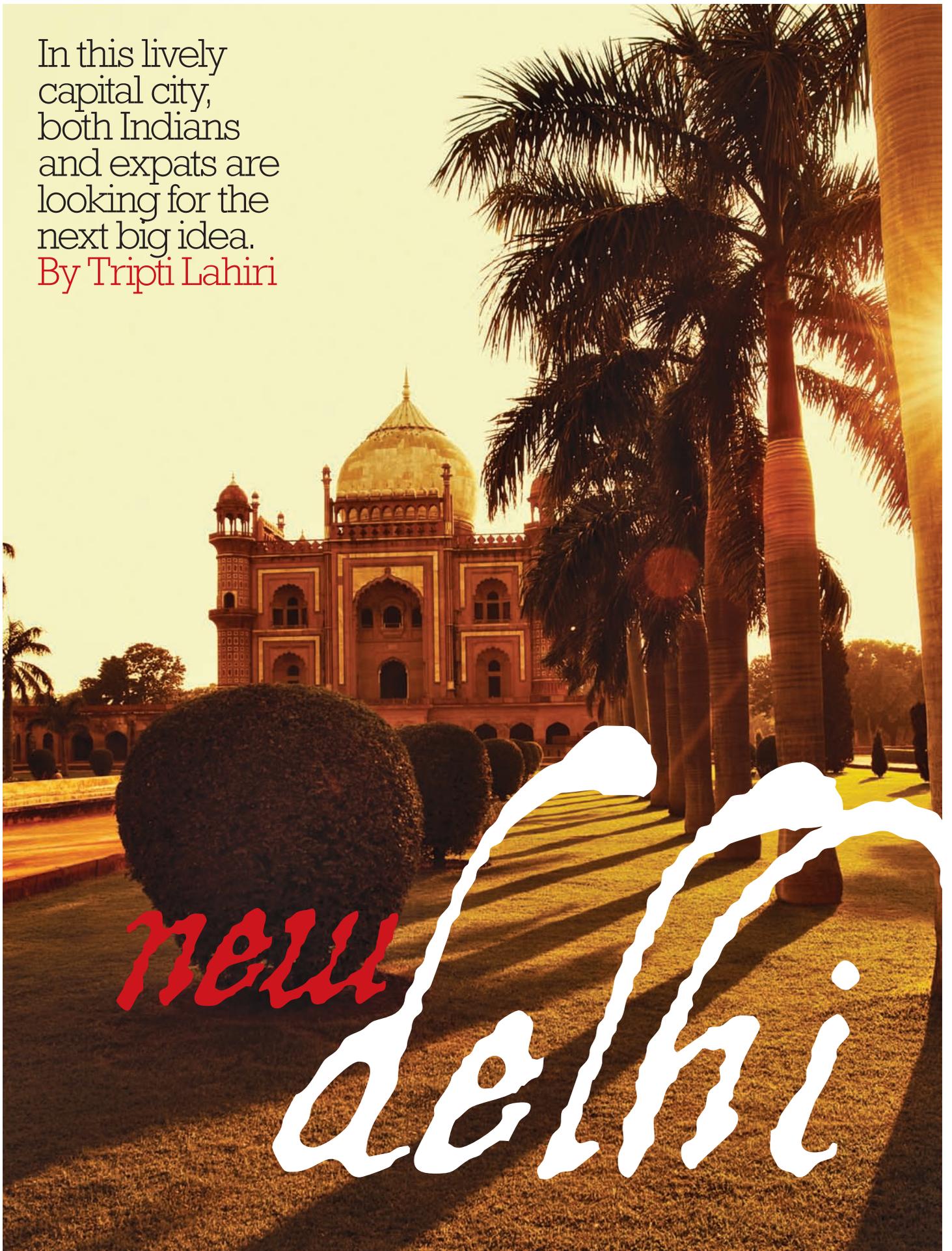
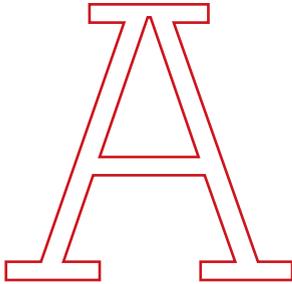


In this lively
capital city,
both Indians
and expats are
looking for the
next big idea.
By Tripti Lahiri

new

delhi





s recently as the 1980s, New Delhi was a sleepy place where the only foreigners were diplomats and most businesses were mom-and-pop affairs. No longer. Since the financial reforms of the early 1990s, India's capital has become a bustling, dynamic place.

India's GDP grew at 6.7 percent for the fiscal year that ended on March 31, 2009—in the midst of a global economic downturn—and for several years prior, growth was running at 9 percent. The government is keen to draw foreign investment to upgrade its creaky socialist-era infrastructure: As much as \$500 billion needs to be spent in the next five years to improve roads, power generation and airports.

In Delhi, it's easy to spot the union of old business models and new products (or vice versa). The vegetable seller with the wheeled cart who comes by daily can source bok choy or imported avocados, if you ask. In little more than a day, you can have an Indian prepaid cell phone connection—and, of course, the service provider will come to you to set it up. After a quick walk around the 16th-century fort that now houses the city zoo, you can slip into an Italian restaurant next door for arugula-and-prosciutto pizza.

But even with all these changes, Delhi is still a daunting place for Western businesses to navigate. Successive rulers have chosen the city as their capital not once but nine times, which means that governments of one sort or another have been based here for more than a millennium. This rich history has left the city with not only a plethora of majestic monuments, but also a venerable tradition of red tape.

The World Bank ranked India 122 out of 181 countries in its 2008 assessment of the ease of doing business, because of the large number of procedures involved in most aspects of opening a business, the high level of corporate taxes and the amount of time it takes to close a business (a decade). This makes it extremely important for any new business to line up the right advisors. "My lawyer and my accountant are my two best friends," says Richard McCallum, 31, a British expat living in New Delhi who set up adventure-tourism outfit Flying Fox with a partner in 2007.

"There are a lot of permissions and approvals you would never have imagined were required unless your lawyer told you, so it's very important to have that person in place."

It's also common for negotiations to take a while, but

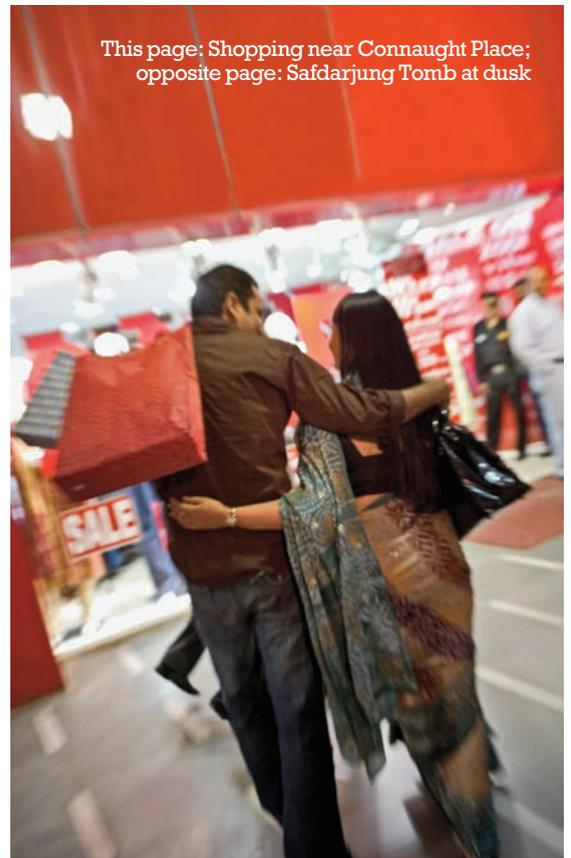
firms need to make sure this is not the result of dealing with the wrong person. "With a traditional Indian business house, the real decisions are being taken by one person at the top—maybe the family patriarch," explains Amitabh Singh, tax partner at the India arm of global consultant Ernst & Young, which has advised U.S. firms like Coca-Cola and McDonald's on setting up shop in New Delhi. "People may have fancy titles, but they still have to get everything authorized," he adds.

Singh advises businesspeople to make diplomatic inquiries about where the real power lies at a particular company before sitting down to meetings—and even then, it may not be a speedy affair. "I always advise any American client that first and foremost, they should have patience and optimism if they are to do business in India," says Singh. "We may be slow, but we generally reach there."

For an overview of India's economic indicators and investment opportunities, check out India in Business (*indiainbusiness.nic.in*), the Indian foreign ministry's trade promotion division. Potential investors should contact the relevant ministry directly, but in case that choice isn't clear, India in Business does answer queries. "We can put foreign business investors in touch with the right people," says Nagraj Naidu, an official with the division.

Another tip: Never underestimate the power of the personal touch in a place where, if you spend more than 15 minutes in a shop, the proprietor will offer you tea or a samosa.

"Even today, it's incredibly relationship-based," says McCallum, who headed North India operations for



This page: Shopping near Connaught Place; opposite page: Safdarjung Tomb at dusk

Cathay Pacific Airlines before starting Flying Fox. “How you interact and get on with your travel agents really matters. It matters that you go and have tea with them from time to time. That genuinely makes a difference to your sales.”

If you receive an invitation to someone’s house for dinner, be sure to accept, since a great deal of preparation has probably gone into what might seem like an impromptu gesture. If you’re in doubt about what to offer your hosts, a box of chocolates for their kids is a safe bet.

You may want to eat a little snack before heading to the meal. It’s still quite common for people to cease drinking alcohol when dinner is served, so in order to prolong the cocktail hour and accompanying conversation, dinner can be served quite late.

One last piece of advice: That baffling head wobble you’ll see everywhere is not a cue for you to explain what you just said. When someone waggles his or her head in a sort of see-saw, side-to-side motion, it can mean “Good idea!” “I’ll look it into it right away” or “Sure.”

What to see

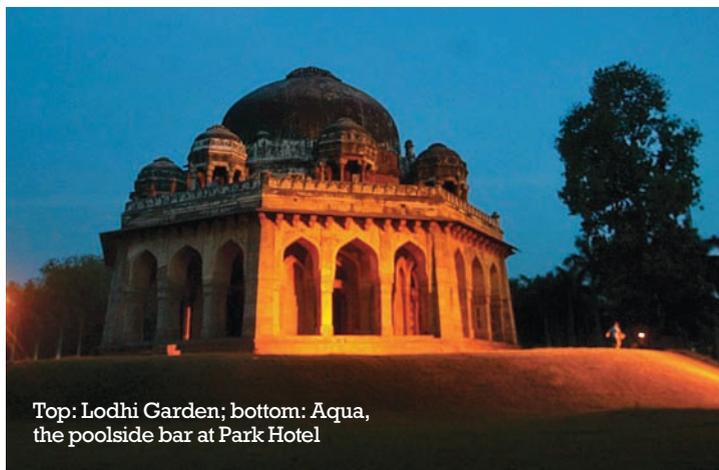
If you have a couple of hours free, try to experience one of the unique pleasures of urban India: the sometimes jarring juxtaposition of scenes that appear to be from different eras. To experience this contrast at its most extreme, hop on the air-conditioned, seven-year-old metro at one of the stations around Connaught Place, a shopping arcade in the heart of colonial central Delhi. This enclave of broad, tree-lined avenues and white bungalows was built by the British in the early 20th century.

A few stops later, alight from your gleaming, Japanese-branded coach and emerge into the 17th-century walled city of Old Delhi, where you can find freshly baked flatbread, small silver shops and open-air butchers as you walk the chaotic alleys. It’s a journey that lasts perhaps 15 minutes but seems to span several hundred years.

For a more tranquil experience, visit Lodhi Gardens on Lodhi Road, a sprawling green park studded with 15th-century ruins, or Humayun’s Tomb, a sandstone mausoleum for a 16th-century Mughal ruler that is located near the Oberoi Hotel.

You can get a quick dose of culture—and do a bit of

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Top: Lodhi Garden; bottom: Aqua, the poolside bar at Park Hotel



shopping—at the Craft Museum (*Bhairon Rd., +91 11-2337-1887, Tues.–Sun 10 a.m.–5 p.m.*), located by gate number 2 of the city’s trade-fair park, Pragati Maidan. This kid-friendly, free museum offers an introduction to India’s craft traditions.

Airport insider

Frequently rated one of the worst airports in the world, New Delhi’s Indira Gandhi International Airport (*Terminal 2: +91 11-2560-2000, 24-hour call center: +91 11-2566-1080, newdelhiairport.in*) is undergoing a major overhaul, like many parts of the city. Although the benefits may not be immediately apparent, the revamped domestic airport has been getting rave reviews from travelers so far, which suggests that the present state of confusion will eventually be worth it.

In most cases, your hotel or local business partner will have made arrangements for you to be picked up ➔

from the airport. If not, head for the booth of the Easy Cab teletaxi service, which you'll see as you exit after clearing customs, and book one of the air-conditioned cars. If Easy Cab is out of cars, try the government-run, fixed-price service next to them. (Unfortunately, those cars won't be air-conditioned.) If you're headed for Connaught Place, you should pay less than INR 400.

Taxis are the best way to get around Delhi, but given that large parts of the city are under construction both

for the metro and as part of Delhi's preparations to host the Commonwealth Games in 2010, traffic often crawls. Ask your hotel to help you hire an all-day car or, for shorter rides, call one of the new teletaxi services like Meru Cabs (+91 11-4422-4422, merucabs.com) or Easy Cab (+91 11-4343-4343). **T**

TRIPTI LAHIRI is a freelance writer in Delhi.

Where to eat

The city's nicest restaurants and bars have traditionally been located inside hotels—partly because the expense of a liquor license led to prices that only foreigners could afford. This is often still the case. In addition, many restaurants tend to serve multiple types of cuisine in order to satisfy a variety of dietary restrictions, as well as the desire of visitors to eat Indian food while their local companions may want anything but.

Olive Beach

Olive Beach serves interesting pasta and Mediterranean-inspired dishes in a relaxed setting. The rough, limewashed walls make it seem like the sea might just be less than 650 miles away.

*Hotel Diplomat,
9 Sardar Patel Marg,
Chanakypuri,
+91 11-46040404,
olivebarandkitchen.com*

Threesixty

This huge, minimalist restaurant offers private rooms and easily the city's best wine selection. Threesixty serves everything from sushi, a yakitori grill and Mediterranean fare to Mughlai dishes: rich, North Indian food cooked with lashings of butter.

*Oberoi Hotel, Dr. Zakir Hussain Marg,
New Delhi,
+91 11-2436-3030,
oberoidelhi.com*

Veda Restaurant

Veda looks as if it's been decked out by maharajas gone wild—lots of red lighting, quilted chairs and hanging lamps. The restaurant serves a range of Indian dishes, including some from the south.

*H-27, Outer Circle, Connaught Place,
+91 4151-3535,
vedarestaurants.com*

Where to stay

Connaught Place, in the center of the city, is a great location, since it's close to many business and government

offices, as well as shopping and museums. Depending on occupancy, most hotels offer significant discounts through their Web sites.

Aman New Delhi

An outpost of the swank Aman Resorts, it's just next door to Connaught Place. From INR 33,000, including taxes.

*Lodhi Road, New Delhi,
+91 11-4363-3333,
amanresorts.com*

Le Meridien

A popular choice for conferences. From INR 16,404, including taxes.

*Windsor Place, New Delhi,
+91 11-2371-0101,
starwoodhotels.com*

Oberoi Hotel

Very luxurious and little more than 10 minutes by car from Connaught Place, even during rush hour. From INR 17,535, including taxes.

*Dr. Zakir Hussain Marg, New Delhi,
+91 11-2436-3030,
oberoidelhi.com*

The Park Hotel

Small but neatly appointed rooms and a string of indoor and outdoor restaurants. From INR 13,576 for a double, including luxury and VAT taxes.

*15, Parliament Street, New Delhi,
+91 11-2374-3000,
newdelhi.theparkhotels.com*

