

Wednesday March 27, 2013

- **India aspires to become a manufacturing hub**

There is a lot of potential when you look at India's demographics, says Sta Maria. On the right is Krishnan

KUALA LUMPUR: India, long known as a software haven and a market where some Malaysian companies had succeeded in infrastructure projects, is now making a new pitch: to become a manufacturing hub.

"We see the manufacturing sector as the key for growth in India," Amitabh Kant, chief executive officer of the Delhi-Mumbai Industrial Corridor (DMIC), told a packed conference room at the Malaysia-India Business Council (MIBC) Invest India Conference and Roundtable 2013, entitled *India: The Road Ahead*, at the KL Convention Centre yesterday.

DMIC is India's most ambitious infrastructure programme that aims to develop new industrial smart cities to expand the country's manufacturing base.

Based on Deloitte Touche Tohmatsu Ltd's "2013 Global Manufacturing Competitiveness Index", India would become the second-most competitive manufacturing destination by 2018.

MIBC president Tan Sri Krishnan Tan said: "India is an important market for Malaysia. Our trade with India has been growing steadily, and today India is among the Top 10 of Malaysia's trading and investment partners."

International Trade and Industry Ministry secretary-general Datuk Dr Rebecca Fatima Sta Maria, who was also present at the event, said: "There is a lot of potential when you look at India's demographics."

However, she said that Malaysian companies venturing into India "had to be patient and had the staying power to harness the potential (of India)".

She noted that Malaysia was targeting to hit US\$15bil (RM46.45bil) in bilateral trade with India this year and reach the US\$20bil mark by 2015. Last year, bilateral trade hit a record US\$13.3bil.

"The enhanced engagement between the private sectors of the two countries also contributed significantly to higher trade and investment," she told reporters.

India's economy is expected to expand by 6% this year, according to the World Bank chief economist.

“India’s strong economic fundamentals, growing affluent middle class, cost-competitiveness, and strong domestic consumption levels have certainly made it an investment destination of choice for many multinationals,” Sta Maria added.

Apart from manufacturing opportunities, Indian officials speaking at the conference said that their government had allocated US\$1 trillion (RM3.10 trillion) for investment in infrastructure in its 12th five-year plan, with about 45% to be raised from the private sector.

Meanwhile, IJM Corp CEO and managing director Datuk Teh Kean Ming told *StarBiz* that the company was keen to look for opportunities under the DMIC.

Teh said IJM had one road project and one property development project in India this year.

The company has been in India for almost 15 years, with interests in several projects ranging from highway projects, power plants and property development to engineering, procurement and construction contracting.