

# GERMAN-INDIAN ROUND TABLE

Gesprächsforum für Handel, Industrie und Mittelstand



## Press Release:

### **German-Indian Round Table to Discuss Trends and Success Factors for Indian Firms in Germany**

#### **Discussion with Experts and Cross-Country Performance Comparisons on the Meeting Agenda of GIRT on May 3, 2010 in Hamburg**

Hamburg (12.04.2010): Indian multinationals in recent years have emerged as some of the most active overseas investors. In 5 years' period between 2005 and 2009 India's overseas FDI stock has grown over 5-fold from less than \$ 15 billion to more than \$ 77 billion. While the crisis-ridden 2009 saw Indian firms invest \$ 14.9 billion overseas, the first three months of 2010 have seen a dramatic increase in definitive investment plans amounting to \$ 15.4 billion, as a recent, soon-to-be released study by the Hamburg University of Technology (TUHH) reveals.

While the USA and UK dominate the FDI emanating out of India, Germany secures a top place outside Anglo-Saxon regions. With cumulative investments worth well-above \$ 4 billion Indian FDI stock in Germany has surpassed German FDI stock in India. Of nearly 850 Indian multinationals as of 2008, around 15% had set up operations in Germany with India topping the list of all M&A deals in Germany involving firms from "emerging countries". In 2008, India accounted for 3% of all foreign direct investments (FDI) in Germany as well for 3% of all new jobs created by foreign firms there, as an IBM study suggests.

At the same time, some Indian firms have struggled to succeed in Germany and the last year has seen some prominent Indian subsidiaries, e.g. Trevira owned by the Reliance Industries and Sakthi Germany owned by Sakthi Sugars, file for insolvency. A new study by TUHH examines the critical success factors for Indian firms in Germany and comes to the conclusion that apart from "over-optimistic" evaluations (lack of proper "due diligence") firms have often struggled to turn the cultural diversities into an advantage to win new ideas and enable organizational learning. Successful Indian firms were found to be those which could strike a right balance between the demands of low-cost operations on the one hand and the optimal localization on the other while mastering the cross-cultural differences in management styles.

The results of the study – along with an overview of trends in Indian FDI in general and Germany in particular – will be presented at the meeting of German-Indian Round Table (GIRT) in Hamburg on May 3, 2010. Additionally, a comparison of performance of Indian firms in Germany will be undertaken as regards to companies from other BRIC nations and to

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**Datum: 14-04-2010**

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German companies in India. The presentation of the study will be followed up by a discussion with experts who have a long experience with Indian firms in Germany/Hamburg. As experts we have confirmed participation by Mr. Gero Winkler (Hamburg Chamber of Commerce), Mr. Steffen Thormann (Hamburg Business Development Corporation) and Mr. Bratin Saha (Mahindra Satyam). Confirmations from two other experts are awaited.

The GIRT meeting will take place at 18:30h in Hotel Baseler Hof (Esplanade 11, 20354 Hamburg) and is basically open to everyone with interest in Indo-German business relations. The participation in the meeting is free of charge: the participants however pay for their own consumption of food and beverages. We look forward to welcoming an interested and interesting audience of decision-makers from the Indo-German business spectrum and the society at large. Since the seating capacity is limited, a binding and confirmed pre-registration via e-mail to [tiwari@tuhh.de](mailto:tiwari@tuhh.de) is required latest by April 26, 2010.

## About German-Indian Round Table (GIRT)

The German-Indian Round Table (GIRT) was founded in 2001 and forms a loose federation of businessmen with strong ties and interests in India. GIRT is targeting to inform about India and strengthen Indo-German business relations. Members of GIRT support cultural and social activities related to India. German-Indian Round Tables are organised regularly in Aachen, Berlin, Düsseldorf, Frankfurt, Hamburg, Hanover, Leipzig/Halle, Munich, Nuremberg, Stuttgart und New Delhi. GIRT connects about 3,000 people from the Indo-German business community. The head of the local GIRTs and the speakers work on a non-profit basis.

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