

# Attracting German FDI to INDIA

## CII-KAS Webinar Proceedings

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# Introduction

Over the years, Germany has become one of India's most significant trade and investment partners. Bilateral trade has increased significantly between the two sides in the recent past, and there is growing interest to intensify cooperation further to enhance trade from both countries. Currently, Germany is India's 7th largest source for foreign direct investment (FDI). While German FDI is still increasing, there is significant untapped potential.

India and Germany signed the strategic partnership in 2001, which has been further strengthened by the Inter-Governmental Consultations (IGC) between the two countries over the years, which is a platform that allows for a comprehensive review of cooperation and identification of new ways to expand engagement between the two.

Hon'ble Prime Minister of India, Mr. Narendra Modi recently co-chaired a Business Round Table with German Chancellor HE Olaf Scholz, as part of the 6th IGC, held on May 2 in Berlin. Despite the various geopolitical developments at present, the increasing business-related meetings, and roundtables on the sidelines of these consultations, reflect the growing trust between the governments and business communities on either side.

India is a key pillar for Germany for diversifying its business in India. German companies, on the other hand, are significant players in the Indian market, spread across sectors such as automobile and transport, renewable energy, chemicals, and smart cities, among many others.

With many shared complementarities between both sides, India and Germany have high potential for collaboration and should find definitive models for strengthening cooperation and increasing bilateral investments, with a strong focus on ease of doing business.

Given this backdrop, CII, together with the India office of the Konrad-Adenauer-Stiftung (KAS), organized a webinar on “Attracting German FDI to India” on May 18, 2022, to facilitate a discussion on exploring the current status of FDI to India and strengthening cooperation in sectors of potential collaboration.

Discussions focused on exploring the current status of German FDI to India and strengthening cooperation across possible areas of collaboration between the two sides, given India’s new policy landscape.

## Key Takeaways

- Despite the challenging circumstances including the pandemic and the recent geopolitical developments, over the last few years, German FDI increased tremendously to India. However, there is great untapped potential to step up investments further.
- India is positioned well to attract further investments with factors such as the size of the market, the demographic advantage, a stable and supportive policy environment with schemes such as PLI ensuring political and financial support to German Companies.
- The Indian Government has undertaken many steps that have resulted in the reduction of compliance burden in more than 25,000 compliances over the last few years.
- To be assessed as an attractive investment option for an investor country, it is critical for the host country to establish and demonstrate factors such as market potential, stability, conducive FDI policy, ease of doing business, skilled workforce, etc.
- There is great potential for both sides to work together to combat climate change, especially in the areas of renewable energy, green hydrogen and Electrical Vehicles (EVs).
- Potential sectors of collaboration include infrastructure (both digital and physical), defence and aerospace, healthcare, drugs and pharmaceuticals, insurance, R&D, skill development and services including banking and finance.
- The India-EU Trade and Investment Agreement is a key pillar for expanding the Indo-German partnership further and thus, the relaunch of the trade negotiations must start at the earliest.
- Trade negotiations such as those between India and EU and early conclusion of other free trade agreements that address issues of tariff and non-tariff barriers

have further scope to intensify the Germany-India partnership.

- Digitalization will be a key enabler to bring in speed, agility and transparency in the current system.
- India's big focus on Industry 4.0 has a lot of potential to create many opportunities, especially in the manufacturing sector.

## Suggestions

- Advanced manufacturing, joint research and development in science and technology, and skill development are some key areas of cooperation for both countries.
- It is important to extend cooperation in areas such as infrastructure for renewable energy and the production, transportation, and storage of green hydrogen to make investments efficient and effective as fast as possible.
- It is critical for India to step up Ease of Doing Business further to boost investments. It is important to address the issues of complex structures and lengthy complicated processes.
- There is a need for stronger and timely implementation of policies, as well as effective coordination between the state and central government ministries. Greater engagement between stakeholders at different levels between the countries must be promoted.
- Effective implementation of policy, greater engagement with relevant stakeholders and building investor confidence in Ease of Doing Business is key for attracting greater FDI.
- With the recent complications in international supply chains, there is a need to broaden supply chains and look at possibilities of diversifying sourcing and sharpening competitive advantage by stepping up participation in global value chains.
- Development of joint standards, applications of certifications, and mutual acceptance of certifications are important, which will make businesses between the two nations more efficient and investments more meaningful.
- Innovating according to market needs and localisation is critical, with greater focus on R&D to enhance investments.

## Mr. Pankaj Madan



Mr. Pankaj Madan is currently the Deputy Head of the India Office of the Konrad-Adenauer-Stiftung. Mr. Madan has been active with Konrad-Adenauer-Stiftung, India since February 1991. At this juncture he is Team leader, Programme Coordination of KAS, India Office and heads the programme team. During his long experience with KAS, he has been responsible for building, maintaining and enhancing old partnerships while forming new ones with political parties, think tanks, institutions and personages of repute. He has curated numerous events and programmes with the partners as well as mounted issue based delegations.

### Opening Remarks by Mr. Pankaj Madan

Opening the discussion, Mr. Madan observed that India has steadily pushed to become a powerful leader in the economic sphere under Prime Minister Mr. Narendra Modi's effective leadership. A paradigm shift in the way of doing business took place in India over the last few years, wherein India jumped a whopping 79 ranks in World Bank's Doing Business Survey to reach the 63rd position in 2020 from 142 in 2014.

Mr. Madan added that over the years, India's approval processes have been streamlined and simplified, while investment costs have been rationalized. This has resulted in a tremendous increase of German FDI to India, despite difficult economic circumstances and a devastating pandemic, he noted.

Mr. Madan emphasized that the necessary political will and efforts are in place to support greater investments from both Indian and European/German sides. This is reflected in several recent positive trends such as the President of the European Commission Ms. Ursula von der Leyen's announcement of the establishment of an EU-India Trade and Technology Council and PM Modi's visit to Germany soon after the Raisina dialogue, during which the bolstering of economic relations constituted

the main topic of interest and discussions, in addition to intensifying defense relations, he added.

He also stressed that the future of European FDI to India depends on negotiations between India and the EU to advance a Free Trade Agreement (FTA) or make way for certain number of trade concessions that bring benefits to both sides. Therefore, it is crucial for both parties to understand each other's interests, he noted.

Mr. Madan highlighted three key areas where further cooperation can be strengthened to enhance the Indo-German partnership. These included greater collaboration in areas including Advanced Manufacturing; deepened investments from Germany in research and development, specifically in the fields of science and technology; and further programmes including state of the art vocational training in skill development, focusing on advanced fields such as robotics, electronics and automation.

Over the years, India's approval processes have been streamlined and simplified, while investment costs have been rationalized. This has resulted in a tremendous increase of German FDI to India, despite difficult economic circumstances and a devastating pandemic

## Mr. Stefan Halusa



Mr. Stefan Halusa is serving as Director General at the Indo-German Chamber of Commerce since September 2020.

He completed his Education in Diplom-Kaufmann, from Ludwig-Maximilians-University Munich in 1993 and has since then worked with Winterling Porzellan AG as Head of International Business, Brose Group (Automotive Industry) as Director Corporate Strategy (Coburg) and also headed the Asia region for Brose Group as President. He also served as President Brose East Asia - Korea, Japan, ASEAN.

### Address by the Session Chair, Mr. Stefan Halusa

Mr. Stefan Halusa observed that while trade and investments between India and Germany steadily increased over the last few years, there is significant room for stepping up engagements further in these areas. He noted that the recent Inter Governmental Consultations (IGC) held in Berlin and the many governmental, economic and business-related meetings held between the business communities and the governments on either side, despite the many recent geopolitical developments, was a reflection of the growing interest from both sides to enhance bilateral trade and collaborate far beyond the current levels.

Mr. Halusa emphasized that the relaunch of trade negotiations between India and EU must take off as early as possible as the India-EU Trade and Investment Agreement is one of the most important pillars for furthering cooperation between the two sides. He also stressed on the importance of developing joint standards, applications of certifications, and mutual acceptance of certifications between both sides, which in turn will make businesses and investments between the two countries more efficient and meaningful.

Another critical area for greater collaboration is sustainable and green development, as both countries strive to reduce dependence on imports of fossil fuels, Mr. Halusa noted. Therefore, there is a need for a common understanding between both sides to extend cooperation in these areas and make investments more effective and efficient as fast as possible, which is crucial for energy transformation as well as achieving the targets of the Paris Agreement. Both India and Germany have plans of investing in infrastructure for renewable energy and the production, transportation and storage of green hydrogen, which will provide greater opportunities to invest for both sides.

Mr. Halusa further mentioned that Infrastructure has been a focus area of the Indian Government's policy and that developing both physical and digital infrastructure are important aspects for attracting greater investments, as it promotes efficiency and competitiveness. The PLI (Production Linked Incentives) schemes also provide many incentives to German and other foreign companies and should help in attracting more investments to India. These Government initiatives provide the necessary framework for India to become a global hub for exports to other countries, he noted.

Highlighting that skill development was a critical area for both sides to further collaborate on, greater investments in the area could provide greater benefits for both economies, its people as well as the enterprises, Mr. Halusa stated. He also added that both sides must pay greater attention to the important area of skill migration.

Relaunch of trade negotiations between India and EU must take off as early as possible as the India-EU Trade and Investment Agreement is one of the most important pillars for furthering cooperation between the two sides

## Mr. Niranjan S. Nadkarni



Mr. Niranjan Nadkarni is the Chief Executive Officer of South & South-East Asia, Middle East & Africa Region of TÜV SÜD South Asia Pvt Ltd since July 1, 2017. As a CEO of one of the most diverse region, his area of focus is to strengthen the company's value offering by leveraging on personnel and business competencies available across the region. Under his leadership, aligned to the Group's focus, the region has made significant investments and progress in digital transformation initiatives and commitment to initiatives and services supporting sustainable development. He is also a Member of the Group's Sounding Board Committee on Diversity.

With over two decades of experience, Niranjan started his career with SKF Bearings India Pvt. Ltd. In 1995, he made an unconventional move to join a five-member team at TÜV SÜD. He then qualified to become a Lead Auditor for management system certification ISO 9001, QS 9000, VDA 6.1 and TS 16949.

During this tenure, he performed audits and training in many markets globally, such as USA, Germany, Japan, China, South Korea, ASEAN, and South Asia.

In 1998, he was appointed the head of South India region for TÜV SÜD South Asia. After managing this portfolio for over eight years, Niranjan was appointed as Vice President- Product Services, with the thrust to set up the Product Services portfolio in South Asia. He was instrumental in establishing a network of state-of-the-art laboratories for food, textiles, and leather and planning and implementation of the market expansion strategy.

In 2009, he was appointed CEO of TÜV SÜD South Asia, responsible for the firm's operations across India, Bangladesh, and Sri Lanka. Currently, he is also the Member of Board of Management of TÜV SÜD South Asia Private Limited, TÜV SÜD Bangladesh Private limited, TÜV SÜD Lanka Private Limited, TÜV SÜD Middle East and TÜV SÜD PSB Pte. Ltd.

Brought up in Mumbai, Niranjan is a Mechanical Engineer and has a Masters' degree in Management from Pune University in India. He has also attended modules on Strategy Management, Leadership and Change and Fit4Digital at Executive School of Management, St. Gallen, Switzerland. He is an avid reader and enjoys travelling and cross-country trekking. He is very passionate about nurturing and developing talent and strongly believes in the power of an inclusive and diverse workforce for building a sustainable and responsible business.

### Remarks by Mr. Niranjan S. Nadkarni

"Last year marked 70 years of diplomatic relations between India and Germany, demonstrating a strong economic and political willingness of the two nations to join forces," stated Mr. Nadkarni. Adding that while Germany has invested over US\$13 billion in India, in terms of year-on-year FDI outflows from Germany, there is greater potential of collaboration between the countries.

Mr. Nadkarni stressed that the host country needs to establish and demonstrate factors such as market potential, stability, conducive FDI policy, ease of doing business, skilled workforce, etc., in order to prove itself as an attractive investment option for an investor country. He added that India is well positioned in terms of these factors with its large market size and potential and its favourable demography, supported by a growing middle class.

India is the 4th largest vehicle market in the automobile sector, with huge potential in the Electric Vehicles market. It has the 5th largest renewable energy capacity globally and the largest renewable capacity expansion prog in the world. India continues to be among the top five FDI recipients as per the UNCTAD report – all these demonstrate increasing investor trust in India's economic management and a stable economic and political scenario, Mr. Nadkarni added.

The move towards progressively liberalizing the FDI policy regime by the Indian Government, with most of the sectors now permitted 100% FDI, are providing the required impetus in building a robust infrastructure in India, which is a fundamental requirement for sustained economic growth, Mr. Nadkarni asserted.

Mr. Nadkarni emphasized that Vietnam and Singapore are two countries that India must draw lessons from, as these are recognized as some of the world's best places to do business.

Noting that India has made substantial progress on the Ease of Doing Business front, he said it is critical for the country to streamline lengthy complicated processes and complex structures. While India has moved up 79 ranks in World Bank's Doing Business Survey, Mr. Nadkarni noted that more needs to be done to receive a larger share of global investments.

He added that fragmented markets and rules and regulations that vary from state-to-state lead to subjective interpretation of prevailing laws. While many interventions such as PM Gati Shakti, Single Window Clearances, Land Bank, and GIS maps are present, there is a need for stronger implementation of policies and timely coordination between the state and central government ministries for facilitating greater investments.

From the German perspective, there is a huge opportunity for both nations to combat climate change together, Mr. Nadkarni added. In this context, he highlighted that the three key areas of potential collaboration are renewables, hydrogen and EVs for the two sides..

There is a need for stronger implementation of policies and timely coordination between the state and central government ministries for facilitating greater investments.

## Dr. Steffen Nobert Koch



Dr. Steffen Nobert Koch is the Minister, Head of Department for Economic and Global Affairs of the Embassy of the Federal Republic of Germany. Dr. Koch, after having completed his doctorate from University of Stuttgart/Germany, Dr. Koch served in important positions in the Federal Foreign Offices and Missions in different countries and headed the Department of Economic Affairs, in the German Embassies in Singapore & Madrid. He is currently serving as Head of Department for Economic & Global Affairs, German Embassy, New Delhi

### Keynote Address by Dr. Steffen Nobert Koch

Elaborating on the strong ties that India and Germany have shared historically over the years, Dr. Steffen Nobert Koch while delivering the keynote address stated that Germany is India's most significant partner in the EU. He added that German companies are significant players in the Indian market and around 1,800 German companies have made investments to the tune of €20 billion over the years, across various Indian sectors including automobile and transport, renewable energy, chemistry, smart cities, sustainable development, and many others.

Dr. Koch stated that the recent 6<sup>th</sup> IGC held in Berlin was a major highlight of the Indo-German partnership and these consultations reflect the growing importance and trust that Germany attaches to India. He added that there will be continued cooperation between the two sides as India takes over the G20 Presidency next year.

Dr. Koch also mentioned that the India EU trade negotiations on free trade and investment protection have gathered pace over the recent past and have immense potential to further expand the India-EU partnership in the economic field.

He also underscored the need for broadening supply chains and looking for alternative sourcing options, given the recent disruptions in global supply chains.

India is seen by Germany as a key pillar for diversifying its business in Asia. For this purpose, regulatory frameworks need to be intelligently designed, which will allow German companies to support the vision of self-reliant India, Dr. Koch added. In this context, he stated that India's Production Linked Incentive (PLI) schemes across a broad range of sectors are part of the regulatory framework and will ensure political and financial support to German companies. As long as equal funding opportunities are given to Indian and foreign companies alike, India will see an increase in FDI, local production as well as job creation, Dr. Koch added.

He concluded by highlighting the importance of the Indo-German fast track mechanism where the Germany Embassy is engaged with Indian regulators and policymakers to facilitate issues raised by them, which will further bolster cooperation between the two sides.

India is seen by Germany as a key pillar for diversifying its business in Asia. For this purpose, regulatory frameworks need to be intelligently designed, which will allow German companies to support the vision of self-reliant India.

## Mr. Satyakam Arya



Mr. Satyakam Arya is the Managing Director & CEO of Daimler India Commercial Vehicles Pvt Ltd since end of 2018. Under his stewardship, DICV continues to grow as a strong and progressive player in the domestic market with the made-for-India CV brand 'BharatBenz'. In his career with Daimler, Satyakam has aggressively expanded export operations of other Daimler Truck brands including Mercedes-Benz, FUSO and Freightliner in over 50 markets worldwide.

Prior to this role, Satyakam worked in Tokyo, Japan as Chairman of the Board for PABCO Ltd, a subsidiary of Commercial Vehicle manufacturer Mitsubishi Fuso Truck and Bus Corporation (MFTBC). During the same period, Satyakam headed Customer Services & Procurement for Daimler Trucks Asia, the umbrella organisation under which DICV and MFTBC operate as independent legal entities.

With over 20 years of experience across the automotive value chain in various OEMs, Satyakam believes in leading with a long-term vision to achieve profitability and scale with complete integrity and empower his team to create solutions to achieve sustainable results. His core competencies include Strategic Sourcing, Project Management, Partner Management, Leadership development and Business transformation.

He holds a Bachelors of Engineering in Mechanical Studies and has completed the Senior Management Program for Executives (Strategy and Operations) at IIM Kolkata in 2010.

He is the Chairman of CII Tamil Nadu and a member of CII Southern Region council. He is also a member of SIAM Executive Council, SIAM CVs CEO council, Vice Chair of National Council of Auto and Auto Ancillaries of ASSOCHAM.

Satyakam Arya was recognised as the "CV Man of the Year 2020" at the Apollo CV awards ceremony for his thought leadership in the Indian CV Industry.

## Remarks by Mr. Satyakam Arya

Mr. Arya elaborated the journey and accomplishments by Daimler India over the years during the session as a model.

In the first four years since its inception, Daimler India designed and developed commercial vehicles suitable for the Indian market and other emerging markets similar to India, Mr. Arya stated. He added that the company worked closely with about 400 supplier partners and 35 dealer partners over the years, and currently the company has more than 280 customer touch points across the length and breadth of the country.

Mr. Arya stated that the company entered the Indian market in 2012 with the launch of Bharat Benz, which was a brand specific to the Indian market. A year later, in 2013, the company started its exports, which was a significant pillar of its overall overseas strategy, he added.

Till date, the company has exported more than 50,000 vehicles to more than 60 countries around the world, with focus markets including Asia (except China and Japan), Africa, Middle East, Latin America and Mexico. Products are exported meeting all regulation requirements of the target markets, Mr. Arya stated.

In its 10-year long journey, the company has rolled out 125,000 trucks and buses on Indian roads and has around 4000 employees. With the entire value chain of its eco-system of suppliers and dealers, the company created around 60,000 job opportunities in India, Mr. Arya added.

Mr. Arya further stated that the company has invested 1 billion Euro so far in the EV business.

Mr. Arya underscored some key factors for developing a successful and sustainable business in India. Factors included designing products as per market requirements, carving out the value proposition and its demonstration on a regular basis, developing the ability to cater to different customer segments and diverse buying habits, geographical proximity to the local market, strategic location for doing business, localisation for enhanced competitiveness and building a strong and competent team.

Elaborating on the future opportunities, Mr. Arya observed that there is a huge scope for businesses to grow in India as it is a fast-growing market and is expected to become the strongest market in terms of growth in this decade. India also offers a very competitive base for exports and offers maximum potential in this area. Further,

future mobility in the country will be autonomous, connected and shared, which will be powered by the new technologies and digital business models, he added.

Key factors for developing a successful and sustainable business in India include designing products as per market requirements, carving out the value proposition and its demonstration on a regular basis, developing the ability to cater to different customer segments and diverse buying habits, geographical proximity to the local market, strategic location for doing business, localisation for enhanced competitiveness and building a strong and competent team.

## Mr. Rudra Kumar Pandey



Mr. Rudra Pandey is an Equity Partner at Shardul Amarchand Mangaldas & Co. He has more than 19 years of experience in Merger & Acquisitions, Corporate Commercial transactions, General Corporate advisory and advising on Corporate Governance matters. Rudra has been very actively involved in various national and international deals.

His areas of expertise include corporate structuring, mergers & acquisitions, takeovers, delisting's, private equity investments, joint ventures, real estate, banking and finance, project finance, establishment, and management of funds (onshore and offshore).

Rudra is the lead member of the Japan and China Practice of the Firm and has advised leading Japanese and Chinese corporations on setting up and expanding their India operations, including strategic investments.

Pandey's breadth of experience encompasses key industry sectors that include manufacturing, automobile, media & entertainment, telecommunications, banking, non-banking finance companies (NBFCs), IT, special economic zones (SEZs), trading, cement, coal, pharmaceuticals, real estate, industrial parks, retail, and insurance.

### **Government and Industry Engagements:**

Rudra is an active member of CII's core group on Japan, China, Taiwan, and UAE; CII's Task Force on Insolvency and Bankruptcy, Corporate Laws, Private Equity and Ease of Doing Business in India.

Rudra has been part of the working group constituted by DPIIT, the Government of India, in relation to new Industrial Policy and FDI Policy.

### **Remarks by Mr. Rudra Kumar Pandey**

Mr. Rudra Kumar Pandey mentioned that India has progressed significantly as an investor friendly destination, owing to the many reforms and initiatives undertaken by the Indian Government. He added that India is one of the highest FDI recipients

in the world, with FDI inflows concentrated mainly on the IT and technology sectors.

Mr. Pandey observed that many of the global supply chains companies today have a China+1 policy, where India is one of their premier destinations, apart from the Southeast Asian nations.

He added that the signing of various trade agreements between India and other countries including Australia and UAE, and progress on trade talks with other countries such as the UK would be beneficial for India as these FTAs would help India in expanding its supply chain movement and in becoming a global manufacturing hub.

Mr. Pandey noted that the liberal FDI policy regime in India with most sectors under the 100% automatic route will help India in attracting further investments. Recent FDI relaxations in sectors such as coal mining, contract manufacturing and single brand retail will open up further opportunities for the country. Government of India has permitted 100% FDI in all these sectors. The FDI limit for the Insurance and Defence sectors were also relaxed up to 74%.

Many initiatives are also underway in India on Ease of Doing Business, Mr. Pandey added. The National Single Window System is a central element under the Government's Invest India initiatives, which allows for automated processes and easy and time bound approvals. This is a big and successful initiative, which is already providing many benefits to foreign investors. Further, dedicated desks in the Department for Promotion of Industry and Internal Trade (DPIIT) and the Invest India Office are helping German companies to help address the issues they are facing in India and also facilitating fast tracking their processes for investments.

Speaking on the various opportunities, Mr. Pandey highlighted the sectors that offer the highest potential. These include the automobiles sector, particularly the EV market, chemicals, electronics, defence and aerospace, pharmaceuticals, healthcare, insurance, capital goods, transportation, etc.

Mr. Pandey also stated that the PLI scheme is also a big initiative of the Indian Government under which Indian and German companies, as well as many other foreign companies are receiving many benefits, and this is in line with the Government's aspirations for India becoming a global manufacturing hub.

The National Single Window System is a central element under the Government's Invest India initiatives, which allows for automated processes and easy and time bound approvals. This is a big and successful initiative, which is already providing many benefits to foreign investors

## Mr. Laszlo Posset



Mr. Laszlo Posset is currently Vice President Global Delivery, T-Systems International GmbH. Mr. Posset is currently responsible at T-Systems to setup new software development centers in Europe (in Poland and Romania) for the Global Delivery organization of T-Systems International in order to support the digitalization journey of Deutsche Telekom's corporate customers globally. He was Managing Director of T-Systems India since its inception in 2016 until end of 2021. He was entrusted with the responsibility to formulate the “re-entry strategy of T-Systems in India” and design business case scenarios for ICT (Information and Communications Technology) operations out of India. Laszlo has over 30 years of experience in global ICT industry in different management and leadership positions with responsibilities for global delivery, offshore operations, regional sales, management consulting, digital marketing, product development and project management.

Since few decades, he has been driving large ICT innovation projects and developing client centric global businesses with focus on Offshore Operations.

### Remarks by Mr. Laszlo Posset

Mr. Laszlo Posset during the session commented that India is recognized as the IT hub of the planet, with the highest number of IT professionals worldwide and that he considers it to be the Silicon Valley for many years now.

He briefly talked about the setting up of T-Systems in India, which has now been present in India for more than 18 years. T-Systems started operations in India in 2004, as a subsidiary of Deutsche Telecom. It is part of the Group Company of Deutsche Telecom, a leading telecommunications company in Europe. T-Systems is the leading service provider in Germany.

Mr. Posset mentioned that being well connected has become extremely critical today and we have seen that especially in the last two years, with the rising importance of telecommunications and IT solutions in the world. Telecommunications is playing a vital role today by bringing the world together and helping them stay connected, Mr. Posset added.

The importance of digitalization was also emphasized. Mr. Posset stated that Germany supports many IT players of the world out of India. T-Systems also features among these significant IT players which stepped into the Indian subcontinent and was recently handed over to the Indian company leadership, Mr. Posset added.

Mr. Posset mentioned that T-Systems is present in India with three legal entities. There are currently units in Pune and Bangalore, where the company has close to 3000 employees. The unit in Pune has more than 200 people working on providing healthcare solutions used in German hospitals.

A digital lab called Software Development Centre was also set up recently in Gurgaon.

Mr. Posset commended the software digital talent in India and stated that around more than 3500 people in India are working in total under the company, which can be considered as an additional investment by Germany. Mr. Posset mentioned that the company plans to take this number beyond 5000 by the end of this year.

Mr. Posset spoke about the presence of other big German companies in India including Bosch Group, Bayer, Continental, etc. and the growing trust of Germany towards Indian capabilities and Indian talent. He also added that further development centres are being set up in Europe under T-Systems and in strong collaboration with India.

Being well connected has become extremely critical today and we have seen that especially in the last two years, with the rising importance of telecommunications and IT solutions in the world.

## Mr. Rajnish Magan



Mr. Rajnish Magan is currently the Chief Financial Officer of Beumer Group. Mr. Magan has over 33 years of professional experience in the areas of Finance Accounts, Controlling/ Commercial functions, Risk Management & Governance. During this period he held different positions in various companies and now since last 10 years, works as CFO of BEUMER India Pvt Ltd (German MNC) and responsible for Beumer in Asia in countries India, Bangladesh, Sri Lanka, Bhutan, and Nepal.

He has worked in areas of overseas & domestic Fund Raising, Direct Tax including cross border taxation, acquisition & amalgamation and also works on the strengthening of GRC systems & processes, Cost management programs, Digital initiatives, key stakeholder management & strategic issues with board. Besides is also actively engaged in leadership development programs within Beumer India.

By profession he is FCPA (Australia) & FCMA (UK), CGMA (CIMA /AICPA), CMA (India ) & PGDBM ( Finance ) /B. Com ( Hons ) Delhi University, he also has certificate in Strategic leadership from IIM Ahmedabad .

He is member of various professional bodies & actively participates various industry forums, symposiums.

He is also a founder member & treasurer of NGO Shiksha Kranti Foundation which runs programs on the upliftment of lesser privileged children by providing holistic education both directly & indirectly.

### Remarks by Mr. Rajnish Magan

Mr. Rajnish Magan stated that given the current landscape, bilateral trade and investments between India and Germany have increased significantly. He added that the Indian market continues to be very exciting and interesting for foreign investors

and there has been a lot of traction from German companies to invest in India.

Speaking on Beumer India's journey, Mr. Magan stated that after being set up in Mumbai with very small operations in 2006, the company entered the manufacturing space after an Indian manufacturing entity was acquired. Post-acquisition, between 2006 and 2022, the company approximately grew by 400% on the top line, which gave the company a big footprint in manufacturing in India. With five business verticals, the company caters to both Indian and Asian markets. He added that the company has plans to grow and expand further by expanding the manufacturing base in India.

Mr. Magan observed that post-Covid, many companies are focussed on the China+1 strategy and have plans to expand their manufacturing base in India.

Mr. Magan also talked about the Indian Government's big focus on the Indian infrastructure sector and the fast execution of projects. He emphasized the need for effective policy implementation for inviting greater investments to the country. He added that the Indian Government is engaged in a lot of capex spending which provides increased stability to companies in the Indian market to increase investments in India.

Speaking on opportunities, Mr. Magan stated that the 4-6% incentives offered by PLI schemes is helping India to attract significant foreign investments, especially from Germany. He also stressed on the importance of Industry 4.0 – a key pillar of the manufacturing industry, which has a lot of potential to generate significant opportunities.

Other factors such as India's GDP growth, which is the highest among emerging markets, despite the Covid-19 situation, would lead to rise in German investments to India, Mr. Magan added.

Mr. Magan also underscored the importance of innovating according to market needs and localise to be successful in India.

Indian Government is engaged in a lot of capex spending which provides increased stability to companies in the Indian market to increase investments in India.





The Konrad-Adenauer-Stiftung (KAS) is a political foundation. Established in 1955 as "Society for Christian-Democratic Civic Education", in 1964 the Foundation proudly took on the name of Konrad Adenauer, the first Chancellor of the Federal Republic of Germany.

With 16 regional offices in Germany and over 120 offices abroad, the Konrad Adenauer Foundation is committed to achieving and maintaining peace, freedom and justice through political education. We promote and preserve free democracy, social market economy, and the development and consolidation of the value consensus. We focus on consolidating democracy, the unification of Europe and the strengthening of transatlantic relations, as well as on development cooperation.

The leitmotif of the Konrad Adenauer Foundation "Germany. The next chapter" is supported by a thematic focus. With the three main topics Innovation, Security and Representation and Participation, it is quite clear which topics the Konrad Adenauer Foundation will focus on in the coming years.

KAS cooperates with governmental institutions, political parties and civil society organizations, building strong partnerships along the way. In particular, it seeks to intensify political cooperation in the area of development cooperation on the foundations of our objectives and values. Together with their partners, they make a significant contribution to the creation of a global order that empowers every country to determine its own developmental priorities and destiny in an internationally responsible manner.

The Konrad-Adenauer-Stiftung has organized its program priorities in India into five working areas:

1. Foreign and Security Policy
2. Economic, Climate and Energy Policy
3. Rule of Law
4. Political Dialogue focussed on Social and Political Change
5. Media and Youth

The India Office of the Konrad Adenauer Foundation takes great pride in its cooperation with Indian partner institutions who implement jointly curated projects and programmes.



Confederation of Indian Industry

The Confederation of Indian Industry (CII) works to create and sustain an environment conducive to the development of India, partnering Industry, Government and civil society, through advisory and consultative processes.

CII is a non-government, not-for-profit, industry-led and industry-managed organization, with around 9000 members from the private as well as public sectors, including SMEs and MNCs, and an indirect membership of over 300,000 enterprises from 286 national and regional sectoral industry bodies.

For more than 125 years, CII has been engaged in shaping India's development journey and works proactively on transforming Indian Industry's engagement in national development. CII charts change by working closely with Government on policy issues, interfacing with thought leaders, and enhancing efficiency, competitiveness and business opportunities for industry through a range of specialized services and strategic global linkages. It also provides a platform for consensus-building and networking on key issues.

Extending its agenda beyond business, CII assists industry to identify and execute corporate citizenship programmes. Partnerships with civil society organizations carry forward corporate initiatives for integrated and inclusive development across diverse domains including affirmative action, livelihoods, diversity management, skill development, empowerment of women, and sustainable development, to name a few.

As India completes 75 years of Independence in 2022, it must position itself for global leadership with a long-term vision for India@100 in 2047. The role played by Indian industry will be central to the country's progress and success as a nation. CII, with the Theme for 2022-23 as **Beyond India@75: Competitiveness, Growth, Sustainability, Internationalisation** has prioritized 7 action points under these 4 sub-themes that will catalyze the journey of the country towards the vision of India@100.

With 62 offices, including 10 Centres of Excellence, in India, and 8 overseas offices in Australia, Egypt, Germany, Indonesia, Singapore, UAE, UK, and USA, as well as institutional partnerships with 350 counterpart organizations in 133 countries, CII serves as a reference point for Indian industry and the international business community.

### Confederation of Indian Industry

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