



Ministry of Foreign Affairs

Opportunities & Challenges in the Indian market

Lessons learnt from Dutch companies in India

Commissioned by the Netherlands Enterprise Agency

OPPORTUNITIES & CHALLENGES IN THE INDIAN MARKET

LESSONS LEARNT
FROM DUTCH COMPANIES
IN INDIA





India at a Glance

Official name: Republic of India (Bharat Ganrajya)

Independence Day: 15th August 1947

Republic Day: 26th of August 1950

Government: Federal parliamentary constitutional socialist republic

Subdivision: 29 states and 7 union territories

Currency: Indian Rupee

Area: 3.287.263 sq km

Population: 1.324.171.354 (estimate)

Official languages: English and Hindi

Biggest languages: Hindi (41%), Bengali (8.1%), Telugu (7.2%), Marathi (7%), Tamil (5.9%), Others (30.8%)

Religions: 79.8% Hinduism, 14.2% Islam, 2.3% Christianity, 1.7% Sikhism, 0.7% Buddhism, 0.4% Jainism, 0.9% Others

Labor force: 520.4 million (estimate)

Labor force by occupation:
Agriculture: 47%
Industry: 22%
Services: 31%



NETHERLANDS AND INDIA: TRADE RELATIONS

250+

Dutch companies in India

Relevant sectors for Dutch companies

Smart Cities, Water Management, Lifescience and Health, Agriculture and Food, Logistics and Infrastructure

30,000

Jobs provided in India by Dutch companies

200+

Indian companies in the Netherlands

€2,99

Billion was Netherlands' import from India in 2016

€1,81

Billion was Netherlands' export to India in 2016

20%

of Indian exports to Europe go through Dutch (air-)ports

6 

direct daily flights between Netherlands & India

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WELCOME TO INDIA

Now is the time to enter into the Indian market. Why? The Indian economy is growing at a steady pace, and the economic fundamentals are in place. Furthermore, with the expansion of its considerable middle class, India is home to a rapidly growing consumer goods market. Large investments in infrastructure, health care and agriculture are also generating business opportunities that appeal directly to the Dutch core competences.

India is both huge and diverse, and there is not one single magic formula to enter into business here. In this booklet, Opportunities & Challenges in the Indian Market, we present eleven successful Dutch companies that are active in different sectors in India. These companies explain what they do in India, highlight which factors contribute to their success and give advice for newcomers to this promising market.

Apart from that, the booklet also provides useful India Business Advice and an overview of the business support tools provided by the Netherlands Enterprise Agency (RVO) and the Netherlands Embassy in India. This information can serve as a guide for your first steps in the Indian market.

Through this booklet, we hope to showcase the wide variety of opportunities (and challenges) in India. Would you like to know more about doing business in India? You can visit our website <https://www.nederlandwereldwijd.nl/landen/india/zakendoen>. And of course, RVO and we of The Netherlands Trade Network in India, with offices throughout the country, are at your service and look forward to assisting you in your quest on the Indian market.



Alphonsus Stoelinga
Ambassador of the Netherlands in India



“Now is the time to enter into the Indian market.”

Alphonsus Stoelinga
Ambassador of the Netherlands in India

PROMISING OPPORTUNITIES

When Dutch entrepreneurs have ambitions to take their business abroad, they can count on the Netherlands Enterprise Agency (RVO.nl) to help them on their way. We are the Dutch government agency that is dedicated to helping Dutch businesses to develop and grow, at home and in markets around the world.

We see promising opportunities for Dutch-Indian business partnerships in a great variety of sectors. For example, we believe that Dutch expertise and technology can contribute to India's ambitions in urban development and the agricultural sector. Together with the Netherlands Embassy, Consulates and Trade Offices in India, we bring potential business partners together through matchmaking and trade leads.

Knowing how to start doing business abroad – whether in India or elsewhere around the world – can be a challenge. But we prefer to see it as an opportunity. In developing new international business, it's important to learn from past experiences – sharing insights and connections is a key to success. This is exactly the aim of this publication. We are pleased to share inspiring examples and practical information to support you in your business initiatives in India.



Annette Wijering
Managing Director, International Trade,
The Netherlands Enterprise Agency (RVO.nl)



“We see promising opportunities for Dutch-Indian business.”

Annette Wijering
Managing Director, International Trade,
The Netherlands Enterprise Agency (RVO.nl)

THE NETHERLANDS ENTERPRISE AGENCY (RVO)

These services are provided by the Dutch government to companies considering or actively doing business in India:



KNOWLEDGE AND INFORMATION

- Opportunities, tenders and trends among local parties and governments
- Information about India, sectors and themes, eg. via the app "NL exporteert"
- Advice on market sectors, legislation and regulations



FINANCE AND SUBSIDIES

- For companies investigating and starting in India
- Insurance, guarantees and financing for export
- Information and advice about investing in India



NETWORK AND CONTACTS

- Finding the right contacts and networks
- Building bridges between languages and cultures
- Introductions to the right contacts
- Supporting and organizing missions, fairs and events



PROMOTION OF INTEREST

- Open doors to relevant (government) parties
- Lobby for solutions when local parties create obstacles
- Support in the event of unfair competition abroad



THE TRADE NETWORK INDIA (TNI)

250+

Dutch companies are currently operating in India in a host of sectors



SMART CITIES



WATER MANAGEMENT



LIFESCIENCE AND HEALTH



AGRICULTURE AND FOOD



LOGISTICS AND INFRA-STRUCTURE



The TNI is based in the following cities

NEW DELHI

LUCKNOW

AHMEDABAD

KOLKATA

MUMBAI

HYDERABAD

CHENNAI

BENGALURU

On pages 21 to 23 in this booklet, you find an extensive list of all the tools that are provided by the Netherlands Enterprise Agency and the Netherlands Embassy in India.

INTRODUCTION TO ENTREPRENEURS

Approximately 250 companies from the Netherlands are active in the Indian market. They all faced their own unique challenges and found encouraging opportunities while exploring India. In this booklet, eleven companies share their lessons learned. Their stories provide valuable insights in this promising market.

COMPANY PROFILE



Larive International B. V.

Founded: 1975

Sector: Business Advisory

Active in India since: 1982

Operating cities: Delhi, Mumbai, Bangalore, Pune, Chennai

Number of employees in India: 200



“Doing business in India can be challenging. It is of utmost importance to understand the culture and the way Indian people do business. Patience is another key-word: doing business in India takes time!

Davinia Lamme
Managing Partner, Larive International BV

WHY INDIA?

Larive International B.V. is a business development company that provides expert advice and practical assistance to make overseas business a success. The Indian market can be highly rewarding, but we learned that initiatives fail for various reasons. We believe in partnerships as a solution for challenges that companies face. We initiated FoodTechIndia for example, a public-private initiative combining the strength of Dutch agro and food experts and their Indian counterparts to reduce food wastage in India.

THE INDIAN STRATEGY

Patience is an important key word: doing business in India takes time. Through

trial and error, we experienced how to do business in India. An important lesson we learned is the need to have an Indian subsidiary. There are many challenges to doing business in India, and having a local chapter with local staff and a local strategy is a must. In India we work closely with our partner Sannam S4 throughout the country in a number of different sectors.

CHALLENGES & OPPORTUNITIES

One of them major challenges for companies in India is that bureaucracy is still flying high, even though the present Modi government is trying to make processes more effective. To deal with the bureaucracy, it is important to have a professional local agency that can help you with this.

Besides these challenges, India is a country with great opportunities and a growing economy from which Dutch companies can absolutely profit. Therefore, I would like to give one last advice: get familiar with people or businesses who have been present here for a longer period of time and learn from them. Take your time to enter the Indian market, the results will be worth the effort.



**Incotec India Pvt. Ltd.****Founded:** 2003**Sector:** Seed Enhancement**Active in India since:** 2004**Operating cities:** Pan India**Number of employees in India:** 27

“The legal structure and share holding pattern of the company is very important when entering the Indian market. It is important to seek professional advice to do this in a right way!

Dr. Manish Patel

Executive Director, Incotec India Pvt. Ltd.

? WHY INDIA?

Incotec International B.V. is global leader in seed enhancement technologies. The company has a strong focus on India because of the increasing necessity for a second 'green revolution' in India. At the moment, the country is running on the edge of its food production and finds it challenging to keep track with the rapidly growing population. To serve their Indian market more efficiently, we established a local production facility in Ahmedabad (Gujarat) in 2004. Since 2004, the annual growth of Incotec ranges between 20-30%.

📊 THE INDIAN STRATEGY

When Incotec first entered the Indian market, the conditions in the seed sector were still quite unorganized and in a very early stage of development. Research was needed to throw light on the diversified cropping pattern in India and how Dutch technology could serve the Indian agricultural circumstances. To make Dutch technology suitable for the Indian conditions and meet the price sensitivity requirements, production facilities were set up in India itself. This enabled us to gain the proper understanding of the Indian market

conditions and develop specific regional strategies.

🚧 CHALLENGES & OPPORTUNITIES

A challenge for every Dutch company entering the Indian market is finding the right legal structure and share holding pattern. It is very important that this is done with utmost care. Incotec started as a partnership firm followed by conversion to Private Limited structure and later on become 100% subsidiary of Dutch parent company. It is important to seek trusted legal advice when making important decisions about legal patterns and tax laws to avoid major challenges once company start growing and profit start getting accumulated.

Opportunities are vast for Dutch companies when they contribute to solving the challenges India is facing. In our case, the Vibrant Gujarat initiative of the Government of Gujarat encourages and facilitates foreign investments in the food production sector. This government support enabled us to become one of the biggest seed research and technology companies in the Indian market today.



“Blend in the Indian knowledge and Indian approach with your own experience and product expertise, that's really the way to go in India.

Harendra Singh

Managing Director, Rijk Zwaan India

? WHY INDIA?

Before establishing a legal entity in India, Rijk Zwaan had accurately studied the Indian agriculture sector and assessed the demand for its seed varieties, new technology and methods for producing high yielding crops. Following our research and initial success with gherkins, we wanted to be an active player in the Indian vegetable seed market. To do so, we set up a 100% subsidiary in Indian in 2010 with the intent of collaborating with the Indian distributors and commencing R&D operations locally.

📊 THE INDIAN STRATEGY

To be successful in India, we needed to have a good market segmentation strategy. The Indian market is not only characterized by its huge market potential, but also by its many local markets and layered distribution chain. Since each state has different requirements, having a local representation and local team is very important to serve the customers. As a result, our approach in India has been to ensure a local presence in almost all the niche markets – in some cases directly and in some cases through distributors.

**Rijk Zwaan India Pvt. Ltd.****Founded:** 2010**Sector:** Vegetable Seeds Trade / R&D**Active in India since:** 2011**Operating cities:** Pan India**Number of employees in India:** 41**🚧 CHALLENGES & OPPORTUNITIES**

A challenge for every Dutch entrepreneur looking into India is the vast size and complexity of the Indian market. Strong local contacts and a team of Indo-Dutch professionals have been critical success factors for Rijk Zwaan to deal with these challenges. In addition, having a mix of Indian and Dutch management helped in penetrating the Indian market.

India is a promising growth market, and the growing middle class populations offers many opportunities for Dutch companies. The Indian middle class aspires safe products with high international quality levels. Rijk Zwaan is expanding its operations by providing consultancy services and technical guidelines to producers that want to meet up with the growing demand for quality of the middle class.



**Metaflex Doors India Pvt. Ltd.****Founded:** 2007**Sector:** Healthcare, Cold Chain, Logistics / Warehousing**Active in India since:** 2007**Operating cities:** Pan India**Number of employees in India:** 200

“Don't come for the quick win, but rather come with a long-term strategy. To quote a nice Indian movie: 'It will be all right in the end. And if it is not all right, it is not the end yet!'

Peter G.M. Ruigrok
Director, Metaflex Doors

? WHY INDIA?

Metaflex started manufacturing in India after the Indian government triggered the need to improve efficiency in the food supply chain in 2006. India is among the top producers in the world of fruits and vegetables. However, the cold chain is still undergoing huge change and there is much room for improvement. All the cold storage doors were either imported or handmade and not adapted to the Indian market. Metaflex wanted to be the first specialized player in the door-manufacturing segment in India. We jumped into the niche, created a premium position for ourselves and have definitively settled in the Indian market now. Nowadays, Metaflex Door India Pvt. Ltd. is the global product house for a range of specialty doors.

THE INDIAN STRATEGY

Indians are proud people, a characteristic that we incorporated in our company strategy. Metaflex adapted the slogan 'provide Dutch quality, made in India' during the same time that the Indian government started promoting 'Make in India'. This was quickly recognized by our local customers, who were pushing us to expand our product

range and helped us settle in the Indian market. Metaflex is proud to be Indian!

CHALLENGES & OPPORTUNITIES

India is a beautiful country with beautiful people, but doing business can be challenging. Apart from the cultural difference, one needs to understand that India is a country where things tend to move slowly. Entering the market will take time, effort and perseverance. For foreigners wanting to do business in India, we have one advice: find a way to get to know the country, the people, the food and the culture.

The opportunities and gains can be huge when you have successfully entered this dynamic country. The Indian government has unveiled its vision of turning India into a global manufacturing hub. Dutch companies



who move along with government projects and programs can create a unique position for themselves to conquer the Indian market.

**TomTom India Pvt. Ltd.****Founded:** 1991**Sector:** Information Technology and Services (Consumer, Automotive, Licensing and Telematics)**Active in India since:** 1998**Operating cities:** Pune, Maharashtra**Number of employees in India:** 1000

“Being respectful, listening to what people are saying and understanding the 'second meaning' or context in conversations removes many cultural barriers for Dutch companies doing business in India.

Barbara Belpaire
General Manager, TomTom India

? WHY INDIA?



TomTom designs and develops innovative navigation products, software and services, that power hundreds of millions of applications across the globe. Our India journey started in 1998 with a joint venture with TeleAtlas India aimed at tapping

the tremendous talent in the country. We increased our share in the joint venture to 100% in October 2011, establishing TomTom India. India is an exciting market for TomTom: Smart Cities, Digital India, and Electric Cars are just a few areas which offer huge potential for our licensing business.

THE INDIAN STRATEGY

We are focusing on identifying the right target audience and aligned tactics to build strong relationships with that target audience and relevant stakeholders. On the one hand we are building inroads into Indian automotive companies, on the other hand

we are continuing building relationships with Indian and multinational companies with significant presence in India. At the same time we are engaging and competing for government contracts related to map-making and location-based technologies.

CHALLENGES & OPPORTUNITIES

Doing business in India can be challenging in many different aspects and relies heavily on relationships and specific formal and informal networks. Building a business network is key when you want to be successful in this beautiful country. Partner with local knowledge centres to build up your local business network. This is a slow process and can be both labour intensive and time consuming.

India presents opportunities, not only in terms of the talent pool but also in terms of technology and business. Amplifying these prospects is the Indian Government's vision for 'Digital India', goal for building 100 'Smart Cities' and focus on increasing public private partnership. Equally promising is the increasing automation in vehicles and the country's goal to completely shift to electric vehicles by 2030.

coMakeIT

continuous innovation

coMakeIT Pvt. Ltd.

Founded: 2006

Sector: IT Services

Active in India since: 2006

Operating cities: Hyderabad, Telangana

Number of employees in India: 365

“The entrepreneurial spirit and creativity of Dutch businesses, coupled with the capacity and technology skills of Indian workforce is a powerful engine for driving innovation and digital disruption.

Kiran Madunapantula and Steven ten Napel
Co-founders, coMakeIT

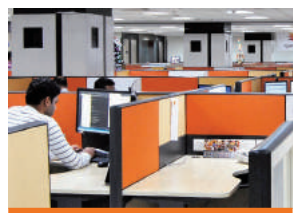


WHY INDIA?

With headquarters in Baarn, the Netherlands, and delivery facilities in Hyderabad, India, coMakeIT offers (custom) software product development services. World-class infrastructure, abundant availability of English-speaking workforce with advanced technology skills, and an enabling regulatory environment that offers IP security and data protection, makes India the overwhelming choice for software services.

THE INDIAN STRATEGY

India has a well-developed ecosystem of service providers with global delivery capabilities offering multiple models of offshoring and outsourcing. The entrepreneurial spirit and creativity of Dutch software businesses, coupled with the capacity and technology skills of Indian



workforce is a powerful engine for driving innovation and growth. With a trusted

Indian partner to provide the flexibility, engineering capacity and technology skills, the Dutch parent company can focus exclusively on business development and customer engagement.

CHALLENGES & OPPORTUNITIES

Across diverse domains and geographies, software businesses are struggling to handle the dual challenges of technology and business model disruption. When doing business with India, overcoming cultural differences can pose additional challenges. coMakeIT is a firm believer in the proverb of *different culture is not difficult culture*. With its unique co-innovation model, coMakeIT has helped numerous European software businesses succeed over the years.

Despite these challenges, the opportunity to serve the vast middle-class in one of the fastest-growing economies in the world, and a continental-size market of India are major attractions for Dutch businesses. As many leading companies have discovered, the diversity of thought, insights, and collective intelligence of a geographically distributed workforce is of immense value in replicating local innovations for global markets.



Paques Environmental Technology India Pvt. Ltd.

Founded: 1960

Sector: Biological wastewater and gas treatment

Active in India since: 2013

Operating cities: Chennai, Delhi, Ahmedabad, Sri City (AP)

Number of employees in India: 49

“Many Dutch companies expect that they can sell the same product in India as they do in Europe. However, given the particularities of the Indian market, Dutch companies should adapt their products to local circumstances.

Sudeep Sangameswaran,
Managing Director, Paques Environmental Technology India



WHY INDIA?



Paques develops anaerobic water and gas purification technologies that help produce energy from industrial and municipal wastewater streams, whilst simultaneously purifying

the water and facilitating water re-use. Especially in India, such technology is urgently needed. Paques entered the Indian market in 2013 with a fully owned operation to address the growing market needs. Paques India has a full-fledged Project & Sales organization covering the whole of India and since 2016 Paques supplies their products from their world class “Make in India” Plant in Sri City, Andhra Pradesh.

THE INDIAN STRATEGY

When it comes to successfully launching proven Western technologies in India, we can only emphasize the need to think global

but act local. We came with a business model of international standards, but made sure to adapt it to the local needs and demands. Dutch entrepreneurs need to try to understand what local customers and partners require, while at the same time trying to retain their own quality levels.

CHALLENGES & OPPORTUNITIES

The biggest challenge for Paques has been making our package locally relevant, at prices that reflect the purchasing power of the local industry. The Indian market is highly price sensitive, and cost is usually more important in sales than quality. Paques has been able to overcome this challenge by adopting a hybrid approach for their applications: importing high-quality components when needed and using locally produced components when possible.

Despite the price sensitivity, Indian industry has always held great potential for cutting edge technologies that help conserve resources or regenerate waste in sustainable manners. Hence, India is generally considered as an attractive destination for European companies offering clean technology solutions.

**Rural Spark Energy Pvt. Ltd.****Founded:** 2013**Sector:** Renewable Energy**Active in India since:** 2016**Operating states:** Bihar, Jharkhand**Number of employees in India:** 8

“People in rural India need development to improve their lives. By working together with Indian experts, Dutch companies can co-create the technology they need for a better future.”

Evan Mertens

Director of Operations, Rural Spark

WHY INDIA?

Rural Spark envisions the energy grids of the future in rural areas through small, interconnected local networks smartly connecting different energy sources to balance supply and demand. India has a highly educated and skilled workforce to design and engineer these energy networks. Together with them, Rural Spark designs and implements the distributed energy networks for rural India for a better tomorrow. In some years, Rural Spark strives to become the biggest and most efficient player in off-grid energy solutions in (rural) India.

THE INDIAN STRATEGY

India is vast and extremely complex, and therefore it is important to get a product market fit within a segment of the Indian market. Rural Spark took time to adapt its product to the circumstances and conditions



of rural India and to find the right target groups. After doing research pilots around Jabalpur, the products were fine-tuned, resulting in the incorporation of

Rural Spark Energy India Pvt. Ltd. Next was the validation of the product. One hundred energy kits were deployed in Gaya, in the state of Bihar, creating the same number of local energy suppliers. This provided around 1200 households with a cheaper, brighter and more reliable alternative to kerosene. The company is now ready for lift-off.

CHALLENGES & OPPORTUNITIES

It takes time to understand how business in India works. There is no single Indian market. Just like Europe, this country consists of many segments and submarkets, each with its own requirements and rules. By co-designing our product with Indian experts we could successfully adapt it to the local requirements and circumstances.

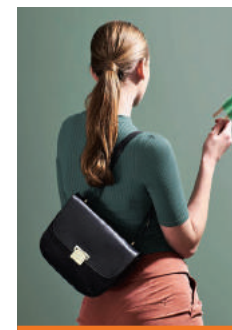
The opportunities within the Indian market are enormous, especially when the huge potential of the rural market is being considered. Finding the right target audience within the vast Indian market is key when you are scaling up. Even though the market is hard to penetrate, the number of possible consumers is huge for Dutch companies and offer the possibility to make a change in the lives of millions.

**O MY BAG B.V.****Founded:** 2011**Sector:** Leather goods, Fashion**Active in India since:** 2011**Operating city:** Kolkata**Number of employees in India:** 0

“We found out that different styles of communication in India and the Netherlands can be a challenge when you want to do business.”

Paulien Wesselink

Founder and CEO, O My Bag

WHY INDIA?

O My Bag burst into life when my friend and I couldn't find the classic vintage schoolbag we'd been looking for and decided to set out and create it ourselves. We hopped on a plane to India to find the right tannery and manufacturer. The colorful surroundings, the nice people, the adventurous rides in rickshaws, producers that were located in the slums of Mumbai – all of it had a magical impact on me. It inspired me to develop the vision for a social and sustainable bag brand.

THE INDIAN STRATEGY

Communication with producers in India via email was tough and the samples I received were repeatedly completely horrible. I went back to build personal relationships with the local producers. Together with the designers and producers, I worked one month straight on the first four designs. Through hard work, investment in relations and personal

presence on site, we were able to get the job done. Since our first launch in the summer of 2011, we work directly with our designers in India to co-produce bags for the Dutch market.

CHALLENGES & OPPORTUNITIES

We found out that different styles of communication can be a challenge when you want to do business in India. Coming from a culture where the communication style relies heavily on explicit and direct language, it was difficult at first for me to cooperate with producers from India via mail. Being present in India, and getting to know the culture and the people, was key in finding the right tone to generate business.

India has a lot to offer for companies who are walking the line between commercial viability and creating social impact. We believe that doing business in emerging markets is part of the global solution to issues like poverty, lack of education and global warming. India is the perfect example of a country in which doing business can be combined with improving the lives of many individuals.

**Resham Roosen India Pvt. Ltd.****Founded:** 1971**Sector:** High precision machining and mechatronics**Active in India since:** 2006**Operating state:** Uttar Pradesh**Number of employees in India:** 75

“ There are many opportunities for those who think and act smart, come well-prepared and see the strengths of the Indian culture.

Gandert Roosen
CEO, Roosen Industries

❓ WHY INDIA?

Due to the growing demand of high precision components at a competitive price in Europe, we started investigating the option of outsourcing our production to China or India. We didn't find a local supplier that met our expectations, and thus we decided to start building our own Indian high-precision CNC milling and turning unit in 2006. We chose India because of the availability of well-trained technical people, the widespread use of the English language which makes communication easier, the benefits of a democracy and the competitive Indian business culture.

📋 THE INDIAN STRATEGY

We tried to foster an open-minded business culture within our Indian entity, which combined the best of both the European



and Indian culture. Trying to force a European way of thinking and acting without seeing the strengths and opportunities of the Indian way will harm the business instead of enhancing it. It is important to respect cultural differences and reserve a considerable amount of time to really understand the local aspects of doing business in India. This resulted in a rapid growth that is expected to continue during the years to come.

🚧 CHALLENGES & OPPORTUNITIES

The aspects that make doing business in India challenging are the bureaucracy and the time-consuming processes when you want to get things done. In order to speed up your work, it is vital to have a capable local manager, who in turn receives proper and visible support from the European side.

For Dutch entrepreneurs, the Indian market itself is becoming increasingly interesting. And not only for outsourcing and local production. More and more multinationals are setting up shop in India, boosting the demand for trustworthy local suppliers, which includes foreign companies already producing in India.

**Broekman Logistics India Pvt. Ltd.****Founded:** 1960**Sector:** Forwarding & Shipping, Warehousing & Distribution, Breakbulk Terminals**Active in India since:** 2006**Operating cities:** Pan India**Number of employees in India:** 160

“ India offers numerous opportunities for any type of entrepreneur, provided you thoroughly – and patiently – do your homework and absorb the particulars of doing business in India with a flexible and open mind.

Mr. Rajiv Nathan
Vice President - Indian Operations



❓ WHY INDIA?

Broekman Logistics entered into India after a thorough review and comparison of all four of the BRIC countries. In India, we came across the opportunity to completely take over an existing company. Broekman Logistics India was originally active only in the import airfreight business. Since 2006 however, in response to our customers' requirements, the company started to diversify into air exports, sea imports and exports, domestic airfreights, door-to-door delivery and custom clearance.

📋 THE INDIAN STRATEGY

Broekman focuses on providing services in line with the rapidly developing Indian market. Especially in the field of logistics, in which you constantly deal with local clients and partners on a day-to-day basis,

this continuity of your know-how and local network is of utmost importance. It is important never to make hasty decisions as operating in India is not always easy. Through careful planning of our expansion, Broekman has managed to cover all major ports and international airports in the country.

🚧 CHALLENGES & OPPORTUNITIES

One of the most obvious and largest challenges to starting operations in India is the difference in how business is conducted. Our advice: select local management and create mutual trust through implementation of control mechanisms. This basically means the setting of standards, monitoring of actual performance and maintaining proactive communication with local management to see where improvements can be made.

The opportunities in India are endless. Over the past decade, we have noticed positive developments in the field of supply chain logistics in India. We have met with many Indian companies who manage to apply a tremendous creativity to overcome the country's many bottlenecks. The spirit and drive in India has been stimulating for us.



INDIA BUSINESS ADVICE

250+ Dutch companies have successfully entered the Indian market with growing and profitable businesses.

Eleven of these companies gave an insight in their business, the challenges they faced while entering the Indian market and how they succeeded in overcoming them. Their lessons learned are combined in this India Business Advice, which can serve as a guide to your first steps on the Indian market.

KNOW YOUR MARKET

The Indian market is as diverse and vast as the country itself. The total market is compiled of a complex set of smaller markets, who each require a different approach depending on the business sectors and target customers. Be clear and thoughtful about identifying your customer segment and how to reach them. Entrepreneurs should adapt their products to the local needs and requirements. Consult the large amount of secondary data available about the Indian market and its submarkets.



IDENTIFY SUITABLE LOCAL PARTNERS

Many companies that have successfully entered the Indian market, stress the importance of devoting significant resources to identify a suitable local partner. The Indian market is complex, and personal networks and connections are very important. Local partners can provide local networks and connections that are hard to access for foreign entrepreneurs. Dutch companies that committed time and effort to find the 'perfect fit' often found that they saved themselves the task of having to find additional partners later on.

UNDERSTAND THE BUSINESS CULTURE

The Indian way of doing business is relationship based. Indians prefer to have a good relationship and mutual trust, before doing business. This takes time and requires a lot of attention and effort in the initial stage of the partnership, both at a business level and on a personal level. Avoid direct (Dutch) questioning and negotiations in an early stage of the relationship. Namedropping is a common

feature of the Indian business culture. The access to power is often cited as showing one's own influence. Be aware of too much optimism when it comes to actual connections. The final decision will always be made by the owner or the highest person in the hierarchy, which means negotiations sometimes have to be redone with the person in charge.



UNDERSTAND THE BUREAUCRACY AND LEGAL SYSTEM

India has well-developed legal systems and procedures, but can be incoherent and hard to understand for newcomers. Understanding the full implications of the legal system is of particular interest to avoid legal or bureaucratic problems in a later stage. Unexpected taxations on lump sums, royalties and payments can affect your business model. Most companies outsource government and tax related issues - or find professional advice - to avoid unnecessary complications.



UNDERSTAND BUSINESS STRUCTURES

Legal structures and shareholding patterns of your company are very important, and should be considered with care. If it's not done properly, a company might lose a lot of money through unnecessary taxes. Certain legal constructions require a local partner that represents the country in India. If a local partner is required, carry out a due diligence review and check the proposed joint venture company thoroughly. It is advisable to acquire professional help to get this process done right.



UNDERSTANDING BUSINESS NEGOTIATIONS AND CONTRACTS

Negotiations are a key part of doing business. Indians expect to negotiate as part of business deals and are used to show emotions as part of this process. Agreements and contracts are not cast in stone, it is common that clauses are being renegotiated. The intent, based on a relationship, is ultimately more important than the signature. It is recommended to involve detailed 'force-majeure' clauses and arbitration conditions in the agreements, besides clear exit clauses upon the occurrence of specific conditions in the venture. Ensure that property titles are transferable to the company and do not remain under power of attorney.



MANAGEMENT AND PERSONNEL

It is important to determine the actual need of posting Dutch expats at various levels, especially as a director, as attracting local staff has great benefits too. Understanding all the local employment terms, income levels and social cost is key before finalizing an HR policy. The biggest challenge is to create a good and effective link to the parent company in the Netherlands. A balanced mixture between Dutch and local staff is advisable to effectuate that link.



BUSINESS DEVELOPMENT TECHNIQUES

Entering the Indian market requires a long-term strategy and patience. Companies should do their homework and absorb the particulars of doing business in India with a flexible and open mind. Creating awareness about your product and pinpointing how the product can contribute to specific niches in the market are important steps in a further development of your business in India.



SEEK ADVICE FROM A PROFESSIONAL

Please keep in mind that this advice is just a general overview and requires further in-depth research into the Indian market. Doing business in India is complex and could involve a range of other aspects than the challenges in this India business advice. Dutch companies are active in a variety of Indian (sub-)markets and sectors. Professional advice related to market studies, fundraising, cross-border acquisition, assistance with joint ventures, transactions and assurance services, tax planning, transfer pricing and government and infrastructural advisory are highly recommended when entering the Indian market.



SUPPORT TOOLS

BY THE NETHERLANDS ENTERPRISE AGENCY (RVO) AND THE TRADE NETWORK INDIA (TNI)

The Netherlands government provides support to companies that want to do business in India.

This assistance is available through our extensive network in both India and the Netherlands. By working together, the Netherlands Enterprise Agency (RVO) and the Trade Network India support Dutch companies in India. This appendix gives an overview of the tools available to companies.

More information about these support tools and how to apply for them can be found on <https://www.rvo.nl> and <https://www.nederlandwereldwijd.nl/landen/india/zakendoen>.



KNOWLEDGE AND INFORMATION

ANSWERING (COMPLEX) QUESTIONS

RVO.nl provides basic information about doing business abroad and answers simple questions through the front office. Complex questions are being handled by an advisor in the mid office, together with input from the Trade Network India.

[READ MORE](#)

TAILOR-MADE INFORMATION

Benchmark studies on India and the Indian market. This service is only available to companies that are ready to go abroad.

[READ MORE](#)

BUSINESS OPPORTUNITIES

Indicating business opportunities in India to Dutch companies and other organisations.

[READ MORE](#)

INTERNATIONAL ORGANISATIONS SCAN

This scan gives an overview of business opportunities in India for Dutch companies in tender procedures from international organisations like WB and IMF.

[READ MORE](#)

EXPORTNL APP

All the information about India, sectors and themes in one app ("NLexporteert")

[READ MORE](#)

STARTERS FOR INTERNATIONAL BUSINESS (SIB) INCLUDING MISSION VOUCHERS

Digital export toolkit with information about starting to export to India and a coaching programme through Chambers of Commerce and business associations.

Voucher of EUR 1.500 are granted to Dutch SME's taking part in missions and fairs abroad will be published on: www.internationaalondernemen.nl

[READ MORE](#)



NETWORK AND CONTACTS

BUSINESS PARTNER SCAN

The business partner scan gives an overview of potential business partners in India or a specific sector within India. Companies have to pay a €500 fee for this service.

[READ MORE](#)

INDUS FORUM

The Indo-Dutch Sustainability (INDUS) Forum is the 'One Stop Shop' for sustainable trade and investments. This matchmaking forum turns challenges into sustainable business opportunities by connecting initiatives, business and

projects in India and the Netherlands.
www.indus-forum.com

[READ MORE](#)

ORANGE TRADE MISSION FUND

This fund supports ten winners in realising their international ambitions through:

- Practical support, knowledge of local markets
- Access to network of diplomatic missions
- International trade fair participation
- Trade missions

[READ MORE](#)



FINANCE AND SUBSIDIES

DUTCH GOOD GROWTH FUND (DGGF)

The DGGF is a fund with a revolving character intended for financing risky investments in and insurance of capital goods. The aim of the DGGF is enabling development-relevant trade and investments in developing markets and developing countries by granting financing and insurance. Investments and export must be acceptable to the general public and contribute to economic growth in the developing country concerned and in the Netherlands.

[READ MORE](#)

DEVELOPMENT RELATED INFRA-STRUCTURE INVESTMENT VEHICLE (DRIVE)

The Facility for Infrastructure Development (DRIVE) encourages investments in infrastructural projects that contribute towards a good business climate and entrepreneurship in the area of water, climate, food security and sexual and reproductive health and rights (SRHR).

[READ MORE](#)



PROMOTION OF INTEREST

PARTNERS FOR INTERNATIONAL BUSINESS (PIB)

Supports consortia of Dutch companies aiming at entering the Indian market together. This is done through an integral approach. The Dutch government as a partner concentrates on tasks such as economic diplomacy, matchmaking, G2G (government to government cooperation) and technical assistance or knowledge transfer (K2K).

[READ MORE](#)

FACILITY FOR SUSTAINABLE ENTREPRENEURSHIP AND FOOD SECURITY (FDOV)

The Facility for Sustainable Entrepreneurship and Food Security (part of the Public-Private Partnership facility) stimulates public/private partnerships within the sphere of food security and private sector development in India. The projects aim at inclusive business, alleviate poverty, help sustainable economic growth and self-reliance.

[READ MORE](#)

THE SUSTAINABLE WATER FUND (FDW)

The Sustainable Water Fund (FDW) is a Public-Private Partnership facility which aims to finance projects in the area of water safety and water security. The projects should alleviate poverty, help sustainable economic growth and self-reliance.

[READ MORE](#)

SUBSIDY SCHEME FOR DEMONSTRATION PROJECTS, FEASIBILITY AND INVESTMENT PREPARATION STUDIES (DHI)

The subsidy scheme for demonstration projects, feasibility studies and investment preparation studies aims at supporting businesses that seize opportunities in India.

[READ MORE](#)

PARTNERS FOR WATER (PVW)

This program supports the Dutch water sector (profit and non-profit organisations), that work together to position themselves in India. It's focus is on exploiting the growing amount of Indian opportunities resulting from global water challenges.

[READ MORE](#)





CONTACT

USEFUL WEBSITES AND PHONE NUMBERS

DOING BUSINESS IN INDIA

www.rvo.nl/onderwerpen/internationaal-ondernemen/landenoverzicht/india

www.rvo.nl/subsidies-regelingen

www.nederlandwereldwijd.nl/landen/india/zakendoen

www.nederlandwereldwijd.nl/landen/india/over-ons/ambassade-in-new-delhi-wat-doen-wij

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+91(0)2222194200

NETHERLANDS CONSULATE GENERAL IN BANGALORE

bangalore@nbso.info

080-23098100

NFIA (FOR INDIAN INVESTMENTS IN THE NETHERLANDS)

INFO@nfia-india.com

011 24197627

NETHERLANDS BUSINESS SUPPORT OFFICES (NBSOS)

NBSO AHMEDABAD

ahmedabad@nbso.info

079-26564711

NBSO HYDERABAD

hyderabad@nbso.info

040-42030788/89

TRADE REPRESENTATIVE CHENNAI

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nlconsulate.lucknow@gmail.com

0522-3018600-05

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91 33 2289 7676

NEPAL

consulate@nlconsulate.org.np

00977-1-5523444/5522915

BHUTAN

consulate.nl.bhutan@gmail.com

00975-2-323259

**#NLINDIA.
Whatever I can do,
we can do better!**

 facebook.com/NetherlandsinIndia/

 linkedin.com/groups/3677519

 [@tradenetindia](https://twitter.com/tradenetindia)





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