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**TARUN DAS**

Thank you Kerry.

First, let me thank AIG and Heather. Heather, thank you for a great evening last night and a terrific conference today. I've had a crash course on Australia today, lots of learning. And there's so much commonality with India, there are so many issues which we share so that will come out as I speak. I'm really overwhelmed by this opportunity to speak to you and I must also thank Darren for pushing me to come. He really was insistent that I had to make it.

I'm going to connect you to India like a 20/20 match, okay? Not even a 1 day match. I'm talking of cricket and your guys, Ricky Ponting and the boys, are household names in India. They are respected, they are worshipped, they are hated for beating India all the time but I hope we'll do better when we come to Australia this December.



I'm going to give you seven images of India, seven pictures.

One - India is a continent of consumers. You said, Kerry, 9% growth; the services sector and manufacturing booming, investment at incredible levels, US\$300 billion expenditure on infrastructure next few years, learning from China, trying to make up the backlog. Markets expanding - 500 million plus young people driving the consumer boom. Picture one.

Picture two - a continent of continuity and frustration and change. Cautious people, processes are slow, some people talk about our bureaucracy, we are globally competitive in our bureaucracy. In some things we have to have global leadership. We take time but the speed of change is impacting everything. Technology is destroying caution and our being conservative. What's happening, for example: several million new cell phone connections every month. Television in almost everyone of 600,000 villages of India. IT connecting the community across urban and rural populations. So, you will see both, you will experience both continuity and change but continuity is gradually becoming history and change is the future.

Picture number three - it's a continent of unbelievable complexity. Every religion in the world, twenty-five official languages, federal system, multiple political parties, we talked about democracy a little while ago- we are global leaders in that also. A very aggressive media both print and electronic. Every part of the country different from the other part. Huge wealth, massive poverty. You've got it all there. We are more complex than the European Union. And if you ask Heather about her drive from



Agra to Jaipur she will tell you that traffic is also chaotic.

So this is what we are, this is the way we will be and you need to understand that. But it's terrific because it's an exciting experience that we are going through right now but for you it can be daunting, that's where people like us and our organisations, the AIG, CII are there to help you.

Four - it's a continent of challenges. Education and health care for a billion people.

Building world class infrastructure like China.

Achieving inclusive growth not just growth for the 100 million, 200 million but inclusive growth in including everybody in the growth process so there's a big slogan in India on inclusive growth which means bringing 700 million people into the economy, into the market place and that's happening every year at like 30-40 million a year which means market expands, business opportunities expand but it's a challenge.

Skilling, skills training for 300 million young people. You talked about skills several times today.

This is just a glimpse of our challenges, growing at 10% plus but with sustainable development. Climate change is not just an issue for Australia, it's a huge issue in India because we have poverty and through poverty we've been destroying our environment and we have to bring it back now. We have to increase energy efficiency, we have to adopt clean technology, we have to go for nuclear power and we have to build renewables. Renewables is not the solution but it is a part solution, it's an important



part. So we are working on each of these challenges.

Image number five - it's a continent of competitiveness. Liberalisation and deregulation since 1991, 16 years. Before that for 44 years since independence India was closed for business even for tourists. In 16 years the private sector has come centre stage. Both Indian private sector and multi-nationals - and I was delighted to meet some CEOs last night who are doing good business in India or expanding; and, I met some CEOs who are afraid of India because they find it daunting, its so complex. And I had lunch with a great CEO today and I'm going to be his sales rep because he's got a terrific product for India.

But, in these 16 years, what we are finding is a new comfort with globalisation, a new competitiveness and therefore comfort. Ten years ago in 1997 the Chinese Council for Promotion of International Trade came to me and said we want to do our first ever exhibition of Chinese products in India, will you sponsor it? And I said "yes". My members said you should be fired because you are letting the enemy in. You know that was the greatest learning for Indian industry those two weeks that the Chinese were there with their products and our companies were doing their market research but they knew nothing about China, they were just running scared of China. That was 10 years ago. Today, Indian companies are doing business with China, are comfortable with China, there is competition, there's complementarity, there is no issue.

So the point I'm making is, there is a continent of competitiveness in India today. And as you may know that we are investing abroad now, essentially



in the US and Europe but also in China in manufacturing and IT.

Reverse outsourcing is also happening. Recently, one of our telecom companies placed an order for a billion dollars on IBM. Companies like Ericsson are walking away with huge contracts and some of your Australian companies are doing business with them.

Picture number six. Because of that growth, we are now a continent of confidence. We did not have that confidence. The first time we saw that confidence was in the mid 1980's when we saw our IT companies "making it". Before that, we thought we would never make it. We were always the 3 per cent growth guys, not 6 per cent. No 9 per cent. Just 3 per cent. So, today, there is a feeling that we can make it, we can do it. And that is a big change from the past and this is the new mindset.

The last picture. Picture number 7. We can't do everything that we need to do - and we need to it fast- without international partnerships. No country, even a continent like India, is self sufficient. So we need products, we need services, we need technology. We are no longer afraid. We were afraid at one time. 200 years of colonial rule. You had no idea how to run the country. 350m people and not a clue. You bungled along for a while and lost self esteem. It happens to individuals. It happens to a country but 16 years down the road from 1991 there is a different sense, we are not afraid of the world, we want to engage the world. And Australian companies: partner with India, in India and globally.



Sell to India. If you are uncomfortable now investing in India, sell to India, we are buying, we are buying from across the world. We are buying more and more and more because we need it for our 9%, 10% growth, so, sell to India. And when you are comfortable, invest in India. Heather and her team, our team in CII, we're happy to help you.

Heather has been to India recently and I'm so happy to come back soon after she visited. We will work together at the institutional level to provide that support to Australian companies to do business with India. Let's together take the profile of Australia and India to a new level.

I want to give you an example of our trade with China. Seven years ago turn of the century, bilateral trade US \$1 billion, chicken feed. Last year \$25 billion. Its just going up like a rocket and its balanced. We are exporting, investing, they are exporting, investing so that's the change between China and India.

Let's take the USA. For those of you who have visited India there's an Indian bread called Chappati, its flat. The US Ambassador used to say that our trade is as flat as a Chappati. In the last 3 years US exports to India have increased 30% year on year and increasing more and more and more, that's the outlook.

So let's set aside the past, I think we can build a new future together.

The third example I will give is the Free Trade Agreements. We want WTO to succeed but we can't wait so we're going for bilateral FTAs, we've got Singapore, we're negotiating Korea and Japan and EU. We're



willing to talk to the Americans but they're not ready yet, maybe after the 2008 elections they might be ready.

So the market opening is happening sometimes in an indirect way through the FTA route. Use that for exports to India. We're playing cricket together more and more but let's multiply our business together. Thank you.

END OF TRANSCRIPT

