

Businesses urged to consider India

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As one of the world's fastest growing economies, China receives a lot of attention from Maine businesses looking for a foreign market to boost the bottom line. But breaking into China -- with foreign business customs and language, a Communist government and legal concerns when it comes to intellectual property -- involves significant hurdles to entry. India, on the other hand, is an easier nut to crack, Ron Somers, president of the Washington, D.C.-based U.S.-India Business Council, told business leaders at a recent Portland event.

India offers Maine businesses a chance to tap the world's largest democracy with fewer barriers to entry. English is the lingua franca of India's business and government sectors. The United States and India have similar legal structures because of shared British colonial roots. In addition, India's economy is growing at 8% a year and was largely unaffected by last year's global economic crisis. All reasons that Maine businesses should be looking at India as a potential trade partner, Somers told a small crowd at a breakfast event held last week in Portland and hosted by the Maine International Trade Center.

In 2008, India was Maine's 30th largest export market with nearly \$8.2 million worth of goods, according to Maine International Trade Center figures. But the country is garnering more attention from Maine businesses, according to Anne Nanovic, director of the trade center's Asia Desk. Nanovic only has data from the first 11 months of 2009, but India had moved up to 21st place, with \$9.2 million worth of goods. "It's one of the newer markets," Nanovic says. "But Maine companies are familiarizing themselves with it. And having Ron up here waving the flag helps a lot in that respect."

Somers, a Maine native, says several industries should consider India as a potential market: Telecommunication and IT firms (which will find a very young and tech savvy audience, since 54% of India's 1.2 billion people are under 25), defense contractors (India has the second largest military in the world) and Maine educational institutions (India sends 103,000 students to the United States every year).

The Pine Tree State and its famous brand are not on India's radar at the moment, but that could change with some savvy marketing, Somers says. The state's most powerful ally in that regard is Bill Cohen, former Maine senator and U.S. Secretary of Defense. Cohen is hugely popular in

India, according to Somers, and an event or two promoting Maine's brand could help the state gain a foothold in the consciousness of India's business community.

There are still challenges, however, of doing business in India. Somers says there are "a thousand rabbit holes" that a company can fall down, depleting its development budget in the process. And don't forget the bureaucracy. "Red tape was invented in India," Somers says.

To aid companies with these issues, the U.S.-India Business Council is considering setting up special membership options for small businesses.

Steve Rossi, executive director of Lewiston-based Alberrie USA, a U.S. subsidiary of a Canadian parent company that manufactures engineered textiles for industrial markets, says his company's experience doing business in India has not been a piece of cake. It takes consistent effort and a willingness to invest time and travel to the country, he says.

He agrees, however, that India can be an easier place to do business than other emerging Asian markets. "We feel more comfortable with the economic dynamic in India and more comfortable with the language commonalities that exist there and here," Rossi says. "I think, given that you can work through some of the other dynamics, it really can be a much more comfortable place to get your opportunities and get your markets rolling."

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