

25th Wilhelm von Pochhammer Memorial Lecture by Tarun Das

11th January 2013

Ambassador Lambah

Ambassador Steiner

Mrs Lambah

Mrs Steiner

Mr Bawa

Ladies and Gentlemen

As a student in Calcutta, I tried to learn the German language but, quite quickly, gave up. I was not upto it.

Later, as a student in UK, I spent every vacation in Germany-especially Munich-with friends. And, we travelled everywhere: the Bavarian Alps, Lake Constance, The Black Forest, Berlin-driving through the East. Then, I learnt a little more German, as you will hear later!

In my time with CII, 46 years, I considered Germany as the high priority country to engage with. Trade, Technology, Training, Investment and so much more. The partnership with BDI was invaluable. One the finest memories I have is the Dinner hospitality at Ambassador and Mrs Lambah's home with German friends from Government and Industry.

I have had the privilege of serving on the Indo-German Consultative Group for several years.

Today, I am privileged to be a member of the Advisory Board of Voith, led by my good friend, Hubert Lienhard. This gives me the opportunity to visit my favourite country.

But, the most enjoyable visit was to be at Dortmund, Munich and Berlin, with my two sons, for the semifinals and finals of the Soccer World Cup.

So, you can imagine how privileged I feel to speak this evening.

Ambassador Lambah, Mr Bawa, you and FIGS bring me back to Germany for which I thank you. Indo-German Partnership and Friendship is so very important.

And, it is very special that Ambassador and Mrs Steiner are present. The picture of both of you at the Golden Temple was great.

In my life I have had friends forever. I valued long term relationships.

FIGS is so right to honour and remember Wilhelm Von Pochhammer, a citizen of Bremen, because he was a special friend of India, writing on our country; his book "India's Road to Nationhood" is now into its 4th Edition thanks to FIGS. We should always honour him as we do today.

I have another connection with Wilhelm Von Pochhammer. Germany was the only country where my Institution had two offices. The second office was in Bremen, his hometown. A beautiful place, which provided us with a "home" for several years.

As you can see, I am happy to talk of my relationship with Germany: The Economies and the People of our 2 countries need to get married to each other! And, stay married!

In his article on 9 November 2012, Amb Steiner wrote "Germany has the right toolbox on offer" to India.

But, to earn my Dinner, let me now turn to the subject given to me "National Security: The Economic Content".

No detailed Analysis or Solutions: Just an outline of the Economic Security Agenda:

National Security has generally meant military and defence security. Internal Security has been added. And, more recently, we, in India, realized that Economic Security is a very big part of National Security.

And, both have to go together. Actually, Economic Security helps us to sustain everything else- Defence, Internal Security, Social Security, Reduced Poverty, etc.

What does Economic Security mean?

Simply put: a strong Economy. A growing Economy. This is what Germany has been known for. Respected for. And, India earned new respect over the last 20 years for moving from 3 to 6 to 9% p.a. GDP growth. Germany earned that respect based on its amazing manufacturing technology and export competitiveness. We earned respect and goodwill, globally, by showing sustained high rates of growth.

And, when we speak of Economy what do we mean?

6 areas to list:

First, the foundation. Infrastructure. Roads. Railways. Ports. Airports. Telecom. Water. In India, all this was Government owned, managed and controlled. Over the past 15 years. The Private Sector has entered. Much done. But, a long pending agenda of action. And, PSUs still have a huge role and responsibility .

Second, Agriculture. In today's language, Food Security. And, with changing lifestyles and aspirations, a huge need for higher productivity and new technologies in Agriculture on which 600 million + depend. A limited. Land mass. 1 Billion people. Technology is critical.

Third, Manufacturing. This is the superstructure in the Economy. Germany is famous for this, especially its 'Mittelstand', the small and medium sector of Industry. A role model for us to learn from. Our future lies so much with a strong, free SME sector.

Fourth, a new dimension: the Services Sector. More than 50% of our GDP now. Vital to every part of Economy and Society and growing still at 7% p.a.

Fifth, National Resources and Energy Security. Electricity, oil, gas, coal, minerals, renewables, nuclear. A vital part of national and economic security. Many challenges here for India. Perhaps, the maximum.

Sixth, Human Resources. People. Educated, Trained, Skilled, Healthy. There is a saying "Build People, Build the Nation". An area in which Germany excels where Chambers of Commerce and Companies are role models for skills development.

I have avoided analysis to limit my time but let me only add that, in each of these Five areas, Investment is critical and FDI vital. So, to strengthen National Security – The Economic Content, the policy and procedures for Domestic and Foreign Investment need the highest level of attention and action. Freedom and flexibility are essential for fresh Investment. And, transparency.

Before I conclude, let me highlight 7 trends in India which are impacting Economic Security:

1. Innovation happening across the nation, across sectors, developing new ways and means of doing things.
2. Low cost products and services affordable even to poor are a new and real factor, thanks to Innovation.
3. Information Technology is spreading like wildfire, especially amongst the young, impacting everything, improving efficiency.

4. Telecom: connecting 1 billion people bringing its own transformation in a variety of ways.
5. Television: touching everyone and, together with social media, creating a new, aware people with dreams, aspirations and demands.
6. Entrepreneurship: exploding across the country as the young want to be self-employed, are willing to take risk and employ others.
7. The 600 million people in the rural areas, touched by all of this and changing as never before, including consumption and demand.

Much of this is silent, almost invisible. But, all these are adding to Economic Security.

And, Germany can play an important role as our Partner.

There is a churning in the country. And, it is great, evolving into a newer, better India. In all this, Business has a special responsibility to provide Leadership.

Today, there is new determination to get back to 7% annual growth, strengthening our Economy and Security. This should happen in 2014, because of new Initiatives by Government of India and the States and reinforced by the 7 trends I have just listed.

Now, let me end with a line in German which I used in my younger days; today, I use it to express my feelings for Germany "Ish harber misch indisch fulipt". "In you I have found my beloved". Thank you.