, a brand must provide its local partner with consistent investments, starting from 6 thousand euros per sqm – that is how much Zegna, one of Reliance's oldest clients, pays – up to double the amount for the same area. Zegna has been active in India since 2003, and was one of the first global brands to approach the subcontinent. Currently, it sells through three stores, and through its relationship with Reliance it managed to acquire Raghavendra Rathore Jodhpur – one of India's biggest

Testimonial/Darshan Mehta

THE ITALIAN CONNECTION IS STRONG AND IS SET FOR SUCCESS

Question. What kind of Italian connection has your group created?

Answer. We have had some good running partnerships with Armani, Zegna, Renzo Rosso, Paul & Shark, and Gas for some years now. We have also recently signed a joint venture agreement with Canali, Ferragamo, Bottega Veneta, and Replay – we’re set to open two shops for this last brand during the current year.

Q. So the connection is still growing?

A. I wouldn’t say it is just growing in size, as the relationships we have are also very good in nature – and that’s true for anyone we opened dialogue with this far, including administration committees, events, and purchase campaigns. There is a strong mutual respect with Italians, which is fundamental to good business. That’s also why our Italian brands are doing so well.

Q. Do you believe Italian brands exercise a particular attraction on Indian consumers, making them stand out from international brands like Zara and H&M?



Darshan Mehta is the Chairman and CEO of Reliance Brands, one of Reliance Industries’ subsidiaries. The Indian conglomerate, controlled by the Mukesh Ambani, is one of the 5 biggest in the countries, boasting a 65-billion-dollar turnover, a 5.4-billion net profit, and an almost 100-billion capitalization. It is India’s first retail operator, producing 10 billion dollars in turnover through its 7,600 shops – 700 of which serving the luxury segment – spread over 4,400 different cities. It is active in clothing, jewellery, mass marketing and e-commerce. Its most popular brands are Reliance Digital and Digital Express, with over 5,700 shops. Mehta has recently kickstarted an home shopping program, targeting consumers living in the smaller cities

A. Zara and H&M have a different target. Talking menswear, or even jeans but with a tailor cut – thus premium or luxury – Italian products can offer something more, which has to do with Italian style and taste.

Q. What does this mean?

A. It’s the same as why rich Indians choose to get married in Florence or by the Como lake, or to spend their holidays travelling Italy and enjoying good food, natural beauty, and people’s warm hearts. .

Q. So we could say it’s premium and luxury magic time in India as well. Is this the result of liberalization and the following mono-brand shop explosion?

A. The context has changed in size as well, in particular since the new administration kickstarted its liberalization program. International attitude toward India has changed, and there are new expectations. Regarding Italy, we overcame our political disagreements – related to the sailors’ issue – so India has become a very interesting market for many operators.

Q. Is this the right time to bet on e-commerce for high-end products as well?

A. Leaving Ynap out, which is part of the Richemont group anyway, Italy is not present in the sector yet. But there’s a lot to do for whoever wishes to open a physical store as well, whether in India or in any other place in the world.

Q. So?

A. I think the best option is following Farfetch’s model – creating a virtual shop, where customers can take a seat and pick their preferred item, whether that’s a Bottega Veneta bag or Diesel jeans, and purchase it with a click. It’s the best-selling channel for India, which we want to exploit to offer a rich portfolio of all of Italy’s best brands.

Q. What kind of advice would you give to someone planning to approach the Indian market for the first time?

A. They should keep in mind that it’s not just its size and its segments diversity to make it a complicated market, but also the fact that it is about to experience a leap in its growth rates. So there is a certain urgency. Also, they could pay mistakes at a very high price – but that’s true for all big markets.

Q. What does this mean?

A. They need to make the right choice from the start. Not to mention there is also something else to consider: the choice in luxury product is not guided by taste, but rather by planning long-term. One must be very self aware of their own interest, looking for a partner with no conflicts of interests, capable of sharing the same long-term approach, and offering a really fat wallet.

Q. What mistakes is absolutely necessary to avoid?

A. Relying on someone incompetent. It was Valentino’s mistake, when the company decided to rely on the word of mouth snaking between rich and bored ladies. The shop closed in less than two years.



BUSINESS/FASHION



Giorgio Armani opened 13 shops, for the different brand of his maison, Exchange, Emporio, Junior and Giorgio Armani, through Reliance Brands

luxury menswear brands, and one of the first to use the Brand India in the fashion reality. The agreement between a global luxury brand and an Indian fashion label, signed last June, is the first of its kind, and aims at developing the premium segment of the local market.

Number three – signing either a li-

censing or a franchising agreement with a local operator and having the brand supply them with goods and the store concept while leaving its management to its in-house partner.

ASSAULT DENIMWEAR

It is still not clear if the Zegna operation will set a new trend, as it remains the only one of its kind.

«We're investing in technology, as we want to offer omni-channel e-commerce experience through the network of our shops»



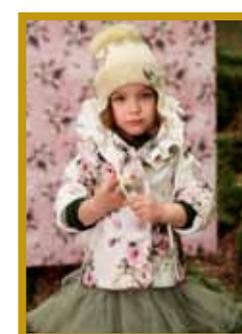
Barbara Grotto, in charge of marketing for Gas, e some models of the 2019 collection. Gas has 50 shops in India and sales through 6 online platform



At the moment, Italian brands keep selling their own products on the Indian market, with denim creating the biggest buzz. Gas approached the Indian market in 2006 with a joint venture – 50% with Raymond, an Indian textile/clothing company – and later signed a master franchisee agreement with Reliance Brand. Since then, the Chiuppano-based (Vicenza) brand has opened 19 monobrand stores and 30 so-called shop in shops, becoming the second most popular Italian brand in India. It comes straight after Benetton, the precursor of most Made in Italy direct players present in India, boasting 700 stores in 170 Indian cities, mostly franchisee. Gas is also riding on top of the e-commerce wave, selling through six different Indian platforms. «We're investing in technology, as we want to offer to our customers omni-channel e-commerce experience through the whole network of our shops,» explained Barbara Grotto, head of Gas marketing and daughter of the company's founder. Their goal is to have the stores communicate with each other, to a point where they could become one, connected platform. The software allows sales in shop through iPads, but it also provides two other important benefits: it makes conversions easier, helping customers get products available other stores from the one they are visiting; and it allows usage of the shop's inventory data in real time, assisting in satisfying the online platforms demand as well. «Right now, this is turning out to be the winning strategy, and we are registering a 10% growth against the previous season,» said Grotto.

Replay's recent debut on the Indian denim stage led the brand to choose Reliance Brands as partner as well. Together they planned for opening two flagship stores in Delhi and in Mumbai in 2019 plus some mono-brand and shop-in-shops in the malls of some of the biggest cities – taking advantage of key players' e-commerce channels present in India. «Between March and April we will be opening a store in Delhi Gurgaon, in the key retail destination of the Ambience Mall,» explained

Matteo Sinigaglia, Replay CEO. Replay will land in Delhi in the Maker Maxity, an almost-completed structure designed according to an innovative format – hosting a shopping center, a membership club, management offices, and hotels. Later the brand plans to move on to the eight most important cities in the country, starting from



Christian Simoni, ceo of Monnalisa, the brand of childrenswear from Arezzo (Tuscany). This segment is one of the top growth in the Indian market

Bangalore. «Sales performance in India is probably going to reflect the brand's trends, with higher rates for menswear. We have high hopes for denim and footwear,» Mr. Sinigaglia said. Childswear could also become one of next boom's strong players. Monnalisa, one of the biggest names for this segment of the high-end clothing market, is cur-



A Study Chamber for Business

Since its foundation in 1966 IICCI has been helping Italian businesses to enter the Indian Market. Now the General Secretary tells us about its recent turn in the tide and how it plans on pushing for the Made in Italy

Q *uestion: What is the IICCI, the Indo-Italian Chamber of Commerce and Industry?*

A *nswer:* It's an association gathering businessmen, professionals, and intermediaries, founded in 1966. It aims at supporting the development of commercial and industrial cooperation between Italy and India, so promoting the economic interests of both. Today IICCI has more than 100 members, plus headquarters in Mumbai, local offices in Bangalore, Chennai, Delhi, and Kolkata, and a staff of over 30 employees and professionals. It is also opening some desks in some of the more important cities for Italian businesses (like Pune), or in other developing interest (like Hyderabad and Vijayawada).



Claudio Maffioletti, IICCI General Secretary

Q: *Which are the main features of the association's more recent evolution?*

A: Lately IICCI has been going through a deep transformation process. Up until 2014 it generated the biggest fraction of its turnover working for Italian and European public bodies – like the Chambers of Commerce, or the Regions, or Foreign Offices. Yet in 2015 a series of external concurrent factors - curtailed public contributions and reduced resources for Italian Chambers of Commerce abroad and in Italy, followed by the downsizing of promotion abroad activities plus the stand-by of ENIT – led to a drastic fall in revenues. For example, the EU decided to close the European Business & Technology Center (EBTC) running in India, which provided funding for environmental, innovation, and sustainability projects. And all in just about a few months, leaving us with a 120-thousand-euro loss before we could even realize what was happening.

Q: *How did you turn the tide?*

A: First and foremost, we borrowed some strategies from the business excellence management system. In 2015 we tried out a visioning exercise, first with the Chamber staff and then with the stakeholders and the board. We tried imagining what kind of role we wanted for the Chamber in 3-4 years from then – all while keeping in mind the current setting, the spending review

policies gaining ground in Italy, and the need for a change in the service model. We performed an in-depth SWOT analysis aimed at identifying our strengths (the solidity of our associative base, the regional offices network, the strong links with regional realities), thus outlining a strategic change plan. We tried avoiding carbon-copying the Ita-Ice Agency services – going through a transformation process as well – and those offered by locally-active Italian consultancy firms. This way we could finally cut out a space for our own services, and we are now working with big groups or company chains to prepare and facilitate their market entry.

Q: *What are your vision's tenets?*

A: We outlined the following mainstays:

- 1) Aiming at company chains or clusters (rather than just single businesses);
- 2) An average project length of 3-5 years;
- 3) Targeting all main Indian cities;
- 4) Keeping promotion running for a mix of traditional, digital and multimedia initiatives;
- 5) Pushing on service innovation and focusing on education and certification.

Q: *And the result?*

A: In a few years we had: -120 thousand Euros (in 2015), -65.000 Euros (2016), -6.500 Euros

(2017) up until +92.000 Euros (2018). As of today, we've achieved a debt-free statement, and our activities keep growing in volume. Aside from the appreciable results, it is important to note the radical change in revenues and margin composition. In 2015, we used to generate 75% of our turnover by servicing the public sector rather than private clients. In 2018 the tables have turned, and we have just recently passed a financial statement with 75% of revenues and margin coming from the service sales to privates, while just 25% comes to public clients – including public contributions.

Q: *What about today's IICCI?*

A: It has come to be a community of people. It's more than a service provider, it's a place where the Italian and the Indian business communities can meet and trade ideas. Our role is to service institutions, companies, academies, and individuals active on the Indian and subcontinental territories. Our platform combines traditional and innovative services and aims at facilitating the development of commercial and/or industrial relations through the support of cultural, social and scientific initiatives. In order to better promote Italian companies and their products in India, we believe they must be associated with the Italian values and spirit – creativity, passion for detail, taste, lifestyle, and sustainability.

Q: *Is communication important to your strategy?*

A: It's fundamental. An integrated communication system is the adhesive force keeping a community of people together, and that's for two reasons: first, it allows all members to keep up to date with our activities; second, it also gives them a way to know each other. We put in place three communication tools: Be In-It, an internal bulletin for members to introduce themselves and to follow our events; Link In-It, a newsletter reaching 30,000 contacts in India and in Italy, promoting our activities; and Easy In-It, sector-specific alerts pointing out trends and business opportunities.

BUSINESS/FASHION

rently working on opening a store in Mumbai's Palladium Mall – one of its 15 new shops due to start business this year in Europe, Turkey, USA, and the Asian-Pacific area. Yet this is just a comeback for children's fashion brands. «During the last 15 years, our Indian presence has been rather on-and-off. We held a production and distribution license for ten years, since the end of the 90s,» said Thoman Bessi, the brand's export manager. «After that lapsed we decided to move away from a license-driven format, as it didn't allow the company to explore scale economies». Last January the Arezzo-based brand came back at full force through a master franchisee agreement, hoping to see the opening of seven shops in the next five years. «We are aware that our set goals come with some critical issues. The most pressing one is finding the appropriate locations, as there are not many ideal spaces for affordable luxury fashion. At the moment we are considering about five or six high-end malls in New Delhi and Mumbai,» the manager explained. Mr. Bessi also highlighted the cultural distance between Italy and India. «Even when talking about important partners, we shouldn't forget they use different

communication strategies. They work at a different speed, so every single request takes longer to process, and needs to pass through and higher number of players». Then he added: «Indian customers are very much used to special prices. It's not a once-per-year thing, it's all the time. We should consider this while evaluating ideal positioning». But a new-generation driven demand could play as a counterweight, since younger people grew up in there and got used to a more economically and culturally open reality, where social media pushes the idea of showing off one's nicer clothes.

INDIAN FABRICS

Yet India is not just a destination market. Its textile expertise is long-lasting, making the country into a prominent productive platform, even if Italian companies have rarely taken advantage of it. Benetton gave up production in India a long time ago, while the Tessile Monti group preferred coloring out of the lines. Subholding of the Monti group, the company is one of Europe's most important manufacturers of woven fabrics for shirts, with a 103-million-euro turnover in 2017. Its operative and industrial heart beats in Maserada sul Piave (Italy), yet it preferred to relocate production somewhere else to meet price targets and product diver-

Bruno Monti, together with his brother, leads the family company specialized in shirts and fabrics production, generating over 100 million in turnover. Right, Laguna Clothing headquarters, one of the three sites that the group opened in India



sification demand, hoping to reach a wider group of consumers. One of their oversea manufacturing sites is in Czech Republic – the Tessitura Monti Cekia – while India hosts up to three. Opened in 2003 in the Maharashtra federal state, Tessitura Monti India is the only full-Italian plant in the country, with 900 employees and a 10-million-meter production per year. In addition, the company also runs two joint ventures for men's shirts manufacturing: Laguna Clothing LTD, with two plants in Bangalore and one in Mauritius, is specialized in integrated services – starting from fabric creative design to final product large-scale manufacturing, also offering formal and semi-formal high-quality shirts at competitive prices. Aurora Apparel LTD, based in Nipani (India), looks at artisan crafting and limited batches. «We picked India at the end of an exclusion process,» explained Bruno Monti, leading the family business with his brother, to MF International. «Egypt and the Mediterranean at large are at political risk. China would have allowed us just a joint venture – but we wanted our own production site. So we decided to invest in India, which is also a great des-

«We're talking biblical times, paired up with towers of paperwork, but the country has a much more stable growth to offer, keeping the risk for industrial bubbles away»

tinuation market». Textile sales are mainly over-the-counter, so the company developed its own internal structure for this purpose. There are also Made in Italy collections sold to Indian brands. Meanwhile, Mr. Monti decided to use the joint ventures to meet the high-volume demand coming from big international players. What are the advantages of the Indian market? «India is experiencing a slow but unstoppable change,» the businessman concluded. «We're talking biblical times, paired up with towers of paperwork, but the country has a much more stable growth to offer, keeping the risk for industrial bubbles away and counting on a strong legal system».



Matteo Sinigaglia, Replay's number one, who recently decided to land the brand in India through an alliance with Reliance Brand. It is set to open new shops in Delhi and Mumbai this spring



The Chamber's Main Projects

From promoting courses in Italian universities and specialization schools, to agricultural know-how transmission till the great projects for future smart cities

MINERVA – THE ITALIAN HUB FOR EDUCATION & TRAINING

It pursues two main strategic objectives for increasing the Italian presence in India:

1. Help our best universities, higher education institutes and vocational training structures land and grow in India.
2. Build a community of young Indians trained in some of Italy's best school in their professional fields, equipping them of all necessary resources for easy employment in Indo-Italian companies, and having them promote Italian style and culture in India.

As part of this project, the Campus built in Mumbai aims at becoming a platform for all participant universities and institutes, wanting to:

- Promote (with the support of the Chamber's local office network) Italian universities and their courses in India, hoping to increase the numbers of enrolled Indian students;
- Make learning spaces available in India;
- Identify and select suitable local partners for courses provision;
- Facilitate enrolled students' placement on the job market by introducing them to IICCI Italian and Indian member companies.

Accademia Costume e Moda (Rome), Humanitas University (Milan), Milano Fashion Institute di (Milan), and Sant'Anna High School (Pisa) have already subscribed the project.

IL FRUTTETO - THE ITALIAN ORCHARD IN INDIA

India is the second biggest country for acreage in the world - boasting 160 million hectares, 20 different agroclimatic areas, an annual agri-food production for 42 billion dollars, and 60% of the population employed in the sector. Here, IICCI has launched a project with the following objectives:

1. Creating orchards in different Indian states, using Italian know-how, expertise, technologies, products, and services in partnership with Italian and Indian companies and associations already working on the territory. In particular, they should focus on:
 - terrains, acreage, and water management and irrigation systems preparation;
 - plant varieties selection, planting, and keeping;
 - gathering and storage systems;
 - processing and packaging technologies.
2. Developing, in partnership with Italian and Indian universities and research centers, a vocational course, training operators for the management and the upkeeping of the orchards.

IICCI has been cooperating with Regione Emilia Romagna, Unioncamere Emilia Romagna (UCER, a regional Italian Chamber of Commerce), and the FederUnacoma (National Federation of Agriculture Machines Builders) for more than five years.

FOOD & WINE – “IL DOLCE VINO” PROJECT

India is developing its own status symbols associated with an Italian way of living, and wine consumption falls well within this new trend. Counting now 3 million consumers and about 35 million bottles sold every year, the sector has lately experienced a steep, double-digit growth.

The “Dolce Vino” project, launched in April 2017, had two main objectives:

1. Developing and coordinating a network of Indian individuals and professionals passionate about Italy, so that they can promote the country's rich food & wine heritage.
2. Increasing Italian food & wine products exports toward India.

It took the “Dolce Vino” project a bit more than 1 year to:

- build 6 Italic Wine Clubs in India (in Mumbai, Pune, Delhi, Calcutta, Chennai, and Bangalore) counting over 250 members;
- create 5 Angels of Italian Wines training courses, aimed at Indian operators (importers, distributors, retailers, F&B managers) and promoting the Italian wine culture;
- involve 15 Italian wineries in the project;
- organize 25 food & wine tasting dinners and master classes, totaling more than 500 participants;
- lead 2 wine tours in Italy (in Veneto and Piemonte regions) including visits to local wineries and food & wine events;
- website: www.ildolcevino.com

ITALY4CITIES

In 2014 India promoted an urban regeneration policy, aiming at developing 100 smart and sustainable cities spread across the country.

The Ministry of Urban Development is in charge of implementing the policy and is meant to cooperate with the governments of the involved States. The realization works are supported through some big public investments, allocated every year and for the whole duration of the project.

Therefore, IICCI has decided to institute the ITALY4CITIES – The Italian Competence Center for Smart & Sustainable Cities - aiming at bringing together a wide range of actors thus having the new-formed cluster acquire an Indian smart city project and see its realization through. Selected sectors include urban planning, energy, water/waste management, green building, and mobility. IICCI's contribution to the project's actualization will be:

- Encouraging Italian businesses aggregation into a cluster;
- Promoting the cluster – thus the individual businesses – in India through roadshows, seminars, workshops, videos, digital communication, etc.;
- Building relationships with State governments, so to present them with the Italian proposal;
- Helping the cluster look for interested investors and funding, as well as putting public funds into motion if a concrete project were to emerge. The Chamber can also offer some pointers to some of its partner industries so to create a small Italian industrial district.

The Make-Up Boom

Beauty and personal care products sales are going up by 25% every year, taking pharmacies, beauty salons, and shopping centers by storm. As well as the internet, not to miss Millennials

by Milena Bello



Over the past five years, Regi India has seen its turnover grow by 50% every year.» said Vittoria Cicchetti, the CEO of the Cremona-based company, one of the top 3 in the proxy beauty business. And Cristina Scocchia, CEO of Kiko Milano, one of the best-known consumer brands, said: «Following the first store, opened in New Delhi in 2016, we've added seven more, aiming for 15-20 stores in the next three years». Dario Ferrari, number one of Italy's largest manufacturer Intercos, added: «Now is the time to focus on India, even if it'll take five to six years to become a top player». The homeland of henna and kohl is getting a booming desire for western make-up, since most international giants have finally stopped imposing western beauty standards and have started to value Indian women's features more. A true style revolution, which is already translating into numbers. In India, the cosmetics

industry's turnover is already of \$ 950 million, and is expected to grow threefold and reach 2.68 billion by 2021, according to the New Delhi division of the ICE (the Italian National Institute of Foreign Trade). Most other markets struggle to even match up to the size of India's cosmetics annual growth rate, permanently fixed at 15-20%, twice the size of US and Europe ones. And if we were to include all of so-called personal care products, we would be met with even greater volumes: the entire market, accounting for 5.5 billion euros in 2016 – that

including hair, skin, mouth, colors, and perfumes products – is expected to reach 17 billion in 2025 following a 25% annual growth rate, according to a Valueprism Consulting in-depth study. Yet the most interesting data, especially for Italian producers and operators, comes with the premium and luxury segments, representing a market of € 578 million and of € 316 million respectively in 2017 alone. Both proceed on parallel lines and at the same pace, growing at a 18% rate and expected to become a 2-billion-euro business by 2022. Among

Images from Mumbai Cosmoprof, Fiera Bologna's first convention in the country. Last September, the event gathered 107 exhibitors from 15 countries

all beauty sectors, skincare remains the largest but also the least dynamic, with a +4% per year; meanwhile, pigmented cosmetics keep growing at more than 12% per year. «India's wealth is going up, and with that is the growth of the luxury cosmetics market. This is particularly true for bigger cities, where the richer classes are constantly on the lookout for bigger international brands,» confirmed Enrico Zannini, general manager of Bologna Fiere Cosmoprof. Last September the company started operations in the Indian market through its Cosmoprof India Preview, and during its first two days it gathered 107 companies from 15 countries in the halls of the Sahara Star Hotel in Mumbai. Altogether, the guests represented the entirety of the industry's supply chain: make-up, skincare and body care, hair care, perfumes and cosmetics, beauticians and spas, nails, accessories, furniture and supplies for salons. «The Italian industry has

BUSINESS/COSMETICS

product quality and innovative services as its main export assets, meaning that the business opportunities opening up in India are very broad and diversified,» Zannini highlighted. He also noted that, aside from the high-end sector, the demand for mass market products is also supported in rural and semi-urbanized areas. «Thanks to partnerships with international suppliers, Indian manufacturers are improving the quality of their collections,» said Zannini.

In regard to the Italian beauty business, the best opportunities are still reserved to contractors, who are also the ones with the best shot at understanding the local reality. «India's consumer demand, formulation needs dictated by climatic conditions, and local distribution system make it for a very specific market,» warned Cicchetti (Regi), working in the country for ten years in the mass and masstige segments. «Mass demand is the biggest in the market, and this is why we decided to open a specific production unit – to remain competitive on and responsive to the market,» said the Regi CEO, whose company in India mainly manufactures long-lasting pigmented lips products, face powders, kajals, and eyeliners. «It will still take us a long time to approach the more high-end market, as it seems to be the trend. But we can expect the mass and masstige segments to remain in the frontlines for the next five years,» he concluded. Dario Ferrari, Intercos owner, shares the same view. His company generates 671 million euros in revenues through its 15 production plants spread across seven



Dario Ferrari, owner and number one of Intercos, the main Italian contractor manufacturer active in the beauty products sector



On the left, Vittoria Cicchetti, number one of Regi, specialized in lip products, face powders, kajals and eyeliners. Above, Raffaella Pagano, CEO and product manager of Wycon Cosmetics, co-founded with her husband



countries in the world. Yet he added: «In India the public is more used to make-up, so skincare has the lion's share. We are developing a strategy accordingly,» he revealed. Yet Italy's approach to the Indian market is also curbed by duties, reaching up to 30% on imported products; India prefers to favor those partners with special agreements, such as China, very present in the mass market,

and South Korea. «Our idea is to get our products from our plants in South Korea and in China, so becoming price-competitive in India,» Ferrari explained, even if they haven't given up on

finding other feasible ways to enter that market. «We are also considering direct investments, and will soon understand whether to opt for a joint venture, for an acquisition or, more likely, for the construction of our own production site from scratches,» revealed Ferrari. In terms of brands, in addition to Kiko Milano (see interview on the next page) there is Wycon, a 75-million-euro brand focused mixing its affordable prices with a great visibility, thanks to the network of 170 single-brand stores spread across Italy and the rest of the world. The plan is to open 50 stores within the year between India and the Middle East (Egypt, Qatar, and the United Arab Emirates).

Despite its own specifics, the Indian market is actually working to align itself with international market standards, with the most important being the sustainability of the sector as a whole. «The bigger international brands experiencing the greatest progress in the Indian market have hopped on the natural product plus customization trend,» explained Zannini. Yet it's not just a big ones

OUTLOOK

A 17-Billion Target

- India has a long tradition of using cosmetics and natural beauty products
- Past generations have been known for using natural, homemade ingredients like ginger, sandal paste, lemon gel, and aloe in their beauty routines
- Traditions have recently lost their shine to new products based on chemical formulas
- Early 90s liberalization of the cosmetic industry, together with the growing number of Indian women winning beauty queens competitions, drove the sector's growth
- The beauty and personal care market is expected to achieve a 17-billion-euro turnover by 2025, three times higher than 2016
- The segment of premium and luxury products, making up Italian brands' main focus, is expected to be worth over 2 billion euros by 2022
- 400 million Millennials driving consumption with unstoppable force; yet the impact of e-commerce remains limited

thing. «We have been studying the Indian market for a couple of years now, and India has shown great interest in our range of products made with olive oil and with organic certifications,» Lucio Carli told MF International. Mr Carli is the founder of Mediterranea, a beauty brand rooted in olive oil production and in the historic Liguria-based company F.lli Carli. In 1997 his company ventured from the kitchen table to the vanity one when Lucio Carli decided to use olive oil's properties, rich in active components, for body and skin care products. «Our main focus is the prestige sector, but its growth cannot be taken for granted,» the entrepreneur warned. «Some international luxury brand stores selling cosmetics have already closed». Mediterranea boasts a dozen stores in Northern Italy and a strong online platform, and is looking at passing through the professional channel of beauty salons to reach India. And if the main trend now asks for natural products, the next one – still developing but that will be of great interest for the Made in Italy – may

involve the ever-increasing demand for cosmetics for men. According to Assocham, the association of Indian Chambers of Commerce, the men's market has grown by 42% in the last five years, much faster than the personal care market as a whole. Indian middle-class men have a growing interest for hair care, beard care, perfumes, spa treatments, and even make-up are. It remains quite niche, but it is still starting to attract the attention of some big brands – even if



Lucio Carli, founder of Mediterranea, part of the F.lli Carli group of Imperia

«We are working with a local team to develop specific product lines for the Indian market, using textures and colors designed for Indian women»

Testimonial/Cristina Scocchia

VENTURING THE WEB ON A MILLENNIALS CONQUEST

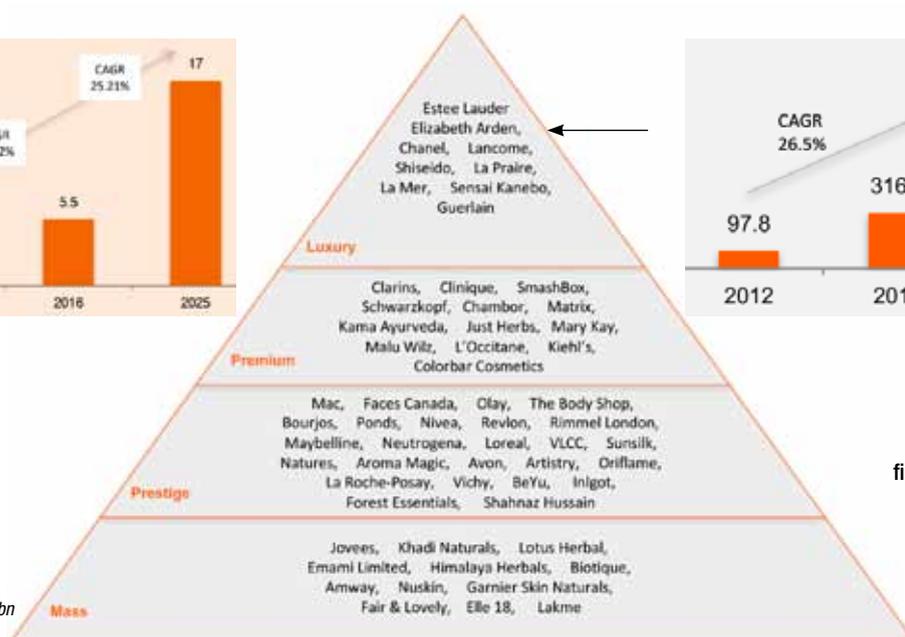
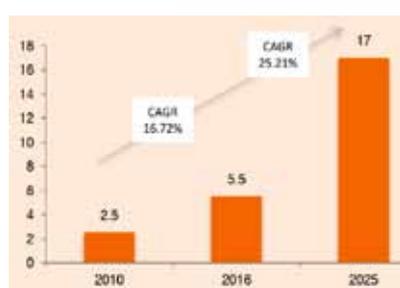
When Kiko Milano decided to take it to the web, the fashion and beauty platform Nykaa became their tool of choice. «We have also been considering Myntra – we are negotiating a joining agreement just now,» said Cristina Scocchia, the company's CEO, to MF International. Kiko Milano, part of the Percassi Group, is a professional cosmetics brand with accessible prices, on sale in a chain of single-brand stores (over 900) under the company's direct management and still expanding in 21 countries around the world. «We aim at exploiting such a limitless market for beauty to the fullest». And Myntra, part of the Flipkart family – the largest horizontal e-commerce platform on the Indian market, and owned by US Walmart – could be just the best way to achieve that. In India Kiko already has seven physical stores in the DLF Malls, yet Scocchia's decision to focus on e-commerce follows the results of her market analysis: the size of the country, where high-frequency stores are the rule, would make it too hard for the brand to reach the tens of millions Millennials making up the biggest percentage of its consumers. According to a study by the American commercial bank Morgan Stanley, the 400 million men and women born after 1982, known as Millennials, make up a third of the Indian population and 46% of its workforce. It's the same people leading the Indian smartphone revolution, with 84% of them already connected to a mobile



Cristina Scocchia

broadband. Despite the e-commerce still has a limited importance, these numbers make it evident that it is about to become strategic. «Online sales are going up everywhere, and it's always thanks to the younger section of the population,» said Scocchia. In addition to the distribution strategies, Kiko has also started intervening on its core business: the company is adapting its products to the needs of this new type of buyers. «We are working with a local team to develop specific product lines for the Indian market, using textures and colors designed for Indian women,» the manager explained. «Adapting the product is very important, as it is outlining ad-hoc marketing campaigns. Our strategy aims at finding a balance between the idea of global brand and a more local image. That's where the beauty market is going right now». The expansion plan in India, where in 2016 Kiko opened its first physical store in Noida's DLF Mall, in New Delhi, is one of the key elements in the company's 2018-2020 business plan. «Our business plan focuses on the Middle and the Far East,» said Scocchia, who has worked for years in L'Oréal Italia. The same plan predicts that a third of the 90-million investment will be spent on technological innovation. «The goal of our joint venture with DLF Brands is to offer Italian-style quality products at affordable prices,» concluded Scocchia.

BEAUTY AND PERSONAL CARE PYRAMID



The chart on the left shows development trends for the global beauty market. Above, figures about the luxury market

the market's dominant theme is that of the change in distribution channels, generated by the increase in demand. This far, the biggest distributors for this sector have been the large retail chains, holding a 63% share of the total beauty shopping turnover; pharmacies are close on its tail, growing by 15% a year, followed then by shops, single or multi-brand. Finally, e-commerce remains an unknown factor, so far confined to a 2% of the market, active through specialized operators and the Amazon giant – whose presence is also accelerating the creation of new infrastructures. While international retail chains keep extending through the metropolis, channeling the consumption trends of those direct consumers with greater purchasing power.

Source: Value Prism Consulting - Data in € bn

STUDIO VIENNA UJA®
Audit • Tax • Legal • Advisory

Studio Vienna and UJA, an Indo-Italian bridge

Travelling to India, meeting local partners, heading back home with some contacts and a promise to call back – it's your any-time standard procedure. But landing a partnership straight away, well... That's really something else! It's setting the first stone to build a bridge between the two countries.

ORIGINS

An international outlook is quite the must-have for present-day businesses, and when missing the drive or even the know-how, Mrs. Marina Vienna is the right person to ask. Business accountant and founder of her namesake Studio Vienna, based in Udine and in Milan, Mrs. Vienna has been putting her internationalization vocation to service her clients in need for a development or even a restart boost. The range of available foreign partners is quite wide, yet Mrs. Vienna's recent cooperation agreement with Udyen Jain & Associates has added India in leading position. The UJA Group, an important consulting firm based in Pune and branched in Mumbai, Gurgaon, and Bangalore, has collaborations active in several cities, and played it smart by equipping its many partners around the world with areas dedicated to India. The main objective wants to be facilitating all involved markets and providing ad-hoc consulting to partner companies in developing their plans and operations in India. The team includes France, Germany, Italy, Spain, Japan, UAE, and Vietnam. So, Italy has its own India Desk, managed by Studio Vienna itself in Milan; meanwhile, the Italian Desk in Pune assists Italian companies in tackling the local market.

UDYEN JAIN, UJA FOUNDER

Mr. Udyen Jain, tax consultant and Institute of Chartered Accountants of India (ICAI) fellow, founded UJA in 1996, wanting to offer support to all European and Japanese SMEs active in the country. Nowadays the group's portfolio has broadened considerably and has come to include start-to-end comprehensive support services, aimed at all companies interested in establishing their business in new markets. Dr Jain is a much-esteemed profes-



Udyen Jain, UJA Founder, and Marina Vienna from Studio Vienna (Udine, Milan)

sional and is well acknowledged by a wide range of institutions, including the Indian corporate sector. He is also well-known for his financial and fiscal advisory services for multinationals, and for taking part at corporate events and industry forums as speaker.

SV AND UJA SERVICES

The SV/UJA partnership puts a broad range of assistance services on offer for all Italian companies interested in expanding toward India, covering the Corporate Finance, Corporate Advisory, Tax Advisory, and Restructuring & Corporate Organization sectors. In particular:

- Strategic business analysis: market analysis, viability planning, market penetration strategies, and related business planning;
- Advisory in feasible industrial and/or financial partners identification, together with joint ventures and commercial/industrial partnerships structuring;
- Corporate, legal, and tax advisory services: activity planning, company launching, transfer pricing, with further counselling in all connected fiscal matter;
- Temporary management: manager identification

for corporate startups management;

- Financial planning: financial plan identification, financial planning assistance, use of incentives in internationalization;
- Related services: bookkeeping, tax planning, auditing, legal advisory, international contracts advisory, financial assistance.

In the last few years Marina Vienna and Udyen Jain have been overlooking the development of a few internationalization projects for Italian companies in India, allowing the introduction of innovative technologies on the local market. Their active participation in Italy-India mission and delegation meetings, as well as in several SACE (the Italian Export Credit Agency) and Confindustria (Italian Chamber of Commerce) events as speakers, helped them strengthen their position as management, financial, and tax advisory leaders. Last October 30th and 31st, both Marina Vienna and Udyen Jain met with several Indian and Italian companies during the India-Italy Technology Summit in New Delhi and attended the meeting between Italian Prime Minister Giuseppe Conte and Indian Premier Narendra Modi.

MAIN DEVELOPMENT AND TRADE AREAS IN INDIA

The last few years have seen Italy-India bilateral relations growing at an ever-faster pace. The registered increase in commercial and institutional missions paved the way to a matching number of new business opportunities, covering sectors like renewable energy, industrial equipment, parts, automotive, infrastructures, cold chain, retail, smart technologies, ITC, and food. Now there are around 650 Italian companies active in the country, made of 70% SMEs and 30% multinationals, and working through either subsidiaries, joint ventures, branches, or representative bodies. The figures help getting a concrete view of the growth, since there was half the amount of companies (around 300) just about ten years ago. Both Italian and the broader international presence in India thrived on the governmental policies implemented since 2013/14,

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Drugs and Equipment, Hospitals on the Look for Know-How

Italian large and medium-sized companies are doing the math on the medical sector's prospects. The turnover is expected to triple within the next three years, with some segments more dynamic than others

by Franco Canevesio

Insiders consider it as the pharmacy of the world. Well, India is indeed the biggest generic drugs supplier on global scale: there are over 25,000 industries active in the country, 1% of which controls 70% of the domestic market worth around 40 billion dollars, according to last year's IBEF statistics. It also represents 20% of global exports, generating over 17 billion dollars in 2017, and producing more than 60 thousand brands for 60 therapeutic categories. But above all, it covers 50% of the global vaccine demand, 80% of anti-AIDS drugs, 40% of generic drugs in the US, and 25% of all drugs in the United



Lucia Aleotti, president of Menarini, and Paolo Tubertini, CEO of Olon, one of the main APIs manufacturer. Boasting a 3.6-billion-euro turnover in 2017, Menarini is the first Italian pharmaceutical group

Kingdom. At an annual growth rate close to 22%, it is expected to reach a 55-billion worth by 2020. And if we are to look at the entire health sector, the figures become even more important. According to IBEF healthcare, worth 110 billion dollars in 2016, may be totaling a 372-billion turnover in 2022. Meanwhile, the most dynamic segment in pharmaceu-

ticals is that of active components production, stepping stones in drug-making, also known as APIs (Active Pharmaceutical Ingredients and Intermediates). In this regard, last September the Olon company, in Rodano (Milan) – one of the major Italian producers and supplier of some of the bigger brands, including Pfizer, Sandoz, Teva, Novartis –

bought the former Sandoz India plant, part of the Novartis group in Mahad. This production site, 180 km south of Mumbai, covers an area of 170 thousand sqm, and there are already some plans on expanding for a further 35 thousand. The company has in its portfolio at least 20 active ingredients, with Rifa, for treating tuberculosis, and Rifaximin, against gastroenteritis, as two of the most important ones. «We managed to add new components to our current 200 APIs portfolio,» stressed Luca Caironi, strategy director. The Mahad site is one of the largest API production facilities in India, and it provides a series of life-saving drugs to both the Indian health system and to patients worldwide, managing to generate a 25-million-euro turnover in 2018 alone. However, India still imports 60% of its required APIs from abroad, so the government is taking action to try and drastically reduce the value by favoring domestic production. And Olon



The Medanta Hospital in New Delhi, a world-class hospital; above, the Sant Nirankari Health project. With a target of 3 beds every thousand inhabitants, India needs 3 million beds by 2025, plus 200 billion invested in facilities





On the left, Giuseppe Vailati Venturi, CEO of the Kos group, and Karl-Heinz Lumpi, CEO of Esaote. Kos works in the complete management of hospitals specialized in oncology. Esaote is active in the diagnostic equipment market. Above, the equipment sold in India by the Fedegari group

CEO Paolo Tubertini's choice must be interpreted against this backdrop. In addition to low production costs – 30% lower than US ones – there is another reason pharmaceutical companies are pushing to enter the Indian market: the Made in India suffers from low production standards, and the foreign multinational can help bring them up. This is confirmed by Menarini from Tuscany, in India since 1994 with a hundred products, 20 of which licensed, and a turnover of about 19 million euros. «The market is very large and growing, with an annual +8% in value, but the problems are increasing as well,» said Pio Mei, general manager of the Florence-based company. The main reasons identified by the manager are: the low average revenue per package – about 58 euro cents, even for high quality products; and duplicates multiplication, caused by a combination of low revenues and poor patents protection. «We'll soon start distributing some antibiotics for hospital infections treatment in Europe and in the Asia-Pacific region, but not in India. The authorities won't agree to a fair price, and the negotiations are normally not transparent,» revealed Mei.

«The Indians are not looking for savings, but for high technology. They know very well that the pharma is moving to India and they want to be on the cutting edge»

Price pressures appear to be less binding on more extended health services. «The Indians are not looking for savings, but for high technology. They know very well that the pharma is moving to India and they want to be on the cutting edge. No matter the cost,» told Giuseppe Fedegari, 55yo, to MF International. Mr Fedegari's namesake company, current president and CEO, was founded in the 1950s, in Albuzzano di Pavia, thanks to his father and his uncle, two metal craftsmen. Today it is a super hi-tech business with an almost 70-million turnover, world player in the field of sterilizations and of environmental contamination control. It has been selling equipment for the production of sterile drugs in India for 15 years, working with important companies

active in exports toward the West and Asia – including Sun Pharma in Mumbai, 4.5 billion dollars in revenues; Cipla in Mumbai, 2 billion dollars in turnover; Serum in Pune, leading the vaccines sector with its 1.3 billion doses produced and sold. «This year we will be opening a technical branch in India; the equipment is becoming ever so complex, so we need to be as close as possible to our customers if we intend to provide appropriate technical assistance,» highlighted Fedegari. A growing elderly population, strong medical tourism, and equipment prices reductions make India into an ideal playing field for the medical devices market, expected to reach 11 million dollars in turnover by 2022. And Esaote is another Italian brand front lining the sector: present in the country since 1990, the Genovese multinational has opened its Asia Pacific office in Uttar Pradesh, focusing on magnetic resonance and ultrasound systems. Its ultrasound doppler color scanners serve the cardiology, radiology, vascular, and obstetrician departments of over a thousand structures spread over 15 cities of the subcontinent.

Another Made in Italy success story in the pharma sector is that of TBS India, specialized in the development and management of integrated clinical engineering services, part of the Althea group, and under the direction of Alessandro Dogliani. The company is headquartered in Bangalore and has been operating in India since 2010, counting 150 employees. TBS India manages over 50,000 medical equipment on behalf of more than 70 clients, including some of the lead-

CASE STUDY

Health by Italy

Driven by a growing elderly population, by the low costs of surgery powering an intense medical tourism, and by medical services in general, the equipment business is among India's most dynamic, expected to levitate from a 4.9-billion turnover in 2017 up to an outstanding 11-billion by 2022. For this reason Kos, controlled by Cir (De Benedetti group) plus a 40.4% F2i Healthcare Fund participation, had two of its core business brands, Medipass and ClearMedi Healthcare, focus on India. Medipass works with outsourcing advanced services for complex medical technologies management, including diagnostic imaging, nuclear medicine, and radiotherapy, to large hospitals – like the Shanti Hospital and the Family Healthcare in Delhi, and the Radiant Global Solutions Hospital in Mysore – and to 11 public and private health facilities. Through ClearMedi Healthcare, Kos provides management for diagnostic imaging service using advanced technology (magnetic resonance, radiology, ultrasounds, mammography), nuclear medicine (PET scans), and radiotherapy (linear accelerator), up to the complete management of hospitals focusing on oncology. Founded in 2011, ClearMedi has become a leader integration service provider in India in just about few years: it has 12 high-tech medical outsourcing projects and related services, and management of 3 complete cancer care centers. Since its 9 million from 2017, its revenues had grown to 12 million by December 31st last year. The Kos group, led by Giuseppe Vailati Venturi, is one of the major operators in the social health care sector with the brands Anni Azzurri, Santo Stefano, Medipass, Ospedale di Suzzara, Neomesia, Villa dei Pini, Medica-Fidia-Myolab, and ClearMedi Healthcare-Medipass Healthcare. In 2017 it generated 490 million euros in revenues, and has over 6,500 employees. It manages 83 facilities in Italy plus over 7,900 beds including its India and UK subsidiaries.

ing general and specialized hospitals, as well as other public and private healthcare facilities. In 2015 it signed a 5.3-million-euro contract for biomedical equipment in the state of Andhra Pradesh, while in 2017 it won a second 5 years renewable contract worth 2.5 million euro, becoming a provider of biomedical equipment maintenance services in the State of Meghalaya. ■



Conquering in the Indian market

Carlo Lombardi, a chartered accountant and business consultant in India, shares some tips on how to deal with a difficult market, however offering huge commercial opportunities

Q *uestion: How do you deal with the complexities of India?*

A *nswer:* I think it is really important to look at India as a unique country, as it is very different from others and has its own business logic.

Q. For example?

A. We are used to an expansion model abroad, starting from an agreement with an importer-distributor who opens and develops the market, and the subsequent expansion of the distribution network. This model tends to give disappointing results in India.

Q. Why?

A. Its distribution is 90% “unorganised”: over 10 million small retailers completely satisfy the daily needs of their customers, each in their own limited area, with little investment and little standardisation. Larger distributors also have little capital and limited scope. Distribution takes place according to a “watering the roots” model: the lower-level distributors collect orders (often accompanied by advances) at numerous small shops, after which they place an order with a higher level distributor. Only then does the importer’s order start, often with extended payments.

Q. What are the practical effects?

A. Numerous distribution layers mean that the final price of an Italian product is often priced out of the market due to the presence of low-price “substitutes”, and to the extremely price-sensitive mentality of Indian consumers. In this context, very often importers do not keep stock and do not push product too much; they tend to maximise their profit margin, looking at the purchase price without paying much attention to quality.



Carlo Lombardi and his Indian partner Chetan Doshi

Q. So what opportunities are there?

A. A systemic barrier is an opportunity and a protection for those by passing it. An Italian company can make a clear choice in the field, deciding to manage a small marketing system in India in-house: this system is focused on its own sales network and on its own local warehouse, ensuring the ready availability of goods without having to submit to the importers’ capricious decisions. It is also possible to combine a prompt international delivery system and carefully tap into multi-channel marketing. The wide traditional margins are reshaped in order to self-finance the network and make Made in Italy appetising to distributors, retailers, and end customers.

Q. And what about B2B products?

A. A local marketing system based on relations with buyers is fundamental. We can gain the trust and respect of people with very different lifestyles through a constant and proactive business presence. A network of agents or promoters works well as long as they are trained, instructed and centrally managed in India. Contractual commitments need to be carefully defined, as Indian counterparts are used to demanding a lot from their suppliers. Collections should be followed closely. Effective after-sales servi-

ce is essential for machinery, seen as a must by Indian buyers.

Q. And the price/quality ratio?

A. Indian entrepreneurs often request simpler and more affordable technologies. The long-term economic benefits must be clearly explained in order to convince an Indian buyer to purchase more complex and expensive products: they will not hesitate to pay a 40% premium if they are shown that they will obtain much higher economic benefits over time.

Q. Is it a good time to enter this market?

A. Yes. You can still enter the market at reasonable prices today. Future development will make access more expensive and difficult. Here’s a concrete example: there is a lack of industrial and commercial land in India. Central and local government interventions are helping (despite the political costs), but we can expect to see a strong increase in these lots’ prices. Another trend is multinationals’ and Indian corporate companies’ use of subcontractors (CMOs, co-packers) in India: this strong demand creates very interesting opportunities for achieving production in India.

Q. What is the added value of your proposal?

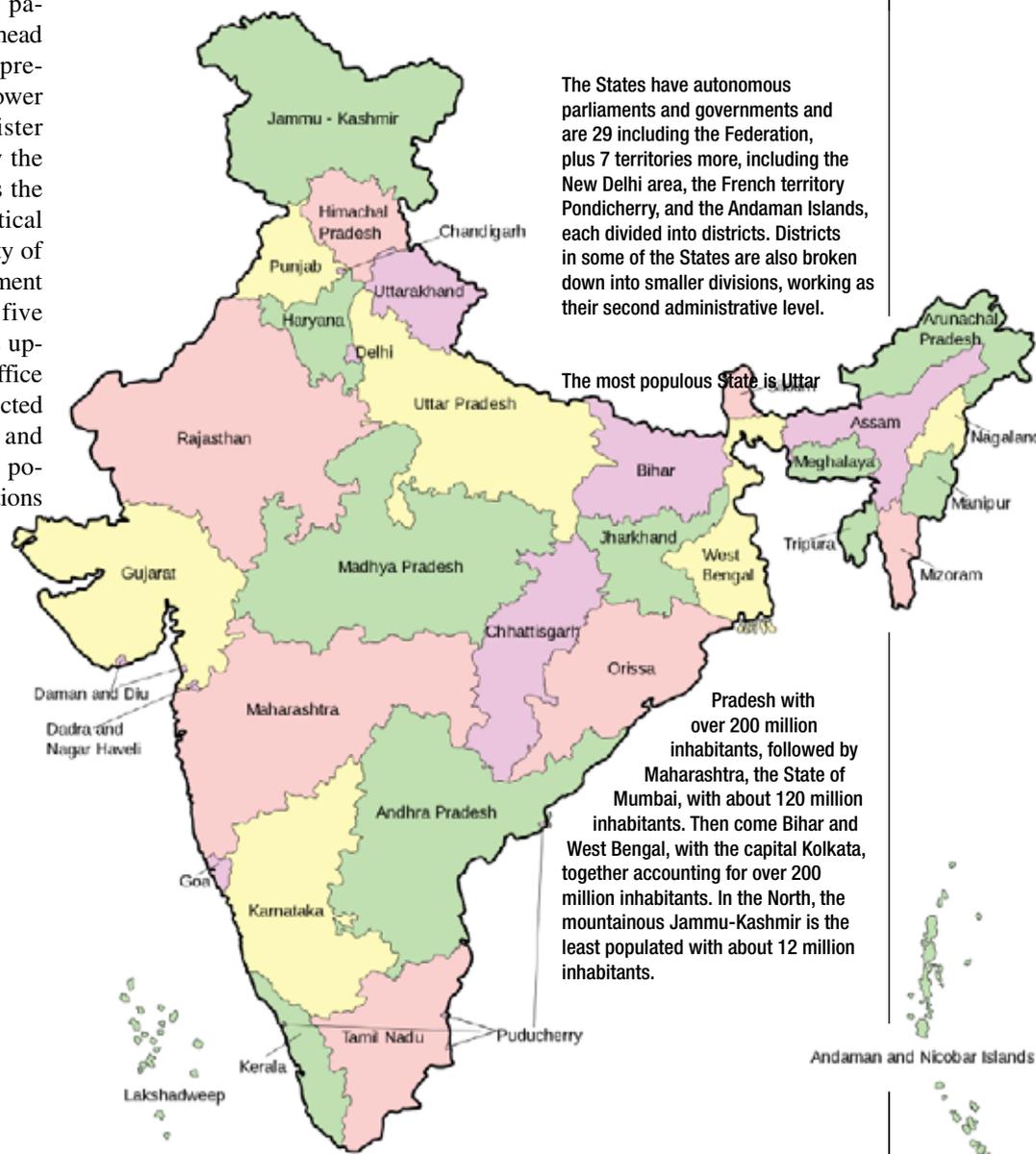
A. I would say our pragmatism in assisting and acting. Assisting means taking care of and focusing on the legal, regulatory, fiscal, strategic, and operational aspects of the project. Acting means making things work on-site as the entrepreneur-client wishes, finding practical, simple and flexible solutions with Indian methods and Italian professional standards. Studio Lombardi’s mission is the success of medium and medium-large Italian companies in the Indian market.

The figures to consider

The division into States, the political-institutional system, the locations of the big cities and how much their spaces cost, the income pyramid, foreign trade and that, in double-digit growth, with Italy

India is the seventh-largest country in the world (3,287,263 km²) and the second most-populated after China, with 1,361 billion inhabitants according to a UN estimate updated last 3 January. According to the International Monetary Fund, at the end of this year its GDP should be fifth in the world with 2,957 billion dollars, if calculated at current prices, and a per capita income of 2,188 dollars. At equal purchasing power with the international dollar, the national income assessment rises to 11,413 billion dollars with a per capita income of 8,443 dollars. The Republic is governed by a Constitution that has been in force since 26th January

1950, consisting of almost 500 pages. The President of India is the head of State, with tasks of mere representation, while the executive power is exercised by the Prime Minister of the government appointed by the President and, by convention, is the candidate supported by the political party or alliance with the majority of seats in the lower house of parliament (545 members), elected every five years through popular vote. The upper house has 245 members in office for six years and is indirectly elected by the legislatures of the States and territories in proportion to their populations. The next national elections will take place in May.



WHERE ARE THE MAJOR CITIES...

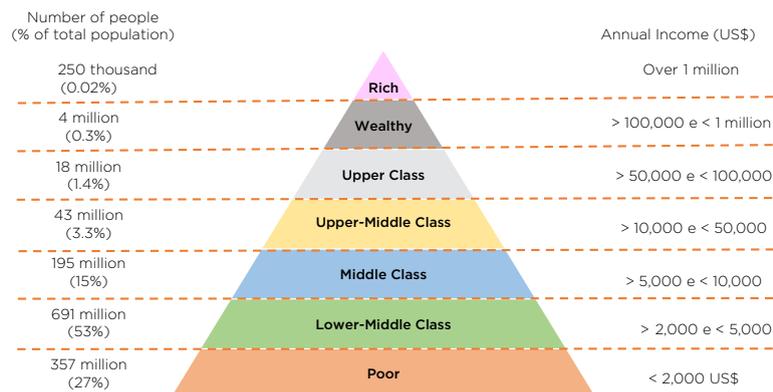


...AND WHICH ARE THEIR FEATURES

City	Population	Main sectors	Residential property price (.000 € per sq.m.)	
			Upper range	Mid-range
Mumbai	21,900,900 (metropolitan area)	Financial capital, telecommunications, health service, jewellery, infrastructure and construction	8	4.5
Delhi	18,000,000 (metropolitan area)	Political capital, telecommunications, IT, banking sector, mass media, tourism	7.5	3.5
Bangalore	8,425,000	Indian IT capital, aviation industry	3.5	1.2
Calcutta	5,138,000	Mining industry, pharmaceutical, food industry, mechanical, textile	2	0.8
Chennai	4,680,000	Automotive, IT, health and financial services	4.4	1.3
Hyderabad	4,100,000	IT, banking sector, aviation, pharmaceutical and biotechnology industry	7.5	5.5
Ahmedabad	3,900,000	Textile, automotive, jewellery, pharmaceutical	7.6	5.6
Pune	3,400,000	Automotive, IT, mechanical	2.1	0.8

Source: The Indo-Italian Chamber of Commerce and Industry

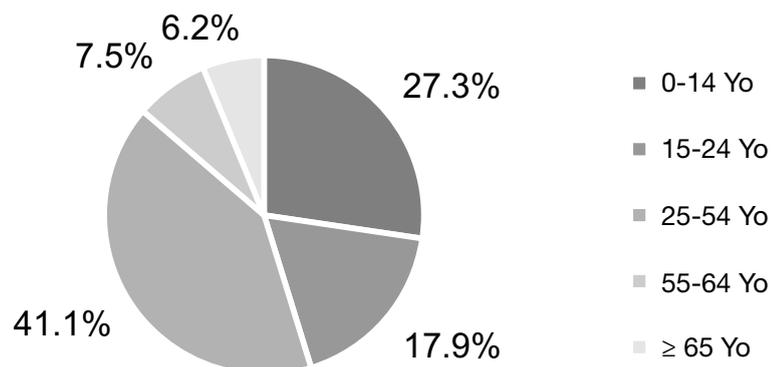
THE PYRAMID OF WEALTH



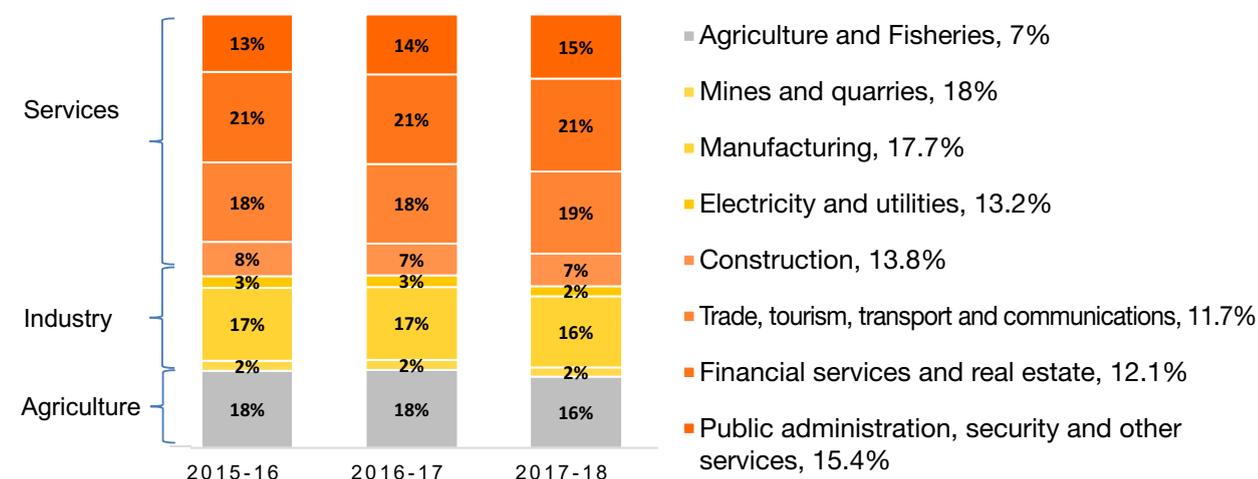
Elaboration: NCAER (National Council for Applied Economics Research) data processed by IICCI. Average Indian family size: 5 people

The number of super-rich Indians, the high net worth individuals (HNWI) with assets exceeding one million euros, is expected to grow by 86% by 2021, and the value of their wealth will exceed 2.657 billion dollars, double the present value. The growth rate of the super-rich Indians is twice that of the world average in the segment, which is 40% and affects 71 million people. The percentage of wealthy is also strongly growing, positioning India in tenth place in the world ranking of emerging markets. The data emerge from last November's research entitled India's Quantum Leap carried by out the IIFL Wealth Management Wealth-X, two world-class research centres, based on data from 500 of the super-rich. The super-rich in India grew by 9.4% between 2015 and 2016 to 284,140, and their wealth by 7.4%. In the last five years, the population of HNWI has grown by almost 40%, while their wealth by 37%. The categories considered are at the top of the pyramid, which in turn is stratified by the ultra-high net worth class with assets exceeding 2 billion dollars, the very-high net worth with assets of between 650 million dollars and 2 billion dollars, and the high net worth with assets between 65 and 650 million dollars. 87% of the super-rich HNWI are self-made, and only 18% attributed their fortune to some form of inheritance.

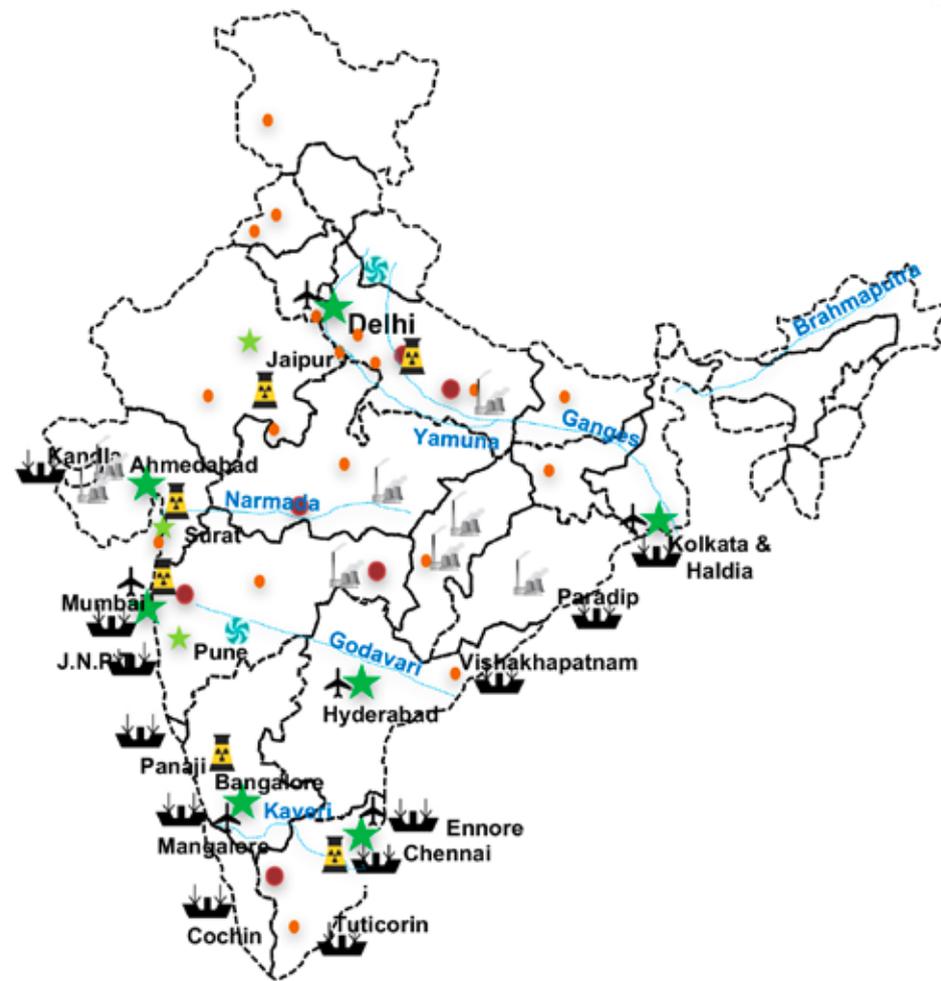
INHABITANTS DISTRIBUTION BASED ON AGE



COMPONENTS OF INDIAN GDP



Source: Value Prism Consulting



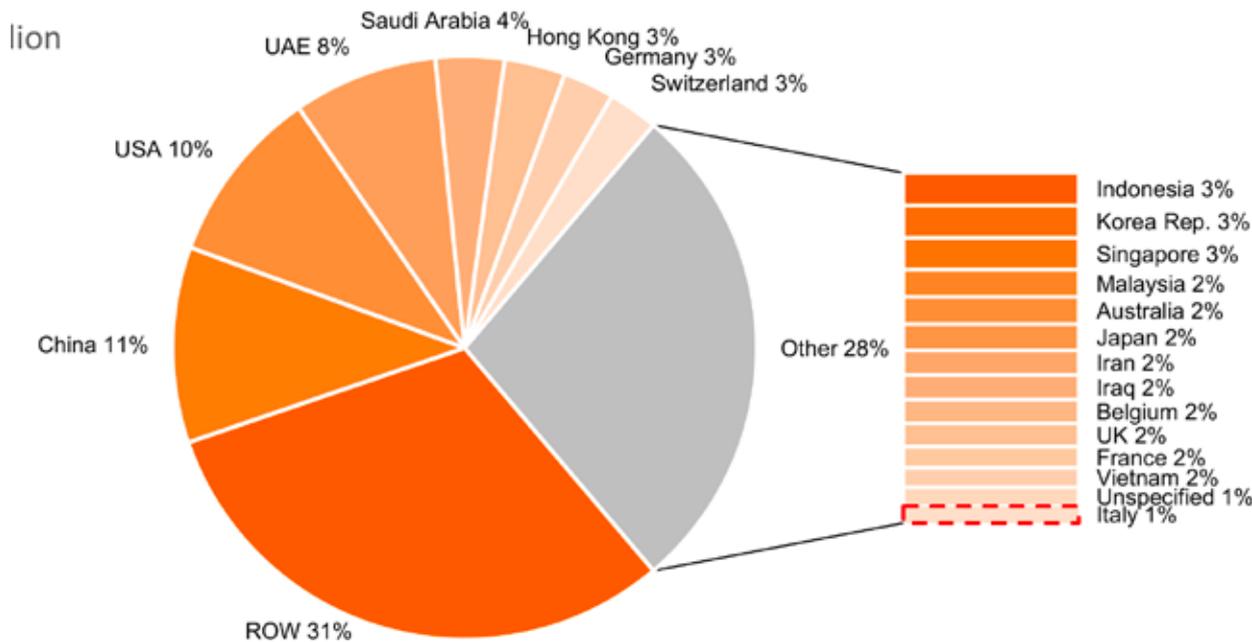
- ★ Metros (Population above 5 million)
- ★ Major Cities (Population above 3 million)
- Upcoming Cities (Population above 2 million)
- Cities (Population above 1 million)
- Major Rivers
- ⚓ Major Ports
- ✈ Major Airports
- ⚡ Nuclear Power Plants
- ⚡ Thermal Power Plants (> 2000 MW)
- ⚡ Hydro Power Plants (> 2000 MW)

The map offers a snapshot of the displacement of the country's main infrastructure, including over 200 ports and 450 airports connected to each other by 5 million km of roads and 66,000 kilometres of railway. Overall, the transport sector contributes about 6.7% to the Indian GDP. For the 2017-18 fiscal year, the government had a 56 billion dollar investment target for creating new infrastructure and improvements to existing ones. During the 2012-2017, the twelfth five-year plan, the planned investments amounted to 586 billion dollars, double the amount set aside in the previous plan, which was twice the investment of the 2002-2007 plan amounting to 131 billion dollars

Source: Value Prism Consulting

The strong service component is one of the prominent features of the Indian economy and has been strengthening in recent years, despite the government's strong commitment to the Make in India program and investments in infrastructure. The public administration has risen by one percentage point, thus the weight of the State in the economy, but the part comprising private transport and communication services has also been strengthened. The weight of agriculture is instead being substantially reduced.

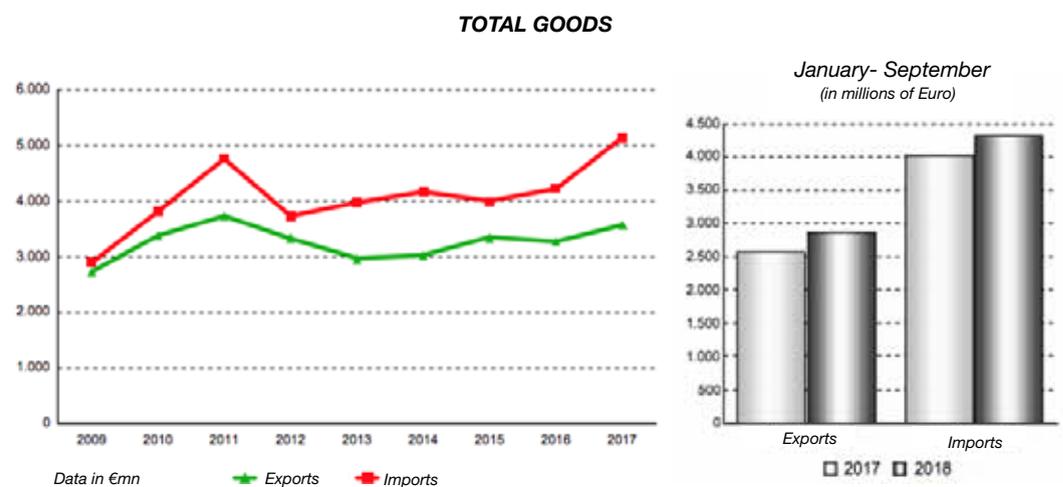
MAJOR TRADE PARTNERS IN THE WORLD



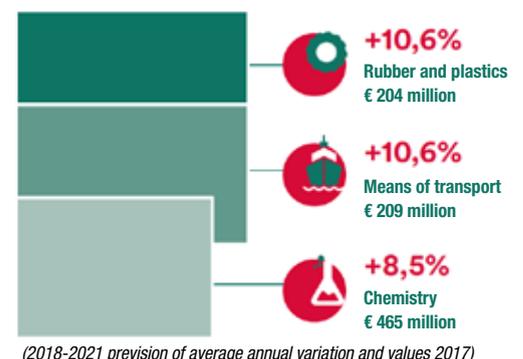
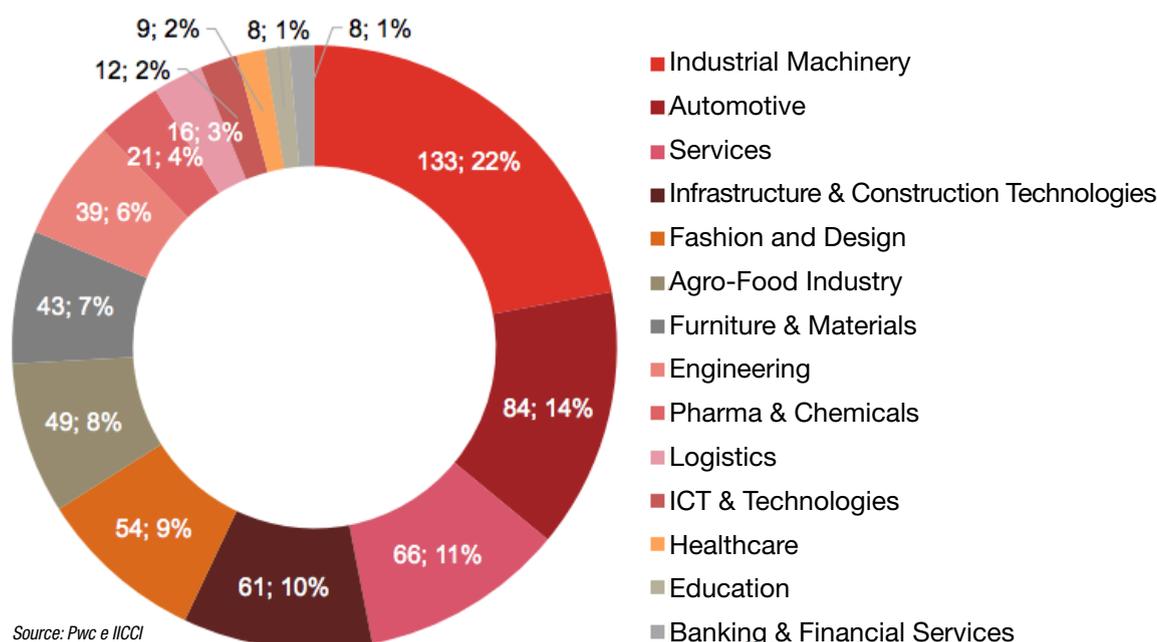
Indian trades is mainly with Asian countries (56.1%), although their importance is decreasing, in particular China (11.7%) and the Emirates (8%). The importance of Europe was substantially stable (18.7%), with Germany (3%), the United Kingdom (2%) and France (2%) in first place. The American continent is growing (15.6%) with the USA as a second business partner (9.7%). Africa (8.1%) has decreased slightly. While China is still India's largest trading partner, trades have been limited by political frictions: in 2017 it amounted to 65 billion dollars, of which 56 billion dollars in imports. Trades with the US grew until 2014, then settling at 54 billion dollars in 2017. Russia is increasing its relevance, while remaining still low in absolute values: 7.7 billion dollars, while the countries of the European Union have traded almost 73 billion dollars in 2017, down by 4.3%

THE TRADE WITH ITALY

After a decline in 2016 caused in particular by the reduction in imports, the slowdown in domestic demand and the depreciation of the rupee, Italian exports to India returned to grow at a sustained pace (+9.3% in 2017) and in double-digits last year, +12% in the first nine months. The forecasts remain positive: SACE estimates an average annual +7.7% over the period 2018-2021. Total trade in the first nine months of last year exceeded 6.5 billion (8.7 billion in the whole of 2017), of which 2.8 billion in exports and 4.3 billion in imports, thus with a negative balance for almost 1.5 billion euros. The most important segment with over 900 million in 2017, relates to the steel industry, followed by chemicals for almost 600 million euros. On the other hand, over 30% of exports are machinery, for a total of over 900 million euros in the first 9 months, with an increase of nearly 30%: it is the most important category of Italian exports, especially for the investment goods sector. Sales prospects are particularly positive for Italian companies producing instrumental mechanics, a sector involved in different industries from automotive to food processing, from energy to telecommunications.



SECTORS AND TURNOVER (BY INDUSTRY) OF ITALIAN COMPANIES IN INDIA



According to SACE, the favourable trend of Italian exports to India will tend to grow by 7.2%, on average from 2018 to 2021, with intermediate goods having the best trend (+9.3%) thanks to the pull of chemical and pharmaceutical products (+8.5%), but also of metals and rubber and plastic products. There will also be important business opportunities for companies that export investment goods (+6.5%), in particular transport means (+10.6%) and mechanical engineering (+5.3%).

Source: PwC e IICCI

Driving the Made in Italy from Delhi to Chennai

SACE-SIMEST offers the main financial support. As for promotion and logistics, the reference points are the Chamber of Mumbai and ICE. To make business it is better to opt for a local specialised advisor

by Pier Paolo Albricci and Gabriele Ventura

Banks, financial agencies, chambers of commerce, consultants, small and large companies, business lawyers, accountants: a small army is moving, at least virtually, from Italy to the market of the moment, the Indian subcontinent. The goal is to intercept the growing amount of interest from companies of all sizes, earning from a few million to billions in turnover, towards a country that is opening its doors to foreign investments, offering vast opportunities from a land which was once considered unapproachable,



Marina Vienna, accountant in Udine and Milan, and on the right, Rajeshree Balsari, in charge of Ubi Banca in Mumbai. Standing, on the left, Angelo Bonissoni, accountant, founder of the Cba law firm, and Rosario Zaccà, lawyer at the law firm Gianni, Origoni, Grippo, Cappelli & Partners



confirmed by the absence of Italian banks operating directly in the country, not merely with representative offices, as has long been the case in the other large Asian market of China. The only exception is BNL, as the French group BNP Paribas of which it is part has been offering banking services in India for decades and is therefore also at the service of Italian companies, which can therefore take advantage of its eight branches of BNP Multinational Bank in the main Indian cities to request assistance in opening a current account, trade finance and corporate banking transactions, loans in local currency, letters of credit, invoice discounts, bank guarantees, advances and buyer credit. «We also deal with more practical aspects such as tax consultancy, partner searches and due diligence on target companies», specified Antonino Conti, BNL International Business Manager for Asian territories. Srabani Gosh, head of the Italian desk in New Delhi, added, «BNP also offers private banking services, a further guarantee of protection

and transparency for Italian clients who want to closely follow their investments even when they are far from India». One of the main obstacles in facing a new market is always the difficulty of having a trusted banker, but considering the new wave of interest for the country, something is also moving on this front. The two main Italian banks Intesa and Unicredit both have representative offices in

with tens and tens of millions of medium and medium-high end consumers. They are all convinced of this market's potential, but also of the difficulties and risks in approaching a context as large as the socially articulated and geographically heterogeneous Indian one. These risks are paradoxically increasing because entrepreneurs

are realising that the commercial approach is quite narrow, and if they want to commit to a serious challenge they must engage in a long-term investment with returns expected after years unless exceptional situations arise. Furthermore, the possibility of accessing sales channels which were unimaginable until very recently, for

example e-commerce, amplifies the risks and opportunities and increases the need for specific preparation and professionalism. On the other hand, the poor seniority of the Italian economy as a whole in its relations with India, despite the cultural affinity and friendship between the two countries, is widely recognised as a fact: this is

Testimonial/Cesare Sacconi, president of the Indo-Italian Chamber of Commerce

FROM EDUCATION TO FRUIT, BUSINESS IS DONE IN THE CHAMBER

Question. In Asia, and not only, India is again the centre of attention. How are you supporting this trend?

A. With several new initiatives. Let me mention three: we are expanding the network of regional offices in the Indian cities where we are not yet present, we are forming satellite offices in neighbouring and strongly growing countries such as Bangladesh and Sri Lanka, and we are working on specific projects.

Q. Can you give specific examples?

A. In the food and wine sector, the Frutteto Italiano [Italian Orchard] and Il Dolce Vino projects. We have set up six Italics Wine Clubs in as many cities - Mumbai, Delhi, Bangalore, Chennai, Kolkata and Pune - to aggregate the Indian demand for wine, with about 500 members that we involve in Master Classes, dinners, training courses and wine tours. IICCI also plays a key role in the management of the «Italian Hospitality» certification for Italian restaurants.

Q. And the Orchard?

A. It is in the State of Kashmir. Just think, the productivity gap between the harvest of an Italian fruit tree and an Indian fruit tree is 15 to 1. We are promoting a supply chain for the Orchard through contacts with some excellent Italian nurserymen and local authorities to improve this performance by activating a testing laboratory and carrying out training activities. The Indian Ministry of Agriculture is very interested.

Q. And besides food?

A. Education is one of the strategic areas for intervention because it is

part of one of the central political themes in the country: the need for the qualified training of youth.

Q. How are you proceeding in this regard?

A. We are promoting the establishment of a high-level Italian training centre in Mumbai where our best universities and training schools can provide courses. A first group of Italian academies has already joined (Humanitas, Costume Moda, Italian Fashion Institute, Istituto S. Anna of Pisa), and others are joining. The goal is to form an Italian-oriented business community available to Italian companies.



Cesare Sacconi

Q. Are you also moving on the infrastructure front?

A. In the meetings with the Prime Ministers of some Indian States, there was strong interest in a city built «Italian-style». The IICCI has established a cluster called Italy4cities that groups companies, universities, research centres, investors and, above all, project managers. The goal is to present a group of actors ready to participate in calls for tenders or negotiate initiatives with individual governments with the support of the institutions.

Q. Can you tell us of one of your goals to achieve this year?

A. To activate a bilateral Arbitration Chamber that offers members a service to facilitate the out of court resolution of commercial disputes.

Testimonial/Rosario Zaccà, in charge of the desk India, Gop law firm

THAT PLUS OF THE FAMILY BUSINESS

Question. Will Italy's love for India be a long-lasting trend or is it temporary?

A. I think it will be long-lasting. There is a great deal of expectations after the thaw, everything we imagined we would be able to do in the traditional sectors of mechanics, food processing, health care and infrastructure can finally be achieved. Italian companies have resumed approaching India with a smile on their faces, happy to be able to get in touch with this continent and its opportunities.



Rosario Zaccà

products. I am proud to hear Indian companies tell me that Italian machinery is as good as German machinery but more beautiful, more versatile, something extra. It is an advantage that we must leverage.

Q. How?

A. We not only need monetary investments but also those of time and human resources; it is a question of precise choices that must be made in both directions. We have seen Indian companies make acquisitions in Italy because they are attracted by Italian know-how and style, but have not been able to then promote effective integration. Among other things, the family ownership of many small and medium Italian companies is a further element shared with potential Indian partners.

Q. Despite all these opportunities, you have not opened an office in India, while you are present in China. Why is that?

A. It is very difficult to open an office in India, where all levels of local bureaucracy are reserved for local lawyers. Our challenge in helping Italian companies in their internationalisation processes is to establish solid connections with the major Indian law firms and ensure that Italian companies have all the legal assistance or investments they need.

Q. Can you tell us three sectors that have strong interest for Made in Italy?

A. Food processing, agriculture, healthcare and medical devices.

Q. What are the advantages?

A. Thanks to their goodness, Indians like us, they admire Made in Italy

THE ITALIAN WAY

India and are becoming more active in promoting the country with their customers and offering to support them. Especially Intesa is working on several fronts, both supporting the operations of Italian companies in India and vice versa, and in the financing of major projects. The bank entered the pool of companies that financed the construction of the Mundra terminal in Gujarat, the most important container port of India. In addition, the bank's management of large customers is in contact with large private groups, from Reliance to Mittal to Tata, working on deals that may concern Italy, while it is also funding the renewable energy market approach strategy of Enel Green Power. «Competition is very tough because the Indian banks have particularly aggressive conditions», said Alessandro Vitale, who coordinates the Asian activities of the Milanese

«West Bengal has one of the best energy distribution networks in all of India and is a crossroads between the large Indian market and the Southeast Asian nations»

bank from Hong Kong. He added, «Our competitive skills leverage the possibility of financing large Indian groups in strong currencies, dollars or euros». But the fact that the head of activities in India is Meghraj Shah, General Manager of the Singapore branch and where he resides, clearly demonstrates how India still remains a secondary market for Intesa. UBI has a more domestic strategy for the market, and instead stresses its interest in pushing its customer companies towards the subcontinent. «Indian banks don't normally grant unsecured loans to subsidiaries or joint ventures. In these cases UBI can facilitate opening an account at a local bank with a credit guaranteed by the Italian headquarters», said Rajeshree Balsari, who represents the group in Mumbai. Paolo Vitali, head of the international network, has set up

Testimonial/Damiano Francovich

INCREASING INCENTIVES FOR THOSE WHO INVEST IN WEST BENGAL

With the highest added-value growth rate of around 15%, almost twice the national average, the State of West Bengal and its capital Kolkata, the former Calcutta, and its 100 million inhabitants is the centre of a linguistic and economic area that is much larger, stretching towards Bangladesh and the Northeast States and inhabited by a few hundred million people. MFI asked Damiano Francovich, Italian consul in Kolkata since 2016, about the opportunities offered today in terms of business in this area of India, still little known by Italian companies with the exception of the tanning industry.

Question. Why can this State become an attractive location for Italian companies?

Answer. West Bengal has one of the best energy distribution networks in all of India and has a presence of SMEs which is similar to the Italians: almost four million companies for nine million employed Indians. Lastly, the entire area is a crossroads between the large Indian market and the Southeast Asian nations.

Q. What is the infrastructure like there?

A. Large investments have been made on large communication infrastructures (port, road and rail), as well as intangible investments, especially in higher technical education, as well as industrial investments. In particular, many industrial parks and thematic districts are being launched which are concentrated in various sectors.

Q. Are there any benefits for those who decide to invest?

A. Yes, specific measures have been launched to increase companies' competitiveness and facilitate business activities, from subsidies on the cost of credit needed to start up a new industrial activity, with large

deductions for a period of up to seven years in tax and insurance contributions for new hires, to discounts on the cost of energy and a substantial cut in stamp duties for the purchase of land needed for new factories.

Q. Why is the Italian presence so poor?

A. This part of India is still little known, despite

efforts to promote the current administration last September, also in Italy. However, Italian companies are present with productive investments in the metals sector as well as in the chemical, food processing and manufacturing sectors.

Q. What is the driving sector for trade?

A. Leather goods, with the purchase of materials, machinery and chemicals from Italy, which in turn purchases finished products, in particular accessories, bags, wallets and shoes. Kolkata is currently one of the main hubs of the leather sector, with production equal to around four billion euros thanks

to the 30% concentration of all of India's tanneries there and over 800 active operators.

Q. Is this a growing industry?

A. A large number of Indian companies in the supply chain are moving their production from other States due to internal political reasons (sensitivity to the activity of bovine slaughterhouses), in particular from Uttar Pradesh, to the tanning district of Bantala in the southeast of Kolkata. Strong growth is expected in the coming years.

Q. Other interesting sectors?

A. The gold industry, for which Kolkata is an important production hub, wood furnishings, in light of the important development of housing registered in recent years, and in the field of design and furniture.



Damiano Francovich

widespread work in its branches in Italy to stimulate companies' attention to the market's potential. Vitali underlined, «The first steps towards a new market like India must be taken at home. We also help companies explore the real opportunities for their products abroad, financing them from their first approaches». UBI's activity is also concentrated on the organisation of small delegations of

entrepreneurs, no more than a dozen, for targeted meetings and contacts on the Indian market, prepared in collaboration with the Mumbai office. «We also finance direct investments», head of the MPS foreign department Enrico Vignoli underlined, who works with India on two fronts, that of traditional trade finance which includes solutions to support trade, the issuance of international guarantees and letters of

credit, and loans that can be activated in India.

A SAFE FRONT

In financial terms, the most important front of the Italian economy in India is that which is offered by the SACE-SIMEST collaboration, of the CDP group, which has included India among Italy's strategic export countries in the coming years. Using the

Inside India

PUNE, THE INDIAN MARRIAGE WITH ITALIAN AUTOMOTIVE

The shift whistle blows three times every 24 hours six days a week, marking the exit of a stream of thousands of workers and employees in the Indian Detroit that pour into the private coaches that will take them to their neighbourhoods. In Chakam, the automotive district of Pune and the holy city of Maharashtra, a green hill that was once a vacation area for the wealthy of Mumbai fleeing the summer heat, the traffic makes the air unbreathable even in the winter months, and the daily commute is endless for those working in the automotive industry of two, three and four wheeled vehicles, the queen of the new industrial India. Some of the thousands in the ocean of blue and white collars work in Italian companies - FCA, Brembo, Magneti Marelli, Dell'Orto, Ognibene, Carraro and Graziano being the main ones - who chose, most of them in 2008, the Pune cluster for their operational base, joining General Electric, General Motors, Ford, VW, Mercedes, Renault, Hyundai and the Indian manufacturers Mahindra and Tata. «To reach the factory in 50 minutes, rather than an hour and a half or more, I have to leave my house in the centre of Pune shortly after six in the morning», admitted Luca Bottazzi, 48. Originally from Bergamo, he has worked in India for five years leading the activities of Brembo, the absolute market leader for motorcycle brakes, with over 3.4 million pieces produced in 2018 and a new factory that just opened in Chennai. «I got lucky though, because my colleagues who work in Baramati take three hours», Bottazzi said, admitting frenzied development. Baramati is the other industrial district of Pune, the centre of the food industry where Ferrero and Bauli have opened plants, as well as Coca Cola, and although not food-related, Piaggio has also set up an office there. But the commute certainly won't discourage the automotive and food industries, which are working according to three and in some cases four production shifts, driving real estate, transport, infrastructure and everything else into an unprecedented economic boom. «We are growing very well and plan to triple our turnover in a couple of years», Andrea Dell'Orto told us, Vice President of his



Andrea Dell'Orto (left), executive vp of the family group that in Pune produces injection systems, and Luca Bottazzi, head of the Indian businesses of Brembo. Under, the plant of Brembo

family-run company that produces injection systems. They have 200 employees in their Indian plant that opened in 2012 with the financial help of SIMEST, today 100% owned by Dell'Orto. Starting in 2020 the new motorcycles in India, where about 22 million are produced a year, will have to include an electronic injection system and for Dell'Orto, which in December allied with Varroc, this will be the opportunity for an important new leap forward, without even considering the company's business related to cars. Despite the fact that the daily weather report almost always indicates air quality that is highly harmful to health, nothing seems to stop the race for development. Certainly not the lack of infrastructures, above all in transport but also the communication networks, which with evermore frequent dropped mobile calls indicate inexorably higher traffic volumes than the transmission capacity. Perhaps the commissioning of the metro will offer some improvement; however, to construct it quickly, the authorities decided not to build an underground metro but one on pylons, thus putting the survival of the small amount of vegetation that survived the skyscrapers at risk. As for the expansion of the airport or the construction of a new one because the current airport is an extension of the military one and has short runways, a decision has not yet been made after five years of discussions and two suspended projects. But the real weak point of the situation according to some Italian managers of the companies involved are the local suppliers of large companies, which are predominantly not aligned with the production and environmental standards that are instead required of foreign groups' factories. «95% of our components are local and produced by Indian subcontractors, but it took 10 years of efforts to get what we wanted», Dell'Orto said. The careful monitoring carried out by public factory inspectors on the functioning, emissions and purification systems of the big brands dwindles further down the chain of sub-supplies, which is the real environmental threat to development, together with the indiscriminate consumption of public land.



push strategy (article on page 48), SACE is opening the doors of the Indian market to dozens of SMEs operating in the oil&gas sector and in the large public works sector, financing purchases of Italian products by Indian multinational groups. At the same time, it has facilitated the procedures for commercial funding, while SIMEST is financing direct investments, entering the capital of the companies that decide to open in India. This was the case in October with the new Aeromeccanica Stranich plant for the production and marketing of industrial fans and dust collectors. The company boasts 26 million in turnover and India is a priority market both for its size and for the massive presence of potential primary customers: large petrochemical, energy, steel and pharmaceutical groups. The new plant in Hyderabad, Telangana in the south of India is a new technological development centre that has been financed with 1.4 million euros from the venture capital fund under the Roman financial institution. A few months earlier, SACE completed two transactions worth a total one million euros to support Durst's exports in India, a South Tyrolean company that is a world leader in the production of printing systems for super-elastic fabrics in the fashion sector. «We would not have been able to operate, or at least not with such high risks, without SACE's guarantee», acknowledged Christoph Gamper, the CEO of Durst. A year ago Unicredit leveraged the SACE insurance to finance the Travaglini Group of Atessa (Chieti), active in the design, production and marketing of packaging, packaging services and logistics management. The loan guaranteed working capital in favour of LT Techno Solutions, the Indian start-up of the group, which is a supplier in the automotive sector.

INDEPENDENT ADVISORS

The main reference point in India for those who want to start exploring the subcontinent or already have a plan in mind is the Italian Indian Chamber of Commerce in Mumbai, an institution in the economic capital of India that has acquired over 50 years of experience (the foundation dates back to 1966), has a thousand members and a structure that has recently freed itself from public funding

THE ITALIAN WAY



Alessandro Fichera, Octagona founder and CEO, started its business in India in 2002

to become economically independent, all thanks to the efficiency of the business model it has adopted. The strength of the Chamber is its network spread across the federal territory, in the offices in Bangalore, Chennai, Delhi and Kolkata, and in the desks of the highly developing cities Pune and Hyderabad, its staff of 30 employees and professionals, and its focus on only a few sectors: agribusiness and construction. The Chamber's secretary Claudio Maffioletti told MFI, «Our governance system guarantees us a strong foothold in the territory. Each office has local committees that include Italian and Indian entrepreneurs and managers, ensuring a dense network of relationships not only within the business community, but also with local institutions and associations». For those who have yet to approach the Indian market and lack



Stefano Boldorini, Winh (World in your hands) founder and managing partner

an articulated foreign commercial and financial structure, advisors can be chosen depending on needs: either for legal or fiscal aspects or for industrial or commercial strategy. In the first case, the reference law firm to turn to which has the most experience on the market, especially for large deals, is the studio Gianni Origoni, Grippo Capelli, whose India desk in Rome

and Milan is under the responsibility of Rosario Zaccà, a member of the Mumbai House Council. Alliances between professional Indian and Italian fiscal and administrative studios are multiplying. CBA studio in Milan has 120 professionals (also based in Germany) and has become one of the most active studios on the Milan-Mumbai axis thanks to an alliance

with Singhanian & Co. Advocates and Solicitors, one of the leading Indian law firms in business since 1969, with expertise in all the main branches of Indian law. On a smaller level, two professionals of the Triveneto area, Carlo Lombardi in Verona and Marina Vienna in Udine, with offices in Milan as well, are increasing their activity with India, as they are both linked to

Testimonial/Piero Guizzetti

A NORMAL DAY TO ADVISE FOR SALE IN GUJARAT

The following article was written for MF International by Piero Guizzetti, founder and CEO of the advisory company Value Prism Consulting of Mumbai. He discusses one of the many missions he dedicates his work to

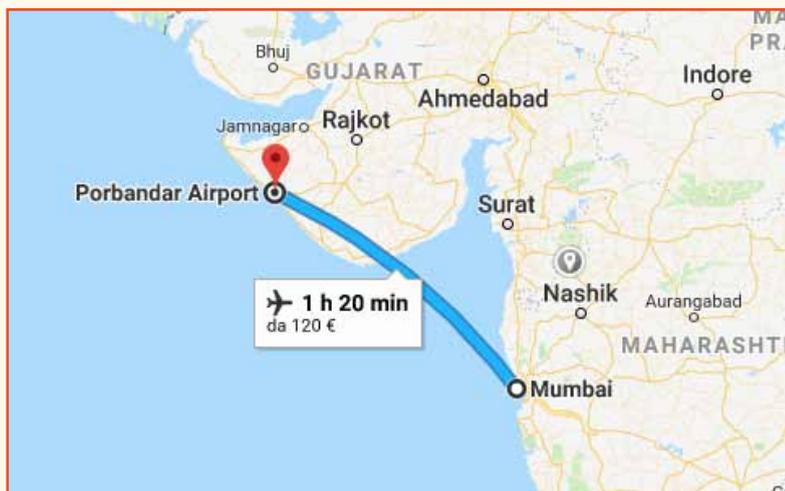
My alarm goes off with a message on my mobile that Ola, India's answer to Uber, will be at the door within 30 minutes, with the driver's name, his contact info and licence plate number. A good start, immediately compensated by worrying about traffic to the airport, which could vary the travel time from 30 to 90 minutes. The traffic is okay, and my ride along the Western Express motorway brings me to the Mumbai airport without much hindrance, where I get my boarding pass in five minutes without exchanging words with another human being. Take-off, a masala omelette on the flight, and I'm already in Porbandar, Gujarat in just under one hour. The mission's objective is a field demonstration of the efficiency of the equipment (crusher and screening bucket) for excavation works made by an Italian company that wants to increase its sales on the Indian market. For this reason, a dozen contractors interested in the purchase were given an appointment at the quarry. The first thing you notice when your feet touch the ground in Gujarat is the heat: it's 38 degrees in the shade, and it rises above 40 as you approach the site of the quarry two hours from the airport. We arrive 30 minutes after the scheduled appointment, which is a more than acceptable delay for national standards, but of the 12 potential customers I expected, no one has arrived yet and the site preparation required for the demo has not been carried out. In such situations you have to take a deep breath, grab a chai tea and smile: important elements for keeping calm. So we sit on the ground in the shadow of the excavators and begin to chat with the machinists. Once I have answered all their questions, mainly related to the fact that I have lived in India for more than ten years, and taken some selfies, the first potential customers finally arrive. Thanks to the new friendships built around sweat and chai, the machinists work hard to help us arrange the site according to the demo requirements. After a few hours of the demo, one of the contractors invites everyone to his home for a special Gujarati lunch. The house is picturesque, but simplicity is the common denominator in its

construction and furnishings. Having a guest for a meal is always an important occasion for an Indian family, and even more so for those from Gujarat; if the guest is a foreigner, it becomes a banquet for the amount of food served. Making bonds during a meal at the table is as important for them as it is for Italians. Sharing a meal implies the opportunity for more pragmatic dialogue on the professional front, even if the brand-new friendship is always used as an excuse for an extra discount. After the meal spread over 10 courses, we go for a walk through the estate that provided everything that was served at the table, at 0 km. The details



Piero Guizzetti, in the middle, with his Value Prism Consulting team

of the family's history, their land holdings, their commercial activities are a practical example of the characteristics the Gujarati community is known for: a strong sense of business, an enormous ability to build wealth, all with a very humble image. Despite the difficult digestion, also thanks to the abundant amount of ghee used for seasoning, we must return to the site to finish the demonstration to all the potential customers, 8 out of 12, which is an unusually high percentage. But now comes the most difficult part: negotiations. The first questions are about prices, payment terms, services and related operational and commercial issues. As the



Images from Gujarat: a lion family in Gir Park, a touristic attraction of the region, and on the right, Guizzetti, at the construction site



discussion intensifies and interests become real purchase intentions, we are invited by the owner of the house to move to a negotiating table near their office. The site's office is a concrete slab located under a dense array of mango trees. The helpers are asked to quickly organise chairs in a U-shape, where we are invited to sit down. Some more selfies, and a few chairs later we start talking business. Two orders are completed, with an extra discount for those who have become «brothers» from simple friends a few hours before. Online payments are made via smartphone and a receipt is automatically generated and received by the customer in less than a minute. By now it is late afternoon and we have to go back to the hotels, an hour and thirty minutes by car because there is nothing available closer to the site. We are welcomed by the always pleasant smile of the men and women working in the hospitality

industry, which however is not necessarily paired with efficiency or fast service. I get to my room and realise that the air conditioning does not work, but sleep prevails. Two hours later I awake covered in sweat and ask to change rooms. Half an hour later they accompany me to a new, freezing cold room. Fortunately I do not have to stay very long. At 4 am a taxi driver is waiting for me to begin the journey to the airport, as I have a flight at 8 that will take me back to Mumbai. This time we're not leaving early because of traffic, but because of possible works that could close the main road. On the way to the airport, I have to slap myself a few times to make sure I'm really looking at a pride of lions not far from the side of the road, in full view. The driver quiets my outburst of disbelief by telling me that it's normal, after all we are near Gir Park, and it's not unusual to see a pride of lions on the road near the airport. As we approach the airport, I get the impression that we're in the wrong place. There is no one around, no traffic, and a sleepy guard opens the gate for what is indicated as a parking lot. But everything is in order because only two flights fly into and out of Porbandar every day, the one from Mumbai that I was on yesterday and the one I hope to take within the next two hours to return. I am the first passenger of the day to enter the airport. The take-off is on time, chicken tikka roulades and a quick nap. We land, and when the seat belt sign is turned off there is the usual race to see who can pull their suitcase down from the overhead bins first. Mumbai welcomes me with 80% humidity in the air. What will today have in store for me?

«A well-designed strategy can bring exceptional results because today India is one of the best markets in which to do business and invest, considering the growth rates and the high number of consumers»

jects, also through temporary export management; 50 companies were established for third parties, managing the paperwork and preparation of documentation. 15 institutional projects supported the development of the associated companies' business and facilitated the commercial and institutional relations between Italy and India by creating commercial platforms in India and hiring local sales staff on behalf of the customers. Fichera underlined, «A well-designed strategy can bring exceptional results because today India is one of the best markets in which to do business and invest, considering the growth rates and the very high number of consumers with increasing purchasing power. But the access strategy must be clear and be accompanied by a business plan that includes alternative scenarios and hypothesises the problems that could arise because it is a complex, highly heterogeneous, immense market». According to Fichera, the winning card of the Italian offer at this stage is technology, above all in the quality segment where there are less competitors. «But to be successful, the technology must

recent partnerships with Indian partners in which they will work together to accompany and facilitate companies that want to operate in Italy and India.

On the other hand, those seeking a local advisor to bring a product to the market and find an industrial partner have valid but limited options if they want personalised assistance

tailored to their needs that does not require an excessive financial commitment. One such authoritative advisor is Alessandro Fichera, born in 1975 and co-founder of Octagona in Bologna. The company has been operating on the Indian market since 2002, where it boasts an articulated structure in direct offices in New Delhi and Bangalore and a network of local

partners covering the areas of Mumbai, Pune, Ahmedabad, Rajkot, Ludhiana, Chandigarh, Calcutta, Hyderabad and Dewas, with about twenty full-time employees. «In recent years we have helped more than 300 clients including companies and institutions, constructing different types of basic projects», Fichera told MFI. A large part of these, almost 200, were export and sales pro-

THE ITALIAN WAY

be adapted to the local context and designed for a productive approach or for on-site assembly activities», Fichera added, stressing that the Indian market requires a very dedicated approach which is not suitable for other foreign markets.

39 year old founder and CEO of Value Prism Consulting (VPC) Piero Guizzetti has been a Private Equity Partners representative in Mumbai for 12 years, where he shares responsibility with a team of Indians. He firmly focused his strategy on market developments, which he finally sees accelerating after years of ups and downs. VPC heavily focuses on personalised customer support, starting with due diligence on market opportunities and potential partners to start a business. He has recently implemented the offer with temporary management services: initial support and management of a company's activities in India for a maximum period of 18 months, carried out directly by the consulting firm's professionals. «We give customers the opportunity to calmly evaluate the market dynamics, avoiding the need to invest human resources and economic resources, at least until decent returns arise», said Guizzetti, who is currently concentrating on the food processing supply chain, while in the past he actively followed the retail and water treatment sectors. From Turin, 55 year old Stefano De Napoli has a degree in Electronic Engineering from the Polytechnic Institute of the same city. He has instead focused on Bangalore, where he has lived for 17 years working at Indever Corporate Consultants, a company he founded together with local partners to support Italian companies in direct investment projects in India, as well as industrial Indian companies interested in the European market. «We are specialised in M&A, in the establishment of joint ventures and greenfield investments with a specific focus on cross-border operations, for which we help identify the right partner and the right strategy», explained De Napoli. With the support of the Bangalore offices, Indever operates through an international executive board with a network in the United States and England, and includes Indian clients such as Lumax, JBM, WPIL, IFB and KK Modi, all listed on the stock exchange. The

Testimonial/Sauro Mezzetti

IT AND INNOVATION WIN IN THE SOUTH

As an expert in innovation and technology transfer for small and medium-sized businesses, Sauro Mezzetti has lived in India for years and is responsible for the southern presence of the Indian Italian Chamber of Commerce in Chennai, the capital of Tamil Nadu, one of the States undergoing great transformation. The Italian presence here is characterised by trade in the textile and clothing, leather, footwear and granite sectors.



Sauro Mezzetti

Question. How is the local economy transforming?

Answer. It is very diversified with a strong presence in the machine tool, car and renewable energy sectors. The Italian presence has consequently changed with the opening of companies in mechanics, electronics, energy, engineering and also in consumer goods.

Q. Can you give us a few names?

A. Among the most significant, Bonfiglioli, Saipem, Danieli, Technip, Lavazza, Fomas Group, Fumagalli Group, Leitner Group, BWE and Ansaldo. In the 1980s the latter built an important phase of the Nyeveli power station through Italian cooperation, which provides a significant share of energy in South India.

Q. And how do you see the future?

A. Tamil Nadu is also one of the poles of the IT industry, where however the Italian presence is not significant, with the sole exception of Sella Sinergy of the Banca Sella group.

Q. Why is settling in this State considered strategic for India?

A. Tamil Nadu is also a strategic hub for logistics and related services. In fact, the local

port system tends to be a reference point for the hinterland that also includes the regions of Bangalore and Hyderabad. Major investments are planned for interport and ground services. But the direct port and maritime connections between Italy and Southeast India are weak, if not non-existent, and transshipping must be resorted to for supplies by sea.

Q. How can this issue be dealt with?

A. The specialised operators of both countries have been aware of this for years, and know that overcoming the issue could offer remarkable opportunities considering how the entire macro-regional configuration of Chennai-Coimbatore-Bangalore-Hyderabad has become one of the main centres attracting productive investments, especially from the big Asian economies and in particular Korea and Japan.

Italian groups include Sunino, Fara Industriale, Sila Group, MP Filtri, Tenax Group, Fonderie 2A, Fenco, Turbosol and Alcea. The founder and managing partner of WINH (World in your hands), an internationalisation consulting firm with offices in Milan, New Delhi and Shanghai, has chosen to operate through the Indian Business Forum, an association of professionals of which he is vice president, to favour small businesses' connections and networking. «It is difficult to immediately understand the dynamics of the complex and fragmented Indian market. The ways business is done, timing, languages and traditions change from State to State and make India a hostile country for those lacking direct experience», Boldorini said; for this reason he personally accompanies his customers to meetings with potential Indian partners, providing a good network of local contacts.

WHERE THE ITALIAN ENTERPRISES ARE ALLOCATED



«Doing business in India implies a very important emotional component. Local entrepreneurs and professionals place a lot of value in personal relationships and immediately creating an understanding with partners is as important as proving you have a valid business project and a common vision

of intent». PWC recently opened an Italian desk in Delhi; as one of the four multinational consulting and certification firms, it has the advantage of providing Italian clients with a network of high-level fiscal and financial relationships with strong connections in administration. ■

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Challenge on Times & Fares

Air Italy has joined the air carriers offering connections with Delhi and Mumbai, creating more intense competition with direct flights. But there is still a long way to go before matching other Indian airports up

by Francesco Bisozzi



India is getting closer and closer. After connecting Malpensa to New York, Miami and Bangkok, last month Air Italy launched three new weekly flights between Milan and New Delhi (operational from December 6th) and between Milan and Mumbai (from December 13th) at very attractive prices. In order to operate these connections, the Qatar Airways subsidiary chose the Airbus A330-200, an aircraft with 24 seats in Business Class and 288 in Economy, offering five-star service standards in first class. Air Italy thus becomes the airline with the most direct flights from Italy to India. The fares start at 327 Euros per person for a round-trip economy-class ticket for New Delhi and at 340 euros for Mumbai, while a round-trip business-class ticket starts at 1,850 for New Delhi and at 1,870 euros for Mumbai. Connections are planned with Rome Fiumicino, Catania, Palermo, Naples, Lamezia Terme and Olbia. Alitalia also returned to India in 2017. The former national airline has activated a daily route between Rome and New Delhi, in order to strengthen commercial relations between the two countries. It departs from Rome Fiumicino at 3 p.m. and arrives at 2 a.m. (local time)

AIR ITALY

MILAN MALPENSA-NEW DELHI

Time 9H 00 MIN, Direct
Roundtrip fare from
€ 1.850 Business, € 327 Economy

MILAN MALPENSA-MUMBAI

Time 8H 00 MIN, Direct
Roundtrip fare from
€ 1.870 Business, € 500 Economy

ALITALIA

ROME-MUMBAI

Time 9H 10 MIN, Direct
Roundtrip fare from
€ 1.440 Business, € 500 Economy

AIR INDIA

MILAN-NEW DELHI

Time 7H 15 MIN, Direct
Roundtrip fare from
€ 1.640 Business, € 430 euro Economy

ROME-NEW DELHI

Time 7H 15 MIN, Direct
Roundtrip fare from
€ 1.440 Business, € 400 Economy

TURKISH AIRLINES

MILAN-MUMBAI

Time 10H 05 MIN, 1 step over
Roundtrip fare from
€ 2.040 Business, € 366 Economy

the following day. It then takes off from New Delhi at 4.20 a.m. (local time) to land in Rome at 9 a.m. The airline chose an Airbus A330 with 250 seats, with three classes: business, premium economy and economy. Fares start at 500 euros for a round-trip economy-class ticket and reach 1,400 Euros for a seat in Business Class. Then there is Air India, which offers direct flights

to New Delhi from Milan (four times a week) and Rome (three times a week). A round-trip economy-class ticket for New Delhi costs 430 Euros from Malpensa (1,640 Euros in Business Class) and 400 Euros from Rome (1,440 Euros in Business Class). The Jet Airways rates for these routes are very similar, but they do not offer direct connections from Italy. However, the second Indian airline offers unbeatable prices for flights with one or two stopovers toward places like Chennai or Pune (less than 500 Euros in Economy Class). The prices double if you choose to fly with Air France and British Airways, with a stopover in London or Paris. While with the

Russian airline Aeroflot and Turkish Airlines, you save money but the journey becomes much longer. But it is the companies of the Persian Gulf countries to guarantee the most extensive network of connections with Indian cities. For example, Oman Air covers 11 destinations in India - Goa, Mumbai, Chennai, Kochi, Thiruvananthapuram, Hyderabad, Delhi, Lucknow, Bangalore, Kozhikode and Jaipur - as well as offering very competitive rates for the Milan-Mumbai flights. Emirates has an excellent business-class offer of 1,300 euros, and the airline also connects smaller Italian airports with most of the major Indian destinations via Dubai. ■

Testimonial/Rossen Dimitrov, Air Italy CEO

WHY DO WE FLY TO INDIA

Question. Why this interest in the Indian market?

Answer. India offers many opportunities to foreign companies in relation to the ever-increasing demand for air travel, especially for international destinations and despite the fact that it is a very price-sensitive market.

Q. And on the Italian side?

A. More than 200,000 Indians live in Italy and in 2017 over 112,000 Italians visited India, 18% more than the previous year.

Q. How do you tackle the price issue?

A. Everything lies in the ability to better manage fixed and operating costs without distraction, while staying grounded.

Q. What does it mean in practice?

A. Competitive pressure often discourages companies from lowering their ticket prices, fearing a loss of market share and increases in fuel costs, which is the main operating cost. But this business is highly unpredictable everywhere: it is a condition that must be accepted and cannot deter companies from facing the Indian market.

Q. Why?

A. Because there is high demand and it is a competitive but healthy market. It must be engaged, as long as you know how to do it well.

Q. And what is SACE's trump card?

A. Together with the Canadians, we are the only export agency in the world to offer this opportunity. From an operational point of view, we have learned to be very effective in concluding these operations. We began negotiations with Reliance in March and signed in June.



Rossen Dimitrov

Followed

Testimonial/Lorenzo Angeloni - from pag. 24

hamper direct investment?

A. The critical issues relate to the vagueness of certain mechanisms, excessive bureaucracy, difficulty in accessing credit. But the effort to improve the business environment with a view to opening up foreign capital is evident. Difficulties are undeniable, but there are still many more opportunities.

Q. Do you think that Made in/by Italy is an extra competitive factor against other European competitors in this phase?

A. Our strength is not only exporting functional and performing products: ours are also beautiful products. Aesthetics and design are in our DNA, so we are one of the few countries in the world able to express the combination of functionality and aesthetics to such a high degree.

Q. Do the notoriously price sensitive Indians valorise it?

A. Indians are also sensitive to quality and beauty and recognise our primacy, so our production certainly has the credentials for premium positioning in India, with some caveats.

Q. What are the caveats?

A. Mainly, companies that want to enter this market should pursue what I like to call a granular approach.

Q. Granular?

A. In a country as large and socially heterogeneous as India, we must pragmatically focus on niches, both in terms of sector and geography, intercepting select opportunities at the individual state level. The valorisation of the local dimension is, on the other hand, also pursued by the central government which supports competitive cooperative federalism among the States of the Union, rewarding those who are most effective in attracting foreign investments and simplifying the legislative and regulatory landscape.

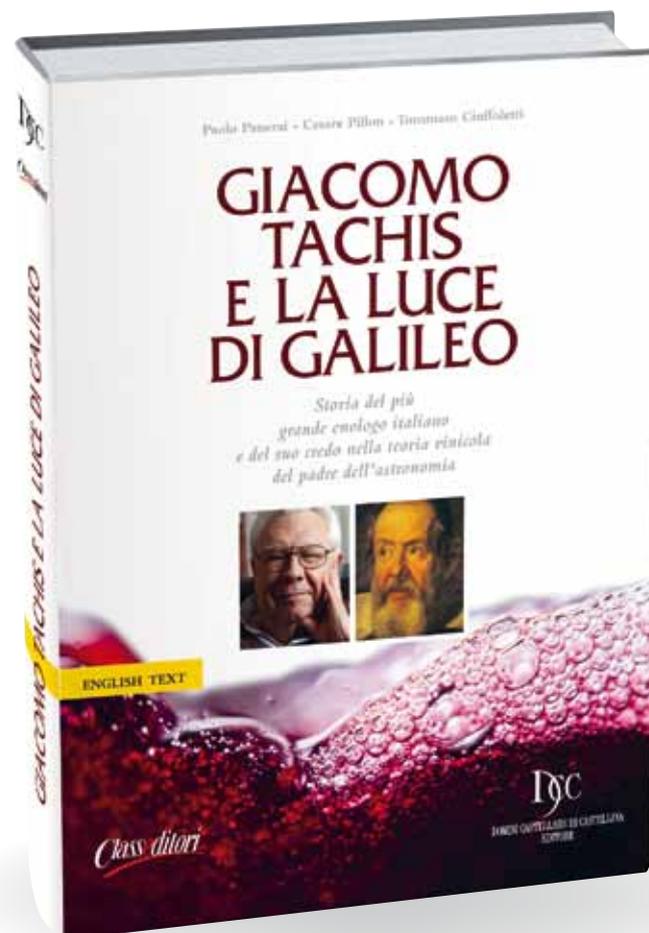
Q. What are the ones to bet on?

A. From our studies, I would say West Bengal, Andhra Pradesh, Orissa and Telangana.

Q. So what is the recipe for success?

A. India requires constancy and dedication. Expecting returns in terms of profitability in the short term is unrealistic. The success stories come from companies that believed in India, facing the challenge with medium-long term investment plans, trying to understand local dynamics, patiently building a network of contacts, choosing reliable local partners for any joint ventures. ■

Storia del più grande enologo italiano e del suo credo nella teoria vinicola del padre dell'astronomia



Un omaggio a **Giacomo Tachis**, il più importante enologo italiano, padre dei vini icona come Sassicaia, Tignanello, Solaia, I Sodi di S. Niccolò, l'Eterno, Turriga. Un uomo di cultura, appassionato studioso di storia e di filosofia, che al vino s'è legata nel corso dei secoli. Negli ultimi anni aveva approfondito le letture intorno agli studi di Galileo Galilei, e dei suoi discepoli, sulla luce ed i suoi effetti. Studi che trovavano proprio nell'osservazione dell'uva, della struttura degli acini, della loro maturazione e poi nella fermentazione per diventare vino, un campo d'applicazione estremamente intrigante per lui.

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Lorenzo Angeloni
Ambassador in New Delhi
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■ Class 1958, he graduated in Law from the University of Perugia. Married, with two children, he began his diplomatic career in 1985.

From 1987 to 1990 he worked in Montevideo, and then moved to the Frankfurt office as Consul. In 2001 he took up residence in Algiers and then in Khartoum from 2003 to 2005, during the Darfur crisis. He was Deputy General Director for the countries of Asia, Oceania, the Pacific and Antarctica from 2008 to 2010, when he was appointed Ambassador of Italy in Hanoi, Vietnam. He left Vietnam at the end of 2015 to move to Delhi.



Stefania Costanza
General Consul in Mumbai
stefania.costanza@esteri.it

■ Mrs. Costanza, 42, is particularly committed to promoting culture and tourism. Born in Palermo, she moved to Mumbai in October 2017,

thanks to her extensive diplomatic experience acquired in three continents. She led the UN division for the Ministry, and served in the embassies of Kabul and Buenos Aires (2007-2012).



Damiano Francovich
Consul General in Kolkata
damiano.francovich@esteri.it

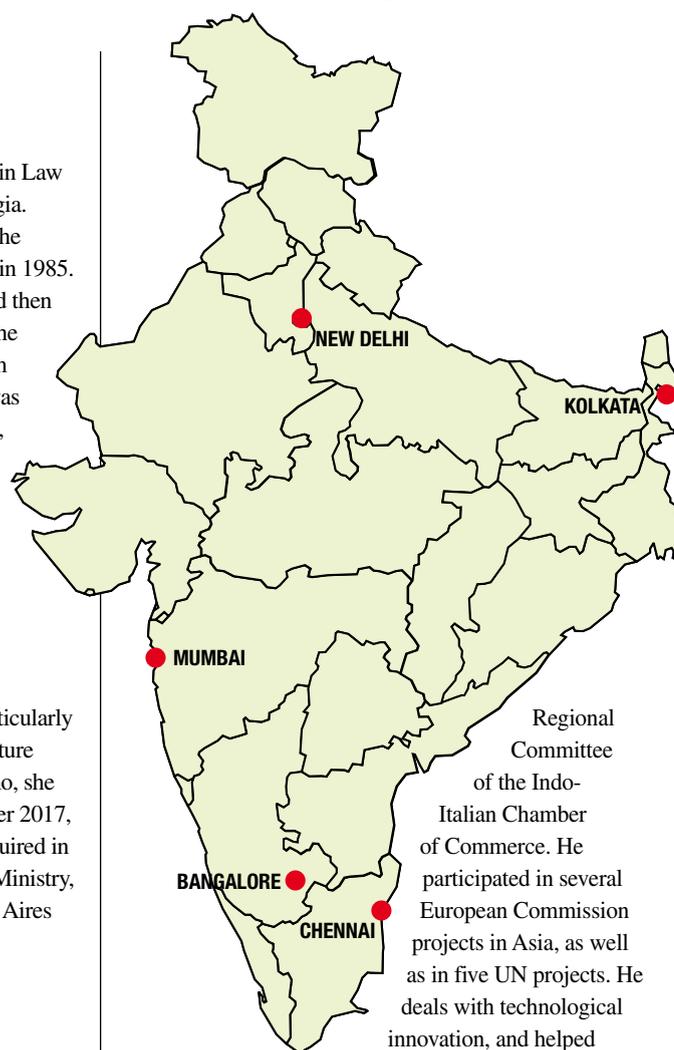
■ Class 1966, he born in Udine, and began his diplomatic career in 2002. He worked in the General Directorate for Mediterranean

Countries and the Middle East at the Foreign Ministry (Farnesina), at the Italian embassy in Damascus as First Secretary, and at the Italian embassy in Hanoi from 2010 to 2013. He directed the Middle East and Balkan Office at the General Directorate for Development Cooperation from 2013 until he was appointed in Kolkata in February 2016.



Sauro Mezzetti
Honorary Consul in Chennai
sauro@auroville.org.in

■ He lives in India since years, in Chennai, the capital of Tamil Nadu in the south of the country, where he is Chairman of the



Francesco Pensabene
ICE Manager, New Delhi
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■ Bachelor's degree in Law and Master's degree in International Law, he was the International Cooperation Director at ICE

in Rome after his appointment as the first Director of the legal, human resources and organization department, managing numerous business missions all over the world. Before moving to Istanbul, he also worked on development in Asia and the Pacific for ICE. In addition to serving as a Coordinator for the Agency in India, he also follows the markets of Sri Lanka, Bangladesh, Maldives, Nepal and Bhutan, where ICE does not yet have any permanent offices.

Fabrizio Giustarini
ICE Representative in Mumbai
f.giustarini@lce.it

■ Class of 1968, holding a Bachelor's degree in Economics, he works for ICE since 1992. After gaining experience at the agency's headquarters,



he became Deputy Director in Moscow in 2004 and has been responsible for the office in Atlanta (USA) since 2008. He went to Mumbai last June, where he focuses on following the construction, food processing, infrastructure and consumer goods sectors, with the specific task of organising presentations, and participate at fairs in promotional events.

Claudio Maffioletti
Secretary at IICCI



c.maffioletti@indiaitaly.com

■ Bachelor's degree in Philosophy and Conservation of Environmental Heritage from the University of Parma and a specialisation in Arts and Culture Management from the University of London. He began

his career at IICCI in 2007, when he moved to India, first as General Manager, then from 2015 as Secretary General. Last July he opened The Indo-Italian Agri Food Tech Center, the first platform to serve Italian companies in the agri-food supply chain in India.

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