

Germany Contact

INDIA

Magazine on Indo-German Economic Relations

German Centre Delhi.Gurgaon Centre of good contacts



- Renewable energy – New promising projects in Germany
- Business partner – Indo-German Chamber of Commerce
- Recent developments in Indian investments

Partners:



INDIEN CONTACT
www.owc.de



Confederation of Indian Industry

Publisher:



JOIN THE MARKETS – WORLDWIDE !

**HANNOVER MESSE
NOW IN RUSSIA**

TURKEY · Istanbul

9 - 12 December 2010 · December 2011

RENEX · Renewable Energy Resources, Energy Efficiency, Water, Water Treatment, Environmental and Fluid Control Technologies Exhibition

3 - 6 February 2011

WIN WORLD OF INDUSTRY Part I · Machinery, Welding, Surface Treatment, Materials Handling

17 - 20 March 2011

WIN WORLD OF INDUSTRY Part II · Automation, Electrotechnology, Hydraulics & Pneumatics

RUSSIA · Moscow

28 Sep - 1 Oct 2010 · Sep/Oct 2011

MDA RUSSIA · Motion Drive and Automation

Industrial Automation RUSSIA · Factory, Process and Industrial Building Automation

CeMAT RUSSIA · Materials Handling and Logistics

Surface RUSSIA · Surface Technology

INDIA · Mumbai

15 - 18 December 2010 · 6 - 9 December 2011

MDA INDIA Motion, Drive and Automation

Industrial Automation INDIA

Energy INDIA

CeMAT INDIA Materials Handling and Intralogistics

Surface INDIA · Surface Technology

CHINA · Beijing

12 - 15 May 2010

FA / PA Modern Factory / Process Automation Show

CHINA · Shanghai

25 - 28 October 2010 · 24 - 27 October 2011

PTC ASIA Power Transmission and Control

CeMAT ASIA Materials Handling and Logistics

9 - 13 November 2010 · 1 - 5 November 2011

IAS Industrial Automation Show

MWCS Metalworking and CNC Machine Tool Show



Deutsche Messe
Worldwide

Dear Readers,



STEPHAN MITTELHÄUSER
Editor in Chief

In the centre of good contacts - isn't that what we all want when starting a business? It was precisely for this reason that the German Centre Delhi.Gurgaon opened its doors in autumn 2008 to provide support for German SMEs' involvement in India. German Centres support companies as they develop and expand a base of their own in growth markets. With a mix of premises and services as well as rapid access to networks on offer, businesses are able to enter new markets fast - and at calculable risk and low cost. In this issue, we focus on the activities of the German Centre Delhi.Gurgaon.

With over 6,500 member companies, more than 85 employees and six branches in India as well as a liaison office in Düsseldorf, the Indo-German Chamber of Commerce is the biggest bilateral business organisation in the subcontinent and has the largest membership of all German chambers of commerce based abroad. You'll find an overview of activities of the IGCC in this issue, as well as an interview with the manager of the Düsseldorf office, Dirk Matter.

According to a recent McKinsey study, Germany is the perfect location for international renewable energy companies thanks to its highly skilled labour force and a tight-knit network of manufacturers, suppliers and research institutions. Germany is one of the biggest markets for renewable energy in the world - and the market is continuing to grow. In 2009, the proportion of energy supplied from renewables once again increased markedly to 16.1 per cent.

Power from offshore wind power turbines is to make a key contribution in future to Germany's energy and climate policy. The high average wind speeds over open water offer huge potential for energy generation. Alpha Ventus, the first offshore wind farm of its type in the North Sea, was officially commissioned on 27th April 2010. A week or so later, the foundation stone was laid for the Baltic 1 offshore wind farm sited off the German Baltic Sea coast. Both events mark the start of a new era in environmentally friendly power generation in Germany - way out at sea.

Sustainability and energy efficiency are coming to roads in Germany as well. In early May, the federal government along with scientists and representatives from industry launched the "National Platform for Electromobility". Around 150 experts in seven working groups are to develop proposals on how to realise the twin objectives of taking the lead in technology for developing essential key components and leading the market in the electromobility sector. In doing so, the German Chancellor, Angela Merkel, endorsed the target of putting one million electric vehicles on the roads in Germany by 2020.

In March, the IndoGerman Trade Network celebrated its fifth anniversary. The network was set up to make it easier for German and Indian companies to start up in their respective partner countries. We have a report for you on the network's festivities and its activities. It seems clear that Indian companies have recently become increasingly interested in investing in Germany as a business location. This issue contains an overview of Indian investments as well as the results of a recent survey among Indian companies in Germany.

We hope you have an enjoyable read.

■ 6 News

■ 8 German-Indian Cooperation



- 8 Start-up support in India
- 10 Guide to market entry

■ 12 Renewable Energy

- 12 New era in power generation
- 13 All systems go for Baltic 1
- 14 The spark that ignites

■ 16 Investment

- 16 Tremendous growth opportunities
Interview with
Wolfgang Lehmacher,
President and CEO GeoPost
Intercontinental
- 18 Excellent target



■ 20 Network

- 20 Substantial benefits

■ 22 Federal State

- 22 Saxony - high standards of excellence

■ 24 Companies & Cooperation

■ 27 Fairs & Exhibitions

■ 30 Last Page

- 30 Bollywood at Bergstrasse

Editorial details

Publisher:
Foreign Trade Institute, Ltd.

IfAD - Foreign Trade Institute
Managing director: Norbert Mayer
Hohenzollernstraße 11-13
40211 Düsseldorf, Germany
Phone: +49.211.550426-0
Fax: +49.211.550426-55
info@ifa-d.com
www.germanycontact.com

Editorial office:
OWC Foreign Trade Publishing House Ltd.
Ritterstr. 2B
10969 Berlin, Germany
Phone: +49.30.615089-0
Fax: +49.30.615089-29
redaktion@owc.de
www.owc.de

Editor in Chief: Stephan Mittelhäuser

Design: Birgit Meyer
Graphics and photos: Udo Zelmer
Translations:
allan.brown@browntranslations.de

Jurisdiction: Düsseldorf

All rights reserved. The editorial content of GermanyContact India is prepared in accordance with the highest standards of journalistic accuracy. IfAD does not assume any legal liability or responsibility for the accuracy, completeness, or quality of translation of any information.

Cover picture:
German Centre Delhi.Gurgaon

ISSN 1869-6554



Confederation of Indian Industry





Your experts for heavy lift and project cargo.

Project and heavy-lift carrier Beluga Shipping GmbH is a specialist for tailor-made transportation solutions. With a worldwide office network and an in-house Transport Engineering, the company is your reliable partner for the shipment of any kind of oversized goods. Currently, the modern Beluga fleet comprises 67 multipurpose heavy lift project carriers with lifting capacities of up to 800 tons, by March 2010 the maximum will increase to 1,400 tons, and by 2012 the fleet size will have reached 75 units.



DIHK**SME sector grasps opportunities abroad**

The German SME sector is once again investing more abroad. This is borne out in a recent analysis based on company size of the "Industrial investment abroad" survey carried out by the Association of German Chambers of Commerce & Industry, the DIHK. Based on the survey, the DIHK anticipates that in 2010 alone approx. 900,000 small and medium-sized companies with up to 500 employees are active abroad. "That's 150,000 more than in the crisis in 2009 and more than in the period from 2005 to 2008 when the economy performed well," says DIHK's Chief Executive Officer, Martin Wansleben. Mostly SMEs in the chemical and electrical engineering industries intend to invest abroad in 2010. The Asian markets are increasingly significant as a target region for SMEs. In contrast, small and medium-sized companies are choosing to invest less often in southeastern Europe and the states that acceded to the EU since 2004 than in previous years.

BVDW (German Association for the Digital Economy)**Media and web policy forum established**

The Bundesverband Digitale Wirtschaft (BVDW or German Association for the Digital Economy) has set up its new Media and Web Policy Forum and appointed Tobias Koppitz as Chair. The aim of the forum is to achieve closer integration of the association's media policy and the relevant areas of policy relating to interactive marketing, digital content and interactive added value and the daily needs of members. As well as the various components of media policy, the main concern is with aspects of web policy. The current focus includes data protection, online marketing, management and online content issues, as well as applications and services relating to all aspects of the internet. In 2010, the BVDW is planning through its Media and Web Policy Forum to hold events for politicians to actively discuss the different business models of the digital economy, thereby promoting understanding of the new internet-based branch of the economy in the political arena.

Renewable energy**Germany ideal hub**

A new McKinsey study has confirmed the feasibility of generating electricity from 100 per cent renewable energy sources in Europe by 2050. Germany's renewable energy industry is best placed to reach out to this market. The country has an experienced workforce and a dense network of manufacturers, suppliers, and researchers who are already helping companies from across the globe to succeed in the European market. Germany has one of the largest markets for renewable energies in the world, and it is continuing to grow. In 2009, electricity from renewable sources increased to 16.1 per cent of the total market. The attractive domestic market - as well as access to growing markets in eastern and western Europe - makes Germany an ideal business location for international players in renewable energies. The photovoltaic market continues to set the standard for Europe and the world. With new photovoltaic installations in 2009 exceeding 3.8 GW, Germany accounted for more than half the world's solar market last year. The new feasibility study, conducted by McKinsey and published by the European Climate Foundation, was commissioned to examine the feasibility of achieving the European Union goal of an 80 per cent reduction in greenhouse gases by 2050 compared with 1990 levels.

OECD**Sound economic constitution**

The OECD has certified in its 2010 report on Germany that the Federal Republic - in spite of the severity of the recession - is in sound economic health and that this applies to the German labour market in particular. The structural reforms carried out so far in the labour market in particular have improved the resistance of the German economy to economic crises, according to the OECD's assessment. "The German economy has clearly become more flexible, and this has proved to be an advantage, particularly in view of last year's unexpectedly severe slump. As a result of greater flexibility in working hours and the use of short-time working, the labour market has shown itself to be of a decidedly robust constitution." The OECD is reckoning on an increase in GDP of 1.3 per cent for the current year.

DIW study (German Institute for Economic Research)**Big cities grow to counter trend**

Germany's big cities are becoming increasingly attractive for people and businesses. This is the conclusion arrived at by the German Institute for Economic Research in Berlin in a recent study. The number of inhabitants of the 14 biggest German cities has increased on average by three per cent in the last decade, while the total population of Germany decreased slightly. The leading centres of employment are Hamburg, Munich and Frankfurt. Berlin has seen the most dynamic growth in recent times as well as Hamburg. The trend over many years towards the surrounding areas of large towns and cities also appears to be broken, as the number of inhabitants here has decreased since 2005. Overall, employment in towns and cities has grown by four per cent in the past decade, while it has stagnated for the whole of Germany. For a long time, it appeared as if the large towns and cities were on their way out as the control hubs of the economy. Even in the internet age, however, they are now experiencing a lasting renaissance.

Contact

www.diw.de

Property sector**Factor in stability**

The German Minister for Building, Peter Ramsauer, has highlighted the importance of the property sector for the stability of the German economy. Conservative property financing has shielded Germany against the upheavals that led to a dramatic economic crisis in a number of countries including the USA, says Ramsauer. The most popular form of finance in Germany continues to be the build-



into an important platform for Indo-German dialogue and takes place during the "Bollywood and beyond" festival of Indian film. This festival is to be held from 21st to 25th July 2010 and will present 50 new films. It is one of the biggest film festivals outside of India. This unique mixture of tradition and modernity constitutes the secret behind the success of the festival, at which the film nation of India presents itself with enchanting stories.

Contact
www.bollywood-festival.de

Munich Film Festival

India comes to the Isar

The 28th Munich Film Festival from 25th June to 3rd July will be presenting new Indian cinema as an extra feature this year. Straddling the River Isar, Germany's premier summer film festival expects to attract some 75,000 movie-goers as well as numerous filmmakers and industry insiders from around the world. The film festival launches a special section this year with exciting new films from India. The world's largest film industry has undergone a number of changes recently and a new Indian cinema with an ever-growing audience is emerging. "These films are sensational and they have to be seen," says festival director, Andreas Ströhl. "Developments like this in cinema don't happen very often. These new Indian audiences want more than just escapism and dance numbers: they want captivating entertainment with a realistic slant. These new films offer that and yet are still very much Indian films."

Contact
www.filmfest-muenchen.de

ding loan savings agreement with approximately 30 million agreements currently in force. Building loan savers are supported by the federal government through the housing bonus and the federal government intends to use this as a means of substantially increasing the rate of ownership. The rate of home ownership in Germany is currently 43 per cent and Germany has approx. 40 million homes available to house some 80 million people. Today, the focus of construction activity is investment in the housing stock. Central to this are modernisation projects for greater comfort and energy efficiency as well as modifications for new living requirements.

Bollywood and beyond

Welcome for the fourth time

The Indo-German Business Forum will take place for the fourth time on 22nd July 2010. This year's venue will be the Millennium Hotel & Resort located at the SI-Centrum Stuttgart. Since its beginnings in 2007, the Indo-German Business Forum has evolved

+++ FDI News April 2010 +++ FDI News April 2010 +++ FDI News April 2010 +++

- * Yokohama Rubber (Japan) has announced the opening of a new 3,000 sqm store at the Nurburgring racing circuit. Rubber is the first Japanese tyre manufacturer to open a directly managed shop at the circuit.
- * Tektronix, a US-based provider of test, measurement and monitoring instrumentation, has opened a centre of excellence in Cologne.
- * Stanch Stainless Steel, a Taiwan-based refined stainless steel products company, has opened an office in Germany. The office is the company's first outside Asia, and it plans to expand into other European countries.
- * Baxter's BioPharma Solutions (USA) business is completing the third expansion of its cytotoxic contract manufacturing facility in Halle. Due to be completed by May 2010, the 50 per cent capacity increase, including the addition of a lyophilisation unit to increase freeze-drying capacity, further enhances the company's ability to support early phase drug formulation.
- * Allen & Overy (UK), an international law firm has increased its presence in Germany adding three new partners to its offices including one in Düsseldorf.
- * The American Investment Management Company LaSalle, part of property investment and advisory firm Jones Lang LaSalle, has opened an office complex in Munich. Named Metris, it comprises 31,000 sqm of floor space and was constructed over a period of 18 months.
- * Danish recycling and separation technology company, Eldan Recycling, has opened a new sales office in Düsseldorf.
- * GMV, a Spanish multinational company which is active in advanced technology markets, has continued its international expansion with the opening of a subsidiary in Darmstadt.
- * Riwal, a Netherlands-based crane rental company, is set to open its first German branch in Dortmund. The 2,975 sqm branch is located near the city's airport and will provide its aerial services to the region.
- * Solimpeks Solar Energy Systems, a leading Turkish manufacturer of solar collectors, has opened its first foreign branch in Munich. The company will create five jobs in its sales division and plans to invest into R&D in the Bavarian capital in the near future by developing hybrid solar modules there

Source: Invest in Germany

Start-up support in India

German Centre Delhi.Gurgaon has a lot to offer

Are you interested in India, but wondering how to deal with this huge subcontinent? Two tenants of the German Centre Delhi.Gurgaon give us their comments and report on their experiences in India: Lödige Systems GmbH and management consultants, Rödl & Partner. The German Centre in Gurgaon is on the outskirts of New Delhi and supports the activities of German companies in India.

As a budding economic power, India is one of the most interesting growth markets in the world. Approx. 1,800 German companies are already active in India - and the trend is upwards. One of them is family-run company, Lödige Systems GmbH, based in Warburg in Westphalia, which specialises in the design, production and installation for the air cargo industry and storage centres and manages projects in more than 40 countries.

Their latest project is the design, delivery and installation of components for the "in-town check-in system" for the new Delhi Airport Metro system, which links the city centre with the airport. Here, passengers can check in their baggage in the city centre, which is then loaded fully automatically onto the metro trains and transferred directly to the baggage handling system at the airport. "We think there are excellent prospects for our products as a result of the current privatisation of airports and the issuing of concessions to private investors for the provision of air cargo and ground handling services," says Axel Hellriegel, Director of Business Development India, who has set up the newly opened Indian branch of the SME since last October.

The Indian subcontinent is extremely promising for other companies as well. The crisis in the financial markets and the economy virtually has passed India by without leaving a mark, and the country is politically stable and has a large skilled labour force at its disposal. The large domestic market, low production costs and a fast-growing SME sector add to India's attractiveness as a business location.



Inauguration of the new office in the German Centre: Axel Hellriegel is smashing a coconut, promising success on the Indian market.

Another world

However, the subcontinent also holds a number of difficulties: for example, barriers to entry, such as government regulation of the labour market and the various bureaucratic hurdles, need to be overcome. "A lot of companies underestimate the demands of the Indian market," says Mr. Hellriegel. As a graduate engineer, Mr. Hellriegel has worked abroad for almost ten years and lived for longer periods in Saudi Arabia, Thailand and Dubai. He feels that India has been the biggest challenge so far. "Life is very hard over here. As interesting and diverse as the country is, for a German it is like

entering a new world." The examples he cites are the poor infrastructure, the high level of price sensitivity and the lack of networks.

For this reason, a facility such as the German Centre Delhi.Gurgaon is "absolutely essential". The joint enterprise between the two German Landesbanks, Bayerische Landesbank and Landesbank Baden-Württemberg, makes it easier for SME companies to enter the new market. "We support our customers with ready-to-use office space and a comprehensive range of advice and services," says Managing Director, Nadine Ulrich, explaining her business model.



Direct business contacts

For Axel Hellriegel, direct access to reliable service providers and business contacts who are familiar with local conditions was key. He was also impressed by the infrastructure at the German Centre. "We needed to find an office that was in a good location and that was already well-equipped. After my arrival, I just had to plug in my laptop and was able to get started immediately."

For his neighbour at the German Centre, Martin Wörlein, who heads up the Indian offices of the consulting firm Rödl & Partner, the availability of adequate office space was a crucial

factor. The Nuremberg-based company specialises in company audits, tax consultancy, legal advice and management consultancy and is represented in 37 countries at 84 locations - true to the claim that they can be found where their clients are.

"As a service provider in particular, it is important for us to meet our clients in a German quality setting," explains Mr. Wörlein. That's why the company, which has operated for a number of years in India now and since 2006 has employed German consultants in India, moved into the German Centre last year, as such a good infrastructure and central location were nowhere to be found except at the German Centre.

Like Axel Hellriegel, Mr. Wörlein had also gained international experience abroad and was in the UK and the USA. But he would now no longer describe these countries as foreign, as they are too similar to Germany. India is quite different: "Here, it's not so easy to come in and feel at home immediately." It is much more the case that you need patience and personal commitment in order to settle in India.

The main reason for this, he believes, is a mentality that he was unaccustomed to. "Business relationships here are very personal. Business deals are not concluded in next to no time but are based upon trust between the business partners." Mr. Wörlein also perceives the lack of infrastructure to be a huge handicap: "Particularly as I have to travel so much to clients and professional colleagues."

Now, Martin Wörlein has settled in well in New Delhi. His family followed him to India in 2007 and his children attend the German School. As difficult as the transition was and as different as his everyday routine is, nevertheless the businessman would not have wanted to miss this experience in India, as the country is "too exciting and inspiring".

The German Centre Delhi.Gurgaon

Since December 2008, the German Centre Delhi.Gurgaon has been making it easier for German SMEs to enter the Indian market. As well as ready-to-use office space and seminar rooms, it also offers a comprehensive range of advice and services. At the café on the premises or at events, good contacts can

be made and experiences shared. The concept has proved itself worldwide, as German Centres have supported more than 1,500 tenant companies in challenging growth markets up to now. Introduced for the first time in 1995 in Singapore, German Centres have since been added in Beijing, Jakarta, Mexico City and Shanghai with another lined up in Moscow for the start of 2011.

Contact



German Centre for Industry and Trade
Delhi Private Limited
Building No.9, Tower B,
Level 12, DLF Cyber City Phase III
Gurgaon - 122 002, Haryana
Tel.: +91 124 463-6000
Fax: +91 124 463-5999
info@gurgaon.germancentre.com

Links:

Lödige Industries Group
www.loedige.com

Rödl & Partner
www.roedl.de

German Centre Delhi.Gurgaon
www.gurgaon.germancentre.com

German Centre Network
www.germancentre.com

Guide to market entry

Indo-German Chamber of Commerce –
a reliable business partner in bilateral relations



Whether big or small business: Indo-German Chamber of Commerce is a professional partner

By Verena Würz,
Indo-German Chamber of
Commerce

The Indo-German Chamber of Commerce is a reliable partner supporting German companies in implementing their business plans in India, and equally Indian companies receive support when entering the market in Germany. The level of awareness of the Indo-German Chamber of Commerce and the great respect in which it is held are able to open doors and tap sources of information which – without considerable effort – would otherwise remain unlocked.

With over 6,500 member companies, more than 85 employees and six branches in Mumbai, Delhi, Kolkata, Chennai, Bangalore and Pune as well as a liaison office in Düsseldorf, the AHK India, better known as the Indo-German Chamber of Commerce (IGCC), is the biggest bilateral business organisation in the subcontinent and has the biggest membership of all the German chambers of commerce based abroad. The IGCC is extremely well-connected to international networks and in particular to networks in Germany as well - not only via the 120 offices of the German CCI network in 80 countries, but also through specific links with the India Desks, which are staffed by specially trained advisers at other German chambers of commerce. For example, there are now 15 India Desks at CCIs based in Germany and eight India Desks at German CCIs based abroad. A representative of the

Indo-German Chamber of Commerce in Brussels ensures there is a supply of information on European developments that are of relevance to Indo-German business relations.

Trade fair representation

In India, the IGCC is the official representative for trade fairs in Munich, Berlin and Nuremberg as well as individual shows such as the Toy Fair and RESALE. It also provides representation for a selection of international exhibitions at the Essen showground and for events organiser, Reed Exhibitions. The Indo-German Chamber of Commerce regularly organises the “German Pavilion” at Indian trade fairs that are of significance to German industry. Here, German companies who are not yet known in India have the opportunity to display their products with other German companies under the “Made in Germany” brand.

Photos: Indo-German Chamber of Commerce, OWC

Training centres and events

In addition, Indo-German Training Centres (IGTCs) operate in the cities of Mumbai, Chennai, Bangalore and now also in Kolkata, where new Indian talent can attend training courses in Business Administration based on Germany's proven "dual system".

The events held by the Indo-German Chamber of Commerce have acquired a special value for some time now not only in providing information but also in performing a networking role. They serve as a platform for interaction with the Indo-German business world, industry associations and the Indian and German authorities. Among the most important regular meetings are the annual meetings of the Indo-German Chamber of Commerce in India and in Germany. With recent attendances totalling approximately 500 participants in India and 450 participants in Germany, these annual get-togethers are the biggest events in the Indo-German business world. This is where business people, diplomats and representatives of the media gather – and the next time will be in Düsseldorf on 16th June 2010 and in Mumbai on 24th September 2010.

Business delegations

Every year, the Indo-German Chamber of Commerce organises six to eight delegations to India and Germany. These involve not only industry-specific business delegations but also regional business delegations, such as the India trip scheduled for September for entrepreneurs from Lower Saxony accompanied by the State President, Christian Wulff. In order to ensure the trips are successful in generating business for participating companies, the IGCC organises B2B meetings with potential business partners locally, company visits, seminars, presentations and receptions.

For more than 50 years, the IGCC has been one of the most reliable sources of information on India and Germany, a major active platform for networking and sharing experience as well as a trusted guide to market entry. And the IGCC will continue to exercise its leadership role in future in representing Germany business interests in India and Indian business interests in Germany.

Contact:

Indo-German Chamber of Commerce
Citadellstrasse 12
D-40213 Düsseldorf
Tel: +49 (0)211 360597
Fax: +49 (0)211 350287
Email: duesseldorf@indo-german.com
www.indien.ahk.de

Chamber of Commerce - a resounding success

Interview with Dirk Matter from the Düsseldorf Liaison Office of the Indo-German Chamber of Commerce



A new factory opens almost every week in India. There are excellent opportunities to be had for German SMEs and, with the right push, even small companies can win government tenders, says Dirk Matter, Manager of the Liaison Office at the Düsseldorf branch of the Indo-German Chamber of Commerce.

Mr Matter, with seven per cent growth in GDP in the 2009/10 financial year, the Indian elephant just keeps on growing. Have German companies been able to profit from this growth?

Yes, I think they have. In the past four to five years, German exports to India have more than doubled and in 2008 stood at over eight billion euros. In 2009, there was a decline of 2.5 per cent due to the crisis. However, when you consider that some of Germany's export markets collapsed by 20 to 25 per cent, then you might say that German exports to India got away with just a black eye. Even in January and February 2010, cumulative growth was back to 19 per cent, even though the base effect is a factor here. But the second key indicator, industrial growth, was also up again in the last quarter of 2009 by 14 per cent. And this is precisely where the thrust of the German plant and machinery engineering industry lies.

... and which in 2009 just like the automotive engineering industry had to sustain particularly heavy export losses. Can we now see a reversal in the trend?

Yes, you could say that. India is a country with a young industry and the market is not yet saturated – and India is a country with large-scale plant engineering projects. There's a lot going on there. New steelworks are being constructed – Mittal is planning a new one as well. Modern power plants are being constructed – both conventional and solar plants. These are all projects of interest to German machine and plant engineers. In this sector, Germany is the no. 1 supplier in India. Not only

do German companies and products have an excellent reputation but the "Made in Germany" brand is still a resounding success in India! Although India now produces 70 per cent of its machinery itself, the remaining 30 per cent is imported and it is precisely in this segment that we are market leaders.

Recently, it seems that Indian investors are increasingly interested in Germany as a business location. Are you seeing that in your own work?

Yes, absolutely. And there have been some notable changes. Whereas ten years ago anyone who took their investment abroad was still regarded as betraying Mother India, Indians see themselves today as winners in the globalisation process. They say it themselves: we are efficient, we are well trained, we are smart and we can compete internationally. Their success in IT gives them the right to say so. Entrepreneurs who have successfully established their businesses abroad are celebrated like heroes today.

What are the trends in Indian investment in Germany? Are specific sectors or even specific regions particularly sought after? Currently, there are some 350 Indian investments of a larger size in Germany. All the giants of the Indian IT industry are now represented here. These companies are also employing German staff. A great many companies have arrived through M&A transactions. The Indians have been very pragmatic in their dealings here and have bought companies in the metalworking, automotive and pharmaceutical sectors that were going cheap. So in this respect, no regional priorities were necessarily set.

As the IGCC, how do you assist Indian companies who wish to invest in Germany?

We are not active in this area as yet, but are planning to be involved in future. We have two members of staff in Mumbai who deal specifically with the outbound business. At the moment, we are dealing with initial enquiries and passing on Indian companies to our network partners – lawyers, auditors and of course our colleagues on the 15 CCI India Desks. We nominate specific contacts for economic development and make clients aware of suitable locations. In addition, we carry out a pre-selection process, which in turn makes the work of our German partners easier.

Dirk Matter was speaking to
Petra Reichardt

New era in power generation

Germany's first offshore wind farm is formally commissioned



Alpha Ventus is ready for generating power

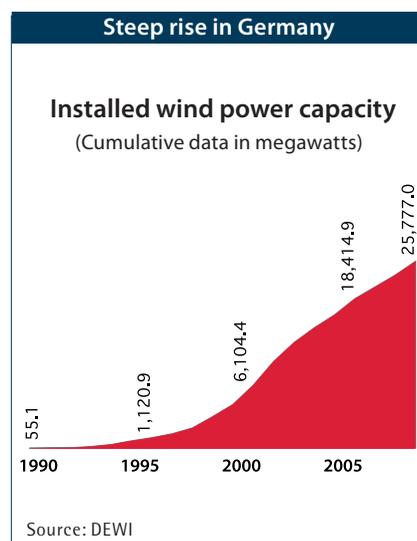
On 27th April, Federal Environment Minister Norbert Röttgen together with the Chief Executive Officers of EWE, E.ON and Vattenfall Europe commissioned Germany's first offshore wind farm at a ceremony in Norddeich. Alpha Ventus is the first wind farm of its kind to be constructed in the open sea in German territorial waters. It marks the beginning of a new era in environmentally-friendly power generation in Germany - in the open sea far from the coast, operating in deep-sea conditions and utilising cutting-edge technology.

Alpha Ventus was constructed offshore, 45 kilometres from the island of Borkum by a consortium of EWE, E.ON and Vattenfall Europe, who together have invested 250 million euros to bring this project to successful completion. Alongside clean power generation, Alpha Ventus also serves as a test site for research projects concerned with nature conservation and funded by the Federal Ministry for the Environment.

At the official commissioning of Alpha Ventus, Norbert Röttgen stated that "The use of wind power will play a key role in the energy mix of the future. Our goal is an installed offshore capacity of 25,000 MW by the year 2030. Alpha Ventus is the beginning - pioneering work which has truly taken us over the threshold and into the age of renewable energy."

Alpha Ventus has already had an influence on subsequent projects car-

ried out by EWE, E.ON and Vattenfall, as Dr. Werner Brinker, CEO of EWE AG, explains: "The commissioning of



Key data - Alpha Ventus

- Number of units: 12
- Total capacity: 60 MW
- Expected energy yield per annum: approx. 220 gigawatt/hours (= annual energy consumption of about 50,000 average-sized households)

Alpha Ventus is the culmination of an exemplary pioneering project. Today we have fired the starting pistol for the use of wind power off the German coast of the North Sea."

Remarkable logistical achievement

The construction of Alpha Ventus thus represents a remarkable logistical achievement. After some initial difficulties with the construction vessels in 2008, "lessons were learned" and applied straightaway in the selection of more suitable equipment in 2009, with the result that all twelve wind turbines were erected in seven months.

When construction was at its peak in summer 2009, around 350 people and up to 25 different ships were simultaneously at work. While the twelve wind turbines were being completed, the first six units were already being tested and generating power.

Alpha Ventus began generating electricity in the North Sea in August 2009. Once the construction of the offshore transformer station was successfully completed in September 2008, everything was in place for transmitting the electricity generated by wind power ashore. An underwater cable was installed last year to connect the offshore transformer station to the German power grid.

Further expansion

Overall, Germany is expanding into the North Sea and the Baltic Sea through major projects. After a decade of rapid growth in onshore wind farms, there are plans for the creation of around 40 major offshore wind farms over the next decade. These will produce up to 12,000 megawatts - enough electricity for millions of households and the equivalent of the power generated by five nuclear reactors.

Contact

www.alpha-ventus.de

All systems go for Baltic 1

First commercial offshore wind farm in the Baltic Sea

In the presence of the State President of Mecklenburg-Western Pomerania, Erwin Sellering, and almost two hundred guests, EnBW Energie Baden-Württemberg AG laid the foundation stone for the first commercial offshore wind farm sited off the German coast of the Baltic Sea in Rostock in early May: the EnBW Baltic 1. The offshore wind farm will be erected 16 kilometres north of the Darß/Zingst peninsula in an area of seven square kilometres. The 21 wind turbines will comprise a total capacity of approximately 50 megawatts and generate in this way 185 gigawatt hours of electricity for around 50,000 households annually.



Laying of the foundation stone of Baltic 1

In welcoming the guests, EnBW Executive Board Chairman, Hans-Peter Villis, emphasised: "In the energy mix of the future, the use of wind power - especially offshore - has a key role to play. We are still at the start of development but we are also certainly well on our way to being pioneers in the power industry. And we are pleased to accept the challenge."

"Renewable energy is a huge market which is set to carry on growing in future. We in Mecklenburg-Western Pomerania want to profit from that," emphasised Mecklenburg-Western Pomerania's State President, Erwin Sellering, in his address. "Our state is already at the top of the table in the use of renewable energy."

Approximately 45 per cent of our electricity comes from renewable energy sources, and two-thirds of this is from wind power. We want to build on that. Offshore wind power has a central role to play here."

According to a statement by Hans-Josef Zimmer, Chief Technical Officer at EnBW, his company has set itself the target of generating some 20 per cent of its energy mix from renewable energy by the year 2020. Offshore wind power should play a vital role here. For this reason, EnBW's Supervisory Board has decided to develop a second offshore wind farm in the Baltic Sea.

In total, the company is planning to build up a total capacity of almost 1,200 megawatts offshore wind power in the next few years. The total sum invested will then amount to some three billion euros, according to Zimmer.

The connection to the current transfer and distribution networks is managed by the company 50Hertz Offshore GmbH, a subsidiary of transmission system operator 50Hertz Transmission GmbH. Once the wind farm is completed, the electricity will need to be transferred at sea via an underwater cable to the substation at Bentwisch and from there distributed to consumers via the onshore power grid.

As the transfer network operator, the company is responsible for the operation and development of the transfer network to cope with the demand onshore.

Baltic 1 at a glance

- 21 turbines each 2,300 kW
- Depth of water: 16 - 19 m
- Total capacity: 48.3 MW
- Annual capacity equates to the power required by a minimum of 50,000 households
- Completion is expected at the end of 2010

Study

Combined grid solutions

The study „Kriegers Flak Combined Grid Solution“ examines the technical feasibility to connect offshore wind parks between Germany, Denmark and Sweden. Different technical concepts for connecting offshore wind farms in the Baltic Sea - Kriegers Flak 1 in Germany, Kriegers Flak 2 in Sweden, and Kriegers Flak 3 in Denmark - have been investigated. The reference case is a classical solution where the offshore wind farms are only connected directly to each country. This concept is compared to combined grid solutions where the grid connection of the wind farms would also function as an interconnector. It is assumed that the wind farm KF1 in Germany will be realised between mid-2012 and 2013. The grid connection therefore needs to be ready by mid-2012. Planning for this wind farm has already started and a final decision on its realisation is expected by April 2010. A decision on KF3 in Denmark is expected to be made before summer 2010. In mid 2012 the final investment decision for realizing the Combined Solution Project is expected. It is estimated that the Combined Grid Solution Project could be realised between October 2012 and June 2016 to be in operation from July 2016. Source: www.50hertz-offshore.net

The spark that ignites

Politics and industry pull together on the issue of electromobility

The issue of electromobility is electrifying car manufacturers and the big power companies in Germany. Increasing oil and petrol prices, strict regulations on CO₂ emissions and tough competition in the car industry are bringing about a gradual reversal of trend away from fossil fuels and towards electric drives. In early May, the federal government created a "National Platform for Electromobility" to stand shoulder-to-shoulder with industry in supporting the development of electric drive systems.

The German government has set itself an ambitious target: by 2020, one million electric vehicles and a further 500,000 fuel cell vehicles are to be on the roads in Germany. In 40 years' time, urban traffic should be able to dispense largely with fossil fuels. Meeting this target requires the development of innovative drive technologies. To this end, electromobility has a key role to play: vehicles with an electric drive do not generate any emissions and nor do they rely on fossil fuels. In the long term, the government believes that electric vehicles should "fill up" with electricity generated from renewable energy sources.

Extent of electrification will increase

We are currently still a long way from reaching the "one million electric cars target". At the moment, there are only a few thousand of these vehicles on Germany's roads. However, the experts are unanimous: the extent of electrification will increase continuously in the next few years - in Germany and throughout the world. A recent study carried out by management consultants, McKinsey, for the German Environment Ministry highlights the potential of electromobility: to adhere to the 2°C target set by the IPCC [Intergovernmental Panel on Climate Change], Germany would have to



More cars to fill up on electricity in the future

reduce its annual CO₂ emissions substantially. Passenger traffic creates 12 per cent of Germany's total emissions and therefore needs to make a significant contribution.

The authors of the study assume that in 2020 electric/hybrid vehicles will be able to achieve a global market share of up to 33 per cent of new car business with a possible sales volume of up to 470 billion euros. In turn, this could result in the creation of approximately 250,000 new jobs in the battery and electronics industries.

As well as the increasing importance of electromobility, the optimisation of conventional combustion engines still remains right at the top of the agenda. This is because, with a

total of approx. 42 million passenger cars in Germany, one million electrically driven vehicles would only be just over two per cent of vehicle volumes. Vehicles with combustion engines will make up the lion's share of the passenger car volume in the foreseeable future as well - hence the need to make conventional engines that are even lower in emissions in future.

National Platform for Electromobility agreed

The federal government wants to support electric drives with help from the "National Platform for Electromobility" launched at the beginning of May. The aim is that political, business and

rently working together to drive the development of an infrastructure and the embedding of electromobility in their areas.

There are no direct incentives to purchase an electric car in the form of a second car scrappage premium. A decision will only be made on possible support for research or tax relief when the working groups have presented their initial results.

Fundamental problems still to be resolved

Despite the consolidated efforts of the industrial and political communities, the changeover to electromobility is not going to happen in the immediate future. A faster changeover from petrol-driven propulsion to electromobility is unlikely, as a number of fundamental questions remain unanswered. Key issues such as low weight, high storage capacity, improved range and affordable batteries need to be resolved.

The high cost of batteries is very much the biggest challenge: the current cost per battery is between 10,000 and 15,000 euros. And not only is the range of the vehicles is too limited for many users, but the development of an infrastructure (e.g. charging stations) is also still in its infancy. Some of the first small-series production cars are equipped with batteries with a capacity of 16 to 12 kilowatt hours, or the equivalent energy content of about two liters of fuel. This can provide a driving distance of about 100 kilometers or more but only under slow driving.

Battery technology is the central matter

In the longer term, electromobility should be able to manage without assistance from the state. For pure electric vehicles to become affordable for the mass market without subsidies the battery cost would have to fall by approximately 70 per cent, and this is not feasible in the short term.

In order to improve Germany's position in the area of battery technology, the Ministry of Economics & Technology has set up a new "Storage" focus for its financial support, which covers the entire spectrum of different mobile and stationary power storage technologies.

German car manufacturers have intensified their research and development efforts and have entered into cooperation with Japanese and Chinese manufacturers in the battery industry. The German automotive industry will invest approximately



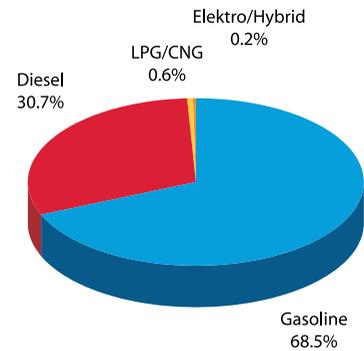
scientific communities should all be pulling in the same direction to solve the main issues relating to electromobility. The task of the Platform will be to coordinate research and development and to direct this more effectively than before to projects that are geared to the market. To this end, seven working groups are to work on specific steps towards implementation during the course of the year.

The federal government is supporting the development and market preparation of electromobility from 2009 to 2011 with a total of 500 million euros from the 2nd Economic Stimulus Package. In eight model regions, scientists, industry and participating local authorities are cur-

New passenger car registrations

According to drive type in 2009

(Share in per cent)



Source: KBA

20 billion euros a year into research and development over the next few years, with a significant part of this outlay to be invested in electromobility, fuel-efficient vehicles and other energy-saving measures.

Competition is energised

Battle has commenced for the best outcome in the transition to the "electric car era". For example, China is chasing a target of constructing around one million electric cars per year - as early as 2012. To achieve this target, the government is awarding huge subsidies. The People's Republic wants to play a pioneering role in battery technology. According to a government plan, electric vehicles are to receive support in the initial phase of 50,000 to 60,000 yuan per car. As all the energy companies in China are state-owned, the construction of an infrastructure with charging stations presents fewer problems.

The US government is making around 22 billion euros available in the next five years for research and development in electromobility. French car makers are already offering a whole range of electric cars, with the first models due to come onto the market as early as this year. Spain, Portugal and Denmark are also offering direct financial support for purchasing electric cars.

Mobility that is both futureproof and efficient is of exceptional importance for Germany as a location for research and development. As it positions its technology to address the question of electromobility in the future, Germany as a hub of technology and innovation can play all its trump cards to full advantage.

Stephan Mittelhäuser

Interview

Tremendous growth opportunities with Wolfgang Lehmacher



WOLFGANG LEHMACHER
President and CEO GeoPost Intercontinental

Mr. Lehmacher, DPD Continental, a joint venture with your Indian partner Continental Air Express, was founded 2009. What are your expectations regarding this joint venture in particular and the Indian parcel and express service market in general? Our expectations regarding DPD Continental and the Indian express parcel market are closely linked. As the world's domestic express parcel specialist, we invested in India because we believe in the business potential in the Indian market. India is without doubt one of the fastest growing large economies in the world. To give an example, 270 million people are expected to enter the job market within the next 20 years. This will bring a significant stimulus, not only in terms of business process outsourcing, but also for manufacturing. And manufacturing of course needs transport, as transport facilitates trade. This means as well that the growth of the transport industry is a function of the growth of the economy. GeoPost DPD has centred its global expansion strategy on the BRICS countries (Brazil, Russia, India, China and South Africa). India is therefore central to our interest. Consequently, we entered the Indian market in 2008 through an arms-length agreement with Continental Carriers and converted this arrangement in 2009 to the joint venture company, DPD Continental Pvt. Ltd. This is the platform from

DPD Continental, a joint venture between GeoPost Intercontinental and Indian partner Continental Air Express, was founded in 2009. GermanyContact India spoke to Wolfgang Lehmacher, President and CEO GeoPost Intercontinental, about the prospects for the Indian parcel and express service market and his expectations for the company's involvement in India.

which we will continue to develop business in India and the South Asian region.

What are the advantages of having an Indian business partner?

The partnership model reflects our way of doing business worldwide, not just in India. Partnering with local businesses enables us to be close to our customers. Regional and local partners have in-depth market knowledge - about customer requirements, institutions and legislation and of course the way in which business is conducted in their respective territories. This model allows GeoPost DPD to offer the most flexible express parcel delivery services in India and where ever we operate. Joint ventures provide for sufficiently robust operations, and more importantly they ensure that local entities have the specific capabilities they need to be successful in their specific local environment. We believe that partnerships are the modern way to run a global network - to run the most flexible global express parcel network. The combination of local expertise and flexibility of top-ranking players allied to GeoPost DPD's global knowledge and standards is the key to mutual benefits and shared success.

At the end of last year, you opened two additional depots in Bangalore and Chennai. Do you have concrete plans for further expansion in India? Besides Delhi and Mumbai, we have indeed opened depots in Bangalore and Chennai. GeoPost DPD's aspira-

tion to offer customers the services they enjoy in Europe on a global scale requires that we continuously enhance our operational platforms. Furthermore, the dynamics of the Indian market require that we keep pace with developments, which drives a flexible expansion mode. We will therefore continue to monitor the market closely and act appropriately and keep the market informed of the outcome of our expansion as GeoPost DPD continues to grow.

With regard to different industrial sectors: Where do you see highest growth prospects in India? Do you have a regional focus?

India somehow continues to be isolated from the financial turmoil impacting on many other economies. This reflects the balance between domestic demand and export-led growth. I believe that the recent growth drivers in India have been liberalisation, education and entrepreneurship. 125 of the Fortune 500 companies have R&D centres in India and 400 of the Fortune 500 have outsourced their software development to India. This has provided tremendous growth opportunities in the services industry. The future key growth drivers will be infrastructure and technology. Both are pre-requisites for building a strong manufacturing base which will enable India to tap into a broader potential at the high end of the market. So far, the GeoPost DPD sales force in India has focused on export and information technology companies. We see major potential

in the fast-growing manufacturing industry in India.

India's road infrastructure is in a rather poor condition. How does this affect your business?

Considering the size of the country and the dynamics of its development, infrastructure - and the roads network in particular - would represent a major challenge for any government in the world. The Indian government has launched a national roads project which is now making fast progress. The project foresees seven phases of construction with a total investment of nearly 100 billion US dollars. The scope of the project is impressive, including the development of a Golden Quadrilateral of 5,846 km connecting the five major Indian metropolitan areas, a North-South-East-West corridor of over 7,000 km each and the widening of highways to 4 and even 6 lanes. Significant improvements are already underway with this project. The Geo-Post DPD entry offer to the Indian market was our international air services. We will pursue our expansion in India in line with the dynamics of the

market and economy and as well our own development capability.

How do you plan to approach Indian customers? What are your expectations regarding market share?

First of all, our business in India is based on the market position and capabilities of two strong partners. The Continental Carriers Group is one of India's top freight forwarders and has been at the forefront of the courier, express and parcel segment for many decades. Geo-Post regroups, mainly under the brand DPD, the express parcel subsidiaries of French group, La Poste, which is one of the world's largest operators in the transport and services sector. GeoPost itself ranks no.1 in France and no.2 in Europe on the express parcel market. This powerful combination allows DPD Continental to leverage reputation and assets to offer premium express parcel services. More specifically, DPD Continental benefits from the reputation, knowledge and local proximity of the Continental Group, as well as from the strength and capabilities of its European stronghold, global network and top-ranking business partners in other

key markets of the world, such as Yurtici Kargo in Turkey, the Laser Group in South Africa and the Kanoo Group in the UAE, to name just a few. All our partners contribute to the privileged and long-standing relationships we have with customers, delivery companies and world-class airlines, such as AFKLM and British Airways, in achieving our fair market share.

You also play an active role in China. What are the differences and similarities in offering express services in these two countries?

India and China are countries with strong growth, requiring continuous adjustment to dynamically changing situations. The difference between the two giants is driven by the different cultures, political systems and ultimately consumer and customer preferences and behaviour. Development and success in both countries call for the combination of local knowledge and international standards in express parcel delivery services, which Geo-Post DPD - together with its partners - can offer in India, China and other key markets worldwide.

Your Gateway to "Training – Made in Germany"

In today's competitive world, education and continuous training are the key to productivity, employability and social stability. Training made in Germany provides you with the competitive edge because of its strong practical orientation, its close alignment with industry and job markets as well as its integration of professional, social and problem-solving skills.

Use our services to establish contact with German providers of vocational and technical training. Visit our multilingual database www.imove-germany.de/english for more information.

iMOVE is an initiative of the Federal Ministry of Education and Research. Our mission is to promote international cooperation and business relations among German training providers and international public and private organisations. We bring people together.



TRAINING – MADE IN GERMANY

iMOVE at the Federal Institute for Vocational Education and Training (BIBB)

Robert-Schuman-Platz 3 | D-53175 BONN

Phone + 49 (0)2 28-107-1745 | Fax + 49 (0)2 28-107-28 95

info@imove-germany.de | www.imove-germany.de/english

AN INITIATIVE OF THE



**Federal Ministry
of Education
and Research**

Excellent target

Indian investment in Germany – recent developments and success factors

Indian firms lead the pack of emerging market investors in Germany, with about 188 subsidiaries providing employment to close to 23,500 people. This article provides an update on trends in Indian investment in Germany and examines the performance of Indian subsidiaries.

Economic liberalisation in India and the ensuing growth have opened up a wealth of opportunities for Indian companies. While firms are faced with increased competition on their home turf, domestic and overseas success has put significant slack resources at their disposal. As a recent study of 700 publicly-listed Indian companies has shown, firms registered a 36 per cent increase in net profits for the first quarter of 2010. Exposure to global competition has forced firms to build world-class technical and managerial capabilities. Encouraged by government support for outward foreign direct investment (FDI), Indian firms have rapidly emerged as a significant source of FDI. Between March 2001 and December 2009, India's outward FDI stock has increased more than 28-fold, from 2.6 billion US dollars to 77.3 billion US dollars, according to official data. In a contrast to their Chinese counterparts, Indian firms have tended to prefer developed Western countries for their investments.

Germany, along with the USA and UK, has emerged as a primary target for Indian FDI. Not only does the largest economy in Europe provide attractive market opportunities, Germany

– with its established technological prowess, high-quality infrastructure and reliable institutional set-up – is also considered an excellent investment target by many Indian firms.

Recent Indian FDI in Germany

As of the end of March 2010, the stock of Indian FDI in Germany was estimated to be about 4.1 billion euros. Even though 2009 did not see any “big-ticket” investment coming to Germany, some ten FDI projects were recorded between 2009 and March 2010. These projects had an estimated volume of about 100 million US dollars. Five of these projects were green-field investments, while the others involved acquisitions.

Apollo Tyres, Motherson Sumi, the Essar Group, and Kiri Dyes & Chemicals were among the investors. In addition, one investment valued at an estimated 30 million euros was undertaken by Megha Mittal, the daughter-in-law of steel tycoon, L.N. Mittal. This investment is not included in our figures, however, since the Mittals are headquartered outside India. The federal state of North Rhine-Westphalia (NRW) continued to outshine other states in attracting Indian FDI, with as many as seven of the new projects having an NRW connection.

2009 also saw two prominent cases of “Indian” insolvencies in Germany involving Reliance Industries (Trevira) and the Sakthi Group. These two companies together provided employment for over 2,600 people in Germany. Taking into consideration the investments and divestments in this period, we counted 132 India-headquartered multinational corporations (MNCs) and their 188 subsidiaries (i.e.

majority stakes and wholly-owned businesses) active in Germany as of March 2010. The chart on the right side shows the composition of Indian MNCs by industry at the end of March 2010. The share of automobile industry firms increased while the share of IT industry firms decreased slightly compared to 2008. Other industries also registered a minor shift in their share of the overall composition. According to a recent study by IBM Business Services, Indian firms accounted for three per cent of all new jobs created by foreign investors in Germany in the year 2008. Indian firms, excluding the Mittal Group, provided around 23,500 regular full-time jobs in Germany.

Performance of Indian enterprises

About 40 per cent of all Indian MNCs suffer from negative performance by their overseas subsidiaries. In order to obtain a first-hand impression of the performance of Indian enterprises in Germany and the relevant success factors, we conducted an empirical survey among subsidiaries of Indian firms in Germany. The survey was conducted in the autumn of 2009, with 21 Indian firms participating. Despite its tentative character owing to the relatively small sample, this exploratory study delivers some very useful insights, as has been confirmed in various interviews with experts. Seven of the firms were from the IT sector, four from the automotive industry, four from pharmaceuticals, and the rest from various other industries. Although the average age of the companies was 5.25 years, only six firms had actually been active in Germany for more than five years. Except for three joint ventures, all the other firms were wholly-owned subsidiaries.

Participants were asked to evaluate the success of their German operations on a scale of 1 (“Totally failed”) to 6 (“Very successful”). On average, the respondents evaluated their success at 4. About one-third of all participants perceived their success to be below average. Apart from sector-specific success (automotive and IT), it seems that operational experience in Germany (i.e. the age of the com-

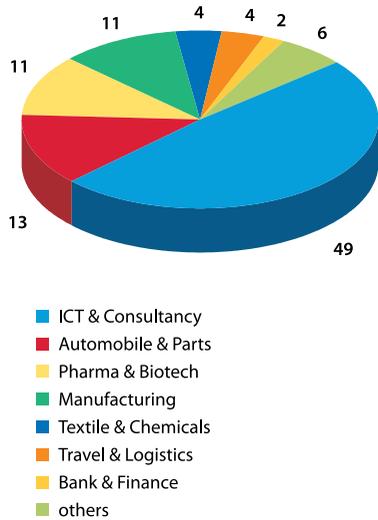


* About the authors

Rajnish Tiwari is a Research Associate at the Institute for Technology and Innovation Management at Hamburg University of Technology (TUHH). Prof. Dr. Cornelius Herstatt is Head of the Institute. The full study is available for downloading at www.global-innovation.net.

Composition of Indian MNCs

(By industry, In per cent)



Base: 132 India-headquartered MNCs

Source: Tiwari, Herstatt: Indian Investments in Germany Revisited: A Study of Trends and Success Factors

pany) has a positive influence on success. Similarly, firms appeared to do better if their parent group in India had not made changes to the business model. On the other hand, joint ventures and a high rate of expatriates in the workforce appear to have a negative influence on company performance. In some instances, firms reported post-acquisition difficulties such as lower turnover, increased attrition, extended recruitment time and reduced quality perception. The silver lining to such clouds, however, was that these developments did not seem to be endemic in all Indian acquisitions. Firms with a longer presence in Germany or a higher degree of local management in particular were less likely to face such difficulties. Post-acquisition success therefore appears to correlate with managerial

actions and image perceptions.

Survey participants were asked about average growth in turnover, profitability and headcount in the previous three years. Most firms reported moderate to high levels of success. Whereas two survey participants reported high or hyper success, none had negative or zero growth for all indicators. However, the growth in turnover did not necessarily lead to greater profitability and greater profitability did not necessarily lead to a higher headcount.

A comparative analysis showed that firms were more successful when they could muster organisational capabilities to overcome regulatory and bureaucratic hurdles and find the right mix of strategic and operational autonomy. Companies that competed solely on the basis of lower pricing were found to be at a disadvantage vis-à-vis firms that had an enhanced focus on superior quality and image. Successful firms were more often able to attract and retain local talent. Finally, the ability to bridge cross-cultural gaps was an important factor in achieving success.

Growing importance

The study confirms the growing importance of Indian FDI in Germany. As trade between the two countries intensifies and more Indian companies venture abroad, Germany will become indispensable for many an Indian firm. Because of its geographical, cultural and linguistic distance, however, Germany is not an easy market for many Indian MNCs. Nonetheless, as the study shows, it is possible - with careful cultivation - to achieve extraordinary success in the highly attractive German market.

Contact

Hamburg University of Technology
Tel. +49 (0)404 2878 3776
Email: tiwari@tuhh.de; c.herstatt@tuhh.de

Prominent Indian employers in Germany

Fiscal year 2008-09

| German enterprise | Indian stakeholder | Employees |
|----------------------------------|-------------------------------|-----------|
| Corus Deutschland GmbH | Tata Steel | 6,100 |
| Mittal Group* | L.N. Mittal & Family | 3,600 |
| Novelis Deutschland GmbH | Hindalco (Aditya Birla Group) | 2,264 |
| SONA BLW Präzisionsschmiede GmbH | Sona Group | 1,586 |
| REpower Systems | Suzlon Energy Ltd | 1,288 |
| Mahindra Forgings Europe AG | Mahindra Group | 1,039 |

* Investor is of Indian origin but is not an India-headquartered company

Source: Authors' compilation

BPO industry

Strong growth

With projected growth rates exceeding nine per cent, back-office functions are driving steady growth in Germany's business process outsourcing industry (BPO). According to NelsonHall, annual growth rates for the German BPO market are forecast at around 7.2 per cent, with back-office activities even predicted to grow at 9.2 per cent. By 2013, the BPO market in Germany is expected to have reached an estimated volume of 14.4 billion euros. Approximately one third of German companies plan to outsource business processes within the next two-year period, creating a number of opportunities for international and domestic companies in a growing industry.

Increasing demand for business services in Germany is driven in part by the country's economic structure, which is characterized by a strong base of small and medium-sized enterprises (SMEs), which are typically not large enough to establish their own shared service centers. These companies provide the most significant outsourcing potential of non-core processes, but many have been hesitant to outsource back-office processes due to the absence of „onshore“ German market service providers.

As Europe's largest market, Germany is an attractive location to serve local clients. A number of companies are currently active in the German market, either with their own subsidiary activities in Germany or in close strategic partnerships with local partners. However, market entry conditions remain attractive, as the BPO market is not dominated by any single player. The top 20 BPO providers claim less than 30 per cent of total market share.

When choosing where to best establish a business to serve a large customer base, Germany's highly trained personnel have contributed to its reputation as an attractive business location. The country's dual education system, which combines the benefits of classroom-based and on-the-job training, is critical to this industry. This model provides companies with access to a broad array of qualified and motivated employees at competitive costs. And with labor turnover rates as low as five to ten percent, substitute recruitment and training costs are kept to a minimum.

Contact

Germany Trade & Invest
Tel. +49 (0)30/ 200 09 90
www.gtai.de

Substantial benefits

Five years of IndoGerman Trade Network – successful collaboration between India and Germany



Gunter Benthous, Co-director of Green Rent, Mohammad Rehan, founder of the Network, Dr. Annegret Haffa, owner and Managing Director of Dr. Haffa & Partners, and Giuseppe Cicorella, Co-director of Green Rent at an IndoGerman Trade Network meeting



Nadine Ulrich, Managing Director of the German Centre Delhi. Gurgaon, Sylvia Hausbeck, Bayerische Landesbank and Dr. Annegret Haffa networking

India is one of the fastest-growing markets in the world. More and more German companies are recognising this and want to increase their involvement in the Indian market. Conversely, with globalisation Indian businesses are also increasingly interested in the German market and in collaborating with German companies. However, there are a number of things to bear in mind when entering the market and embarking into cooperation.

Mohammad Rehan founded the IndoGerman Trade Network in 2005 to make start-ups easier for German and Indian companies in their respective partner countries. The network now has 9,000 members. To mark its fifth anniversary in March 2010, a birthday party was held at the Indian Consulate in Munich.

"A huge amount has been done since I founded the IndoGerman Trade Network five years ago. We have been able to support many companies in

gaining a foothold in Germany or in India, finding business partners and identifying contacts with appropriate partners and consultants," says Rehan. The IndoGerman Trade Network was founded in 2005 with the aim of supporting organisations and companies from India and Germany in developing and expanding their business relationships. This is achieved by offering its members a large range of consultancy support and services: for example, it helps companies and organisations to find business partners and provides contacts with suitable partners and consultants.

In India in particular, nothing happens without personal contacts - and that applies to politics, business and industry. As Giuseppe Cicorella, one of the co-directors at Green Rent, the German sales dealer for Indian car manufacturer, TATA, knows well: "We have been a member of the IndoGerman Trade Network for just under a year now and have already been able to gain substantial benefits from it. For example, we got to know the Indian software company, ShriTek, through the network, who designed our website." His business

partner, Gunter Benthous, adds: "The network has helped us, for example, in introducing vehicles from TATA Motors into Germany. Also we're grateful for the support of the IndoGerman Trade Network for the fact that the TATA Nano has become an opera star at the Saarland State Theatre in Saarbrücken and can proudly represent the technological progress, sustainable economic management and environmentally aware thinking of its motherland, India."

Membership reflects the diversity of Indo-German relationships: IT and high-tech companies are involved, not-for-profit organisations, tourism companies, representatives of government institutions, management consultants and lawyers, as well as antiques dealers and representatives of cultural institutions and universities.

Bilateral sharing at the Business Table

Once a month, the IndoGerman Trade Network gives its members the opportunity to get to know each other at its Indo-German Business Table event in Munich. A firm feature of this regu-

lar get-together are the presentations by Indian and German companies. It is, firstly, an opportunity for businesses to report on their experiences in the German or the Indian market. Secondly, it allows management consultants and service providers from Germany and India introduce their services to make starting up in the partner country easier and to enable businesses to develop professionally and with no hitches.

Marie Aichagui of Linde AG regularly attends these events: "I value the relaxed atmosphere at the Business Table. As well as the very interesting and informative presentations given by other members, it's a wonderful opportunity to share experience. For example, just now I'm developing a travel kit for business people who travel to India. To do this, I've also drawn upon the experiences of members."

Aichagui commutes for her employer, Linde AG, between India and Germany. She reported on the experience she has gained and the differences between the two countries at the anniversary party in her

presentation, 'Opportunities and highlights of building air separation plants in India'. One of her points was that the saying "time is money" is not applicable to India and that, as a German company, you have to adjust to that. At the same time, Aichagui emphasised her enjoyment of her work as well as the openness of the Indian people towards other nationalities and towards women in leadership positions.

More women in executive positions

The latter is a point which network founder, Rehan, also highlights in his presentation, 'Globalisation of the Mind and Indo-German Industry'. "In India, there are far more women in executive positions than in Germany – Chanda Kochhar of ICICI Bank would be an example. Indian managers, who come to Germany therefore, often cannot understand that it is different here."

One exception is Nadine Ulrich, Managing Director of the German Centre Delhi.Gurgaon, who took part in the anniversary event as an honorary guest. "I am delighted that the

IndoGerman Trade Network birthday party falls during my visit to Germany so I can take part. I've known Mohammad Rehan for a little over six months now and can say that he does very good work. The further development of German involvement in India lies close to his heart, as it does for us."

Commenting on the future plans for the IndoGerman Trade Network, Rehan says: "We want to expand the network still further and get even more involved in consultancy and identifying suitable business partners. So, for example, we're planning a matchmaking platform which will be available to our members and potential contacts on our website." He adds with a smile: "And in five years we'll be celebrating our tenth anniversary."

Contact

IndoGerman Trade Network
Mohammad Rehan
Tel: +49 (0)151 1560 3364
info@indogerman-trade.com
www.indogerman-trade.com

Asia: Changing the World

Asia continues to assert its status as a major force in the global economy, as well as a formative influence on several key political, cultural and religious issues now affecting our daily lives. This collection of articles responds to the challenges posed by Asia's emergence and gives a lucid and thorough account of the most important developments in the world's largest continent and their consequences for Europe.

Ed.: Bertelsmann Stiftung,
1st edition 2007, bound,
240 pages, EUR 20,00



() copies

Yes, I would like to receive this publication.

Company _____

Company _____

UID-number _____

Dept _____

Position _____

Mr/Ms _____

Street _____

Postcode _____

City _____

Country _____

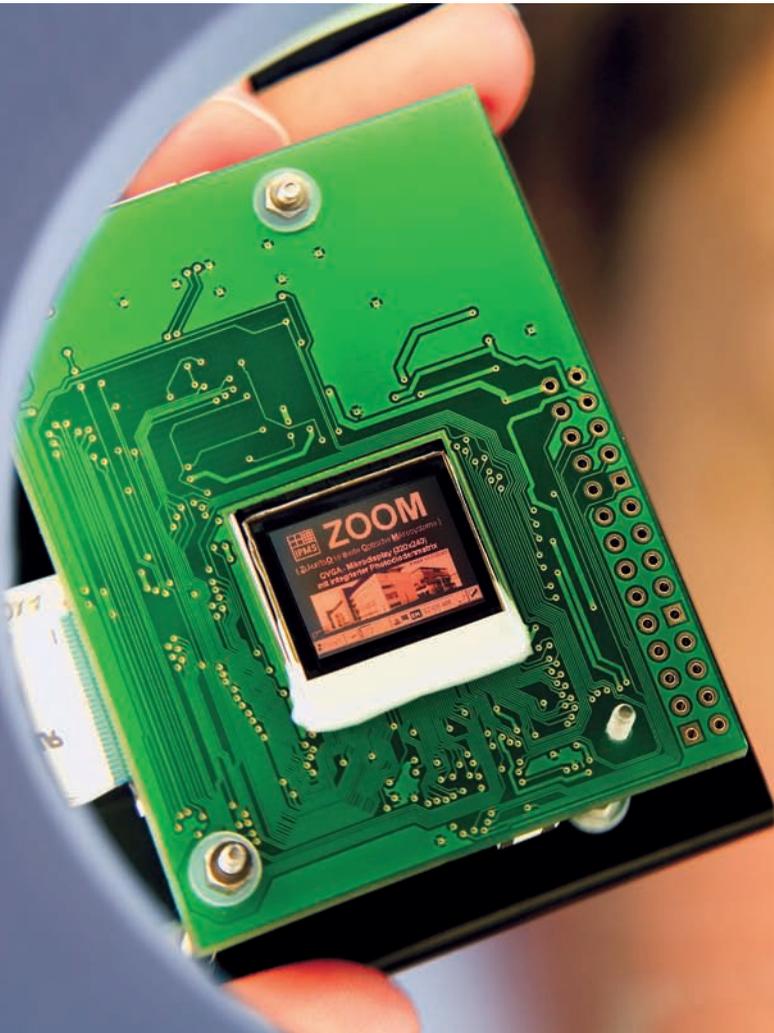
Phone _____

E-mail _____

OWC-Verlag für Außenwirtschaft GmbH
Regenskamp 18
D-48157 Münster · Germany
Telefon + 49 (0) 251-92 43 09-0
Fax + 49 (0) 251-92 43 09 99
ph@owc.de
www.owc.de

Saxony – high standards of excellence

Successful blend of traditional manufacturers and innovative drivers



OLED-Mikrodisplay developed at Fraunhofer Institute for Photonic Microsystems (IPMS) Dresden

Saxony experienced a rapid progress following German unification in 1990. Nowadays it is one of Germany's most dynamic federal states. One strength can be found in the variety of industries present. In addition to traditional industries such as mechanical or automotive engineering Saxony's economy displays its innovative strength especially in sectors such as IT and microelectronics. It is well known for the state capital Dresden and Leipzig, the important trade-fair city.

Saxony has strong arguments for an engagement of foreign investors. The federal state provides one of the most modern infrastructural, telecommunication and industrial landscapes in

Saxony in figures

| | |
|---------------------|---------------|
| Area | 8,418 sqkm |
| State capital | Dresden |
| Population | 4.2 mn |
| GDP (2009) | 92.9 bn euros |
| Export quota | 33.9 per cent |
| Universities | 7 |
| Research Institutes | 56 |

Source: Invest in Saxony

Germany. International airports in Dresden and Leipzig, exceptionally developed long-distance road and rail networks, and its location right in the heart of large European mar-

Automobile industry in figures

- four motor vehicle manufacturers
- more than 500 automotive suppliers
- over 70,000 employees
- Training and research: three Universities, five Universities of applied sciences, more than 50 university and extra-university research facilities

kets offer ideal conditions. The vicinity of Poland and the Czech Republic permits mixed, cross-border calculations.

IT competence on a high level

Technologically, Saxony is one of the most innovative microelectronics locations in Germany. Today, the entire value added chain from wafer production via design and production of photomasks all the way to micro-processors and memory chips can be found. A world premiere was the application of 300 mm technology in manufacturing processes in Dresden, a technology developed by Infineon and Motorola.

The competence of the microelectronics/IT location Saxony ranges from wafer production, mask development and mask production to memory and processor development and production as well as all related supplies.

With the Fraunhofer Center for Nanoelectronic Technologies, Dresden is a leading location for research in the field of nanoelectronics. Four universities, five universities of applied sciences, nine Fraunhofer, four Leibniz, and two Max Planck institutes all provide innovative power and prepare highly qualified young people in research, development, and production.

Automobile industry – major branch with modern facilities

Motor vehicles from Saxony have been providing people with mobility for more than one hundred years. Local small and medium-sized businesses developed into reliable partners of leading international car manufacturers. Whether drive mechanisms or other car parts, the companies and developmental centers active in the automobile industry in Saxony produce components and equipment required for manufacturing automobiles.

Today, with a 24 per cent share in industry turnover and a 38 per cent share in exports, car manufacturing

is Saxony's major industry, employing more than 70,000 people in about 500 companies. Saxony is home to several vehicle and engine production plants owned by Volkswagen, Porsche and BMW. Automotive industry with an annual turnover of 360,000 euros per employee is Saxony's key industry. The productivity of the automobile sector in Saxony reaches 117 per cent of the average productivity of the branch in Germany.

Heart of mechanical engineering

Mechanical engineering in Germany was born in Saxony. As early as in 1703, Johann Esche founded the first German factory for producing special machines for use in manufacturing socks and fabrics in Limbach, Saxony. Since then, inventive talent and entrepreneurial courage have consistently generated innovations in the field of machine engineering leading to innovations which are "made in Saxony". The world's first loom machine for weaving fabrics, Germany's first multi-color rapid printing press, and the stitch-bonding technology were invented in Saxony.

Today Saxony is known as the heart of mechanical engineering in central Germany. Approximately 34,000 people from nearly 450 companies (more than 20 employees) are working in this branch of industry. In Saxony, you will encounter a very high degree of know-how and competence in the field of machine-tool engineering. International renowned companies are active in Saxony such as Niles-Simmons-Hegenscheidt, StarragHeckert and Trumpf.

Biotechnology profits from research power

Saxony has all the resources, infrastructure and expertise to support the development of biotechnology and life sciences companies from their basis, research and development, to cost-effective manufacturing and production enterprises. Biotechnology is maturing into a product-based industry.

In Saxony, there are 53 core biotechnology companies, further 50 companies producing instrumentation and equipment for life sciences, six pharmaceutical companies, 40 service providers and distributors, and ten support companies offering financial or other consultancy. Wanting to ensure that its entrepreneurs in the field of life sciences have access to the best opportunities, the State Government of Saxony appropriated an approximate 200 million euros budget for promoting biotechnology.

Saxony's program for biotechnology has two main objectives: first, to increase the number of successful new enterprises that are founded in Saxony, and, second, to increase the amount of investment or acquisition by established companies in the life sciences sector. Saxony has a wealth of high-level resources to support such activities and adopted the trade name "biosaxony" to describe the region's life sciences economy. It is also the name of the biotech agency that provides resources to assist investors, developers and entrepreneurs in the field of biotechnology.

Excellent network

Saxony has built two biotechnology centers in Dresden and Leipzig that provide space for companies and for academic research in relevant disciplines. Thus, a company that establishes itself to one of these incubators has immediate access, by the academic researchers in the same building, not only to their resources but also via them to the rest of Saxony's, Germany's and Europe's academic networks. Furthermore, start-up companies located in these centers will have access to state-of-the-art technologies, normally only available or affordable for large groups.

Contact

Saxony Economic Development Corporation
Bertolt-Brecht-Allee 22
01309 Dresden
Tel.: +49 (0) 351 2 13 80
www.invest-in-saxony.net

Microelectronics/ IT industry in figures:

- 1,500 companies with about 43,000 employees
- among them more than 200 companies with about 20,000 employees active in microelectronics
- Training and research: four Universities, five Universities of applied sciences, nine Fraunhofer-, four Leibniz- and two Max-Planck- Institutes

Examples for Indian activities in Saxony

| Company | Industry | Investor |
|----------------|-----------|-----------------------|
| Bharat Forge | Aluminium | Ashok Minda Group |
| Eisenwerk Erla | Ironwork | Sanmar Group |
| Essel Germany | Packaging | Essel Packaging |
| Larsen&Toubro | IT | Larsen&Toubro Limited |
| Minda KTSN | Plastics | Ashok Minda Group |
| Terrot | Textile | Voltas Limited |

Source: Invest in Saxony

SMA

Inverters for solar parks in India



SMA Technology AG has concluded an agreement with Indian company, Azure Solar, for the supply of inverters. The framework agreement requires the German supplier to deliver high-performance inverters for generating more than ten megawatts of solar energy. With the agreement, Azure Solar intends to expand the capacity of its first private photovoltaic power plant in India and fit out new solar parks. The company has implemented one of the first megawatt-sized projects in the subcontinent for which smaller SMA inverters were used, according to Azure Power's CEO, Inderpreet Wadhwa. SMA has highlighted its aim to drive growth in the photovoltaic market in India by means of the partnership.

Siemens

Exploring offshore wind power

With its long coastline, low installation costs and readily available key raw materials, India has become a favoured destination for offshore wind power, with global majors such as Areva, Siemens and GE queuing up to explore opportunities in the country. This sector is expected to offer electricity tariffs costing 40 per cent less than for traditional sources. Areva has already built 600 megawatts of offshore wind projects in Europe and estimates that installation costs in India could be 30 to 40 per cent less than in Europe. Other majors such as Siemens and GE have also been exploring similar opportunities in the country. Since offshore wind projects can be built close to large centres of consumption that are typically located in coastal areas, the long western coastline will suit such a model, as it is mainly along the country's western seaboard that most large industry is situated.

Evonik

Tie up with Vedanta

Evonik Energy Services, the Indian arm of German power generation major Evonik Industries, has announced that it plans to take equity stakes worth some 100 million euros in various power projects where it is involved as an engineering and services partner. The company will make strategic investments as a minority partner and will continue to concentrate on its key operational areas in India - design and engineering, operations management and providing IT services. Evonik Energy has just concluded a large operational and maintenance contract with Sterlite Energy for its 2,400 MW coal-fired

power plant at Jharsuguda in Orissa. Evonik has also signed an IT diagnostics and systems optimisation agreement with state-run power generation major NTPC for the installation of such a package at about 30 power plants of 500 MW.

Mold-Masters Europa GmbH

New production site opens in India

Mold-Masters Europa GmbH in Baden-Baden have announced the opening of a new production site in Coimbatore. The new production facilities complement the global construction centre, which was opened in December 2006. Mold-Masters has operated locally in India since 1994 with a large number of hot runner products and services. The opening of the construction centre in 2006 was a first milestone in ensuring that local customers are served as well as possible. The new production facilities now allow the company to enhance its range further and provide fast and comprehensive customer service. Mold-Masters claims to be the world's leading hot runner manufacturer.

Paschal Group

Sales and production in India



On 1st April 2010, the Paschal Group opened its first sales and production sites in India in the shape of the sales organisation, Paschal Technology Pvt. Ltd., based in Hyderabad and the production company, Paschal Form Work Pvt. Ltd., located in Visakhapatnam on the Gulf of Bengal. Both companies were established in May 2008 and are joint ventures of the Paschal Group and NCC Nagarjuna Construction Company Ltd., the second largest construction company in India. "For the construction industry, India is an extremely dynamic market with great prospects. And, as a leading global supplier of concrete formworks, Paschal is specialised to an exceptional extent in supplying cutting-edge systems and services for construction projects of all sizes," emphasised Barbara R. Vetter, owner-manager of the company, at the opening of the new facilities.

BMW India

New president, new 5 Series introduced

The new BMW India President, Andreas Schaaf, has taken over from Peter Kronschnabl. Schaaf arrives as head of BMW's India operations following a successful stint as Vice President of BMW Group Korea with responsibility for sales and marketing. BMW introduced its new 5 Series Sedan in India. It will be available in two petrol variants and

Photos: ABB, Corface, Paschal, SMA Technology AG

two diesel variants. Three of the four variants will be produced at the BMW's Chennai plant. The 5 series accounts for 50 per cent of BMW's total sales worldwide. BMW is targeting sales of 4,000 units this year, which translates to a market share of 36 per cent in the luxury car segment. Some 9,000 units were sold in the luxury segment in India in 2009 and BMW estimates sales of 11,000 units this year. BMW also announced that it is to increase production capacity at its Chennai plant. The current capacity is 3,000 units in single-shift operations per year. "Last year we became India's top luxury car brand and we hope to retain this position and grow even further in the Indian market," says Schaaf.

ABB

Power project secured



Power and automation technologies major, ABB India, has secured a power project worth 63 crore rupees from Haryana Vidyut Prasaran Nigam Limited (HVPNL). The company has secured the contract for a 400 kV substation at Dhanonda in Haryana. The scope of work includes engineering, civil works, supply, installation, commissioning and overall project management. As part of the contract, ABB would also be supplying high-voltage circuit breakers, instrument transformers and communications equipment for the project. The substation is scheduled for completion in 2011. HVPNL is responsible for building, operating and maintaining substations and transmission lines in Haryana.

Infosys

Offensive in Germany

Indian IT service provider, Infosys, is beefing up its team in Germany. India's second largest IT service provider wants to create 300 new jobs in three years in order to capture significantly more orders than up until now. At the company's home base in India, at least 900 staff work exclusively for German customers. The aim is to attack suppliers, such as T-Systems and Siemens' SIS Division, on the German market. Infosys is no. 2 in the rankings of Indian IT service providers behind Tata Consultancy in the no. 1 spot. Of the 60 billion US dollars that the industry generates per year abroad, 60 per cent is from the USA and 30 per cent from Europe. Analysts assume that German companies will source more and more IT services from countries further afield in future.

KTR Coupling Systems

New site opens

At a ceremony in Bhosari north of Pune, KTR Coupling Systems, manufacturer of couplings and components for stationary and

mobile drive systems, officially opened their new plant. Together with approx. 150 guests, shareholder Mareike Reichert, Managing Director Josef Gerstner and Norbert Partmann, Head of Sales, and the Managing Director of KTR Couplings India Pvt Ltd., Vijay Jalihal, formally commissioned the 2,000 square metre production and office facilities. According to the company, approx. 1.5 million euros was invested in the new plant, which currently employs some 50 staff. The company premises cover approx. 6,000 square metres and comprise an administrative building and an adjacent production hall which can be extended. The aim is to supply the drive and wind power industries in the domestic market for this product segment in particular. KTR is represented in more than 40 countries and currently has more than 19 of its own local companies producing in China, the USA and India.

Hinduja Group

Acquisition of KBL

KBC group has reached an agreement with Indian Hinduja Group for the sale of its private banking subsidiary KBL European Private Bankers for a total consideration of 1.35 billion euros. KBL is one of Europe's largest onshore private banking groups with affiliated local banks in 55 locations, e.g. Belgium, Luxembourg, France and Germany. KBL is amongst others the owner of Munich-based private bank Merck Finck.

Wallstabe & Schneider

Making the leap to India

In mid-February in Mumbai, the managing directors of the sealing systems business, Wallstabe & Schneider, signed a joint venture agreement to establish "Divekar Wallstabe & Schneider". Their partner is the Divekar Group, an Indian business family that has produced O-rings and profile packings since the 1970s. Seals for the automotive sector used in oil filters, brakes and fuel pumps are to be manufactured in future at the new plant in Ambivali. Production started on 1st April with around 80 staff. 2.5 million euros are to be invested in the first two years.

Coface Germany

Recovery with risk



International claims management specialist, Coface, is cautiously optimistic with its country risk ratings. Although the global economic and financial crisis which has lasted for two years is drawing to a close and many emerging economies are already forging a pow-

erful recovery, industrial countries are now only returning to weak growth in 2010. Overcoming the credit crisis does not by any means indicate that all the risks have gone away. At the 2010 Country Risk Conference held at the end of April, Group Chairman Franz Michel said, "We are expecting more restrained economic activity, in other words, a very slow recovery; indeed, both government budgets and businesses alike will need a long time before they return to the black." The crisis has had a more restrained impact on the emerging economies. India and China achieved high rates of growth in 2009, demonstrating that the two economic giants have been extraordinarily successful in bracing themselves against the crisis. Asia showed the earliest indications of a recovery: the negative forecast for China and South Korea was already lifted in October last year, while many countries in the region now again have positive prospects. India's triple A rating has remained unchanged since December 2004.

PricewaterhouseCoopers

India's drugs market hits the Top 10

Industry experts at auditing and consultancy company, PricewaterhouseCoopers (PwC), are forecasting that the Indian drugs market will achieve sales volumes in 2020 of approx. 50 billion US dollars (2009: 19 billion US dollars). This would lift India into the ten biggest pharmaceuticals markets in the world by the end of the decade. This is the conclusion reached in the PwC study, "Global Pharma looks to India: Prospects for growth". At the same time, competition from Indian manufacturers is growing on the world market. It is estimated that 20 per cent of all generics manufactured in the world today are produced in India. The experts at PwC reckon that the volume of India's pharmaceutical exports could increase from around eight billion US dollars in 2008 to 20 billion US dollars by 2020.

Volkswagen

Pune plant celebrates first anniversary



At the end of march Volkswagen celebrated the plant's first anniversary. On the occasion of the anniversary of the plant's inauguration, Jörg Müller, Volkswagen Group Representative India, said: "We are proud of the plant, of our team and of what we have achieved together. Volkswagen will be successfully expanding its position in India with the Pune plant." Volkswagen has invested some 580 million euros in the location, making the Pune plant the largest investment project in India undertaken by a German company to date. The plant is the only production facility of a German automaker in the country that covers the entire manufacturing chain from press shop through body shop and paint shop to final assembly. The maximum annual production capacity is 110,000 vehicles. The Škoda Fabia compact car has been built in Pune since last May. The end of 2009 saw the production start of a hatchback version of the Volkswagen Polo specially designed for the Indian market. Volkswagen celebrated its first production anniversary in Pune in February 2010,

when the 11,111,111th Polo produced worldwide left the assembly line in the presence of German President Horst Köhler.

BASF

Presentation at Chemspec India 2010



BASF presented its chemical intermediates and innovative solutions for a broad range of applications in the pharmaceutical, agrochemical, paints and coatings and other industries at Chemspec India 2010 in Mumbai, India, on April 15 and 16.

BASF displayed its innovative and comprehensive range of specialty intermediates and ingredients for Pharmaceuticals, Agrochemicals, Surfactants & Coatings. "Chemspec offers us a unique opportunity to showcase our strengths, display our broad product range to customers across industries and discuss growth plans with them. Besides, it serves as an excellent platform to connect with the industry and exchange information", said Mr. Vivek Bapat, Intermediate Business Director of BASF in India. For more than a century, BASF has been partnering India's progress with its vast knowledge in the field of chemistry and high quality products that cater to a wide range of industries.

Bosch

Building eBikes

Bosch is entering the bicycle industry with a new electric drive for eBikes. With this move, the Stuttgart-based group is joining another strong growth field with the declared goal to take a leading position in this market as an engine for innovation. Cannondale, part of Dorel Industries, is the partner in system development for the first generation. "We are an ideal supplier for bicycle manufacturers," says Rainer Jeske, head of Bosch Powertrain Systems eBike, "because we stand for innovation and its key competence areas in the automotive industry, like the electronic control techniques. We are happy to partner with Cannondale who shares our ambitions." Bob Burbank, General Manager for Cannondale: "With Bosch we strive to create a better transportation option. Bosch is a leader in the industrial engineering space and Cannondale is a leader in the bicycle industry; together we can develop the most progressive products on the market." Both companies will present the first ebike models with Bosch drive early September 2010 at the international bicycle trade show "Eurobike" in Friedrichshafen, Germany.

Deutsche Bank

Best foreign exchange bank

Deutsche Bank widened its lead in Euromoney's 2010 Foreign Exchange Survey, winning a market share of 18.1 per cent, nearly seven percentage points more than the second placed firm. Deutsche Bank was also voted the best foreign exchange house in every major region - Western Europe, North America and Asia - for the sixth year running. Euromoney Magazine attributed Deutsche Bank's continued success to the strength of its electronic trading platform. Electronic foreign exchange trading is growing rapidly and looks set to become a key battleground for banks with 75 per cent of all foreign exchange trades expected to be executed electronically by the end of 2012. Deutsche Bank has been investing heavily in electronic trading for over a decade.

Photos: BASF, Koelnmesse, Messe München, Volkswagen

Messe München/ Messe Düsseldorf

Powerful alliance for new trade platform in India



Messe München and Messe Düsseldorf announced last September that in future they would be collaborating in India. The two trade fair companies will take over the joint marketing of drink technology India and International PackTech India, with full coordination of promotional measures between the two. The joint venue for the two shows on 18 - 20 November 2010 is the Bombay Exhibition Centre in Mumbai. drinktec in Munich is the world's leading trade fair for beverages and liquid food technology and interpack in Düsseldorf is the biggest show in the world for the packaging industry.

Contact
www.packtech-india.com
www.drinktechnology-india.com

Koelnmesse

Pooling expertise



Koelnmesse International GmbH's Indian subsidiary, Koelnmesse YA Tradefair, has agreed to collaborate exclusively with Hannover Milano Fairs India in staging trade fairs for the metallurgy and foundry industry. The partners signed the cooperation agreement at IFEX 2010, India's leading trade fair for foundry technology and equipment. Both organisations bring with them many years' experience both in the industry and in sales at the national and international level. The shows in India which both partners will be supporting as part of their collaboration are Alu India (Ahmedabad), IFEX (Ahmedabad) and Metex India (Bangalore). The collaboration includes a close linking of both companies' exhibitor and visitor advertising activities through a variety of channels and has been agreed initially for a five-year period.

Contact
www.koelnmesse.de

Confederation of Indian Industry (CII)

Wire & Cable India to be jointly organised with Messe Düsseldorf

The Confederation of Indian Industry (CII) and Messe Düsseldorf will jointly organise Wire & Cable India, the most important trade fair for this sector. An agreement to this effect was recently signed by Mr Chandrajit Banerjee, Director General of the CII, and Mr Hans-Werner Reinhard, Vice President of Messe Düsseldorf, Germany. Wire & Cable India, an exhibition for the wire and cable industries, will be held for the third time on 18 -20 November 2010. The previous show two years ago attracted 223 exhibiting companies, including 56 suppliers from Europe. Covering an exhibition area of 3,600 sq m, the event drew 8,000 trade visitors from within India, Southeast Asia and the Middle East. The 2010 Fair, to be held at the Bombay Exhibition Centre in Mumbai, has already received bookings for large stands and facilities. CII plays a proactive role in the development of the country and enjoys an excellent global reputation as an organiser of prestige conferences and trade fairs in India and other continents. Between them, Messe Düsseldorf, and its subsidiary, Messe Düsseldorf India, have the capacity to bring in exhibitors from all over the world.

Contact
www.wirecableindia.com

Renexpo Bioenergy

First bioenergy conference & trade fair at EU level

ABIOM Bioenergy Conference & Renexpo Bioenergy Europe opens its doors for the first time at the Albert Hall in Brussels on 30 June - 1 July 2010. The exhibition and conference event focuses specifically on the bioenergy sector and brings research and development experts together with EU decision-makers, the biggest European companies in the industry and national bioenergy associations. The event aims to draw together European market leaders and establish an international bioenergy platform in Brussels. At the trade fair, leading companies will be exhibiting new products, innovations and services as well as highlighting market trends in the bioenergy sector. High-ranking EU politicians are billed to take part in the supporting conference which will focus on EU policy as well as other topics including national action plans for the use of biomass, an analysis of the potential for bioenergy with particular reference to the European Industrial Bioenergy Initiative and the financing and certification of bioenergy plants and district heating and small-scale firing plants.

Contact
www.renexpo-bioenergy.eu

bauma 2010

Turnaround for the industry

bauma 2010, the International Trade Fair for Construction Machinery, Building Material Machines, Mining Machines, Construction Vehicles and Construction Equipment, has marked a turnaround in the international construction machinery industry, ushering in the hoped-for change of mood in the industry. Although the ban on air travel in Europe prevented visitors and ultimately around 50 overseas exhibitors from attending the fair, by the close of the fair the mood at the venue among the approx. 3,150 registered exhibitors from 53 countries was good. Covering 555,000 square metres of exhibition space - all of it fully booked - and with 60 per cent of the exhibitors coming from outside Germany, the fair registered new all-time highs for the overall number of exhibitors, international participation and space booked. The numbers of exhibitors from China, India and Turkey in particular were up considerably on the



previous event. Over 415,000 visitors from more than 200 countries attended. The 30th bauma will take place as planned in three years' time on 15 - 21 April 2013 in Munich.

Contact
www.bauma.de

Hannover Messe **Boost to economy**



Hannover Messe 2010 has given a further boost to economic recovery and the benefits are set to flow through to the industrial sector over the next few months. Exhibitors are feeling upbeat about their future prospects: "The mood at Hannover Messe is always a good indicator of the mood in the industry, so we can now confidently speak of an upswing," commented Deutsche Messe's Executive Board Chairman, Wolfram von Fritsch, at the end-of-show press conference. "Although the first part of the show was hit quite severely by the ban on air traffic caused by the volcano eruption, the last two days made up for this to some extent." Major travel limitations resulting from the international flight embargo impacted on both exhibitor participation and visitor attendance. The air traffic ban did, however, prevent around 300 exhibitors from arriving in time to set up their stands. The total visitor count of 150,000 was roughly 20 per cent below the previous year's figure. Worst affected were attendances from Asia and North America. The main sectors consisted of industrial automation, energy technology and industrial subcontracting, with well over 4,000 innovations unveiled. The key-note for this year's fair was "Efficiency, Innovation, Sustainability" and bookings from more than 4,800 exhibitors from 64 countries matched the totals for the "boom year" of 2008. The next Hannover Messe will run from 4th to 8th April 2011.

Contact
www.hannovermesse.de

IAA 2010

Commercial vehicles in focus



"Commercial vehicles: efficient, flexible, future-proof" is the headline for the 63rd International Motor Show (IAA Commercial Vehicles) to be held on 23rd to 30th September 2010 in Hanover. This year the world's most important trade fair for mobility will once again focus on innovations from the entire international commercial vehicle industry. In 2008, more than 2,000 exhibitors from 48 different countries and 300,000 visitors from a total of 110 countries attended the fair. Last year, companies in the commercial vehicle sector were particularly severely affected by falling demand. This IAA should send out a clear signal for a new impetus in the global commercial vehicle industry.

Contact
www.iaa.de

AUMA

Increase in trade fair budget

Southeast and Central Asia are next year's key target regions for the German Ministry of Economics & Technology in its support of trade fair participation. The ministry is planning to take part in a total of 81 shows in the region, where German companies are able to exhibit on favourable terms. With an expected budget of 41.5 million euros, the trade fair programme so far covers a total of 213 events in 39 countries - 20 more shows than in the 2010 budget and with other events also expected to be added by the end of the year. This amounts to an increase of 1.5 million euros on 2010 and reflects the federal government's recognition of an increase in export measures on the part of German business as global recovery starts to take effect. As well as Southeast and Central Asia, other important target regions to feature in the 2011 programme are the European countries outside the EU, the Near and Middle East and North America.

Contact
www.auma.de

Hamburg Messe

Sail away at SMM 2010

All in all, some 2,000 exhibitors from more than 50 nations are expected at SMM 2010, the leading international shipbuilding, machinery and marine technology international trade fair, to be held in Hamburg from 7th to 10th September 2010. There will be a special two-day workshop run by Hamburg Messe as part of SMM 2010 dedicated to the offshore oil and gas, wind energy and ocean engineering sectors. Last year, the offshore market proved to be far more robust than shipbuilding. For the next five years, the experts



are predicting continuous growth in offshore operations and maintenance, with global investments of approximately 330 billion US dollar. The offshore sector has compensated shipyards and equipment suppliers to some extent for the fall in demand in global shipbuilding. For example, Blohm + Voss Repair, a subsidiary of TKMS, has raised its profile in this sector with the conversion of the Kraka, a cable-laying vessel, into a sophisticated offshore supply vessel. SMM 2010 will present the latest developments in all areas of the maritime industry and is expected to attract more than 50,000 trade visitors from over 100 countries. SMM 2010 will also host the first global maritime environmental congress (gmec) on 7th and 8th September. This conference brings together more than 700 high-ranking representatives from industry, government, academia, navies and environmental protection organisations to explore and present practical solutions for environmentally sound, sustainable shipping.

Contact
www.smm-hamburg.com

Messe Frankfurt

Focal point for household-textiles

Guided by creativity – that is the motto of next Heimtextil which will open its doors in Frankfurt am Main from 12th to 15th January 2011. Even at this early stage, all the signs point to a large number of exhibitors at the fair. For four days, Frankfurt will be the focal point of the international home and contract textiles sector and present the latest trends and highlights for the coming season. Following the successful reorientation of the household-textiles segment in 2010, the coming event will be characterised by conceptual changes to the home-textiles segment with some product groups being redefined. As the world's biggest trade fair for the sector, Heimtextil covers the entire product spectrum for home and household textiles with all product segments from "bed" to "window".

Contact
www.messefrankfurt.com

Messe Düsseldorf

Trade fair quartet

June 2011 will see the international trade fair quartet GIFA, METEC, THERMPROCESS and NEWCAST kick off in Düsseldorf. Under the motto "The Bright World of Metals" the topics foundry technology, metallurgical technology, thermal process engineering and cast products will again be at the focus of global attention. The four international technology trade fairs are held from 28 June to 2 July 2011 in Düsseldorf. They will be supported by a high-calibre programme of side events including numerous seminars, international

congresses and lecture series. The focus of all four trade fairs and the accompanying events are energy and resource efficiency. As from now all interested companies can register as exhibitors for these four technology trade fairs. Companies that already exhibited at one at the fairs in the past will benefit from a simplified registration procedure only having to enter their old password to access their already filled out online registration form. At its latest staging in 2007 the four trade fairs posted a total of 1,700 exhibitors from 34 countries and about 72,000 international guests from 84 nations. The net area occupied totalled 68,000 square metres at the fair ground in Düsseldorf. For 2011 the organisers expect a similarly high turn-out.

Contact
www.messe-duesseldorf.de

German government support for trade shows in India

The following list contains dates and contact information for trade shows in India in the second half of 2010 which will be supported by the German government in cooperation with the Committee for Trade Fair Participation (AUMA).

Dates:

- 23 - 25.09.2010
WORLDDIDAC - International Exhibition for Educational Materials Et Training, Mumbai
- 29 - 31.10.2010
IIHS - India International Hardware Show Powered by PRACTICAL WORLD, Mumbai
- 10 - 13.11.2010
IMME - International Mining and Machinery Exhibition, Kolkata
- 18 - 20.11.2010
Wire Et Cable India, Mumbai
- 18 - 20.11.2010
International PackTech India - International Exhibition and Conference for the Packaging and Processing Industry, Mumbai
- 24 - 26.11.2010
Annapoorna - World of Food India - International Trade Fair for the Food and Beverage Industry, Mumbai
- 03 - 06.12.2010
AGROTECH, Chandigarh
- 15 - 18.12.2010
MDA INDIA - International Trade Fair for Motion, Drive and Automation incl. CeMAT, Mumbai
- 15 - 18.12.2010
Industrial Automation INDIA - International Trade Fair for Process and Production Automation and Industrial Building Automation incl. Energy INDIA, Mumbai

Contact
www.auma.de

Bollywood at Bergstrasse

Indo-German Film Agency: Service provider for the international film industry



Scenes from a film shoot at Heppenheim's Marktplatz



Goa every November, is the biggest film event in the Indian film industry and for this reason constitutes an important platform for the Indo-German Film Agency.

Network of partners

Realising a film project requires much more than a good script. The Indo-German Film Agency assists with all questions relating to filming in the Bergstrasse region. A network of partners from the Frankfurt/Rhine-Main and Rhine-Neckar metropolitan regions assists the Indo-German Film Agency with questions on film promotion, identifying suitable locations and contacts as well as obtaining informal site approvals for shoots.

In the Film Producers' Handbook, you will find comprehensive information on the realization of film projects in the region. As well as a brief description of the Bergstrasse as a film location, it also includes contact details for local manufacturers and authorities. This can be downloaded at: www.indo-german-film-agency.com/fileadmin/content/Downloads/2010.02.19_IGFA_Film_Guide_screen_en.pdf

A directory of attractive film locations is available from the location database of the Hesse State and Rhine-Neckar Metropolitan Film Commissions at: www.filmcommission-mrn.com/index.php?option=com_content&task=view&id=12&Itemid=26

The service provider database of the Hesse State and Rhine-Neckar Metropolitan Film Commissions contains the contact data for service providers in the region: www.filmcommission-mrn.com/index.php?option=com_content&task=view&id=13&Itemid=27

Contact

Bergstrasse Regional Economic Development Agency
Indo-German Film Agency Consultant
Tel.: +49 (0)625/ 268 929 80
diana.schilling@wr-bergstrasse.de

The historical backdrop of the Bergstrasse has frequently served as a setting for Bollywood films since 2006. Ever since there has been a huge growth in interest among international film producers in using the Bergstrasse as a film location. This allows the local Bergstrasse economy to profit from international film productions that deliver increasing publicity for the region, which in turn contributes to boosting economic and tourism development.

After the Bergstrasse had served as a setting for the film "Humraah - The Traitor" in 2006, a production of "Aap Kaa Surroor - The Movie" featuring Indian superstar Himesh Reshammiya was also shot in the area. It prompted huge interest in the film industry worldwide as well as an impressive media response. "Aap Kaa Surroor" was essentially shot in Germany, including the Bergstrasse region. Scenes were shot not only in the market place in Heppenheim but also in Rathausplatz in Viernheim and Mozartstrasse in Heppenheim.

A one-stop shop for film producers

The Indo-German Film Agency acts a service point for international and German film producers and was set up with the aim of establishing the

region as a location for film productions. The project is supported by the economic development agency for the Bergstrasse region, Wirtschaftsförderung Bergstrasse GmbH. An advisory board comprising representatives promoting the area for film, film studies experts and the local business community supervises the current project work. Since 2009, the Indo-German Film Agency has received major co-financing support from the European Fund for Regional Development (ERDF) with the aim of enhancing the region's competitiveness.

Key platform

A number of film events provide a key platform for promoting the Bergstrasse as a film location and introducing the Indo-German Film Agency. Thomas Wieland, who manages the Indo-German Film Agency's Active Marketing & Project Acquisition activities, together with Kathrin Ahrens of the Hesse Film Commission and Michael Ackermann of the Rhine-Neckar Metropolitan Film Commission, attend major film festivals in person and promote the Bergstrasse as a film location.

Filmbüro Baden-Württemberg e.V. organises the biggest Indian film festival in Germany, "Bollywood and beyond", an opportunity for Indian film producers to meet up every July and present their films. The International Film Festival of India, held in

Information for Success



IndienContact and **GermanyContact India** are part of the OWC-Publishing House's range of Asia publications. IndienContact reports on current economic trends and the chances of the German business community in the respective markets. The business magazine **GermanyContact India**, which is published in English language, is kindly supported by the Confederation of Indian Industry (CII). It provides German companies with an effective instrument to be present at all places of influence in India.



Yes, I would like to order free specimen copies of **IndienContact** and **GermanyContact India!**

- GermanyContact India
- IndienContact
- Media Data GermanyContact India / IndienContact

OWC Verlag für Außenwirtschaft GmbH
www.owc.de

Regenskamp 18, D-48157 Münster
 E-Mail al@owc.de, Phone +49 251 - 92 43 09-0

| | |
|---------------|--------------|
| | |
| Company | |
| | |
| Company | |
| | |
| Dept/Position | |
| | |
| Mr/Ms | |
| | |
| Street | |
| | |
| Postcode | City/Country |
| | |
| Phone | Fax |
| | |
| E-mail | |
| | |

FAX-NUMBER +49 251 - 92 43 09 99

The German Centre Delhi.Gurgaon is a joint enterprise of BayernLB and LBBW, member of the Savings Banks Financial Group.



© Building 9 DL F. Oberer, All rights reserved.

German Centre Delhi.Gurgaon

The ideal starting point for your activities in India.

The modern infrastructure offers superb site advantages.

Small to large offices available.

Your aim is to avail yourself of the opportunities in India and plan your entry into the market. The German Centre Delhi.Gurgaon is the ideal platform for your business in India. Located in the city of Gurgaon in the southern industrial belt of New Delhi, the German Centre in Building DLF 9B offers offices from 25 sqm in the Grade-A-Standard for over 50 tenants, as well as desk space and seminar rooms.

Direct communication, short distances, comprehensive services, events, and access to networks help you to build up and expand your business. You, too, can profit from this infrastructure. Reserve your preferred office today!

www.gurgaon.germancentre.com

In the centre of good contacts!



GERMAN CENTRE
FOR INDUSTRY AND TRADE
DELHI.GURGAON