

# Brand India: Winning Global Mindspace



When completed in 2008, the \$ 300 million, 5.6 km long Bandra Worli Sea Link in Mumbai will save the city's commuters \$ 22 million every year

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**T**he world has changed. Multinational corporations have created empires without borders as Governments are building nation brands. Continental coalitions like the European Union, ASEAN, SAARC and the African Union, are shaping political and economic destinies of member-states. In the new interconnected world, reviving national pride, promoting tourism and increasing geopolitical influence and share of voice, are no longer independent goals. They are strategies for nations to increase competitive advantage to boost trade and attract foreign investment.

It's in this context that the India Brand Equity Foundation (IBEF) took shape as a public-private partnership between the Ministry of Commerce & Industry, Government of India and the Confederation of Indian Industry. Born as an idea to "build positive economic perceptions for India, globally", the IBEF is now much more. It is a resource centre for global investors and world media. It is a catalyst in building partnerships across the private and public sectors.

Indeed, it is a vehicle of change, and of nation-building.

The journey for us at IBEF has been an exciting one. What better time to be in the business of marketing India than now. We've always maintained we are a reflection of India's rapidly changing reality. Allow us, then, to spend some time on the cause itself.

India is the world's fastest growing free-market democracy. This simple phrase conceived by IBEF as India's competitive brand position, seeks to address many contradictions that "outsiders" fail to perceive on their first or second encounter with the country. Fast growth, a growing free-market unhinged by unnecessary interventions, and a flourishing democracy.

Last year at Davos global commentators focussed the debate between India and China on this very issue. That debate is now over. Both models co-exist, but India's path to development serves as an interesting one for further inquiry for several reasons. Chief among them is the question – is there an alternate to the

China model of FDI-led economic growth?

Post liberalisation the Indian economy has witnessed significant changes. Almost all sectors have been opened up for private participation. India is now firmly planted on the radar of overseas investors. Here's why:

### **LARGE DOMESTIC MARKET**

With a population of over one billion and the world's largest middle class, India is a market, which companies can hardly ignore. India was ranked first on Market Receptivity – a measure of consumer perception in 2005.

### **GROWTH ACROSS ALL INDUSTRIES**

There has been a renaissance in the manufacturing industry, IT and ITES industries have emerged as undisputed leaders, the pharmaceutical industry has been globally applauded and India's retail sector is one of the most attractive sectors today for investments.

### **SOUND ECONOMIC GROWTH**

GDP growth picked up from 1.3 per cent in 1991-92 to a record 8 per cent plus over 2003-06. World Bank predicts India's GDP growth would be the highest in south Asia in 2006-07. The industrial growth, measured in terms of Index of Industrial Production (IIP), increased from 2.7 per cent in 2001-02 to 5.7 per cent in 2002-03, 7.0 per cent in 2003-04, further to 8.4 per cent in 2004-05, and is expected to remain at 8 per cent plus levels in 2005-06.

At IBEF, we have engaged with global businesses and found that there is a definite shift in the way investors seek to partner with India. As we took "India Everywhere" – the campaign launched at Davos last year - to Germany, Japan, UK, Brazil, China, Singapore, Australia, USA and Italy, we found the most important reason for investors continuing to have faith in the India story was a deeper understanding of how the world's fastest growing free-market democracy works. Businesses like predictability. In an uncertain political environment, investors were uneasy. Our slogan at Davos in Jan 2006 captured the changed political economy, which today offers far greater comfort to investors, and effectively drove home an important message – "15 Years. 6 Governments. 5 Prime Ministers. One Direction – 8% GDP Growth."

Having said this, we would be first to

admit that fast growth without challenges is an anomaly. Disparate growth among states and differential patterns of growth in rural and urban sectors stand out as the key ones. The focus now is on inclusive growth, and bridging the infrastructure gap. World-class infrastructure is vital for India to compete and succeed globally. But neither does infrastructure only mean roads, airports and ports, nor can economic growth be a goal unto itself. Social infrastructure is equally important for a country's development. And economic growth must be a means towards an end – a developed India in all respects.

There is progress to report on both fronts.

To facilitate rapid infrastructure development, the Prime Minister, under his chairmanship, has constituted a Committee on Infrastructure ([www.infrastructure.gov.in](http://www.infrastructure.gov.in)), for steering the transition to an enabling policy and regulatory environment. The central strategy is to implement the public-private partnership (PPP) approach to attract investment into the sector. IBEF has been a privileged partner to the Committee's marketing initiatives. We've seen, first-hand, increasing commitment in stakeholders to transform India's infrastructure landscape. Some examples:

- ❖ National Highway Development Programme
  - The Golden Quadrilateral connecting the four major cities of Delhi, Mumbai, Chennai and Kolkata.
  - The North-South and East-West Corridors connecting Srinagar in the north to Kanyakumari in the south, including spur from Salem to Kochi, and Silchar in the east to Porbandar in the west.
- ❖ Privatisation of airports like Delhi, Mumbai, Chennai, Bangalore and upgradation of 25 non-metro airports through a joint venture between Airports Authority of India (AAI) and a strategic partner.
- ❖ Privatisation of CONCOR for handling containers to attract more private investment into the sector.
- ❖ Development of Special Economic Zones (SEZs) across the country to accelerate growth.

As far as social infrastructure is concerned, we believe this is a challenge of

internal communication. The message of reform is only now articulating itself in simpler terms for the average Indian to identify with. Here, India's vibrant and alert fourth estate has a strong role to play, and is increasingly responding to the challenge. This is reflected in the proliferation of news channels and innovative programming. IBEF works closely with media. As we continue the work of nation brand-building at the Foundation, a new ecosystem has emerged, which is further proliferating the idea of reform. We have recently begun to engage with sectoral associations like the Engineering Export Promotion Council of India, with whom we collaborated for India's presence as Partner Country at the Hannover Messe in 2006. Likewise we now work with several organisations in employment-intensive sectors.

India's diversity and inherent contradictions mirror the state of the world. And herein is the moot point. What works in India, is likely to work for the world. We will increasingly see the emergence of social, political and economic innovations from India as businesses and policymakers pursue their delicate experiments. As we said in a recent IBEF campaign – "India – The Time is Now!"

With that thought, we wish you a fantastic 2007 – and hope your partnership with India continues to prosper! 🌈

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*The views expressed here are personal.*



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