

Trade official highlights investment opportunities; plays down China potential

By Khushwant Singh

MORE than 71 per cent of foreign firms in India are turning a profit and a further 9 per cent are breaking even, according to a prominent Indian trade official.

Dr Amit Mitra, secretary-general of the Federation of Indian Chambers of Commerce and Industry (Ficci), cited these figures at a conference, called Gateway to Business Opportunities in India, last week at the Marina Mandarin Hotel.



'India offers better returns'

Smiling, he added: "That means about 80 per cent of foreign investors are performing well, and I challenge anyone to show me that investors in China are doing better."

Dr Mitra, 57, was among four Indian business leaders brought in by the Singapore International Foundation under its Distinguished Visitors Programme.

Addressing more than 100 local businessmen, he said that a Ficci poll early this year also revealed that 87 per cent of the 445 foreign firms surveyed had plans to expand their operations in India.

The country offers many investment opportunities and Mr Mitra highlighted housing and infrastructure development as among the most profitable.

He said: "Presently, property

investments by foreign investors are restricted to building townships of 10,000 people in an area not less than 100 acres but this has not stopped Malaysian developers starting a township 100km off New Delhi."

Dr Mitra's view reflected that of the Far Eastern Economic Review, which reported on April 15 that India is a better investment venue than China.

Mr Dan Fineman wrote that Indians saved 20 to 25 per cent of their income compared to China's 44 per cent and this meant that steady local consumption and not "fickle export demand" was the main engine of growth.

The report also stated that last year Indian companies had a higher return on equity (18 per cent) than firms in China (11.5 per cent).

Mr George Abraham, 56, chairman and managing director of GA Group, which promotes trade and investment between India and the region, told Streets that the Indian government had created an investment commission for foreign and domestic investors and had also abolished long-term capital gains tax.

Singapore investments amounted to \$83 million in India in the first three months this year and trade grew 54.6 per cent to \$8.43 billion from January-September this year over the same period last year.

'... About 80 per cent of foreign investors are performing well and I challenge anyone to show me that investors in China are doing better.'

- Dr Amit Mitra, Ficci secretary-general