

Global tension

Business owners with ties to India watch as crisis with Pakistan escalates

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Augusta's Palmetto Industries employs 12,000 people in three factories in southern India. Owner Shankar Balan, a U.S. citizen born in India, has had to develop contingency plans to protect his overseas investments from earthquake and fire.

And, of course, war.

India and Pakistan, the world's newest nuclear powers, have fought three wars since both nations won independence from Britain in 1947. The newest conflict over Kashmir carries with it nuclear undertones - but Mr. Balan says he believes his investments are safe.

"Our plants are in the southeastern part of the country, far away from the center of the tensions," said Mr. Balan, who has lived in Augusta for nearly 20 years. "We have spread our operations out so as not to be devastated by a single calamity - but I don't think this conflict will go nuclear."

Palmetto, which manufactures industrial bags used for shipping bulk materials, built a fourth factory in China two years ago, insurance against a shutdown of its overseas operations caused by a single calamitous event.

Mr. Balan, who also owns the Web-based procurement company e2Procure Solutions Group and is a charter member of the Georgia Indo-American Chamber of Commerce, estimates that 400 to 600 Indian families in Augusta have property, business interests or family in India.

More than 5,000 companies in Georgia are owned by Indo-Americans, according to the GIACC, which was organized in 2000 to strengthen ties between India and Georgia for businessmen and industrialists.

There are 286 Fortune 500 companies with operations in India, which is the world's largest democracy in terms of population. Companies such as Sitel Corp., which provides customer-management services by phone, Internet, e-mail, fax or traditional mail through 84 centers, including a call center in Augusta, say their Indian partnerships are secure.

"Our partner knows the country and the situation well," said Bill Simms, spokesman for Sitel, which is associated with leading Indian conglomerate Tata International Ltd. "As of now, we're not moving anything."

Powerline Inc., an Augusta distributor of electric control systems, owns a piece of LVS Ltd., a 40-megawatt plant supplying power to industries on India's east coast.

Powerline owner T.R. Reddy, born in south India and a U.S. citizen since 1976, said 25 percent of his company's interests are tied up in India - and he has no plans to pull out.

"We have not changed our business strategy at all - we're optimistic we won't have to," Mr. Reddy said. "I don't think the threat of nuclear war is real."

Chandra Purohit, who with her husband, Jugal, owns several Augusta hotels, calls her 85-year-old father at least once a week. He lives in Jodhpur, a city in India about 90 miles from the Pakistani border.

Tensions between the countries have escalated in the past few weeks to the point that the State Department has urged Americans in Pakistan and India to evacuate. But Mrs. Purohit's father is not American - and he's not going anywhere.

"He's not afraid; he's very confident," Mrs. Purohit said. "He said to me, 'The clouds are here, but I don't think it's going to rain.'"

Sonny Batra, who works as a chemist at Plant Vogtle and owns Schlotzsky's Deli on Washington Road, has parents still living in India's capital city of New Delhi. He's trying to get them to move to Augusta, at least temporarily, but they don't believe there is any lasting danger.

"People living there think these are empty threats," Mr. Batra said. "But I'm trying to get them to fly out here anyway. I would feel better about it."

It's a common sentiment among Augustans with ties to the volatile area, but relatives still living in India are overwhelmingly skeptical about the possibility of nuclear war.

Mr. Reddy, who has brothers and sisters living in southern India, said his relatives are "hopeful of positive U.S. intervention" to prevent nuclear war.

Mr. Purohit said his family believes neither country's leaders would order a first-strike nuclear attack.

"Talking with my family (in India), they don't feel there will be any war," Mr. Purohit said. "Both country's leaders know that nuclear war will not take anyone anywhere. There is a difference of opinion, and there are demands, but there will not be any nuclear war."

INDIA AT A GLANCE

LAND AREA: 3,288,000 square kilometers

POPULATION: 1.016 billion

GROSS NATIONAL PRODUCT: \$336 billion

GROSS DOMESTIC PRODUCT: \$383 billion

LITERACY RATE: 62 percent

TOTAL IMPORTS: \$41.85 billion

TOTAL EXPORTS: \$33.32 billion

MAIN TRADING PARTNERS (AS OF 1998): United States, United Kingdom, Hong Kong, Japan, Germany, United Arab Emirates

Source: Indo-American Chamber of Commerce