

ROOM TO GROW

The satellite city of Gurgaon is booming as global firms seek space outside Delhi.
Tom Otley reports

Unless you are involved in business outsourcing, it's unlikely Gurgaon has appeared on your travel expenses. Half an hour's drive south-west of Delhi along National Highway 8 (NH8) – the new motorway that connects Delhi with Jaipur, some 260km further south – it was, until 30 years ago, a village. That changed when national and international companies started to look for new locations in the region, yet it is only in the past decade that its phenomenal growth has taken place.

A vice-president of procurement and special infrastructure projects for a global business process outsourcing company tells me: "A dozen years ago, Gurgaon was the back of beyond as far as Delhi was concerned. The complex we occupy here was built only in the past five years."

The offices I visit in Gurgaon are modern, air conditioned and large. Space is one of the main reasons why businesses have moved here and to other districts around Delhi, such as Noida to the south-east.

Sunil Sethi, president of the Fashion Design Council of India, says: "We had maxed out in terms of space in Delhi. Any multinational wanting 10,000 sqm or more was struggling, and we also needed to be in a place that people could get to and where there was low-cost housing."

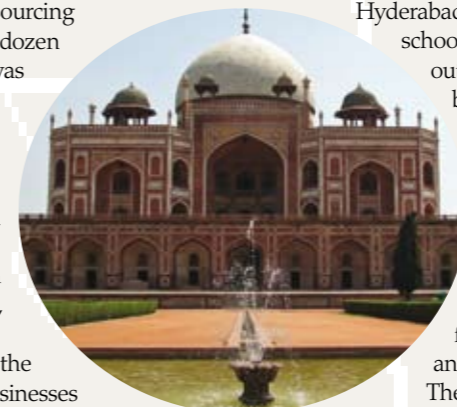
Martin Fuchs is market development manager for Maier and Vidorno, a company that helps international firms to establish themselves in India. "We need a large amount of room for what we do – we facilitate global companies who want to set up operations, so we organise their company needs, which might include warehousing, service centres, front- and back-office services, logistics and legal."

The speed of change is dazzling, so much so that it inspired last year's Man Booker Prize winner, Aravind Adiga's *The White Tiger*. As Balram Halwal, the book's protagonist, puts it on: "Ten years ago, they say, there was nothing in Gurgaon, just water buffalo and fat Punjabi farmers. Today, it's the *modernist* suburb of Delhi. American Express, Microsoft, all the big

American companies have offices there. The main road is full of shopping malls – each mall has a cinema inside."

It wasn't only space that was needed, but an educated population, as the procurement vice-president explains. "A business processor outsourcer needs two things – a client, and someone to do the business. In India, people move to the cities – there are probably 100,000 people arriving in Delhi every day, so there are people here who have a good education and can be employed."

It's for that reason that as well as Gurgaon and Noida, Pune, which is 150km from Mumbai, and Bangalore and Hyderabad, with their excellent schools, have all done well out of the outsourcing boom.



First came the factories and offices, then commercial businesses and a few hotels to save visiting business travellers from having to make the journey from Delhi, then shops, and, eventually, malls. There are also many luxury

apartments, yet expats waver over whether to live in Gurgaon or stay in Delhi. Maier and Vidorno's Fuchs says most still choose the latter. "It's a community thing," he says. "Gurgaon has restaurants and bars so infrastructure isn't an issue anymore – in fact, some might even come from Delhi to party here. But the embassies and non-governmental organisations are all based in Delhi, so most of the community live in south Delhi – anything north of Connaught Place [one of the largest financial and commercial zones in the city centre] doesn't have the infrastructure for foreigners."

As with most workers, Fuchs' own decision came down to balancing quality of life with a commute. "It's possible to live in Gurgaon, but the decision is then, 'Do I want to have a short journey to work and a long drive to meet friends, or the other way round?'" The question is then how best to negotiate the traffic on NH8 to and from Gurgaon and, particularly, the long queues that can develop at the toll booth just south of the district, which Fuchs points out can occur at odd times, such as 10pm, when people head home after shifts at call-centres.

Spend any time at all in Gurgaon and two things will come up in conversation. The

DEALING WITH THE ECONOMIC DOWNTURN

A chill went through the outsourcing business earlier this year when first the US and then the rest of the world caught an economic cold, and protectionism raised its ugly head. In May, US president Barack Obama announced the end of tax incentives to US companies that outsourced work to countries such as India – "No to Bangalore, yes to Buffalo," as the directive became known. In India, the news has been met with scepticism.

A vice-president of procurement and special infrastructure projects for a business process outsourcer says: "It's mostly a political argument rather than an economic one. Companies are here for many reasons. Initially, it was cheap labour, but once you have a talent pool, it's difficult for others to compete. We have to keep upgrading to beat the Philippines and the rest, but huge investments are being made and the infrastructure is going to boom as a result."

For Raj Singh Gehlot, chairman and managing director of property developers Ambience Group, the recession is "not on the demand side, it's on the sentiment side". He adds: "Indians save, then spend – they don't borrow money, so the recession doesn't affect them as much. People have stopped spending to some extent, but this will be for less than a year, and they still have the money."

Gehlot sees the economic downturn as a "positive thing", a sentiment easier to express in a country that is forecasting GDP growth this year of 7 per cent, down from 12 per cent last year. "Real estate was growing at a pace that was not required for the country, and that normal people could not afford. Now the apartments are more sensibly priced and attracting buyers," he says.

first is that the area is like an Indian Canary Wharf, and the second is a comment about NH8, Gurgaon's lifeline to Delhi, the airport and the outside world.

It is an impressive bit of infrastructure but one that still needs a lot of work – while it is undoubtedly quicker than a lot of roads in India, it is extremely busy, has several bottlenecks – most notably the toll booth – and has a lack of subways or bridges, meaning inhabitants living on either side of the road have to risk – and often lose – their lives trying to dodge cars to get to the other.

Arrive in Gurgaon from Indira Gandhi International airport in Delhi, about 15km away, and your first impressions will be of a modern destination with smart shopping malls and luxury hotels – including the new Leela Kempinski Gurgaon, which opened in January (see review overleaf), and the

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HOTEL CHECK GURGAON

Leela Kempinski

WHAT'S IT LIKE? The Leela is a new five-star hotel in Gurgaon, south of Delhi. It has a high staff to guest ratio, and is a modern and luxurious business property with very good security – each car passes through a series of checks before being allowed on the premises, and all visitors pass through an X-ray machine. There are also guards on every floor. That this is reassuring rather than intimidating is a result of the warm welcome you receive – all staff greet you with a *namaste* salutation whenever you walk past, and some even greet you by name.

Designed by Hirsch Bedner and Associates, the hotel disguises its size well. The balcony of the upper lobby, which contains the conference and meeting facilities, is behind colourful giant lotus petals cleverly screening the huge function rooms behind, while the ground floor has pools, sculptures and lots of modern art.

WHERE IS IT? In Gurgaon, just south of the toll booth on National Highway 8 (NH8). It is about 15 minutes from Delhi's Indira Gandhi International airport. The hotel is also directly connected to one of India's largest shopping malls, part of the Ambience Island development.

ROOM FACILITIES The 322 rooms and suites are all of a good size and overlook Rajokri Greens nature reserve, the NH8 or the inner courtyards. There are 156 entry-level Deluxe rooms, all with courtyard views. These are large at 45 sqm, with a marble bathroom and a glass-walled bath and rain shower. There is a large desk with both wired (through

the IP phone) and wifi internet access (priced at Rs 979/£12 for 24 hours), plus a 40-inch flatscreen TV with a Blu-ray player (discs are available at reception). A further 24 Terrace rooms come with verandas overlooking the reserve.

Next up are 24 Premiere rooms (52 sqm) with terraces overlooking Rajokri Greens, and 15 Executive suites (76 sqm) with butler service, free breakfast, airport transfers and a separate area for private meetings. The six Deluxe suites are larger still, at 88 sqm, and have a separate living room and dining area, while the six 108 sqm Panoramic suites have 180-degree views of the NH8 and parkland.

The hotel's Royal Club lounge is on the sixth floor. Royal Club rooms and suites provide guests with a welcome drink on arrival, 24-hour butler service, boardrooms and meeting rooms for two hours, free drinks and snacks (from 3pm to 6pm) and cocktails (from 6pm-8pm), plus breakfast.

RESTAURANTS AND BARS The hotel's main restaurant, Spectra, was in the process of opening during my stay in June. Costing more than US\$9 million to complete, it has seven open kitchens and a wide choice of cuisines. There's also Diya, an Indian restaurant with a live tandoor (clay oven) and a show kitchen. It also has a private dining room for 12 guests. Zannota Italian restaurant on the sixth floor is comfortable but very high-end, with pizza ovens "fired with fragrant mango wood". It also has a private dining room for up to eight people.



BUSINESS AND MEETING FACILITIES

The hotel has a total of 2,500 sqm of convention venues. The Pearl ballroom has 850 sqm of pillar-free space and can host a dinner for 500 guests or a reception for 1,000. The Royal ballroom is 480 sqm and can accommodate 300 people for a meal. The Maple room is 325 sqm and can seat 100 delegates for a banquet and can be subdivided into two. There are also four boardrooms (for 12-20 guests) and two well-equipped meeting rooms.

LEISURE FACILITIES The spa and fitness facilities are impressive, built not only to service the 322 rooms and 90 serviced apartments but also, potentially, some members from the local area. The fitness centre has all the latest Technogym equipment as well as personal trainers and tailor-made yoga and kinesio programmes. The spa was just completing its opening during June, and is a giant 1,900 sqm space with 11 treatment rooms, a whirlpool bath, and sauna, steam and relaxation rooms. There are also private dressing rooms, luxury treatment suites and hydrotherapy rooms.

ROOM HIGHLIGHTS The rooms are large, modern and well equipped with everything a business traveller needs.

PRICE Internet rates for a midweek stay in September started from Rs 6,050 (£77) for a Deluxe room.

CONTACT Leela Kempinski, Gurgaon, Ambience Island, National Highway 8; tel +91 124 477 1234; theleela.com

VERDICT

An excellent and much-needed five-star addition to the hotel stock in Gurgaon. Very good service and safety.

Trident. Although Westerners may decry the building of malls in India as it isn't what is expected of this historic country, for those living here it is revelatory. Sethi at the Fashion and Design Council says: "They give fashion-conscious people access to Indian designers, and to medium- and premium-level brands. Imports such as Esprit and Mango were unheard of even five years ago."

Raj Singh Gehlot is chairman and managing director of Ambience, which owns and operates several luxury malls in Gurgaon, as well as being the main financier for the Leela Gurgaon. For him, the shopping centres are just one part of the overall plan for the district. He says: "The area needed

large spaces for the multinationals, and so commercial development started. Then we had retail, which took time because we were not a brand-conscious people, and then once we had retail we needed organised spaces for it, and after that, hotels were required and then residential developments."

He adds: "Until now, Gurgaon was not ready for a large five-star hotel. Now it is. And the position of the hotel just after the toll booth and at the entrance of the Ambience Island development [a 60-hectare premium residential township] means it has become a mouthpiece for the whole project."

Judging by the shops in the malls, the appetite of young Indians is for Western brands. But when India has such a rich culture, why copy the West? Sethi says: "Young people can afford these brands now. They want to look like Westerners, although they do give things their own twist."

The "made in India" badge isn't seen by these new consumers as a selling point, and those brands that are made in India – many of which are represented by buying agents such as Redcats Group, Li and Fung, and Impulse, which are involved in fashion outsourcing for Western brands – certainly don't advertise the fact when selling to the Indian market.

Sethi argues that allowing the burgeoning Indian middle classes access to Western fashion in malls will eventually help Indian designers, although he admits it will be a long process. "A lot of international designers have factories here, but as far as Indian designers are concerned, we still have a long way to go to be accepted," he says. "The stage we are at now is that most things that are foreign are considered better. Indians are proud of their country and their heritage, but not necessarily of what is made here. Predominantly, the products we make are for export, so if it's made in India, the brand won't do well. For it to be desired by young Indians, it would had to have been designed abroad, and preferably made there as well."

However, Sethi sees progress. He says: "If I think of two Indian brands that are doing well, there's Fabindia, which was started by

'Our designers take their inspiration from tradition and make it contemporary'

an American, although all the products are designed and made in India, and Anokhi, which was started by a British woman who

married an Indian. These are people who believe in Indian textiles and heritage."

It is this native talent that Sethi believes will eventually triumph. "Our designers take their inspiration from tradition and make it contemporary," he says. "What we add is an Eastern sensibility. Our gurus are better known if they go to the West to gain recognition and then come back. Going after these [international] brands is something I'm not proud of, but it helps young people to assert their independence and experiment. My hope is that the young will come back and then there will be a fusion of old and new to make something unique."

Travelling around Gurgaon, that's exactly what has happened. Despite its rapid growth, it is nothing like Canary Wharf, and despite the international brands, it is a very Indian place – one that can only keep expanding as more people discover it. ■

Daily to Delhi via Doha

