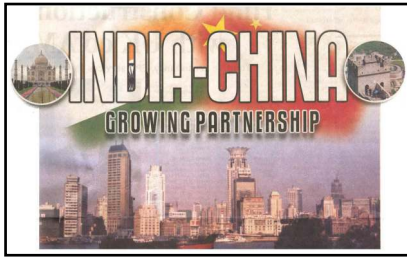


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CHINA AT 60

As the People's Republic of China marks its 60th anniversary today, there are many reasons for the country to celebrate, from its rapid emergence on the world stage as a major power to the remarkable speed of its economic progress since Deng Xiaoping's reform and opening up three decades ago. Another reason to celebrate is the growing closeness between China and India, two of Asia's giants, two countries with thousands of years of rich history and long contact that have, however, been slow to take their relationship forward. That is all now set to change. In recent years, the speed at which the commercial relationship between the two of the world's fastest growing economies has grown has been nothing short of mind-boggling. A decade ago, bilateral trade between India and China stood at a paltry few million. India's focus was westward, while China's gaze was firmly fixed across the Pacific. Today, China is India's largest trading partner. In 2001, bilateral trade between India and China stood at US\$ 2 billion. Last year, the figure crossed \$52 billion, and has in the last decade grown at a stunning 50 per cent a year. All trade targets set by the two countries have been smashed two years ahead of schedule. Officials on both sides of the border say the speed of growing trade ties is now single-handedly driving the overall bilateral relationship between the two countries, and is even playing an increasing role in getting the two neighbours to address their long-standing political disagreements. Trade has so far has been largely driven by the huge demand for Chinese machinery from India's fast-developing manufacturing sector, and China's growing demand for raw materials, chiefly metal ores. Now, businesses in India and China are poised to take the relationship to the next level. More and more Indian companies in sectors like banking, IT and manufacturing are setting up shop in China and ready to take on the Chinese market. And, in equal measure, Chinese investments in India are surging, from infrastructure projects to telecommunications.

Partnership in IT Sector

The biggest names in Indian software and education, from NIIT and Infosys to Tata Consultancy Services and Wipro, have all begun making inroads into the Chinese market in the last two years. In a major watershed for Indian IT in China, TCS was recently awarded a \$100 million contract to provide IT services for the Bank of China. The floodgates, many say, have now been opened. Perhaps the biggest success story has been that of NIIT, the IT educator. The success of NIIT is lesson for any company on how to tackle the Chinese market. Through a brilliant

strategy of local tie-ups and localisation, the company has built an impressive network in China. By 2011, NIIT will produce more Chinese IT graduates than all of China's universities combined.

Partnership in Manufacturing Sector

Other sectors are not far behind. In manufacturing, many Indian companies have been sourcing parts for China, particularly in the Auto sector. In 2005, Sundram Fasteners of the TVS opened a new page by launching its impressive state-of-the-art facility in Zhejiang province. Now, No. 1 Sundram Road in Wuyuan town in Zhejiang has in recent years been shipping out high-tensile fasteners, bearing housings and other supplies to a range of overseas customers as well as multi-national companies such as John Deer that operate out of China.

Partnership in Banking Sector

China's reform policies, launched three decades ago, has also gradually paved the way for Indian companies to lend their expertise in other sectors, such as banking. India's largest bank, the State Bank

Business leads the way in growing partnership between China and India

of India, which has 130 overseas branches, has opened a branch in Shanghai that has provided invaluable services by fostering the expanding trade between the growing number of Indian businesses in China's prosperous south-east. In addition to its Shanghai branch, SBI has also opened a representative office in the northern industrial city of Tianjin, and has also opened two branches in Hong Kong. Mutual investment between the two countries is also on the fast track. India has become an increasingly

important destination for Chinese companies, which have in recent years secured contracts from infrastructure projects to manufacturing to the tune of \$26 billion.

Partnership in Telecom Sector

Telecom major ZTE, which has been in India since 1999, has established a major presence here, providing state of the art telecom equipment to Indian customers. ZTE's unprecedented success in India has created waves in China, encouraging more Chinese companies to turn their sights to India. ZTE's sales revenue in India has rapidly grown, to \$650 million in 2008 up from \$ 100 million in 2004. The company aims to cross \$ 1 billion this year. Telecom giant Huawei is poised to expand its already significant presence in the Indian market. The global giant recorded an impressive 100% revenue growth last year, and is targeting doubling its India revenues. Huawei has an impressive Research and Development Centre in Bangalore, where it employs more than 2,000 young professionals.

Leading China's IT revolution – A success story

A shining example of the success of Indian enterprise in China is the success story of NIIT. The well-known IT training and software solutions provider has enjoyed unprecedented success in the

Chinese market, and has become a well-recognised brand among Chinese professionals. By 2011, NIIT, remarkably, will be producing more IT graduates than all of China's universities combined. Starting with only two centres in the commercial hub of Shanghai in 1997, Today, NIIT has 183 cooperative education and training sites across 25 provinces and cities in

China, an unmatched national presence. NIIT currently trains more than 50,000 Chinese students in software skills every year, and has become the unrivalled choice among Chinese students looking for an IT education. The company, which has fostered close relationships with every software company in China, has a 100 per cent placement record. By next year, NIIT will be training 100 students a day.

NIIT, leading Global Talent Development Corporation and Asia's largest IT trainer, was recently honoured for its contribution to the IT Training industry in China, by the Chinese Society of Educational Development Strategy (CSEDS), under Ministry of Education of PRC, at a recently held function in Beijing, to mark the 60th Anniversary of the People's Republic of China. Besides being honoured as the most influential IT Training Brand in China, NIIT received a total of five Education Awards as below:

- The most influential IT Training Brand in China
- Top 10 Brand in overall Training industry of China
- Top 10 Brand in student placement within Training industry in China
- Most influential Brand in Franchising within Training industry of China
- Celebrity award to Prakash Menon, President, NIIT China, for influencing the development of Training industry in China.

NIIT's success story holds lessons for any company that seeks to penetrate the Chinese market. Prakash Menon, the head of NIIT China, says the key to the company's success has been a strategy that has combined localisation to suit the needs of the domestic market and a network of local tie-ups. NIIT works with dozens of China's premier universities, training students in its state-of-the-art laboratory class rooms and making tens of thousands of China's graduates industry-ready. China's IT and outsourcing industry is steadily growing at more than 20 per cent every year, even in tough financial times. And India's NIIT is leading the country's IT revolution.

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