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India business advocate comes to the valley

BY RAKSHA VARMA
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The U.S. India Business Council, a not-for-profit trade organization that represents large U.S. companies with commercial interests in India, opened its first West Coast office last week in Mountain View.

Headquartered at the U.S. Chamber of Commerce in Washington, D.C., the council was formed in 1975 at the request of policy-makers in the United States and India who wanted to start a dialogue between the U.S. private sector and key decision-makers in India.

USIBC, which has an additional office in New York, chose to open its West Coast counterpart in the Bay Area because more than 25 percent of the council's 150-plus members — including San Jose-based Adobe Systems Inc. and Redwood City-based Oracle Corp. — are based here.

"The interest in India has expanded exponentially," said Director Franca Gargiulo, who oversees the West

Coast region. "We want to help U.S. businesses start overseas operations there — that's the future."

USIBC's mission is two-fold. On a macro level, it tries to change public policies, such as nuclear proliferation and tax code, in India. But on a nuts and bolts scale, the advocacy group helps its members — from large U.S. companies like Boeing Co. and Northrop Grumman to Indian giants, such as Chatterjee Group and Tata Inc. — develop operations in both countries.

Membership fees that range from \$7,500 to \$15,000 annually — a small chunk of change compared to the six-figure membership fees charged by larger national trade organizations — buy members access to key business and government decision-makers in India.

One of the West Coast of-



Gargiulo

office's goals is to help smaller, mid-size Bay Area companies, whose margins are getting squeezed, pump a share of their business to India. "People say 'it's outsourcing, it's negative,'" Ms. Gargiulo said. "No, it's not. It's helping those mid-size companies who can't cut it anymore. It's helping them get started in India — the next hot spot."

Many firms involved in hot industries, such as retail, biotech and nanotech, are not only transferring operations overseas, but shifting large investments to India and developing key venture capital relationships with the local community there, Ms. Gargiulo added. For example, the retail industry plays a huge role in India. Since the burgeoning industry is tightly guarded by the government, even large chains like Wal-Mart Corp. cannot set up operations there because no foreign direct investment is permitted.

"We are working with retailers right now," Ms. Gargiulo said. "It's a huge missed

opportunity."

Traditional pursuits associated with India, such as IT, are diminishing as U.S. companies are starting to take advantage of business opportunities in booming industries like retail, health, sanitization and infrastructure, which are areas that affect the large majority of the country's labor supply.

Although UCIBC is devoted to broadening all U.S. companies' investments abroad, the group is said to be less effective for smaller companies that may want to head up operations there.

"I'm not sure how involved USIBC would be with a Silicon Valley start-up," said Sridar Iyengar, president of The Indus Entrepreneurs, a global not-for-profit network of South Asian entrepreneurs headquartered in Santa Clara. "You need both ecosystems — the smaller start-up and larger company. But the group is serving a purpose."

RAKSHA VARMA covers retail, small business and banking for the Business Journal.