



Pierre de Bausset

THE FLYING MAN

The president and managing director of Airbus India on working in the country, the restrictions in the defence business, and setting up new facilities

BY SONYA DUTTA CHOUDHURY

At the Airbus office in Delhi's Aerocity district, Pierre de Bausset, president and managing director (MD) of Airbus India, takes me on a tour. The spaciouly laid out office, with its 100 employees (the Bengaluru office has 400), feels new. It's like all of Aerocity, set in the sprawling wilderness around Delhi's international airport, along the Delhi-Gurgaon expressway. Desktops have screensavers of an Airbus communication satellite being launched in space by the Indian Space Research Organisation (Isro), there's a whiteboard with team-building games and big cutouts for Airbus maintenance, repair and overhaul (MRO) services, as well as models of the company's jets, helicopters and the Eurofighter, a fighter jet.

We leave soon after. De Bausset has picked Pluck, the restaurant at the Pullman hotel, for lunch. The hotel is a few blocks away. On the way, the 55-year-old, Britain-born French MD talks of his growing up years, spent partly in Washington, where his father was a journalist with the *Paris Match* magazine, and partly in a boarding school outside Paris. He studied Chinese and Japanese at the Institut National des Langues et Civilisations Orientales in France, and did a master's in business administration from Insead, France, before going on to work in shipping finance at Banque Indosuez in China. In 1989, he joined ATR, an Airbus Group company, as sales finance manager. He has had stints in Washington, New York, Paris, Munich and now New Delhi with different companies of the group, such as ATR, Aerospaciale and EADS.

The staff at Pluck ask de Bausset if he would like his favourite table. It's cool and quiet inside. We scan the menus, and de Bausset, who has tried most things here, recommends the Parmesan

burnt garlic soup and the *tandoori* salmon. We also order lemon soda with "a little salt and a little sugar" for de Bausset. The Frenchman's English is impeccable, with not a trace of the charming French cadence. "My English has been influenced by so many things...by being in business school in Insead in France (in 1984), where the accent was more British. I used to speak American at the time. It's turning Indian right now," he laughs. De Bausset has spent a little over a year in Delhi now, living near Shantipath, in Delhi's posh diplomatic enclave. I ask him the inevitable question, "What's it like to work in India?"

Our soup arrives and is served stylishly, poured out of white China jugs. The Pullman is, after all, a French hotel chain, owned by the AccorHotels group. De Bausset is anxious to know if his recommendation is to my taste. It is, being both creamy and garlic-y. We get down to the business of discussing the frustrations of doing business in India. "I see them as challenges," says de Bausset.

Airbus has traditionally done well in the civil aviation market, but it's the defence sector where matters seem to have run into an air pocket of sorts.

"On the defence, on the space side, on the helicopter side—we are constrained, mostly by regulations. It (the helicopter market) is a teeny-weeny market which should have been bigger if things were truly left to the markets," says de Bausset. He's not against regulation per se, he says—"after all, regulations in a place like this (Gurgaon) would have made it a better-aligned place instead of a haphazard kind of development. No offence to Gurgaon meant, but it's not like Lutyens' Delhi."

According to news reports earlier this year, Airbus was hit by the withdrawal of what is called the Request for Proposal (RFP) for supply of mid-air refuelled planes—six new generation Airbus refuelling tankers or A330 MRTT, worth nearly \$1 billion (around Rs6,670 crore), for the Indian Air Force. In 2015, the company partnered with Mahindra Defence Systems Ltd to bid for military helicopters and with Tata in 2014 to bid for the supply of military transport aircraft. While the acquisition process for the naval utility helicopter programme is yet to start, the military transport aircraft proposal is under evaluation.

De Bausset is philosophical. "We don't see this as the end of the road for

IN PARENTHESIS

Pierre de Bausset's dream posting is Japan. "It's not a big buyer of Airbus aircraft, but that's the challenge; it can become big," he says. "In terms of culture, it's a total outlier." De Bausset studied Japanese in college and still remembers a bit of the language.

the A330 MRTT (refueller planes) campaign in India," he says. Defence supply contracts are worth billions, and negotiations can be endlessly protracted.

Last year, in a meeting with the Prime Minister, de Bausset and other Airbus officials had discussed the Made In India initiative. "I was totally impressed with the quality of the discussion. He (Narendra Modi) came well prepared with the message he wanted to deliver and he did it lucidly: Make more in India. But he was cognizant of our position on our investments and the kind of technical risks we cannot take," explains de Bausset. So while Airbus will not set up a manufacturing facility in India, in a joint venture with minority control, it is committed to buying in India. It will also be setting up assembly plants in the country, says de Bausset; last year, the company spent over \$500 million in India, on procurement for Airbus, and intends to increase that figure.

De Bausset says he is happy with his Delhi posting. His earlier stints at Aerospaciale Finance Corp., a subsidiary of Airbus Group, involved selling a few companies in the US market as well as working on listing one. That gave him

valuable experience in mergers, acquisitions and related aspects like valuation.

The next few stints included working as head of investor relations and then as the company's general secretary. De Bausset became interested in aspects like providing a governance system that insulates a company like Airbus from the pressure of shareholders with a short-term interest, and helped the group through a series of financial restructuring operations.

"For the last 14 years, I was very close to the centre of power," he says, referring to his stints with the top management team at Airbus in Toulouse. "However great that is, you want to come back to operations and see the gritty side of things."

So how gritty is gritty? De Bausset says there are many people and organizations he admires, like Isro, the private sector, Anand Mahindra and defence minister Manohar Parrikar.

Yet he finds many aspects of India challenging. "This is a country with tremendous energy, a tremendous amount of intelligence and ambitious flowing everywhere. Then what's keeping it back?" he wonders aloud.

By now, it's almost 3 on a Friday afternoon, and there's time for a quick coffee before we wind up. De Bausset orders a double espresso with cream on the side, and I ask for a cappuccino. I ask him how he plans to spend the weekend. He's going to Kolkata to visit a friend, a batchmate from Insead who runs the Sri Aurobindo Institute of Culture in the city. For the most part though, his weekends tend to be solitary. His wife Mariella works in Paris with a foundation that supports cancer patients. Their eldest daughter also lives and works in Paris. Their son, an investment banker, recently quit his job with Goldman Sachs in London to start his own firm, and their youngest daughter is studying entrepreneurship in Berlin. A very global family.

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