

OUTLOOK Business

INSIGHT SOUTH AMERICA

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Two To Tango

In terms of language and culture, South America is a long way from India. But like India, the people there are warm, they have expertise and they appreciate technology

CALL IT insight, hunch or farsightedness, but when we embarked on our turnaround path in 1999, we were sure that ethanol will be the renewable fuel of choice for countries beyond Brazil and the US. Our turnaround strategy, spurred by our strong belief in renewable fuels and our increased focus on geographical spread aided by technological innovation, has stood us in good stead. It has seen us entering markets that were challenging, like South America, Central America and the Caribbean.

We planned to enter South America in 1997 itself, after we had gained experience in Southeast Asia and Africa. It fit our plan to strike out into territories 30 degrees on either side of the equator—or, the tropics. Ethanol production processes are sensitive to local conditions and demand customised solutions, and we were studying processes involving feedstocks from various parts of the world.

Making Inroads

South America was different in many ways, and we took some time to study the region. While language, culture and distance set us far apart, the binding thread was people and their warmth, their expertise and appreciation of technology. Being close to North America, they were used to US standards in engineering. But since industrial growth had limitations, investments were slow coming in. When we entered the region, we were conscious we were staking not just our reputation, but also India's. In 2000, following an internal study that indicated that Colombia would be the first country in South America to introduce a fuel-ethanol programme, we decided to set up our office in Bogota. Till it did so, we initiated market development in other countries, familiarising ourselves with various technical, commercial and regulatory practices. Logistics was also an area of concern, as India didn't do much trade with Latin American countries other than Brazil. We contracted orders in Peru, Nicaragua, Dominican Republic and a few other countries.

In April 2003, Colombia became the second South American country, after Brazil, to adopt a fuel-ethanol policy—it mandated blending 10% ethanol with petrol. India's popularity as a growing knowledge destination, the government's Focus Latin America programme and the



WELCOME: Increasingly, Indian companies are looking beyond Brazil

Exim Bank's initiatives aided our efforts. We had a breakthrough in 2003, when we won five contracts in Colombia, against stiff Brazilian, European and US competition. Part of our preparedness included visa procedures and Spanish language training to all personnel. Today, most are fluent in Spanish. Now that we are also in Brazil, the region's largest economy, many will be Latin bilingual.

We have built a robust model for South America, including a customer-care system, where we offer remote monitoring and a browser-based response system that is activated at the customer's call. A team is earmarked for after-sales calls. Our solutions include customer training before handing over a plant. It's apt that in Cali, the sugar belt of Colombia, they call us 'The Ethanol People'

Praj Industries has a presence in Colombia and Brazil