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e-INDIA

**DIGITAL AND MILLENNIALS, THE GREATEST
ECONOMIC EXPLOSIVE FORMULA IN THE WORLD**

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Health, Food, Fashion,
Cosmetics ... All the
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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.

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

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



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).

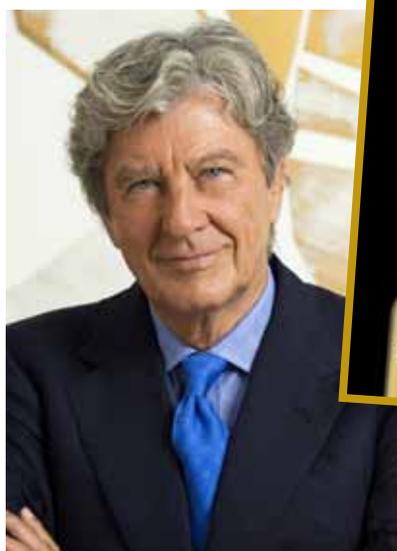
Despite its own specifics, the Indian market is actually working to align itself with international market standards, with the most important being the sustainability of the sector as a whole. «The bigger international brands experiencing the greatest progress in the Indian market have hopped on the 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



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

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

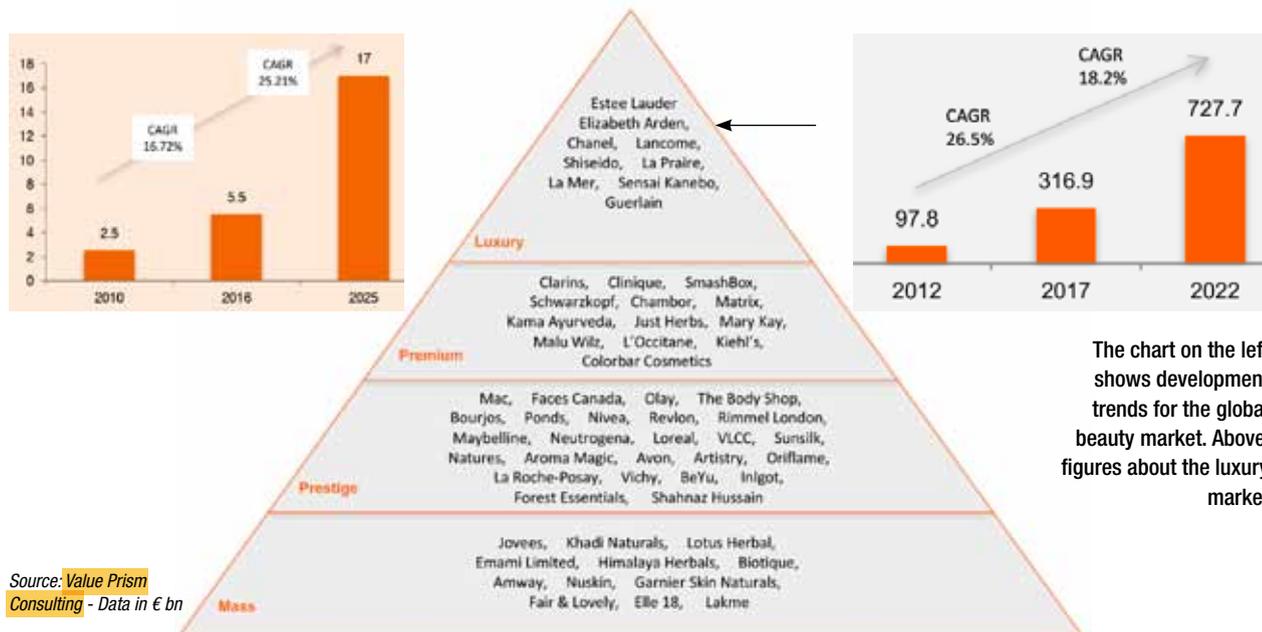
When Kiko Milano decided to take it to the web, the fashion and beauty platform Nykaa became their tool of choice. «We have also been considering Myntra – we are negotiating a joining agreement just now,» said Cristina Scocchia, the company's CEO, to MF International. Kiko Milano, part of the Percassi 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

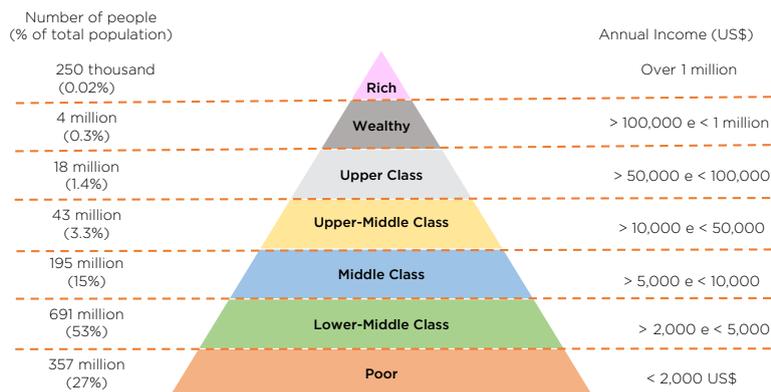


Source: Value Prism Consulting - Data in € bn

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.

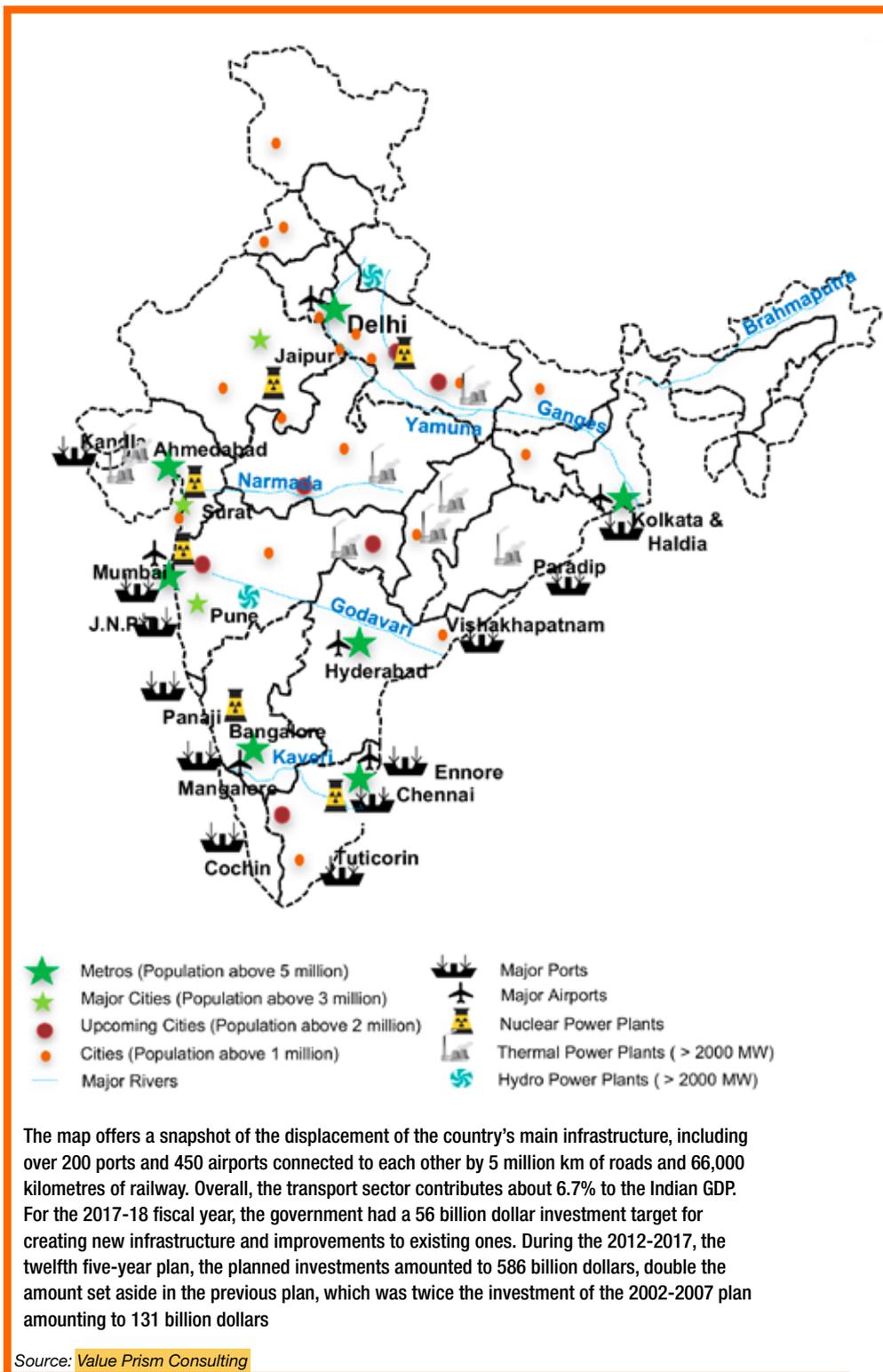
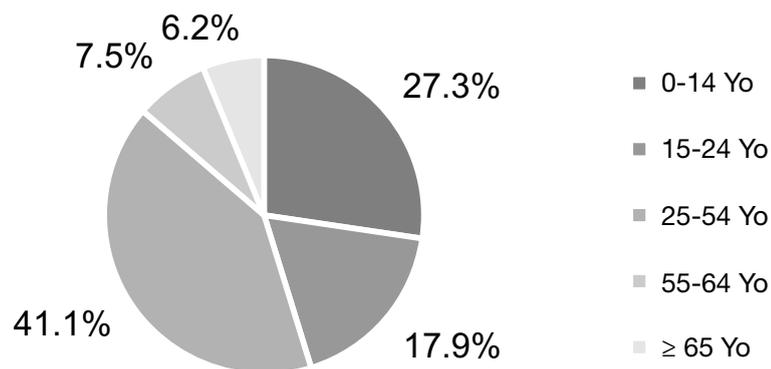
THE PYRAMID OF WEALTH



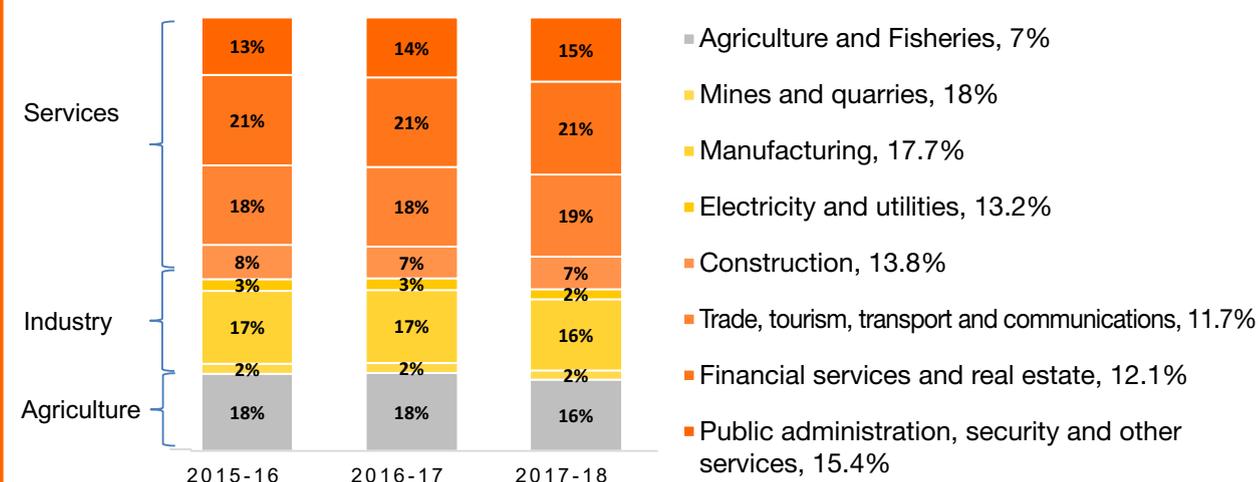
Elaboration: NCAER (National Council for Applied Economics Research) data processed by IICCI. Average Indian family size: 5 people

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



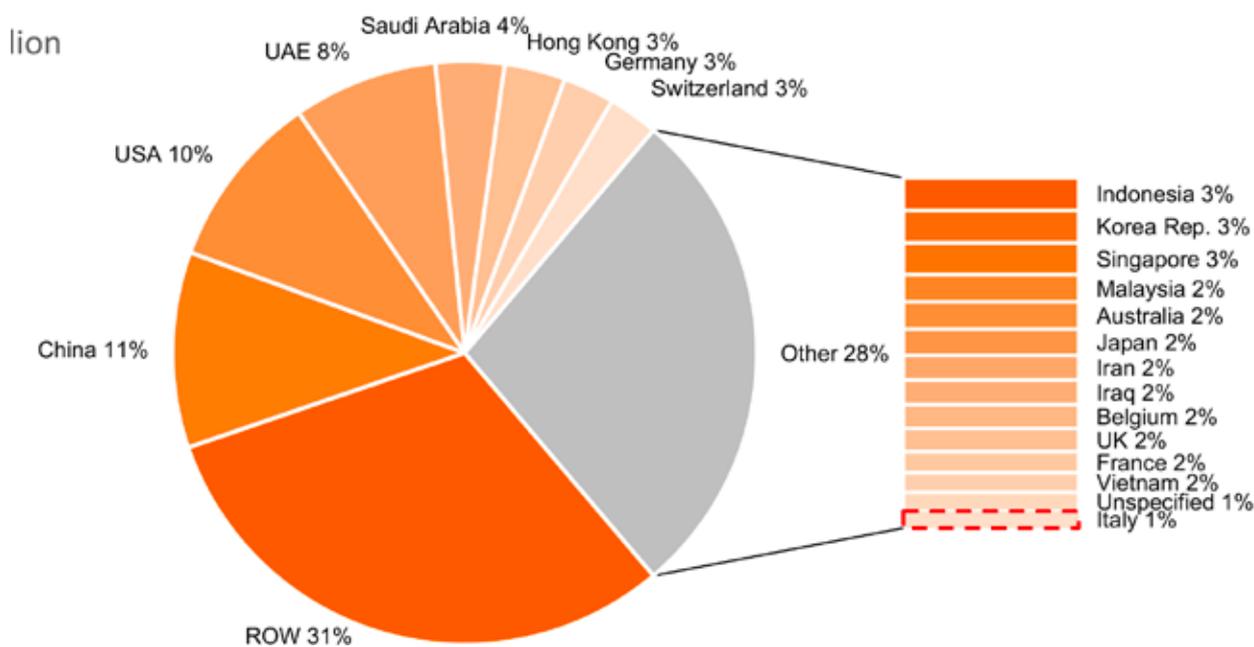
COMPONENTS OF INDIAN GDP



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.

Source: Value Prism Consulting

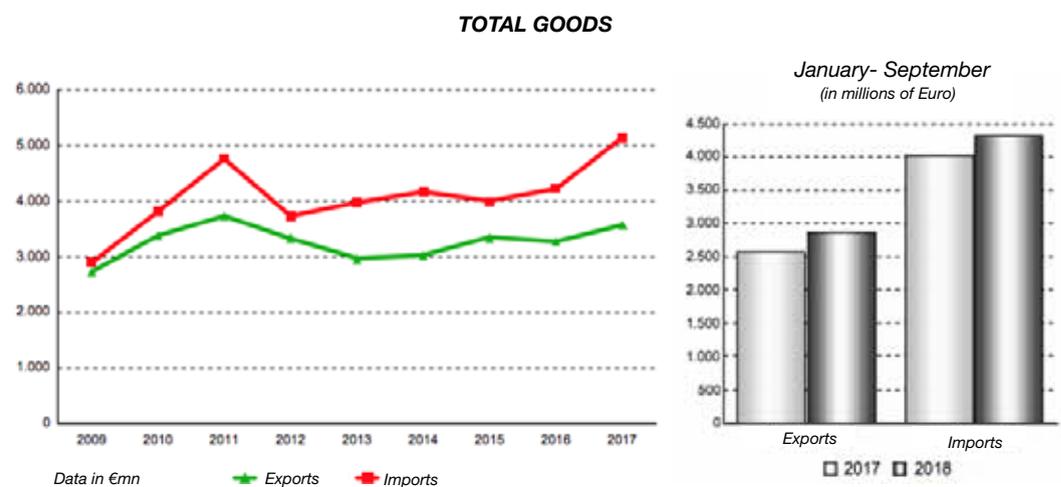
MAJOR TRADE PARTNERS IN THE WORLD



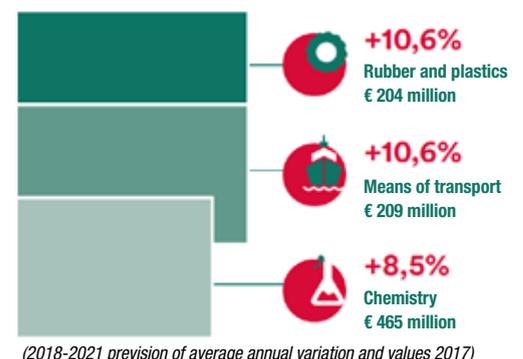
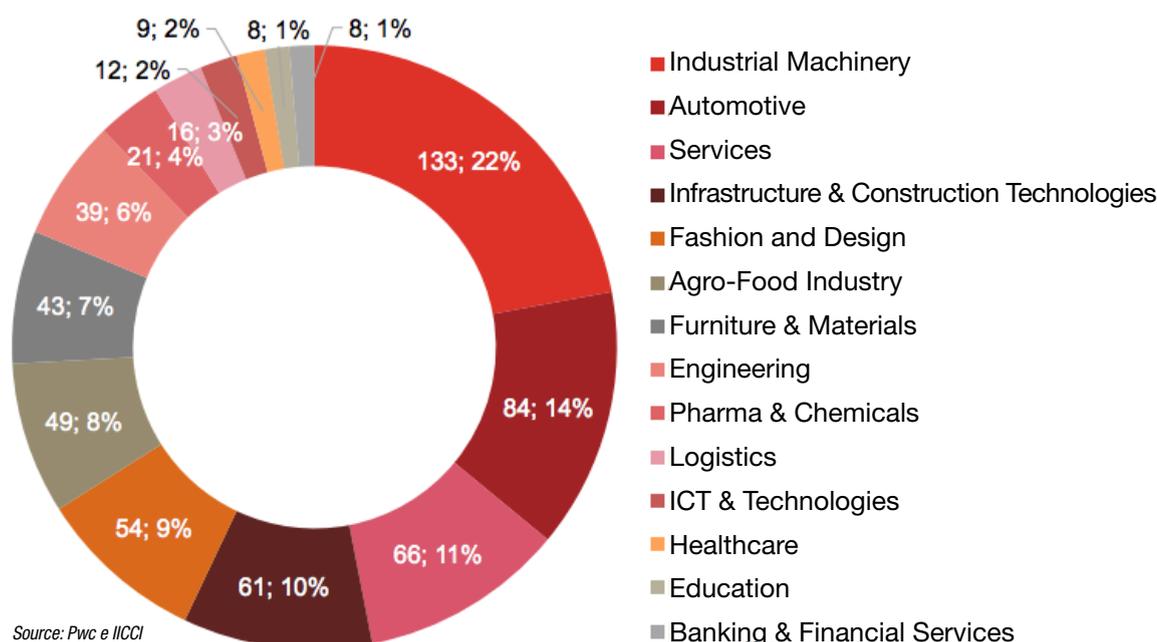
Indian trades is mainly with Asian countries (56.1%), although their importance is decreasing, in particular China (11.7%) and the Emirates (8%). The importance of Europe was substantially stable (18.7%), with Germany (3%), the United Kingdom (2%) and France (2%) in first place. The American continent 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

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

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



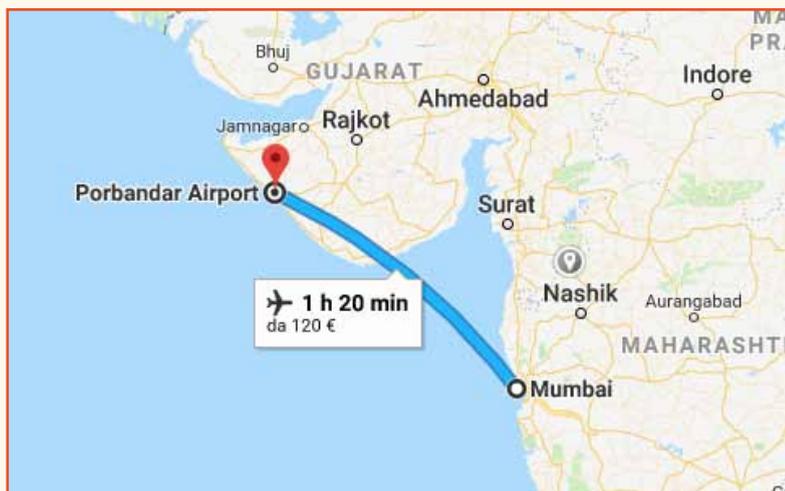
Piero Guizzetti, in the middle, with his Value Prism Consulting team

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

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 Singhania & 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



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-

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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

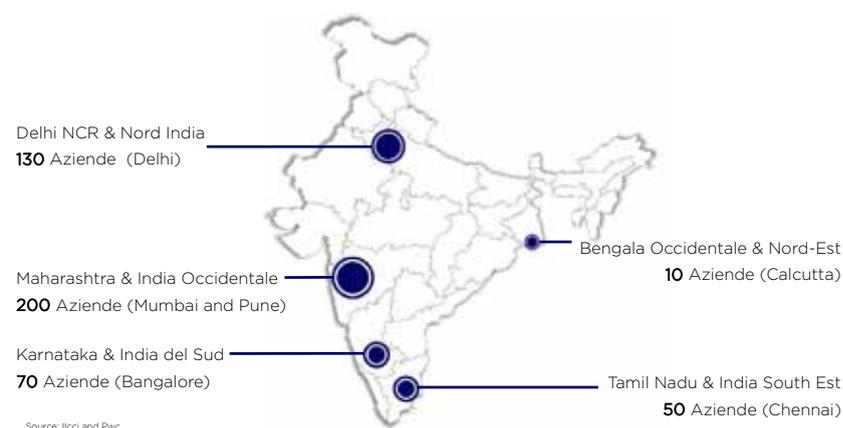
port system tends to be a reference point for the hinterland that also includes the regions of Bangalore and Hyderabad. Major investments are planned for interport and ground services. But the direct port and maritime connections between Italy and Southeast India are weak, if not non-existent, and transshipping 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. ■