

PRESS RELEASE

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100 million euro fund to push Indian, Italian M and As, JVs

A Milan-based business advisory firm aims to create a 100 million euro (Rs.5.4 billion) equity fund to push mergers and acquisitions (M and As) and joint ventures (JVs) between Italy and India.

'I am talking to Italian banks and Luxembourg-based funds. I have also received positive feedback from Indian banks,' Carlos Paris of Paris and Partners said of the equity fund to promote 'arranged and love marriages that last' between Indian and Italian businesses in the areas of lifestyle products, food processing, cinema and infrastructure.

'Ninety percent of Italian businesses are family-owned and form the core of our economy. There are similar traditions in India. So, I am now looking for good DNA with Indian groups,' Paris, a former banker, told IANS.

Toward this end, the equity fund will function as a third party professional with the capability to lead investment to provide Italian-quality goods at Indian prices,' Paris explained.

The timing could not be better, with 2007 being celebrated as the Year of Italy in India.

Italian Prime Minister Romano Prodi, accompanied by a delegation of more than 300 top businessmen was in India in February, while Deputy Prime Minister Francesco Rutelli, who is also the country's tourism minister, is expected here later this year.

Two other delegations, one led by Minister of International Trade Emma Bonino and the other by the president of Lombardy province Robert Formigoni also visited India this year, indicative of the 'renewed interest in India due to its surging economy', Paris pointed out.

According to him, talks are underway with Indian business groups like the Dalmias, the Modis, the Chanderyas and the Ruparels to facilitate ties with Italian business houses for M and As and JVs.

In addition, Paris and Partners would set up representative offices later this year in New Delhi and Mumbai to help Italian companies understand how to do business in India.

'We have also got positive responses from other companies like Godrej and Dabur for joint ventures in areas of food and cosmetics,' Paris stated.

As for Italian companies that were interested in India, he said the Merloni group hoped to invest in India's alternative and renewable energy sector, the Cattaneo family in the beauty products sector and the Bianchi family in the duplicating machines sector.

This apart, premier Italian bank San Paolo Banca IMI has already opened an office in Mumbai and is now looking at entering India's financial sector.

Three Italian wine majors, Calatrasi, Ferrari and Pallini were also keen on investing.

'India's wine industry has tremendous potential to witness a major boom in the coming years,' Paris said.

In this context, he said that Italian vintners could even develop 'wine courtyards' in India.

'The soil is similar, the weather is similar. It's entirely possible that Italian wine that is comparable in terms of quality and price could soon be produced in India,' Paris said.

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His optimism is not misplaced. 'The Italian Wine Guide' published last November lists a staggering 312 wines - ranging from Rs.610 to Rs.30,000 a bottle that are available in Delhi and Mumbai alone

By Vishnu Makhijani