

Opportunities abound in India's knowledge economy

India may well prove a more accessible and rewarding market than China for New Zealand's export-driven businesses, suggests **Sunit Prakash**.

China and India are substantially different, as is New Zealand's trade patterns with the two countries and the potential opportunities they offer.

China is predominantly the world's manufacturing powerhouse while India is increasingly becoming the services hub of the world. By services we are talking "brains for hire", in the style of the movie *The Matrix*.

In addition to ICT, bio-tech firms and Wall St financial companies have set up shop to farm the brain power for scientific research and development, or financial analysis. India has moved up the value chain from business-process outsourcing, where the cost per transaction is in pennies, to knowledge process outsourcing.

Historically, apart from Sir Edmund Hillary and cricketer Sir Richard Hadlee, New Zealand has scarcely figured on India's radar. New Zealand exports mostly coal, timber and wool to India, while India sends students and tourists to New Zealand.

What are the opportunities? Let's

examine a few:

■ **ICT:** New Zealand is a clever country. Software can be conceived and prototypes developed here. India can help New Zealand companies produce and provide the clout to take the product global. Many New Zealand-developed software products are successful in India already.

■ **Infrastructure:** New Zealand has tremendous experience in geo-seismic consulting and construction, managing water resources and harnessing wind power; all of great value to India.

■ **Aviation:** Modernisation of its airports; pilot training in India as well as in New Zealand.

■ **Bio-Tech:** Our horticulture industry is the best in the world. This is relatively undeveloped in India where our sorting machines will do well.

■ **Services:** Provided to an increasing number of Indian students and tourists visiting New Zealand.

Companies with services and products catering to the middle and upper classes in India will do well.

India's diaspora has a part to play in building bridges between India and New Zealand.

Several Kiwi firms are well on their way and in line with this, New Zealand Trade and Enterprise (NZTE) has opened its second office in Mumbai.

It will be a long road, but it will be easier than China and will be rewarding. The winning formula combines working with NZTE and leveraging off local partners in India. I strongly believe India's diaspora has a part to play in building bridges between India and New Zealand.

For example, when a few Silicon Valley-based Indians sat waiting for a meeting with a visiting Indian government official they discovered they had a lot in common. These were people in senior positions in organisations who were experiencing

an increasing demand on their time for coaching and mentoring younger, more recently arrived Indians to the valley. With this came opportunities for angel investment and, in turn, becoming venture capitalists. This was the genesis of an organisation called The Indus Entrepreneur (TIE) – one of the largest networking organisations in the world today in the technology space.

Attending a TIE conference in Mumbai, I saw strong links between Silicon Valley and India first hand – budding entrepreneurs clamouring for attention and funding, and venture capitalists reviewing pitches.

In addition, Silicon Valley-based Indians were developing and making products in India while selling to the United States. Many are increasingly looking at India as a market in its own right, as some New Zealand-based technology firms are doing.

The closest I have seen to TIE in our part of the world is the Australia India Business Council (AIBC) in which Australian based Indians are

represented as well as organisations interested in doing business with India. Why TIE has not taken off here is unclear. Perhaps our scale is smaller or we lack many Indians in top level positions locally.

Two New Zealand-based initiatives – NZTE's India Beachhead programme and Kea, a global network of expatriate Kiwis – still have a way to go before they catch up with Australia in engaging local Indians at the right level and right skills.

Free-trade deals with Asian nations offer a "once in a generation" opportunity for New Zealand firms, according to ANZ's 2008 Privately Owned Business Barometer survey. Unless we seize the moment, the only "industry" that will make any money out of the opportunity will be cricket.

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