

Unease of doing business in India

J JAGANNATH

The Minister of Overseas Affairs Vayalar Ravi calls India as the "world's fastest growing free-market democracy".

The recently released Ease of Doing Business index will belie the above statement of Mr.Ravi. The World Bank creates this index where higher rankings indicate better regulations for businesses and stronger protections of property rights.

The Doing Business 2008 report will surely nullify the 20,000 mark breached by Sensex. According to the report India ranks a measly 120 out of 178. And to rub salt on our wounds, apparently, India improved from its rank of 132 in the preceding year.

India is flanked by Bhutan and Honduras and this is a cause of consternation. Relatively unknown countries like Latvia, Estonia, whose GDP will not be more than 40% earnings of Mukesh Ambani, are in top 25.

Lack of government initiatives and other bottlenecks in the economy are the most obvious white elephants, which our mandarins are ignoring at the country's peril. All the talk of single window clearance for setting up of business turns out to be sham what with a staggering 13 procedures to be undertaken to

setup a business with 50 employees.

Add 20 more procedures to obtain necessary licenses and permits and you have the perfect model of red tapism.

To obtain approval for a construction drawing plan takes—you can promptly drop your jaw—145 days. What more, to obtain water & sewerage connection and electricity connection takes a mind-numbing 62 and 39 days respectively.

For a simple process like preparation and execution of Agreement and Memorandum at the Stamp duty Office takes seven days. And this process costs mere Rs.100. Documents preparation for exporting and importing goods takes 9 and 8 days respectively. What, however, takes the cake is the fact that it takes a grand total of 10 years to close a business.

Whatever might be one's opinion on Pakistan but it's impossible to discount the fact that it fares better than India in most of the parameters.

No wonder then that the overseas investors have slowed down pumping in capital in Indian equities. India-focused funds saw a net inflow of just \$69.8 million in the first week of November 2007 while inflow to South Korea funds was \$295.6 million.

'Fit and Active' malloholics

Malls in the city will now play home to swanky gyms.

NIKHIL K VARGHESE

Bangalore—Talwalkars, a leading fitness chain in India, will open two fitness centers in malls in Bangalore. The coming months will see the two fitness centers coming up in Future Group malls in Whitefield and Old Madras Road respectively.

The new fitness centers are a result of the joint venture between Talwalkars and Pantaloons Fitness private limited and they will be termed Fit and Active centers.

Mr Adarsh, Business Head, Talwalkars says, "The huge market for quality fitness centers has led to a mushrooming of centers in India. Talwalkars has already five centers in Bangalore and there is still room for more".

Urban India spends more time and money in shopping malls. The partnership with the Future Group will offer customers quality health and fitness facilities within shopping malls in all tier I and most of the tier II cities in India, said Mr Adarsh.

Malls today offer customers convenience, parking, and the new partnership will allow a huge amount of floor space which otherwise would be very hard to come by in standalone centers, said Mr Adarsh. The Fit and Active centers are also slated to be cheaper than the main street centers making it a very attractive



Working up a sweat; urban India works hard at being fit

- Pic courtesy Google images

option to the average customer at malls.

The joint venture company Talwalkars Pantaloon Fitness Private Limited plans to open 50 Fit and Active centers in the next three years. The venture is to play a leading role in the Future groups presence in the Health and wellness division.

Future Group is the one of the

country's leading business groups, the group's flagship company, Pantaloon Retail (India) Limited operates over five million square feet through 450 stores in 40 cities. Some of its leading retail formats include Pantaloons, Big Bazaar, Central, Food Bazaar, Home Town, EZone, Depot, Health & Beauty Malls and online retail format, Futurebazaar.com.

The business of brand bonding

SADANANDA MOHAPATRA

The United Breweries (UB) Group, headed by Vijay Mallya, in association with Indian Railways announced, on Saturday, a new train from Yashwantpur to Gorakhpur, which will be called Kingfisher Express. "The UB group is the second group after Frito Lay India's Kurkure to have such venture with Indian Railways," reports The New Indian Express.

Consumers today are being bombarded by a series of events organised and promoted by companies who previously banked on traditional media to push sales.

"What's in a name?" said Shakespeare in the play Romeo & Juliet. But for all business houses it is everything, the name is referred and defined as a Brand. The Brand is "a collection of perceptions in the mind of the consumer." writes Buildingbrand.com i.e. to create an awareness of one's product.

The tools of brand awareness lie basically in advertising. However

in the last decade the concept of brand awareness has shown its inclination towards bonding with public, by organizing events, concerts and even marathons.

Why do they do this?

"They sponsor such public events because their brand gets visibility, it also generates a strong brand recall with the consumer along with a strong brand association giving them a corporate social responsibility tag of sponsoring an event that involves the general public per say and lastly an affiliation with

their target audience."

Mark the unforgettable Delhi Hutch Marathon ad "saari dilli bhagegi," said Nandita Chiber, who works in Media section of Star News

Business World in one of its editions (Most Prestigious Corporate Houses) said that most of the business houses do this to get recognition abroad, as it opens doors for their international ventures.

Prasant, Marketing Manger of Crederity, a website that provides information of people on the web said, "Yes, they do this to get recognized abroad. They project their products to their target audience.

For example take the case of Femina, it organizes Miss India contests thereby targeting its main consumers (younger women)."

A threat to advertising revenues?

Vice President (Media) of Carat Media Services, Mahima, said, "The trend of bonding with people was there in past too though not as vigorously as it is now. Remember

Manikachand's Filmfare awards? But the concept of bonding with people is solely focused towards bottom line now, thereby assimilating the tools of brand personality, brand equity."

May be the bonding with people is a strategy of brand awareness, but the way it is perceived and invested by business houses is surely going to stand as a fierce competitor for advertising revenues. Brand building exercises have come to stay and will remain a force of reckoning.

Brand building exercises by corporate houses

Kingfisher	Kingfisher Express
Hutch (Vodafone)	Hutch Delhi Half Marathon
Femina	Miss India
Gladrags	Manhunt
Idea	Idea Rocks

Copper price hike to impact electronic industry

SADANANDA MOHAPATRA
Bangalore—The recent price hike of copper by Hindustan Copper Limited will fuel the price of copper made products.

The price rise will have an immediate effect in the market since it is an essential commodity said Mr. Manoj Kumar the Manager of Manoj Trading (supplier of copper sheets on Mysore Road).

Copper because of its high electrical and thermal conductivity is used in almost all electrical and electronic appliances and the recent price hike may cause the prices of switches and other electronic devices to go up.

Mahendra of Mahendra Associates, which deals in manufacturing copper conductors, said, "The price rise is primarily due to price reduction on the London Metal Exchange (LME). We hope this will come down in a month."

According to Mjunction.com, Hindustan Copper limited announced a 2.5% increase in copper price in all categories on November 4th. The price was

hiked due to several reasons including reduction of copper price in London Metal Exchange (LME) and the appreciating rupee. However the company official denied the reasons for price increase. "The price hike is our internal matter .It has nothing do with international price .We do this every two or three months,"

International copper price came to seven week low at \$3.53/lb

(there by reduced by 2.8%) on October 30 in the London Metal exchange

Mr . Hasmukh of Metal Pressing Industries said, "The new price

will be applicable from December 1. So the effect will be felt more then." Bindu, Commercial Officer of Livai electronics, a copper conductor manufacturer added "Yes, I believe it will impact of the prices of (copper) conductors."

"The copper consumption in India was very low. Now since there are so many factories set up (in India) its demand has increased," said the Assistant Professor of finance, St Joseph College Suresh Herur.



Global cues have jacked up copper prices

- Pic courtesy Google images