

柯伯樂 (N. Balakrishnan - Bala)



執行董事及首席執行官
Executive Director & CEO

中青基業集團有限公司
CY Foundation Ltd.



「台灣併購與私募股權協會」

印度的新世紀—台灣公司赴印度投資研討會

邀請函

親愛的會員，您好：

誠摯地邀請您來這次『台灣公司赴印度投資』實務研討會。誠如您所知，在本月中即將新改組的印度政府將對印度未來經濟前景產生決定性影響。近年來，台灣企業逐步進入印度市場，如鴻海、華碩和HTC等大型公司。有更多企業對於印度的快速成長有興趣，各行業所潛在均有無限商機。

印度即將成為世界上人口最多的國家，超越中國。此外，有百分之五十以上的人口年齡是低於25歲，這將使印度成為下一個非常活躍的消費市場，也將成為全球最重要的經濟體之一。然而，許多外國人包括台灣都認為印度是較難理解的，各方面都與台灣人所熟悉的中國差異甚大。

為了化解大家常有的疑問，跨入這個非常具有商業前景的國家，藍濤亞洲與台灣併購與私募股權協會想邀請你參加一個晚宴活動。將由對印度各特色非常了解的Narayanan Balakrishna (Bala) 先生來向台灣投資者說明，他在新加坡與香港工作超過30年，具備有分析師和企業家的難得經驗，也有超過二十年的經驗在處理印度和中國間的事務。

Bala 先生是哥倫比亞大學和阿默斯特學院 (Amherst College) 和倫敦經濟學院的畢業生。他曾任職於新加坡美國信孚銀行的研究部經理和香港遠東經濟評論的財經記者。此外，他還負責一系列在印度的中文語言學院，這給了他一個特殊機會洞察印度和中國之間的文化差異。另外印度-台北協會的會長 Manish Chauhan 先生與副會長暨商業部總負責人 Shambhu Hakki 先生，也將做關於投資印度的專門演講。



我們希望這次的活動將有助您更了解印度並為您打通這道通往令人興奮的投資國度，印度。熱切期待您的參與！

藍濤亞洲有限公司/台灣併購與私募股權協會

總裁/創會理事長 黃齊元 敬邀

印度的新世紀—台灣公司赴印度投資研討會

議 程

日期:2014年5月20日,星期二,17:30-21:00

地點:西華飯店 3F 明廳(台北市民生東路三段111號)

主辦單位:藍濤亞洲有限公司與台灣併購與私募股權協會

時間	議程	主講人
17:30-18:00	報到	
18:00-18:20	主題一:『印度投資環境介紹』	演講人:印度-台北協會副會長 Shambhu Hakki (何繼往)
18:20-18:40	主題二:『總理改選後,未來印度發展大趨勢』	演講人:CY Foundation Ltd. 執行長 Narayanan Balakrishna (Bala)
18:40-19:10	Q&A	
19:10-21:00	晚宴暨交流聯誼	

報名回函

報名回函			
公司名稱			
姓名		職稱	
聯絡電話		email	
經主辦單位向本人告知上開個資法告知事項,本人同意主辦單位蒐集、處理或利用本人之個人資料。			

聯絡方式

報名窗口	聯絡人:藍濤亞洲 余憶萱 聯絡電話:(02) 2752 2855 x 202, 傳真:(02) 2752 2941 E-mail: joy.yu@fccpartner.com
備註	請填妥「報名表回函」,於2014年5月16日,星期五1800前,傳真或E-mail給聯絡人,依報名先後,額滿為止。

DRAFT of Speech by N Balakrishnan, Taipei, May 20, 2014

Ladies and Gentleman,

I am very happy to see so many of you taking your valuable time to attend this speech on possibilities for Taiwanese investment in India.

First of all I would like to thank our sponsors Taiwan Mergers and Private Equity Council for sponsoring the event and Mr. C Y Huang of FCC Partners for initiating this project.

I would also like to thank the Indian diplomat(s) Mr. Shambu Hakki for taking the time to deliver his speech at short notice.

I only have about 20 minutes for this presentation so I will keep it short so we have more time for questions and a chance to interact.

Indians have a reputation for making long speeches. They say that when the Chinese make speeches before dinner, people look at their watches. But when the Indians start making speeches before dinner people look at their calendars!

Let me first say that all of you are experienced and intelligent business people and if I just confine myself to saying what a wonderful place India is and hide the problems in Indian investments, you may clap politely and go back but you will not believe me. That will be wasting your time and mine.

So even though I am going to try to explain to you why there is huge opportunity for Taiwanese companies to invest in India and why it will be a profitable experience for both your company and you personally, I will start by telling you all of the problems and bad news first.

The International Finance Corporation (IFC) of the World Bank publishes credible data on ease of doing business in about 200 countries. The number one spot for the the easiest place to do business goes to Singapore. Hong Kong is number 2 and Taiwan is Number 16.

India ranks 134, below China, which is 94 and rising and below even Pakistan, where bombs are going off on a daily basis. India's rank in 2014 was three places below that of 2013 which means the IFC thinks things are getting worse, whereas China moved up three places. In fact, it is hard to find an Asian country below India. I searched and found only Cambodia.

So India is certainly is a very hard place to do business. Remember that my conclusion is going to be that you should still do it, but before that let me give you more bad news.

Indian infrastructure is not in a good state. Electricity consumption in India, which has a population almost as big as China, is at about 245,000 Giga Watts, which is only about one third of China's consumption of 750,000 Giga Watts. More importantly, total power need in India exceeds production by about 10% which means that in most states of India power cuts are common.

It also takes about two to three days to unload and turn around a container ship in India whereas in Singapore they do it in a few hours.

While China and Japan constructs bridges and roads they don't need to stimulate the economy, even in Mumbai, India's richest city, there is the opposite problem of not enough roads.

Indian literacy levels are now reaching 70%, but because of the large population, India still has the largest illiterate population in the world. India also has the largest number of people in the world without access to toilets.

And while in most of the developed world the prime Rate is low and interest rates on deposits are close to zero, India has a Prime Rate above 10% and even then capital is hard to get from banks.

So India has been an under achiever, especially compared to East Asian countries. There can be no question about that.

So why then should you invest in India? There is a fundamental question we should always ask ourselves which is 'is there a group of people so stupid and inferior that they will forever remain backwards?' I don't think so.

As you all know Africa now has some of the fastest growing economies in the world even though it was considered a basket case for decades. And I think India is about to, for various political, economic and demographic reasons, make not just the same leap but an even greater leap into high economic growth.

And those countries which have lagged behind have by definition the most amount of catch-up growth possible. It is very much a question of perspective.

Some people might look at the fact that the whole country of India, a country of a billion people has fewer five star hotel rooms than just the city of Bangkok. They see this as a sign that India is hopeless.

India, a country with wonderful palaces and the only one in the world where you can see the tiger and lion in the same country, receives fewer tourists than Singapore.

But another person can look at the same thing and see the incredible opportunity that this provides. Will India always have fewer tourists than Singapore? It seems extremely unlikely.

Similarly all the hotels, roads, factories and businesses it is lacking are not just problems but also opportunities.

Let me go back a bit and tell you about my experiences in attending conferences. It is hard to believe now, but I am old enough to remember that in the 1980s people thought Japan would take over the whole world and China was a basket case.

This is about the only good thing about growing older, you can personally remember the stupid mistakes you made and saw other people making instead of just reading about it!

I was attending a conference on “Asia Rising” taking place of all places in Perth Australia in 1993. This was before the Asian Financial Crisis of 1997 and just a few years after the Tiananmen incident in China.

Japan was just slowing down at that time and I told a Japanese delegate that I thought Chinese economy will overtake that of Japan in the not too distant future. The Japanese delegate laughed out and said that will never happen since China was so unbelievably backward in comparison. But we all know what happened to Japan and China.

Over the next few years, India may be approaching an inflexion point whereby it will become an attractive economy for both domestic and foreign companies, perhaps even more attractive than China. People also laugh when I say this just as they laughed about my prediction for China. But time will tell.

I have told you about the big problems that India has. But the problems also provide a big opportunity to those companies and individuals who can solve them. Big risks and big problems also mean big rewards await those who can solve them. While looking at the problems, let us also remember the potentially big rewards.

As we all know it is not the size of the economy that matters so much as the growth rate.

That is why it is harder to make money in Japan than in China though Japan is still a very big economy. Though nobody mentions it anymore, Japan was a bigger economy than China till 2010.

Today, more than half of India's population is under the age of 25, with 65 percent of the population under 35.

By 2020, India's average will be just 29 years, in comparison with 37 in China, 45 in Western Europe and 48 in Japan. This demographic trend will confer a significant competitive advantage upon India.

About a quarter of the global increase in the working age population (ages 15-64) between 2010 and 2040 is projected to come from India, during which time its working population is set to rise by 5 percent to 69 percent, I repeat 69% or two thirds of its total population.

Not all Indians or even the majority of the Indians may be clever or successful but if even just a small percentage of the population is to succeed, then the Indian economy will grow and that will impact the world. The scale we are talking is about a million people entering the labor market every month in India, peaking at 653 million people in 2031.

As a result the International Monetary Fund projects that India's so called demographic dividend has the potential to produce an additional 2 percent per capita GDP growth each year for the next twenty years.

Those of you in Taiwan who have been watching what the young people have been doing in the Executive Yuan building know that young people are impatient and want CHANGE and and they want it QUICKLY!

And India is going to have more young people than any other country and therefore it will change, and I think for the better.

The new government that has come in India this week and the pro business policies that will soon follow is only an indicator of that. More will follow.

So to provide some perspective, let me also tell you about some the good things about India.

The just concluded elections in India had more than 500 million voters and the ENTIRE election was conducted through electronic machines made by a government owned company. This is a feat even much more advanced economies have not been able to achieve. The US still uses pieces of paper and boxes.

Everyone focuses on India's software engineers but Indian mechanical engineering is also very good. The India space agency now has a vessel going towards planet Mars which it built for less than it took the US to film the movie Gravity.

Indian Defence companies are making cruise missiles that travel at more than twice the speed of sound whereas most of the cruise missiles that the US has travel at sub sonic speed.

So what this means is that under the right conditions and under the right leadership Indian people are able to overcome difficulties and achieve great things.

India has excellent engineers and Indian managers can pull off logistical exercises under the most difficult conditions. Taiwanese investors can take advantage of this fact.

Doing business in Singapore or Hong Kong is like swimming in the swimming pool. Sure it is easy but in the end it is boring and you don't go anywhere. Doing business in India is like setting sail in the Ocean. It is rough and dangerous and sometimes you can even drown. But it is also exhilarating and you can end up someplace new.

In some ways Taiwanese companies, which are still largely family controlled, more flexible and more capable of making quick decisions, are more suited for Indian business conditions than the more rigid Japanese companies or even the more bureaucratic US companies.

Korean companies, which have been investing in India for more than three decades have proven that it is possible for East Asian companies to invest and make profits and gain market share in India.

In my opinion, Taiwan is one of the most under rated and under appreciated countries in Asia. You have achieved industrialisation and high standards of living without losing your culture or soul.

And you have achieved democracy which, despite the recent problems, will serve you well in the future.

So in thinking back on your own achievements, which were accomplished in spite of great difficulties, you should also think about what is possible in to achieve in other countries. With any new venture there is always the question of “why should we do this?” But of course those who do not take a risk are inevitably overtaken by those who do.

This happens to both countries and companies. Japan was overtaken by China. Yahoo was once the most important internet company in the world but now its biggest asset is its 24% stake in Alibaba. The estimate is that 75% of all the companies in the S &P 500 will be replaced by the year 2027.

Taiwan is also currently overexposed to China, and recent events in Vietnam have also made it seem less promising an opportunity. What the riots in Vietnam show is not just that every venture, no matter how safe it seems, involves risk, but that it is the risks you do not know you are taking that are the most dangerous.

But with proper management it is possible to invest, grow a company and make it profitable in India. I have been doing it for more than ten years in India now and I can tell you this from personal experience. It is not easy but it can be done.

So I hope some of your companies will take up the challenge of the investing in India and I look forward to your questions. You can look at the calendar now..It is still the same day. !

Thank you.