World

Bombay's Boom

Brash, messy and sexy, India's biggest city embodies the nation's ambition. How Bombay is shaping India's future--and our own

By ALEX PERRY / BOMBAY

The streets are wet with the dew of the coming monsoon as Rajeev Samant unveils his latest enterprise in midtown Bombay. The Tasting Room is a softly lit tapas bar built into a high-end furniture store in the old textile district. The idea is to showcase Samant's range of Indian wines in a space that oozes class and cash--with bottles costing twice the average Indian weekly wage, it's meant to be exclusive. Tonight the guests include local investment bankers, venture capitalists and a group of students from the business school in Fontainebleau, France, on a two-week trip to India to see what all the buzz is about. Over Chenin Blanc and Reserve Shiraz, the patrons swap investment tips and gossip about recent sightings of Richard Gere and Will Smith. "You're so lucky to be here now," says Samant, 39. "This is an incredible time. It's all happening. Right here, right now."

He's right. If you want to catch a glimpse of the new India, with all its dizzying promise and turbocharged ambition, then head to its biggest, messiest, sexiest city--Bombay. Home to 18.4 million people and counting, the city, formally known as Mumbai, is projected by 2015 to be the planet's second most populous metropolis, after Tokyo. But it's already a world of its own. Walk down its teeming streets, and you'll encounter crime lords and Bollywood stars, sprawling slums and Manhattan-priced condos, and jam-packed bars where DJs play the music of the Punjab, bhangra--a pulsating sound track familiar to clubgoers in London and New York City. Bombay is where Wall Street gets equities analyzed, where Kellogg, Brown & Root sources kitchen staff for the U.S. Army in Iraq, and where your credit-card details may be stored--or stolen. It's where a phone operator who calls herself Mary (but is really Meenakshi) sells Texans on two-week vacations that include the Taj Mahal and cut-rate heart surgery. Chances are those medical tourists will touch down in Bombay, since 40% of international flights to India land here, delivering thousands of new visitors every day--an increasing number of whom are staying for good. The reason is simple: to know Bombay is to know modern India. It's the channel for a billion ambitions and an emblem of globalization you can reach out and touch, a giant city where change is pouring in and rippling out around the world.

But if India's biggest city is its great hope, Bombay also embodies many of the country's staggering problems. The obstacles hampering India's progress--poor infrastructure, weak government, searing inequality, corruption and crime--converge in Bombay. Although India boasts more billionaires than China, 81% of its population lives on $2 a day or less, compared with 47% of Chinese, according to the 2005 U.N. Population Reference Bureau Report. That class divide is starkest in cities like Bombay, where million-dollar apartments overlook million-population slums. For all its glitz, Bombay remains a temple to inefficiency. In 2003 it had one bus for every 1,300 people, two public parking spots for every 1,000 cars, 17 public toilets for every million people and one civic hospital for 7.2 million people in the northern slums, according to a report for the state government by McKinsey & Co. At least one-third of the population lacks clean drinking water, and 2 million do not have access to a toilet.

Whether Bombay's entrepreneurial energy can be directed toward lifting more of its people out of despair will help define the nation's future. The country's pro-growth Prime Minister, Manmohan Singh, has said he dreams that Bombay will someday make people "forget Shanghai"--China's financial capital, whose modern gleam is a reminder of the gap between India and its eastern rival. Right now it's not much of a contest. India's GDP (gross domestic product) growth was 8.4% last year vs. 10% for China, while foreign investment in India was an estimated $8.4 billion,

compared with $72.4 billion in China.

But India does possess one indispensable asset, which has sustained its democracy and catapulted it to the cusp of global power: the ingenuity of its citizens. And nowhere is it in greater supply than in Bombay. "Things just happen here," says Sanjay Bhandarkar, managing director of investment bank Rothschild's India. "Because people have to make things work themselves." The rise of China has been the product of methodical state planning, but India's is all about private hustle, a trait that Americans can appreciate. Rakesh Jhunjhunwala, a billionaire trader in Bombay, says initiative represents Bombay's--and India's--advantage over its competitors. "It's people who make countries," he says, "not governments."

BOMBAY HAS BRIMMED WITH COCKY entrepreneurs since the Portuguese took possession of seven malarial islands off the west Indian coast in 1534 and called them Good Bay, or Bom Baia. Big talk attracts big crowds, and five centuries of migration have made Bombay the largest commercial center between Europe and the Far East. Nobody actually comes from Bombay. Even families who have lived there for generations still refer to an ancestral village 1,000 miles away as home. That sense of a place apart is reinforced by geography and architecture. You cross the sea or an estuary to reach downtown. And once there, you find a tropical British city of Victorian railway stations, Art Deco apartment blocks and Edwardian offices. Christabelle Noronha, a p.r. executive who has lived in the city all her life, says the sense of being in a foreign land gives Bombay an uninhibited air. "If everyone is a stranger, then everyone is free," she says.

As the subcontinent's New York City, Bombay is built not on tradition but on drive. "Pull anyone out of any part of India, and put them in Bombay," says Rothschild's Bhandarkar, "and he'll acquire that sense of purpose." India's great industrialists--the Tatas, the Ambanis, the Godrejs--all began in Bombay. The city's stock exchanges account for 92% of the country's total share turnover, and the nation's central bank and hundreds of brokerages and investors have set up their Indian headquarters there, including such global powerhouses as HSBC, JPMorgan Chase and Bank of America. Bombay's port handles half of India's trade, and its southern business district is one of the centers of the global outsourcing boom. India's music industry and much of its media are based in Bombay, as is India's Hindi film industry, Bollywood. Such a concentration of business activity breeds a sophisticated, cosmopolitan outlook--hence Bombay has India's best hotels, bars, restaurants and nightclubs. And every day, according to the official census, hundreds move to the city to seek their fortune.

To migrants from India's poor states, the metropolis is known as Mayanagri, the City of Dreams. To its slums come people from India's villages, hitching rides and dodging train fares, prepared to sell spicy peanuts at traffic lights for a few cents a day and pay $1 a month to live in a tin hut. For some of them, the principal opportunity the city offers is a life of crime--running bootlegging operations or gambling dens--or renting out the hovels in which millions of Bombay's inhabitants live. Just as for Bombay's gilded Ã©lite, the city is the place to be. "I came from nothing," says a Bombay gangster who grew up in Bihar, India's poorest state and owns 30,000 huts in four slums. "Now I have money, phones, cars, houses, a wife and two girlfriends. If you were me, you'd love Bombay too."

That not to say it's easy to love. If you judge Bombay by governance, it sounds as though the city is falling apart. In a calamity last July that was mercifully forgotten with the advent of Hurricane Katrina weeks later, heavy monsoon rains flooded Bombay for a week as the city's 150-year-old drains and sewers collapsed. At least 435 people died. The infrastructure bears other scars of neglect. In the city's small and ancient stock of trains, each is crammed with an average of 4,500 people, although most have a capacity of 1,750. As a result, passenger groups say, an astonishing 3,500 travelers die every year on the tracks, hundreds simply falling from the trains. City rent controls have kept the price of its swankiest apartments almost unchanged since 1940, encouraging landlords to let them crumble--as several blocks do, fatally, every year. Visitors to the most prestigious offices in the country in south Bombay run a gauntlet of homeless people outside. Movie director Shekhar Kapur, who returned after years in London and Los Angeles, says living in Bombay means confronting the class divide daily: "This must be one of the few places on earth where the rich try to work off a few pounds in the gym, step outside and are confronted by a barefoot child of skin and bones begging for something to eat."

Those urban extremes can be hard to take, but locals pride themselves on their pluck and self-reliance. When the floods hit last year, rescue workers were nowhere to be seen, but shanty dwellers sheltered businessmen, slum children rescued film stars, and untouchables saved holy men. "There was a feeling that went through people," says film producer and director Mahesh

Bhatt, who is suing the city for its alleged mishandling of the crisis. "We realized no one was going to descend from the heavens to solve our problems, and we were going to have to do it ourselves." The same is true of Bombay's economy. "On the face of it, the city's screwed," says wine impresario Samant. "Look at the traffic, the bureaucracy, the sewage, so much poverty next to so much money. You'd think the place would erupt." Yet look at how nimbly the city negotiates those obstacles, he says. "There's no better place to be in business right now."

Five centuries after the first foreigners arrived, Bombay is once again attracting fortune seekers from far away. Yana Gupta's journey began in Brno, Czechoslovakia, in 1988 when she was 9 and her mother Dedenka stitched money and jewelry into her two daughters' clothes and took them on vacation to Croatia. "On the bus on the way back to Czechoslovakia," remembers Gupta, "we got down somewhere and went into some forest. The idea was to get to Germany. But the border guards caught us." The next year, Vaclav Havel led Czechoslovakia's revolution. But Gupta's mother had sown the seeds of escape deep in her daughter. By 15, Gupta was modeling in Prague. By 17, it was Milan. And by 19, she was sharing a models' flat in Tokyo. "It was a great experience," she says. "I was learning English and making money. And when I was 21, I came to India for a vacation, met someone in an ashram, and in two months I married him."

Gupta later separated from her husband. But she stuck with Bombay, and the city quickly became attached to her. She did her first fashion shoot in January 2001, and within three months she was signed as the face of Lakme cosmetics. Today she is India's top model, representing Christian Dior, 7Up and Kingfisher Airlines. She has an annual calendar and a song-and-dance show, and is a fixture on the gossip pages; a book and an album are up next.

Gupta is the most prominent of the foreigners who have moved to Bombay yet is far from alone. The last official count in 2005 estimated that there were just 30,000 foreigners working in India, but that number is rocketing. Delhi-based market researcher Evalueserve says an additional 120,000 are needed by 2010 to fill the skills shortage in the IT industry alone, and Bombay real estate agents report that foreigners are fueling a run on luxury properties. The reason for the influx, says Gupta, is that anyone in any profession can rise faster and higher in Bombay than almost anywhere else. The author E.B. White said, "No one should come to New York to live unless he is willing to be lucky," which could just as easily be said of Bombay today. Says Gupta: "That's the thing about Bombay. It's the place of possibility."

That promise is luring others home. When Samant left school 20 years ago, any Indian with ambition and means got out, and Samant followed a well-trodden path to Stanford and on to Oracle in California's Silicon Valley. Then in 1991 Singh, at the time the country's Finance Minister, began to open up India, dismantling a creaking socialist command economy that had chained India to poverty and stagnation since independence. Samant returned home with a mad new plan: to make wine in a country where alcohol was taboo and the closest thing to sophisticated intoxication was hooch. Thirteen years later, Samant runs Sula, one of India's largest vintners, producing more than a million bottles a year. And he lives large, employing a chauffeur and a butler, vacationing in Europe and California, and partying every night in Bombay.

India's great hope runs on hope itself. Hope is the reason Gupta stays in Bombay, despite falling ill from diesel fumes each time she crosses the city. Samant says it's why, unlike in New Orleans, the people didn't disintegrate with their city after the floods. Hope brought Bombay together and keeps it together. "Look at Dharavi," he says of the city's notorious slum, the biggest in Asia. "The place has a GDP of $1 billion a year. Dharavi makes you realize everyone has a stake in keeping Bombay going." One day all those millions of expectations will have to be satisfied. But for now, the City of Dreams is living up to its name.

—With reporting by With reporting by S. Hussain Zaidi / Bombay