

Communist leader who is changing the face of West Bengal

Indian state's pro-business climate is getting attention from Spore firms

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INDIA'S West Bengal state, ruled by communists for the past 28 years, is rolling out the red carpet for Singapore businessmen, eager to attract investments from the Republic.

With a population of 80 million, the same as Germany, the province is undergoing an almost unbelievable sea of change in its policy stance.

The Marxists in charge in Kolkata, the capital of West Bengal, seem to have a new mantra: Profit.

The man driving this change is its Chief Minister, Mr. Buddhadeb Bhattacharya, 61, who is bluntly telling workers they must play a constructive role in making companies profitable and prosperous.

"We will not allow any irresponsible trade unionism," he said during a talk jointly organised by the Singapore Indian Chamber of Commerce and Industry and the Institute of South Asian Studies, during a visit to Singapore last month. Senior banker R. K. Mukherjee declared: "The Chief Minister is changing the face of West Bengal."

Mr Mukherjee was till recently the Singapore chief executive of the Indian government-owned UCO Bank.

Returning to the bank's headquarters in Kolkata last month after a posting of nearly

four years in the Republic, he feels winds of change blowing over his state.

"I find the overall mood is very positive and the business climate is good."

"The new outward-looking stance of the state government will help us to grow business relations with Singapore," he told *The Straits Times* in Kolkata.

It was to build business relations with the Republic that Mr Bhattacharya led a high-level business mission here late last month.

A senior businessman accompanying him to Singapore pointed out that so serious was Mr Bhattacharya about the mission that even the death of his mother and mother-in-law a few days earlier had not deterred him from making the trip.

The West Bengal leader's investment-seeking efforts did not go unnoticed here.

He was hosted to lunch by none other than Temasek Holdings' executive director, Ms Ho Ching, who is actively focused to leverage off Kolkata city infrastructure can be a bit of a challenge.

A Singapore businessman who is already benefiting from the new atmosphere in West Bengal is Mr Steve Ting, the executive chairman of home-grown Frontline Technologies.

"We have 150 people engaged in software development there through our Indian joint venture company, Accel ICCM Frontline.

"We find that the operational cost in Kolkata is lower than in Mumbai or Bangalore. "Also, there are enough skilled people available locally as the market is not yet



MAN ON A MISSION: Mr Bhattacharya led a delegation here last month to woo Singapore firms.

crowded," said Mr Ting.

As a result, the Kolkata operations of the company have been profitable for the past five years, he added.

As one who has been to Kolkata many times, he offered this advice: "Singapore businessmen have to be very focused to leverage off Kolkata city infrastructure can be a bit of a challenge.

"There is a shortage of hotels. This is one area for Singapore to look at, as demand is sure to go up with the increase in business activity in the state. "Another area that comes to mind is ports. I believe there are opportunities there, given our strengths."

Besides the big boys with deep pockets, even Singapore's small and medium enterprises (SMEs) are beginning to be attracted by the new business-friendly climate in West Bengal.

A 22-member Singapore

SME delegation was in Kolkata last month to look for new opportunities, and met local businessmen at a forum organised by the Federation of Indian Chambers of Commerce and Industry (Ficci).

Areas covered included real estate development, building of construction materials, ceramic tile manufacturing, automation equipment and contract manufacturing, medicinal pharmaceutical products, bio-pharmaceutical products, the export and retail of gourmet coffee, air purification systems and educational services.

After a four-day visit, their very first to India for some, the verdict was unanimous. "The sheer size of the 80 million people market represents a huge opportunity," said Mr Richard Yeck of Royale Wings International, one of the delegates.

Ficci's regional representative for the Asean region, Mr George Abraham, who helped organise the SME mission, said: "People may not know that West Bengal's average annual economic growth rate has been higher than India's national growth rate for the past 12 years.

"Given our proximity to the state, which is just four hours' flying time away, even SMEs can take advantage of its vast market."

Mr Abraham said feedback from the mission members showed that, having made initial contact, some are planning follow-up visits to discuss more specific proposals.

"Listening to the Chief Minister, who although a communist leader is pro-business... was not only a culture

shock, but also an eye-opener for the Singaporeans.

"The buzz in the breakfast room every morning and the enthusiasm with which they ventured out for business meetings (and golf with their new-found business friends), the tours and shopping in between, are testimony to the fact that even SMEs can smell business opportunities a mile away in strange lands given the right handholding and introductions.

"They are all following up on their connections and are very positive about India," said Mr Abraham.

Giving a boost to potential Singapore-West Bengal business ties is budget airline Jetstar Asia which offered complimentary air tickets to the SME delegation on its inaugural flight to Kolkata last month.

Jetstar chief executive Ken Ryan said business for the Singapore-Kolkata-Singapore sector will pick up quickly.

"We are looking at our thrice-a-week service becoming a daily service in the near future as more people discover the business and tourism potential of West Bengal," he told *The Straits Times*.

Similarly, Mr Ryan is hoping to tap outbound traffic from Kolkata, and other Indian cities subsequently, to bring travellers to Singapore, and potentially connect them from here to the airline's other destinations in Asia.

"Indians are travelling in big numbers. We see it as a huge growth market," he said. narendra@sph.com.sg