

21 November 2006

POST TRAVEL REPORT: VISIT TO INDIA BY CR SNEDDEN**Report by** Councillor Fiona Snedden**Purpose**

1. To report to the Finance and Governance Committee on the travel, on 2-11 September 2006, undertaken by Cr Fiona Snedden associated with the City of Melbourne Australian Industry Group Business Mission to Delhi and Mumbai and with the annual roundtable meeting of the Business Partner Cities (BPC) Network held in Mumbai.

Recommendation from Management

2. That the Finance and Governance Committee note this report.

Key Issues**Details of Travel**

3. Cr Snedden was co-leader of the Business Mission, together with Mr Tim Piper, Victorian Director of the Australian Industry Group. Cr Snedden was also the senior delegate from Melbourne to the Business Partner Cities Network Roundtable and conducted a number of other meetings on Council business. In all of these activities, she was assisted by Council's Director Sustainability & Innovation. Cr Snedden's itinerary was as follows.

2 September	Depart Melbourne for Delhi
3 September	Touring (with delegation)
4 September	Austrade briefing (with delegation) Forum with members of the Confederation of Indian Industry (with delegation), Meetings with Mr DR Karthikeyan, Melbourne's Honorary Adviser in Delhi Arete Consultants (with delegation)
5 September	Meeting with the Australian High Commissioner (with delegation) Meeting with the CEO, ICLEI South Asia Meeting with the Mayor of Delhi and senior officers of the Municipal Corporation of Delhi in relation to civic management of the Commonwealth Games Reception for Mission delegates by the Austrade Senior Trade Commissioner
6 September	Meeting with the Indian Trade Promotion Organisation Travel to Mumbai Familiarisation activities in Mumbai (with delegation)

7 September	Meeting with Osaka BPC Indian Merchants Chamber Centenary Year Celebrations (with delegation)
8 September	BPC Roundtable
9 September	Meeting with Podar Enterprises, Meeting with Balaji Telefilms Discussions and inspections with the Clean Mumbai Foundation.
10 September	Free day
11 September	Depart Mumbai for Melbourne

4. Aside from the two representatives of the City of Melbourne, the Business Delegation comprised 11 representatives of 9 companies and 2 representatives of the Australian Industry Group. The participating companies were:
 - 4.1. Clean Technology Australasia Pty Ltd;
 - 4.2. Total Fresh Australia Pty Ltd;
 - 4.3. Monash University, Faculty of Business and Economics;
 - 4.4. Chip Development Ltd;
 - 4.5. PSG Australia Security Group;
 - 4.6. Manallack Pty Ltd (also representing the Australia India Business Council);
 - 4.7. Select Metal Fabrications;
 - 4.8. Japsco Australia Pty Ltd; and
 - 4.9. Integrated Event Technology Pty Ltd.
5. Each of the companies had separate business meetings with Indian companies arranged for them by the Australian Industry Group and Austrade.
6. Mr Stephen Manallack, of Manallack Pty Ltd (a communications business), in addition to pursuing business opportunities in India, was separately commissioned by the City of Melbourne to write a daily journal of the delegation's activities in India. The journal was published each day on Council's Business Melbourne website and is reproduced at Attachment 1 to this report.
7. The delegation received favourable press coverage in the Financial Review of 4/9/06 (see Attachment 2).

Councillor Travel Guidelines

8. The Director Sustainability & Innovation, Geoff Lawler, has confirmed that the travel undertaken does accord with all the requirements of the Councillor Travel Guidelines.

Outcomes/Benefits

9. All participating companies expressed surprise at the enthusiasm with which their business proposals were greeted and acknowledged the access that they were provided with by being part of the mission. Early responses from mission participants indicate business transactions with an estimated anticipated potential value of \$3.7M (through initial incomplete interviews). The mission participants could not have gained the access to senior people in Delhi and Mumbai without the assistance of the City of Melbourne, the Australian Industry Group and Austrade, working together. The business participants commented that they could not have fared as well on their own and that being part of a mission was of great advantage to them.
10. It can be confirmed that business conditions in Delhi and Mumbai are very favourable at present. Growth in the Indian economy generally is expected to be 8% in 2006 and 1% has been added to the growth rate every year since the mid-1990's. Australian exports to India are dominated by gold and coal but export in services is growing rapidly. Over 60% of service exports are education but demand is now growing for architectural design, environmental management, tourism, hospitality, retail management and advertising services.
11. Delhi and Mumbai are the two cities with the largest concentration of Australian businesses, followed by Bangalore. Infrastructure is a constraint but prospects are improving. The Delhi and Mumbai airports have been privatised and will be developed for the 2010 Commonwealth Games. 20 more airports will be developed over the same time period. The main budget for the Delhi Commonwealth Games is AUS\$1.2 billion. Growth and business confidence are palpable and a substantial consumer society is forming. There are 10 million mobile phone users in Delhi and the retail sector is now opening to multi-nationals and shopping malls and brand-name shops are now being developed extensively.
12. Advice from Australian government representatives in Delhi is that one-third of Indian students in Australia are studying in Melbourne. The education market is buoyant but vulnerable to stories of bad experiences. The Melbourne lifestyle is seen as a substantial asset. Melbourne's market share will be maintained by a combination of quality education and lifestyle. The Australian and Indian governments have recently established two programs to support educational relationships. The first is a \$40mil Research Fund to support collaborative research over five years; the other is a scholarship fund over 5 years to enable mid-level professional Australians to spend up to 3 months working with organisations in India. This may be an opportunity for City of Melbourne staff.
13. The City of Melbourne has secured the right to host the 2007 annual roundtable meeting of the Business Partner Cities Network in Melbourne on 4-6 October 2007, coinciding with the Melbourne Business Festival. It can be expected, from delegates' comments, that the meeting will attract significant interest from members and that a number of members will bring business delegations (Osaka had 26 businesses in their mission to Mumbai).
14. The India Trade Promotion Organisation (ITPO) confirmed their intention to stage a trade exhibition in Melbourne on 29 March-1 April 2007 and expect to attract 100 companies to their delegation. The City of Melbourne will provide a reception for delegates at the Town Hall to allow networking with local businesses. This exhibition is a significant step for the ITPO into Australia, and it is in the City's trade interests to make it as successful as possible.
15. In August 2006, the Lord Mayor appointed Mr DR Karthikeyan as Honorary Adviser to the City of Melbourne to assist in the development of the strategic city alliance between Melbourne and Delhi. Mr Karthikeyan, who lives in Delhi, was recommended to the City of Melbourne by the former Indian Consul-General in Melbourne and has had a greatly distinguished career in the Indian public sector. Cr Snedden's trip provided the first opportunity for him to meet representatives of the City of Melbourne. Through him it was learnt that the Government of the National Capital Territory of Delhi has 4 sister cities and cannot accept another without the approval of the national government. Mr Karthikeyan is now having discussions with Government representatives to this end.

16. In relation to the 2010 Delhi Commonwealth Games, it was discovered that there is great interest, generated by observations of the Melbourne Games, in legacy planning but that it would be another 3-4 months before objectives were determined. The UK is Australia's main competitors for transferring Games expertise to Delhi.
17. Through a meeting with the Mayor of the Municipal Corporation of Delhi, it was confirmed that the Delhi Municipal Corporation (DMC) will be responsible for city presentation in relation to the 2010 Games; a similar role to that undertaken by City of Melbourne in 2006. An offer was made to the DMC to share Melbourne's experience in detail. The International Council for Environmental Initiatives (ICLEI) South Asia office has secured funding from the British Council to stage a "Green Games Symposium" in Delhi on 5-7 February 2007 and wants the City of Melbourne to participate. This is a great opportunity to capitalise on the City of Melbourne's offers to the Capital Territory Government and DMC (who will both participate) and give a tangible expression to the strategic alliance sought with Delhi.

Cost

18. Travel costs for Cr Snedden totalled \$8,747.43, which includes airfare, accommodation and sundries. Additional costs incurred by the City of Melbourne to support the mission were:
 - 18.1. travel cost for the Director Sustainability & Innovation of \$8,665; and
 - 18.2. business events in India for mission delegates organised by the City of Melbourne cost \$6,033 and were paid from Council's Business Development Fund.

Background

19. At its meetings on 11 July and 8 August 2006, the Finance and Governance Committee approved travel for the Chair Business and International Relations Committee, Cr Snedden, to represent Council at the annual BPC Roundtable in Mumbai and to lead a business mission to Delhi and Mumbai from 3 September to 10 September 2006.
20. In 1999, the City of Melbourne joined the Business Partner Cities (BPC) Network, a network aimed at expanding small to medium business links between 13 cities in East and South Asia. The BPC member in India is the Indian Merchants Chamber, which is based in Mumbai and operates throughout western India. The Australian Industry Group is co-signatory to Council's membership of BPC and supports business participation with the BPC under a funding agreement with Council. An annual roundtable is hosted by a different BPC member organization each year. Melbourne last hosted the event in 2000.
21. The Confederation of Indian Industry (CII) led a Business Mission to Melbourne during the Commonwealth Games. At the Australia India Business Exchange the City of Melbourne & CII signed an MOU with the intention of jointly boosting economic development through their respective networks. CII provided assistance to the Business Mission.
22. During the 2006 Commonwealth Games and the Mayors Asia Pacific Environmental Summit held in Melbourne in May 2006, Council formed relationships with the Chief Minister of the National Capital Territory Government of Delhi and the Mayor of the Municipal Corporation of Delhi. The Lord Mayor subsequently appointed Mr DR Kaarthikeyan, on 8 August 2006, as Melbourne's Honorary Adviser in Delhi. Following this recent trip, Mr Kaarthikeyan has begun discussions with government at all levels in Delhi to develop a formal relationship between the National Capital Territory Government of Delhi and the City of Melbourne.

Attachments:

1. City of Melbourne and Australian Industry Group BPC Mission to India, Daily Journal
2. "Delegation seeks to build Indian ties" Australian Financial Review, 4/9/2006

City of Melbourne and Australia Industry Group BPC Mission to India

Day One

By Stephen Manallack, Australia India Business Council and Communication Consultant

When does a Trade Mission begin? Now that we're all in New Delhi, it's hard to point to one "beginning" for our mission.

Perhaps it all started when the City of Melbourne hosted a pre-departure briefing. Good value these briefings – we were able to hear first hand from long time India experts such as Darren Gribble, Special Trade Envoy to India for the Victoria Government and a former High Commissioner to India, and Shabbir Wahid, Special Consultant to Asia World and a former Senior Trade Commissioner to Mumbai. Now Darren Gribble had a powerful message for us – don't think of "India" but think of it as several different centres, each presenting unique opportunities. And Shabbir Wahid provided some guidance on meeting etiquette, values and how to avoid offending people we want to do business with. The whole briefing was introduced by trade mission leader Councillor Fiona Snedden and chaired by Geoff Lawler, Director of Sustainability and Innovation at City of Melbourne.

Or it might have begun on arrival in India, though we all seemed to arrive at different times. Some in our group had been here for days, even already traveling to other centres for meetings on topics like security, investigation and training – such was the enthusiasm of Paul Simmons from PSG Australia, who had spent half a day on the train each way to promote his business services. Also starting early on the trail of meetings was Peter Castellas of Cleantech Forum, a delegate who really knows his way around New Delhi, Old Delhi and much more. He became our early reference point.

For another delegate the starting point for this mission could have been the Melbourne Commonwealth Games, where he played a key technology role. Matthew Peterson of Integrated Event Technology had long been planning how to maximize skills learnt during those games (and skills needed for Delhi 2010).

But quite different, the starting point for Total Fresh head Carol Stapleton, who realized that a dishwashing machine deodorizer developed in

Melbourne could find a market in the USA and now there was interest from India, so here she was along with part of her team, Iris Hately.

In fact Carol, Iris and I traveled together and since for all of us this was our first time in India, we promised to help each other through the "wilds" of the Mumbai airport (which turned out to be so easy) and find our way to our New Delhi hotel (even easier). My own journey had started with the Australia India Business Council (Victorian Committee) where exciting new things have been happening and we have more in the pipeline, including exchange of journalists, working on the key perception issues that currently hinder trade between these two countries.

And for Tim Piper and Louise McGrath, Australia Industry Group, the trip began many months before when the planning started – their expertise is behind every aspect of this mission, and we are calling on their knowledge at every opportunity.

The reality is that for most of us, this trade mission, the City of Melbourne and Australia Industry Group BPC Mission to India, had begun months or years ago when we made the first email contact or placed a call.

So here we are in New Delhi, one day before the official start and we're on a bus out of town – we are united in one objective, to see the Taj Mahal. It might take us nearly five hours each way, but we're determined not to leave town without seeing it – that "dream in marble" near Agra, built by Shah Jahan to honour the last wishes of his beautiful wife, Mumtaz Mahal, who died giving birth to their fourteenth child. It took 22 years to build, though the more we saw and the closer we understood this extraordinary building, it seemed like something of a miracle to complete it so quickly. That one man could have stayed so true to (even exceeded) the wish of his loved one made us reflect what is life for? We talked about how important relationships are, and how lucky that we can see the results of this man's love. On this day, Indians of all ages came in groups to see this amazing part of their culture, a beautiful



merger of Persian and Indian cultures. And how green the gardens – we're totally unprepared for the peaceful attraction of perfect lawns, manicured shrubs and shady trees, all leading up to the Taj. We resolve on our next visit to keep some time for sitting in the shade on the lawn, taking a slow and long look at the changing appearance of this marble dream.

What a contrast this provides to what we see of the people of Delhi as they race towards (and create their own) modernity – the Sunday Times reported that within weeks Delhi will officially be one of the few cities in the world with 10 million cellphone subscribers. Mumbai is close behind with nine million. The Times breathlessly told us "Capital Boasts First World Levels" and in doing so, echoed the feeling of competitiveness and enthusiasm, two things we have encountered already.

We were joined on this visit by two guests of Matthew – Adrian Avis and Kurt Wagner, both here for Event Knowledge Services, a company working for Delhi 2010. We mercilessly "picked their brains" for tips on doing business over here – and especially appreciated their recommendation to end the day at the Taj with some local beer, the Kingfisher.

Now is this visit to the Taj Mahal just tourism? Not at all, in a way it shows our respect for and interest in the host country. Even more, all of us can and will talk to every one we meet about the massive impact this delicate yet huge, sad but optimistic monument had on us. At least it will provide an alternative to talking about the cricket (who is your favourite? Ricky Ponting?)

The media is reporting that the "Terminator", California Governor Arnold Schwarzenegger is all set to land in India to "talk business, bigtime". It's nice to think we got here before the "Terminator". Maybe we're ahead of a few others, too.



City of Melbourne and Australia Industry Group BPC Mission to India

Day Two

By Stephen Manallack, Australia India Business Council and Communication Consultant

While we learn that this is the “start of the season” for missions and events in India, as we begin our first real day of meetings in New Delhi it is clear, dry with no prospect of the monsoon today. This is the monsoon that India waits on, an unpredictable force that leads to plenty or shortage in agriculture. This year it's late and patchy, but there is still time. Only two days ago, the downpours were heavy, so more will probably come during our trade mission. But not for today, and what a fine sign that is a key day when the message of “Business Melbourne” will be delivered to one of the most influential business organizations in the nation, the Confederation of Indian Industry.

We've been told that being a national capital, New Delhi is a little like Canberra, if you can compare a city of over 12 million with one of several hundred thousand. And there are parallels, lots of space, roundabouts, and looking at the map, they are alike. But up close, New Delhi bounces and bustles, it has narrow and busy laneways and wide expansive boulevards. It's much greener than we expected. The green of Delhi is more up close, in Canberra green (and often a brown) is in the distance, as most things seem to be in that open and sparsely populated capital. Outside of our hotel, the transport choice begins with the peddle power rickshaw, then the motorized three wheeler that is lot's of exhilaration in traffic, through taxis and buses, up to luxury Mercedes Benz cars. All want our attention. All are happy to have long discussions about where you are going and why there is a better way. We quickly discover that they all have horns.

Breakfast is with Austrade Senior Trade Commissioner, Mike Moignard, followed by a briefing on the New Delhi 2010 Commonwealth Games by Austrade's Amarbir Anand. Here we receive a full and open briefing by two professionals with substantial experience, and it is this that really highlights the benefits of trade missions like this one – most people in business never get to sit so close, hear it so real, ask the main questions and get the answers they can actually use – but we did.

Mike is telling us that the new way is “collaboration” where no business has to do the whole thing - you just find the part of the process where you can add value and go for it. He says that Indian companies are looking for people who can share in this way. And the big new sectors include finance, architecture, environment, mining services, hospitality and tourism, retail management, advertising and marketing.

But then he gives a warning – be committed to India or don't bother. And be patient, because things will happen their way, not yours. And along the way he says we should expect some pretty stiff competition, with the “Brits” still a business force and of course the rest of the world joining the queue.

At the big end of town, “resources” is the language of trade between Australia and India, and while we have seen some Indian investment in our resources companies, the big move is about to happen on that front. But Mike also points to the growing services sector where we now export about A\$800 million and growing. With David Greenberg from Monash University in our group, we find that some A\$500 million is from education and David is looking to customized training in financial services as the driver of future India relations for Monash.

There are key questions about restrictions and tariffs from trade mission members, John Sinha, CEO, Select Metal Fabrications, and Tony LoRiggio from Chip Development, an electronic engineering company. John is looking to the health and childcare industries, while Tony focuses on the electronic security systems market.

In this country, according to Mike Moignard, you can sometimes do things quickly but most often it will take a lot longer than you think. So, be patient. For example, even when things seem to be going nowhere, progress might be happening behind the scenes and you would not have a clue – that's why it is important to hang around, applying liberal doses of patience.



TradeMissions

There is time between breakfast and our next function for a series of private meetings, so the group divides and gathers - something we repeat many times over the week. "How did you go?" and "Meet anyone interesting?" are the comments, while we swap notes.

The Confederation of Indian Industry (CII) is bigger than any industry body you could imagine. Over 110 years old, it has more than 5000 members, offices almost everywhere and five major "knowledge centres". We feel lucky to meet with them, but then again the CII has a special relationship with both the City of Melbourne and the Australian Industry Group.

Melbourne City Councillor, Fiona Snedden, Chair for Business and International Relations Committee, tells the group that Melbourne wants to be an entrepreneurial city where small to medium enterprises can find success. She points out that Melbourne is a great place to do business, and we see a dvd that shows design creativity, a "can do" mentality and a willingness to do business. We also learn that Lord Mayor John So has signed an intent for sister city relationship with New Delhi.

Tim Piper, Victorian Director, Australian Industry Group, tells the group that it is 23 years since he backpacked around India, but that now he is asked about Ricky Ponting and David Boon. But we are also stunned to learn from him that 50% of all Indian students who study in Australia actually do so in Melbourne, home to nearly 30,000 Indian born people. Tim also spoke about the excitement that India generated for New Delhi 2010 Commonwealth Games and he pointed to several companies on the mission that either give or seek to provide services to the Delhi games.

Tim provides Government at all levels with in depth public policy input and has strong synergies with CII and others in India.

Geoff Lawler, who has the impressive title of Director Sustainability and Innovation at City of Melbourne, is our final speaker and he has the job of selling Melbourne, which he does with conviction and the right tone - we hear about a city that is quietly confident and aware of its strengths. I'm becoming more aware of what a great place our home town is. Over lunch we also become aware that this presentation has indeed ignited interest among the CII delegates - they're lining up for tickets. In fact, it is remarkable to think that for something like 90 minutes our trade mission leadership has been selling our home town, on the premises of India's

leading industry body and to a group of potential clients. On top of this, we get another great feed of Indian food.

Do you know one word that really struck a chord with the Indian businesses? It was "sustainability" and I get the feeling that they liked what we knew about the topic (across all areas) plus the fact that it conveys that we are in this for the long haul. Simple messages stick, and this one did. If you are coming to India for business, stick "sustainability" in your memory bank, for it is well received.

This is not then end of the day, but it is the end of this report. We will catch up with the rest of our activities in the next report - meantime, we continue to compare business cards, swap notes and remark on the extraordinary enthusiasm and friendliness of everyone we meet - it is like, yes, this is a place where you could meet lots of demands and pressures but ultimately also enjoy doing business. But make sure you are up to date on cricket!



City of Melbourne and Australia Industry Group BPC Mission to India

Day Three

By Stephen Manallack, Australia India Business Council and Communication Consultant

There is a Hills Hoist clothes line right in the middle of New Delhi and we had a fine round of drinks, food and meetings under (well, nearby) to the Aussie icon. It's at Mike Moignard's place, part of the Australian diplomatic area. Mike heads up Austrade in India and has been one of our best supporters over here, including organizing a cocktail function at his home.

Now here's something from Mike that will surprise those of you who think our relationship with India is only about resources – Mike tells me that the total export value between us and India is \$1.2billion and Australia did \$930million of that. Over 50% of this was education, and Mike expects the magical \$1billion to be passed this year. Amazing what you can learn underneath a Hills Hoist, at a successful function for around 70 people, eager to talk business.

Some of us are suffering the unreality of a trade mission – as Peter Castellanos from CleanTech Forum said, "Today was like a week". With the support of Austrade, City of Melbourne and Australia Industry Group, meetings are just laid on, contacts come and go, business cards and proposals are swapped and everything is in sharp focus. There is no more intense way to gain exposure to so many interested people.

Delhi is a "can do" city. I will give you an example. Meeting with the people at India Trade Promotion Organisation this afternoon, an idea for the Minister for State for Commerce came up, and within two hours I was in the Minister's office discussing the concept. That's fast, its breakthrough, and reflects what we're getting in many areas. The Minister is Jairam Ramesh, a former media columnist and well known economist who is now in Government and determined to promote business around the world.

This is also a grand city, with more green space than you can imagine, lots of monuments and design features you would see in Paris (only in Delhi they are a little larger). In a way, the "India story" is being re-presented here with a confidence and passion that will find its way into the hearts and minds of

many in the west. But ever-present is the image of the "Father of India", Mahatma Gandhi, whose image and words adorn many of the offices we visit. It was Gandhi who said "be the change you want to see in the world" and there is no better way of saying that, basically, hey, it's up to you and me. Common sense and simplicity – now that's communication.

Speaking of communication, we had some good messages last night from the team at Arete Consultants, with their Director, Apurv Kansal, and what was outstanding were his "three do nots" of Indian business – do not underestimate the complexity, nor overestimate possibilities, nor look for short term profit. Get these three out of the way and you are heading to a strong entry strategy, which is what the Arete team specialize in. On top of that, his team provided some enthusiastic conversation about cricket, sporting heroes and also which Bollywood movie provides the best introduction to the genre – not only did they know their movies, they loved the topic and were well informed.

This morning was a highlight. Breakfast was as guests in the home of the Australian High Commissioner, John McCarthy, followed by almost two hours of free ranging discussion with him about India, business and the future. This is like "gold" – which is also a big item of trade with India in itself. Worth noting is that our diplomatic and trade presence in India is growing when in so much of the world we are contracting. John pointed out that our economic relationship has been based on resources such as gold, coking coal, added to which will be liquid natural gas and possibly uranium. But what he is clearly excited about is what is happening in "knowledge based" industries such as education, IT, biotech, science and technology exchange. On the latter, the Prime Minister is also enthusiastic and has announced funds for science and technology exchange. On top of this, John McCarthy is confident Australian construction and consultancy companies "of all kinds" will do well in India.



Trade Missions

In this context, we learned from Councillor Fiona Snedden about Melbourne's plans to support business in this market, and the two agree on the importance of "focus, focus, focus". This continues to be a strong "take out" from the mission, for all of our Indian contacts would have left with the awareness that Melbourne has special attributes and is looking to potential "sister city" New Delhi and the Indian market.

But what was gripping about John McCarthy's message was this – in thirty years or so India will have an economy that is still growing with one of the highest (perhaps the highest) proportion of working age people in its population. That is, it has lots of young people – compared to Japan, China, USA and probably Australia, all of which are heading to having lots of old people. So for "young" India, this is not a bubble, this is not a trend, it is sustainable - India will be growing for many decades yet.

And so it was on the bus between appointments that we learn of the death of "Crocodile Hunter", Steve Irwin, and for just a moment, like the rest of Australia, we feel loss and vulnerability – here one flamboyant character full of optimism has been taken from us. Steve Irwin's face and the report of his death dominates page one of The Times of India. It's quiet on the bus, I think we're reflecting on what it is to be an Aussie, as we wind through the traffic, negotiate yet another roundabout, pass yet another magnificent monument and drill down into what Delhi has to offer. Now this is a country that knows a thing or two about life and death, and if a chat about the meaning of life is what you are after, jump on the plane – it's a daily discussion over here.

So right now we're on the bus, returning from the Aussie High Commission function, reflecting that tomorrow we head to Mumbai and more opportunities to strut our stuff. Matthew Peterson from Integrated Event Technology confides that Austrade has lined him up seven appointments in the first day in Mumbai – he's wondering if it is possible to do them all, but I'm betting that he will. That's the nature of a trade mission, unreality becomes real.



City of Melbourne and Australia Industry Group BPC Mission to India

Day Four

By Stephen Manallack, Australia India Business Council and Communication Consultant

Going to a business appointment via elephant in the middle of bustling New Delhi is not everybody's idea of fun. But today Paul Simmons from PSG Australia did just that. Seems he was in a taxi heading on a dual highway to his meeting when an elephant stepped out on the road and stopped the traffic. Before he could get his camera out, there was a second elephant on the road. Just another day in Delhi according to the driver, but Paul had to get out and go for an elephant ride. Now that's being flexible in pursuit of new business. Paul is with PSG Australia, a security services company that provides training and other services.

Funny that – "Riding the Elephant" is the title of a successful down under briefing that Mike Moignard and his team from Austrade do in Oz around November. Put simply, if you want to get on this elephant, this briefing is an essential start – they're scheduling another one for November.

KPMG is taking an interesting approach – it has set up a special unit dedicated to Australia and India business relationships, covering all the issues ranging from M&A activity, finding partners, tax and regulatory. Mukund Narayanamurti is from Melbourne and as a Manager Corporate Tax has just started a three month stint in New Delhi. Through this kind of exchange the firm builds a team of professionals who know both markets well. I met up with Mukund in Delhi and found out that KPMG is number one in the financial services sector in India.

Luggage can tell you something about a person, but don't be misled by the compact luggage carted around by Carole Stapelton and Iris Hatelly from Total Fresh, a business that exports a dishwashing machine freshener. You see, those two have completed a busy schedule of business meetings plus squeezed in some heavy shopping. So where is it all? Not in their suitcases – they've sent it home direct from the retail outlets. By the way, already exporting to the USA and NZ, Total Fresh looks to have good opportunities here in India.

As a final meeting in New Delhi, Councillor Fiona Snedden and Geoff Lawler, Director Sustainability

and Innovation, City of Melbourne, promote the city to the people at the Indian Trade Promotion Organisation (like Austrade). This group takes the Indian message to the world, has five or six offices overseas and is looking closely down under. Good news is that ITPO is planning a major event in Melbourne next year. As the saying goes, you "do business with people you like", and these people are beginning to like Melbourne a lot.

I can never do justice to our arrival in the chaotic, colourful and exotic Indian city, Mumbai, but let's have a go. We have arrived on the last day of a special festival for the deity Ganesh, the figure you might have seen that has the head of an elephant. Ganesh is much loved here and the festival features clay reproductions of Ganesh, paraded with drums and other noise plus lots of red coloured powder (on faces, clothes, cars and more). So the moment our bus hits the roads we're surrounded, celebrators are walking all over the roads, they're piled high on trucks, the firecrackers and drums are happening and we know this is a special town. Well, for one thing, the "town" has a population pretty close to the whole of Australia. This bus trip from airport to hotel should have taken 50 minutes, it actually takes well over two hours but we are not bored for a moment – we're glued to the window. Constant crowds, parents carry little one and two year olds on their shoulders, all have some of the red powder on them, even the grandparents, they're on a high and flower petals, car horns, the beat of drums, the thump of fire crackers, it all happens as hundreds of groups take their clay Ganesh figures down to the beach for immersion.

Now all this is too much for Peter and Jeff Castellas from Clean Technology AustralAsia, who are soon to run the first Cleantech Finance and Investment Forum in Delhi in January. Their folks are from Mumbai, they've visited many times and you can see their excitement as we drive through the crowds. They can't help themselves when we are stuck full stop along Marine Parade on the famous Chowpatty Beach (the necklace), site of the biggest Ganesh celebrations (forget Melbourne Cup crowds and footy finals, this crowd is huge). So the boys jump off



TradeMissions

the bus to join the crowd, and they take along Councillor Fiona Snedden, Louise McGrath from AIG, Iris Hatley from Total Fresh. We don't expect to see them again, but they show up triumphant and bright eyed at about the same time our bus finally reaches the hotel. Welcome to excitement – this is “can do” Mumbai. And thanks to these guys we arrive with the right attitude because as we go into our round of business meetings we won't be whining about Mumbai's traffic, we'll be telling them how much we love this place and the buzz it gives us.

On our first night here the group had dinner with three of Mumbai's media specialists, now part of The Information Company which includes some of India's best business and finance journalists, plus operates a business information website that I write for www.domain-b.com. The TIC group included Kiron Kasbekar, Managing Director, Anjali Mathur, Director (and formerly the first woman President of the Bombay Press Club) and Rajiv Shankar, Senior Editor. All three enjoyed meeting the mission and had the chance to swap notes in depth with Tim Piper, Director Victoria, Australian Industry Group.

Kiron Kasbekar is TIC's Managing Director and he suggests Australia has got to “get a clear tourism message across in India, because while most parts of southeast Asia are well known, few Indians know what would be good to see and do in Australia.” Indians travel in fairly big numbers to Europe and our near neighbours, and while plenty come to us, there are many more in the new middle class that could. Now there's a challenge for Tourism Australia.

Ahead of the trade mission in Mumbai is a round of individual meetings, plus some pretty significant industry events, and that seems to be how a trade mission works best, a combination of being off chasing opportunities for ourselves, and then meeting again with counterparts who can then guide us to more opportunities. Got to put those business cards in a safe place.



City of Melbourne and Australia Industry Group BPC Mission to India

Day Five

By Stephen Manallack, Australia India Business Council and Communication Consultant

Today is one of those days on a trade mission where everyone is having meetings and appointments – for some in our group, as many as seven or eight different meetings across the city. On every day since we have been in India, appointments have been part of the day, but on two or three days, including today, it goes non stop. Most of these have been arranged by Austrade, others through connections via City of Melbourne, Australia Industry Group or via direct contacts. When you think that many of these meetings go longer than the allocated time, it becomes a pressure situation of meet, review, travel, meet, review...

Heard another statistic today to add to the list – meeting with Anthea Forde and Jai Patel, two Aussies with KPMG over here on short term assignment, and Jai pointed out that in the world one person in every six is of Indian origin. We were speculating on the impact of “young” India, where soon this country will have the highest percentage of working age people in the world. Is it about to experience something like the impact the “Baby Boomer” generation had in the west?

So I asked Anthea and Jai what the Indians they have met actually know about Australia. They were quick to reply (in this order) – education, sport and Salaam Namaste, the movie shot in Melbourne. Memo to Government: do whatever you can to get more Indian movies made down under - your return on investment in exposure will be powerful. Later in the day, I ask the same question of leading figures in influential groups such as Reliance, Bajaj, and others across many industries, and while they all know about cricket there are not too many who are fully aware of business opportunities. Then again, at least we have a door opener.

We met with the “new” Australian Consul General in Mumbai, Peter Forby, who has lived in India many times and it is virtually “home”. After a meeting with Councillor Fiona Snedden, Peter met with some more of the group at our hotel. He was generous in support for the trade mission. Clearly, he also loves this town.

Today is the 100th Foundation Day Celebrations of the Indian Merchants' Chamber and they have kindly involved us in all of their activities. Along with City of Melbourne and AIG contacts with the group, the Australia India Business Council has a Memorandum of Understanding with the Chamber and cooperation is at a good level. They're not messing around with the celebration – a commemorative stamp was issued by the post office and dignitaries of every kind are in town, and it's all in our hotel. More business cards needed. This chamber is like a “Who's Who” of Indian business and you would only get to see them via a trade mission.

John Sinha from Select Metal Fabrications knows many of the business people in the room, and he introduces us to leaders in insurance, medical, mobile telephones and more. Matt Peterson from Integrated Event Technology (he worked on the Commonwealth Games) has been through more meetings than most – he's just a bit tired when we meet back at the hotel. And Tony LoRiggio from Chip Development (electronic security systems) has had a day of one presentation rolling into the other. Paul Simmons from PSG Australia had a similar day. It's talking the talk.

Mr Nayan Patel, President, IMC, is an inspirational speaker and he is certain India has moved “up the value chain of global perceptions”. He talked about the world now coming to India and here's a dose of reality when it comes to competing here – the City of London has named the whole of 2007 as “The Year of India” and there are events over the whole twelve months. Competition!

Mr Patel also talked about India's “brain gain” which used to be a “brain drain”. Now Indians who went overseas to work are bringing their IP back home, plus young professionals and others from around the world see it as a major positive to have some Indian experience on their CV.

This is the only merchants' chamber that can claim to have the “Father of India”, Mahatma Gandhi, as a member, and in tonight's function there are many



TradeMissions

respectful mentions of the great man. This was certainly a major part of the keynote speech by Vilasrao Deshmukh, the Honorable Chief Minister of Maharashtra, a state that includes Mumbai. Mr Deshmukh told the guests that this state is “well poised to reap the benefits of globalization”, but in the spirit of Gandhi he called on the businesses of Mumbai to include some of the most backward regions of the state in their business activities, as a sense of duty to those less well off. This is not just words – the Indian Merchants’ Chamber has a proud historical involvement in the freedom movement while at the same time promoting business growth.

Earlier, a few of us had met with the EXIM Bank (Export Import) of India. David Greenberg was there for Monash University and I was representing Australia India Business Council. Mr Shankarnarayan R. Rao is Executive Director and is keen to encourage and support more media coverage in business press in both countries.

In later meetings, we learn about the incredible growth of Reliance Communications Ltd, and about their plans for the future. And Nayan Patel, President, Indian Merchants’ Chamber, is keen to introduce us to a range of matching businesses – he goes out of his way to help and is a good supporter of the Australia India Business Council. That’s networking. The message is getting across and one example is when a few in our group met with Niraj Bajaj, Managing Director, the Mukand Group, part of Bajaj Group, we find that he already knows about Aussie skills in clean technologies – he’s already met with Peter and Jeff Castellias, another part of our group.

For us, today, that's Mumbai. Did anybody see it?



City of Melbourne and Australia Industry Group BPC Mission to India

Day Six

By Stephen Manallack, Australia India Business Council and Communication Consultant

Our trade mission has ended today with good news – Melbourne is to host the 2007 Business Partner City Roundtable. This meant that today was really City of Melbourne day.

This is the Business Partner City day and City of Melbourne is a member, well backed up by Australian Industry Group. Centre stage for the city was Councillor Fiona Snedden, Chair, Business and International Relations Committee, and Geoff Lawler, Director, Sustainability and Innovation. In support were Australian Industry Group's Tim Piper, Director Victoria and Louise McGrath, Manager Trade and Export (and our fearless trade mission organizer). The event was the Business Partner City Roundtable 2006 in Mumbai and the theme "Strategy for Urban Development and Disaster Management – sharing of experiences among Asia Pacific cities". It's a great forum, because chances are that whatever your city needs to do, some other city has already done it, so why not learn from them?

Councillor Snedden announced to the BPC delegates today that next year's roundtable will definitely be in Melbourne, probably 4-6 October, timed to coincide with the Melbourne Business Festival.

Geoff Lawler spoke to the Council meeting, highlighting Melbourne's position as Australia's Knowledge City (not forgetting "most livable") and he showed how Melbourne was becoming more into "linking", whether it is transport, open space, managing growth or support for economic growth. With this in mind, we already have a city that is well "connected" and very "accessible". Adding to this was the concept of an "Innovative City" and a "Vital Business City" and Geoff outlined plans in both areas.

Geoff explored Melbourne's "2010 New Directions" including a growing population, growing employment and more visitors. He set out growth of the Docklands, development of the Melbourne Convention Centre, focus on the Yarra River, activity in Port Melbourne and Fisherman's Bend, plus exciting happenings in education, health, ICT,

biotech and research. He finished with a presentation of retail development and environmental strategies. As we discovered during the Commonwealth Games, Indian civic and political leaders are most excited and interested in how we make this city of Melbourne work so well, how is it so liveable, and they are genuinely keen to learn.

With Mumbai having recently directly experienced both natural and man-made disasters, with the shocking floods and then the terrorist bombing on the train system, there was considerable focus on what cities were doing about security. Here Melbourne introduced its aim for business readiness and the "Mind Your Business" campaign.

Other speakers were from Osaka, Tianjin, Ho Chi Minh City, Seoul, Jakarta, Bangkok, Hong Kong and of course, Mumbai. The event was not just a time for messages – it really is a networking forum for future cross city cooperation. On the final night, the BPC Osaka team hosted a Dinner Reception, more opportunities to exchange cards.

Perhaps you are interested in some of the challenges facing Mumbai?

Consider this – each day 11million people use public transport, trains and buses. Each train carriage has a capacity of 1,750 passengers, but they actually carry 4,500. Or what about the fact that in a city of about 19 million, 66% of people live in what could be called either slums of unauthorised accommodation.

These are the negatives but look at what is working well – for example, Mumbai houses the Reserve Bank of India, is the finance capital and 65% of all cheques written in India are cleared in Mumbai. It also has the highest number of stock exchange listed companies in the world. And while slums and poverty are confronting for Aussies, as Sanjay Ubale, Secretary for Special Projects, Government of Maharashtra, said with some pride – "In Mumbai nobody sleeps hungry". This town also produces 500,000 graduates per year, and each one is snapped up by employers. Mumbai contributes almost one third of India's taxation revenue.



Trade Missions

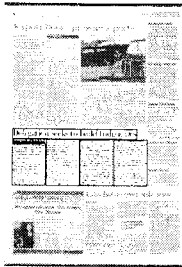
As Nayan Patel, President, Indian Merchants' Chamber, said, "Mumbai never sleeps. Mumbai never loses hope, when struck by disaster, we are back on track the next day".

It can also seem as though trade mission delegates never sleep, and most carried business appointments through today. Retail is of interest to Carol Stapleton and Iris Hatley of Total Fresh, so they were looking and talking high and low in Mumbai before heading for one last appointment and a day or two off down in Goa. Peter and Jeff Castellias from Clean Technology Australasia were out all day talking to the financial sector here, David Greenberg from Monash University had a full diary of education meetings while John Sinha explored opportunities in health and childcare industries. Paul Simmons from security services and training firm, PSG Australia, had a range of meetings covering security elements in Mumbai. And for the Australia India Business Council, the day was another opportunity to develop closer relations with the Indian Merchants' Chamber and to plan some collaborative activity.

So let's finish this diary with some of the words from Australia's High Commissioner, John McCarthy, who told us: "India is achieving strong growth, it has good and effective economic managers, with world class leadership in the central bank and finance area.

"With India in the near term our major economic relationship will continue to be resource based, with key issues ahead there, but there is also construction and knowledge based industries such as education, IT, biotechnology, science and technology exchange (the Australian Prime Minister has announced funds for science and technology exchange and this will be very important in the future – producing results early 2007). There are big opportunities in all these fields for Australia." He summed up what this trade mission has been all about – opportunity for India and Australia.





Delegation seeks to build Indian ties

Andrew Cornell and Elizabeth Kazi

The BRIC nations – Brazil, Russia, India and China – are considered this century's economic powerhouses, although it is China that has had the greatest impact on Australia.

Russia and Brazil are resource rich and distant so indeed may not be natural partners for Australia, but this is not the case with India.

Developing partnerships with India is an opportunity the City of Melbourne and Australian Industry Group are seeking to capitalise upon with a trade mission that starts today.

A delegation of nine organisations, including small and medium-sized businesses, are visiting Delhi and Mumbai. The City of Melbourne's focus will be to use its success in running the Commonwealth Games – to be next staged in Delhi in 2010 – to establish relationships and contracts as well as broader connections.

“There is a real opportunity for

Australia with infrastructure in India, which is not as advanced as China, and the Commonwealth Games gives us something to build on,” Ai Group mission leader Tim Piper said.

“India is still a difficult place to do business, with lots of regulation but the market is opening; the rupee is being floated in five years.”

The Australian delegation comprises representatives from Chip Development, Cleantech Forum, Integrated Event Technology, Jabsco, Manalack, Monash University, PSG Security, Select Metal Fabrications and Total Fresh, together with representatives from the City of Melbourne, Ai Group and Austrade.

An Australia-India Business Council lunch attended by Prime Minister John Howard last week called for more emphasis on building relationships between the two countries – Australia's sixth-largest export destination and the source of 12 per cent of migrants.

Australia India Business Council chairman Neville Roach said there was a need for annual leadership summits, adding it had been too long since an Indian prime minister had visited Australia.

India's consul-general Sujan Chinoy said that since Mr Howard's “successful” trip to India in March, bilateral trade and economic relations were growing briskly.

“Apart from traditional exports of gold and coal, energy exports from Australia hold promise [for India],” he said.

Mr Howard emphasised the comparable size of the opportunities in India and China and noted the relationship with India was not simply based “on the export of our resources”.

“It is also a relationship that is based on a much broader base of economic exchange, a relationship that will build very heavily on the IT needs of both of our countries,” he said.

FINANCE ATTACHMENT

POST TRAVEL REPORT: VISIT TO INDIA BY CR SNEDDEN

Travel costs for Cr Snedden totalled \$8,747.43, which includes airfare, accommodation and sundries.

Additional costs incurred by the City of Melbourne to support the mission were:

- travel cost for the Director Sustainability & Innovation of \$8,665; and
- mission support of \$6,033 from Council's Business Development Fund, to fund on ground operations.

Joe Groher
Manager Financial Services

LEGAL ATTACHMENT

POST TRAVEL REPORT: VISIT TO INDIA BY CR SNEDDEN

There are no legal implications arising from the recommendation to this report.

Kim Wood
Manager Legal Services