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JOURNAL OF THE CONFEDERATION OF INDIAN INDUSTRY

Interaction with the Finance Minister

Hari S Bhartia, Vice President, CII, Pranab Mukherjee, Union Finance Minister, and Venu Srinivasan, President, CII

Mr Pranab Mukherjee, Finance Minister of India, commended Indian industry for its resilience and commitment through one of the worst global economic periods. Adressing CII members on 3 March in New Delhi, Mr Mukherjee laid emphasis on bringing the fiscal consolidation process back on track, and, at the same time, providing sufficient allocations for the priority sectors as the guiding principles behind formulating this year's Union Budget.

The fiscal deficit budgeted for 2010-11 was 5.5% of GDP, which was slightly lower than the 5.7% as prescribed by the 13th Finance Commission, he said. Noting that public debt was not sustainable at current levels, Mr Mukherjee assured that in keeping with the road-map given by the 13th Finance Commission, his Ministry would adhere to the target of bringing down public debt to 68% of GDP by 2014-15.

Following the presentation of the Union Budget in Parliament, CII had the privilege of interacting with the Finance Minister

The Finance Minister expressed confidence in achieving 8-8.5% growth in 2010-11. Achieving achieving growth with inclusiveness, he said, would only be possible with the effective delivery of public services.

Highlighting the partial roll back of excise duty by 2% which was still lower than the pre-stimulus levels; he said the recovery had to be widely spread. Hence, he had provided relief to farmers by increasing the interest rate subvention for timely repayment of loans, and retained the interest rate subvention provided to exporters for the coming year to help full recovery of exports.

The Finance Minister said he had greatly enhanced the discretionary spending power in the hands of consumers by bringing changes in direct tax slabs. The additional Rs 26,000 crores in the hands of the tax-payers, he opined, should be seen as an extended stimulus.

Tax Reform, he said, was the central agenda in the coming year, which would bring about dramatic changes in administration, transparency and simplicity, and play a key role in widening the tax base and increasing the tax to GDP ratio. He expressed confidence that the government would be in a position to implement the Direct Tax Code from April 1, 2011, and simultaneously see the initiation of the GST as well. Towards the preparation for GST, Mr Mukherjee said that he had already proposed several measures in the Budget. He elaborated that the process of Automation of Central Excise and Service Tax had been rolled out in the entire country this year, and plans were afoot to set up two additional Centralized Processing Centres. The computerization of commercial taxes was proposed in a big way in the States which would enable the transition to GST with minimal hassles, he added.

The key thrust areas of the Budget were to set the trend for the growth of the Indian economy. The major focus was Infrastructure, for which the budget had dedicated 46% of the plan outlay. The Delhi Mumbai Industrial Corridor was proving to be very exciting, the Finance Minister said, commending the overseas road shows which CII had held in major capitals of the world for raising investor interest in the highways sector. He felt that a good boost had been provided to the Power sector by doubling the plan allocation in 2010-11.

The Finance Minister lauded CII for its role in spreading innovation in manufacturing amongst its member companies in a big way, and for its stellar role in leading the Green Building movement.

On a closing note, Mr Mukherjee expressed confidence that Indian Industry and entrepreneurs would continue their journey towards achieving growth that is development-oriented, equitable and sustainable. He assured CII that his government's policy was to be an enabler and facilitator of economic growth and development, and of individual enterprise and creativity.

Taking India Forward

Interaction with the Union Minister of Commerce & Industry

Attaining a competitive strength in manufacturing, which India was most uniquely positioned to gain because of the comparative advantages it possesses, would give India to acquire its rightful place amongst the world's leading nations in this century, declared Mr Anand Sharma, Union Minister of Commerce and Industry, addressing senior CII members in New Delhi on 3 March. He also highlighted another strength which India was well-known for - its high rate of domestic savings, which cumulatively led to the very high national investment rate and was reflected in the strength of India's companies investing overseas and making global acquisitions.

Hari S Bhartia, Vice President, CII, Anand Sharma, Union Minister of Commerce and Industry, Venu Srinivasan, President, CII, and Chandrajit Banerjee, Director General, CII

Mr Sharma released the CII-BCG Report on **'Indian Manufacturing: the Next Growth Orbit'** on the occasion.

The rise of Asia and the economic integration of Asia would see economic opportunities increase manifold; industry will also see exponential growth with innovation and technology being the growth drivers, the Minister said. Noting that India had already demonstrated its big leap in Information Technology and Communications, the emerging areas were Pharmaceuticals and Biotechnology, Mr Sharma said, calling for innovative solutions in hardware manufacturing as well, to take India on a double trajectory of growth, both as a knowledge-base and a knowledge-led society, as well as increasing the share of manufacturing in GDP, which is essential to achieve a 9% plus growth.

The Indian manufacturing industry, as it expands, would be able to absorb around 500 million people in less than 15 years, when much of the world will be grappling with the challenges of an ageing population, said Mr Sharma. He pointed out that the results of the new investment India is making in institutions of excellence and also in the new institutes of technology and skills training would be visible in the next 10 years, highlighting that the need of the hour is for skilling for multiple industrial applications, to serve the human resource shortage not only in India, but around the globe.

The Minister said that, like the Industrial Policy and the Foreign Investment Policy, India also needs a National Innovation Policy and a National Manufacturing Policy. He explained how his Ministry had done away with the 177 Press Notes which covered various definitions of FDI, to develop a single FDI policy document, which was simpler and easier to comprehend. He sought CII's active support in working on a National Manufacturing Policy. The draft National Manufacturing Policy would be put in public domain for stakeholders' discussions by June 2010, and by August 2010, the final National Manufacturing Policy for India would be announced, the Minister said.

Mr Sharma talked about setting up a dedicated National Manufacturing and Investment zone, such as the already up-coming Delhi-Mumbai Industrial Corridor, which would take up investments of over US $ 90 billion. These manufacturing zones would become incubators of new technologies and build India into a factory of the world for new technologies, he said.

Minister Sharma also spoke of two other priority areas: fast tracking of investments for induction of technology in expansion of India's infrastructure, and technology and investments for the agriculture sector. He said that other issues in organized retail would get addressed when there are more investments in this sector.

Union Budget 2010-11

A Fine Balancing Act

Budget 2010-11 has sent out a positive message for reform that will ensure a stable macro-economic environment conducive for growth

The Economic Survey 2009-10 has identified fiscal consolidation, reverting back to the path of 9% growth, inclusive development and managing inflation as some of the key challenges, going forward. The Budget 2010-11 has aptly addressed these challenges and sent out a positive message for reform that will ensure a stable macro-economic environment conducive for growth. Given this backdrop, the Finance Minister has done a fine balancing act despite apprehensions that he might go for sharp pull back of fiscal stimulus measures.

A commendable feature of the Budget is the determination towards fiscal consolidation and the focus on Agriculture, Infrastructure and Rural Development. More importantly, the roadmap for implementation of GST and Direct Tax Code by April 2011 is a clear indication that Government is forward looking and committed to its agenda for tax reform.

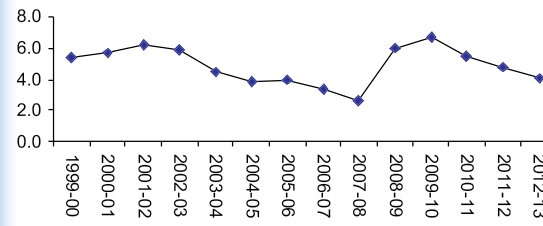
Some of the reform measures proposed in the Budget include major areas such as direct and indirect tax reform, accelerated disinvestment of PSUs, more transparent subsidy regime for fertilizers, financial sector consolidation and efforts to strengthen transparency and public accountability.

Key takeaways from Budget 2010-11

Fiscal Consolidation

After consecutive increases in key deficit parameters in the last two years, the govern ment has taken the first step towards reducing the deficit to more sustainable levels in Budget 2010-11. The government aims to cut the fiscal deficit to 5.5% of GDP in the coming fiscal year from 6.7% in 2009-10. The government has estimated that fiscal deficit will decline to 4.8% in 2011-12 and further to 4.1% by 2012-13. The initiative to target an explicit reduction in the government's debt-GDP ratio, as recommended by the 13th Finance Commission, is a welcome move. Also, the initiative to move away from the practice of issuing off budget bonds to oil and fertilizer companies is especially commendable.

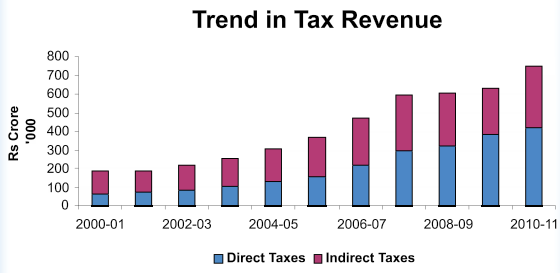
Trend in Fiscal Deficit as % of GDP



Source: Budget Documents

Better Tax Collection

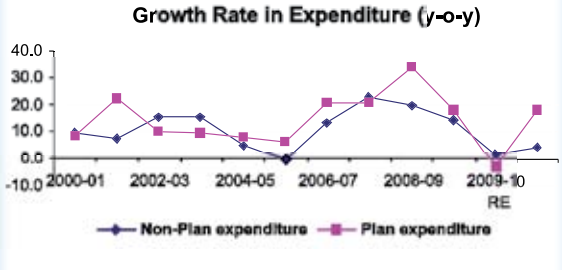
The strong rebound in economic growth (8.25%- 8.75%, as projected by Economic Survey 2009-10)) in 2010-11 is expected to significantly improve the gross tax collections. The Union Budget 2010-11 pegs the gross tax revenues to grow by 18.0% year on year (yoy) to Rs 746,651 crore in 2010-11 compared with a mere 4.6% y-o-y growth in 2009-10. The improvement in the gross tax revenues is estimated to be driven by indirect taxes (up by 28.4% yoy) while the growth in direct taxes is estimated to cool off to 11.0% yoy in 2010-11.



Source: Various Budget Documents

Lower Growth in Expenditure

The total expenditure for 2010-11 is budgeted at Rs 1,108,749 crore, up by 8.5% y-o-y, but lower than the 15.6% y-o-y growth witnessed in the previous fiscal. This is helped by the absence of any major one-off expenditure items such as wage hikes or fresh stimulus. Importantly, the Plan expenditure is budgeted to grow by a strong 18.4% y-o-y, while the growth in non-Plan expenditure would be muted at 4.0%. The strong growth in Plan expenditure implies that roads, power and social services sectors would be the key beneficiaries. Most heartening is the significant reduction in estimated expenditure for subsidies by 11.3%.



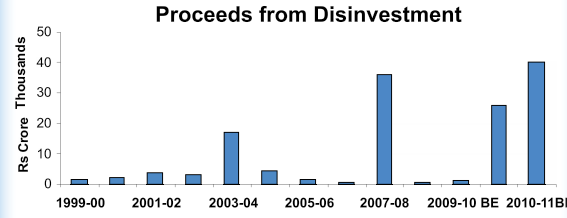
Source: Various Budget Documents

	2009-10 BE	2009-10 RE	% change (2009-10 RE over 2009-10 BE)	2010-11BE	% change (2010-11 BE over 2009-10 RE)
Subsidies	111,276	131,025	17.7	116,224	-11.3
Food	52,490	56,002	6.7	55,578	-0.8
Fertilizers	49,980	52,980	6.0	49,981	-5.7
Petroleum	3,109	14,954	381.0	3,108	-79.2

Source: Budget Documents

Higher Non-Tax Receipts

The government is targeting divestment proceeds of Rs 40,000 crore for 2010-11, which is over and above the Rs 25, 958 crore expected to be achieved in 2009-10. The proceeds will not only be utilized to meet the capital expenditure requirements of the social sector schemes but also would help in reducing the government's fiscal deficit. Also, government has planned to collect substantial non tax revenue from 3G auction proceeds.



Source: Various Budget Documents

Tax Measures

On the tax front, while government announced partial roll back of the excise duties from 8.0% to 10.0%, it kept the service tax rate unchanged at 10.0%. Reduction in the corporate surcharge from 10.0% to 7.5% and the increase in deduction against R&D from 150% to 200%, are laudable steps. However, the increase in MAT is a retrograde move, as it dilutes the incentives given to companies for various reasons. The change in the slabs for personal taxes will provide greater disposable income in the hands of taxpayers.

More importantly, the budget announced government's plan to implement the consolidated nationwide Goods and Services Tax (GST) system and Direct Tax Code from April 2011. These reforms are expected to significantly increase tax efficiency and buoyancy.

Inclusive Growth and Development

Reaffirming the government's commitment, the Budget

2010-11 has given a huge push for inclusive growth and development. Central plan outlay of Rs 55,190 crore has been made for rural development as compared to Rs 51,560 crore in the previous year. Similarly, spending for National Rural Employment Guarantee Scheme (NREGs) has been stepped up to Rs 40,100 crore for 2010-11 from Rs 39,100 crore in 2009-10.

Various steps intended to encourage agricultural growth were also announced in the budget. The dual strategy of increasing agricultural productivity on the one hand and initiating reforms in the food supply chain on the other is one such initiative. If implemented well, this can go a long way in overcoming the supply bottlenecks that have been responsible for the current increase in inflation. Incentives provided to the food processing sector will also enable greater investment in this critical area.

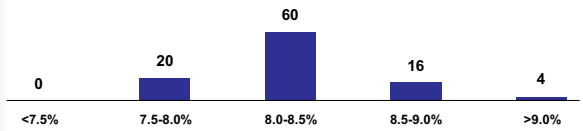
The need for greater investment in infrastructure is now well recognized. Understanding the imperative, Budget 2010 has provided for significant increases in the Plan outlay for the critical infrastructure sectors such as roads, power, housing and rural infrastructure. A total of Rs 173,552 crore has been provided for infrastructure development which accounts for over 46.0% of the total plan allocation.

Central Plan Outlay by Sectors (Rs Crore)

	2009-2010 BE	2009-2010 RE	% change 2009-10 RE over 2009-10 BE	2010-2011 BE	% change 2010-11 BE over 2009-10 RE
Agriculture & Allied Activities	10,629	10,123	-4.8	12,308	21.6
Rural Development	51,769	51,560	-0.4	55,190	7.0
Irrigation & Flood Control	439	404	-8.0	526	30.2
Energy	115,574	109,685	-5.1	146,579	33.6
Industry & Minerals	35,740	30,694	-14.1	39,019	27.1
Transport	94,306	88,948	-5.7	101,997	14.7
Communications	16,731	16,099	-3.8	18,529	15.1
Science, Technology & Environment	11,207	9,908	-11.6	13,677	38.0
General Economic Services	6,270	5,446	-13.1	7,554	38.7
Social Services	103,856	101,370	-2.4	127,570	25.8
General Services	1,400	1,353	-3.4	1,535	13.5
Grand Total	447,921	425,590	-5.0	524, 484	23.2

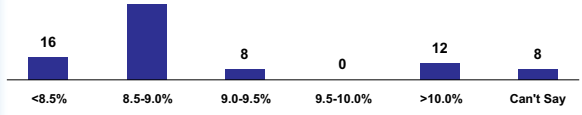
CII CEOs Snap Poll

1. Expectations on India's GDP growth for the coming year 2010-11

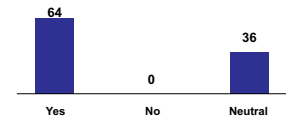


2. Will the Finance Minister be able to achieve the targeted reduction in fiscal deficit to 5.5%

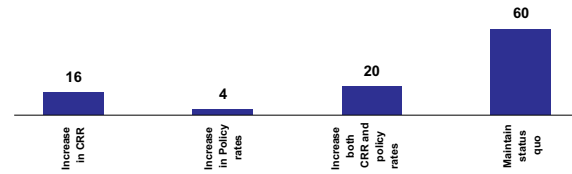
3. Expectations on rate of inflation by end March'10



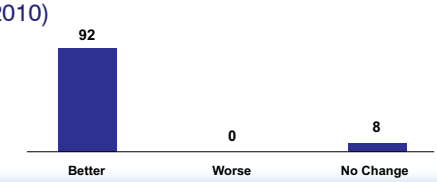
4. Will Union Budget 2010-11 met industry expectations?



5. Expectations on actions of RBI in its Annual Policy Review in April 2010



6. Outlook for the first quarter (Apr-Jun 2010) of 2010-11 as compared to the current quarter (Jan-Mar 2010)



Finance Minister Stresses on Growth Spread

in a post-budget interactive session with industry

Post the Union Budget 2010-11 announced on 26 February, Mr Pranab Mukherjee, Finance Minister of India, interacted with members of CII, ASSOCHAM and FICCI at a special interactive session on 27 February in New Delhi.

Pranab Mukherjee, Finance Minister of India, with Venu Srinivasan, President, CII

Mr Mukherjee said that the current economic recovery was not broad based and was driven by the government's stimulus package. He however expressed optimism that the economy would grow at 8 to 8.5 percent in the next fiscal.

The Finance Minister said a complete rollback of stimulus was not in the cards till growth had spread to all the sectors. The budget raised excise duty by 2 percent to 10 percent in a partial withdrawal of stimulus. The government had cut excise duty by 6 percent, besides reducing service tax by 2 percent, to provide a boost to the economy hit by global recession, he explained.

Mr Mukherjee expressed concern about the double-digit food inflation, and said the centre was taking steps, along with the states, to cool the surging prices in the next few months. While rolling back stimulus, the government has also offered sops in direct taxes. In his view, a loss of Rs 26,000 Crores from direct tax proposals was a clear indicator of an extension of the stimulus.

Mr Mukherjee expressed confidence that economic growth in the fourth quarter of this fiscal would pick up again and was confident that GDP would grow between 8 to 8.5 percent in the next fiscal.

Replying to a question on short-term measures to beat inflation, Mr Mukherjee said that a very high cost of intermediation between farm and retail points was the reason for soaring prices.

Investments have been the key growth driver in the past and will continue to be for at least another 10 years, he felt.Suggesting diversification of the export market, Mr Mukherjee said that there were some concerns about sustaining the bounce-back seen in exports in November-December 2009 due to uncertainties about the recovery in the developed economies.

Key Recommendations of the 13th Finance Commission Report

The 13 Finance Commission Report on recommendations on Centre-State fiscal relations during 2010-2015 was tabled in Parliament on 25 February. The key recommendations of the Report are presented below.

Finances of Central and State Governments

- Initiatives should be taken to reduce the number of Centrally Sponsored Schemes (CSS) and to restore the predominance of formula-based plan transfers.
- The practice of diverting plan assistance to meet non-plan needs of special category states should be discontinued.
- Revenue accruing to a State is to be protected to the levels that would have accrued to it had service tax been a part of the shareable Central taxes, if the 88th Amendment to the Constitution is notified and followed up by a legislation enabling States to levy service tax.
- A calibrated exit strategy from the expansionary fiscal stance of 2008-09 and 2009-10 should be the main agenda of the Centre.
- States are expected to be able to get back to their fiscal correction path by 2011-12 and amend their FRBM Acts to the effect.

Goods and Services Tax

- Both the Centre and the states should conclude a 'Grand Bargain' to implement the Model GST.
- The Commission recommends sanction of a grant of Rs. 50,000 crore to meet the compensation claims of the State Governments for revenue losses on account of implementation of GST between 2010-11 and 2014-15.
- The states should take steps to reduce the transit time of cargo vehicles crossing their borders by combining check posts with adjoining states and adopting user-friendly options like electronically issued passes for transit traffic.

Disinvestment

The policy regarding the use of proceeds from disinvestment needs to be liberalised to also include capital expenditure on critical infrastructure and the environment.

Power

- The states need to address the problem of losses in the power sector in a time-bound manner.
- Proper systems should be put in place to avoid delays in completion of hydro projects.
- Instead of putting up thermal power plants in locations remote from sources of coal, states should consider joint ventures (JVs) in or near the coal-rich states.
- Regulatory institutions should be strengthened through capacity building, consumer education and tariff reforms like Multi Year Tariff (MYT). Best practices of corporate governance should be introduced in power utilities.

Sharing of Union Tax Revenues

- The share of the states in the net proceeds of shareable central taxes shall be 32 per cent in each of the financial years from 2010-11 to 2014-15.
- The Central Government should review the levy of cesses and surcharges with a view to reducing their share in its gross tax revenue.
- The indicative ceiling on overall transfers to states on the revenue account may be set at 39.5 per cent of gross revenue receipts of the Centre.
- The share of each of the 28 States in the net proceeds of all shareable central taxes in each of the financial years from 2010-11 to 2014-15 should be in line with the Commission's recommendations. Only five states – UP, Bihar, West Bengal, Madhya Pradesh and

Andhra Pradesh - would account for over 50% of the sharable tax revenues.

States' Share in Sharable Tax Revenues

States	Share of All Sharable Taxes excl. Service Tax (%)	Share of Service Tax (%)
UP	19.7	20.0
Bihar	10.9	11.1
WB	7.3	7.4
MP	7.1	7.2
AP	6.9	7.0
Others	48.1	47.3
Total	100.0	100.0

Revised Roadmap for Fiscal Consolidation

- The revenue deficit of the Centre needs to be progressively reduced and eliminated, followed by emergence of a revenue surplus by 2014-15.
- Target of 68 per cent of GDP for the combined debt of the Centre and states should be achieved by 2014-15.
- In the case of macroeconomic shocks, instead of relaxing the states' borrowing limits and letting them borrow more, the Centre should borrow and devolve the resources using the Finance Commission tax devolution formula for inter se distribution between states.
- Medium Term Fiscal Plan to be reformed and made a statement of commitment rather than of intent.
- Detailed breakup of grants to states to be disclosed along with the annual Central Budget/MTFP.
- The FRBM Act needs to specify the nature of shocks that would require a relaxation of FRBM targets.
- The Government should list all public sector enterprises that yield a lower rate of return on assets
- Structural shocks such as arrears arising out of Pay Commission awards should be avoided by, in the case of arrears, making the pay award commence from the date on which it is accepted.
- Borrowing limits for states to be worked out by the Ministry of Finance using the fiscal reform path, thus acting as an enforcement mechanism for fiscal correction.
- A window for borrowing from the Central Government needs to be available for fiscally weak states that are unable to raise loans from the market.

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Global Summit on Higher Education

Global Partnerships: Towards Expansion, Excellence and Inclusion

The Higher Education system in India is going through an exciting phase with many path breaking reforms and initiatives being proposed by the Government. To fulfil its goal of more than doubling the GER in Higher Education (currently 11%) and to reap the benefits of the demographic dividend, (54% of the population being below the age of 25) the time is ripe for innovative, technology driven and India-appropriate steps to realise the HRD Minister's vision of Expansion, Excellence and Inclusion. It is also the right time to use the power of partnerships and forge strong global alliances with institutions worldwide to bring the best of ideas, knowledge and expertise into Higher Education. Foreign Universities are also showing keen interest in exploring partnerships in higher education and sharing technology, executive development programmes as well as R&D with Indian entities.

Kapil Sibal,
Union Minister for HRD

CII, in partnership with the Association of Indian Universities organised a 2-day **Global Summit on Higher Education** on 16-17 February in New Delhi. While the main theme was 'Global Partnerships: Towards Expansion, Excellence and Inclusion', some of the key issues deliberated upon were the Changing Landscape of Global Higher Education, Models of Excellence, the Policy Environment, Technology, Innovation, Faculty Development, Attracting Investments and Entrepreneurship to supplement government initiatives, enabling collaborative research through industry-academia partnerships, and continuing education.

Mr Vijay Thadani, Chairman, CII National Committee on Education, and Chief Executive Officer, NIIT Ltd, appealed to all stakeholders to brainstorm for a new implementation plan that would bring the old and new on one platform, to make our higher education system better.

Mr. Kapil Sibal, Union Minister for Human Resource Development, shared his vision of making India a research and educational hub and a knowledge destination of the 21st century. He said that an ideal economic model would be to establish global campuses in India. This would help train people and retain the country's talent. Reiterating that India was soon becoming the education capital of the world, Mr. Sibal added, "Most of the research solutions are going to come from India and this is already happening in the healthcare sector. Also, a lot of joint projects and contract research is going on in sectors such as hospitality, pharma and design. There is no dearth of talent, all we need is pooling of resources." He called for cutting across the silos of the present education system to evolve a multi-disciplinary approach.

Dr. S.S. Mantha, Chairman (Acting) AICTE, called for new and innovative methods of teaching. Prof Philip Thomas, Emeritus Professor & Consultant, Cardiff Law School, Cardiff University, UK felt that a shift from traditional information transfer to skill transfer is the need of the hour, along with preparing the students for choosing the correct discipline at the graduation level. This concern was echoed by Dr H S Ballal Pro-Chancellor, Manipal

Vijay Thadani, Chairman CII National Committee on Education, and CEO, NIIT; Prof Philip Thomas, Prof Emeritus & Consultant, Cardiff Law School, Cardiff University, UK; Prof. P V Indiresan, Former Director, IIT Chennai and Dr. S.S. Mantha, Chairman (Acting) AICTE

University, who emphasized the need for vocational education and optimum use of technology. He also suggested better salaries and perks for faculty. Dr. V.G. Kumar of Maastricht University, Netherlands, said that our education system needs to rise above the routine, use innovative methods and replicate best practices from all over the world.

Release of CII Technopak Report on Higher Education by Prof. P V Indiresan, as Arvind Singhal, Chairman Technopak Advisors Pvt. Ltd, looks on

Various issues highlighted at the summit included research, converting CSIR labs into universities, offering collaborative degree programmes, making space for flexible discipline degrees, and stressing on vocational education.

In this era of globalization, speakers felt the private sector in India has a bigger role to play in the higher education segment. The entry of private enterprises should ensure the desired balance and harmony rather than looking at education as a profitable venture.

Experts at the summit agreed that collaboration is need of the hour. Mr Anand Sudarshan, Chief Executive Officer and Managing Director, Manipal Education, emphasised, "There is bi-directional mobility these days: it's not only students reaching out to universities, but also vice versa. Technology will play a key role. Similarly, there is a need to offer exclusivity to attract talent, and all this calls for a shared vision and partnerships."

Pointing out that an outcome- oriented approach was as important as expansion, Mr Ashok Mishra, former Director, IIT-Bombay, said: "Expansion is the easiest thing. What is difficult is to sustain excellence."

Experts also felt that 'affordability' is one factor that educational institutions should keep in mind. Talking about an inclusive approach in higher education, Mr Ajit Rangnekar, Dean, Indian School of Business, pointed out that so far issues of the economically weaker sections were taken care of either by the NGOs or governments, which have their respective limitations. "If they are to be solved on a large scale, the private sector has to come in. As such, India is one of the best laboratories to find solutions to the world's problems. This is where educational institutions have a key role to play" he said, calling for partnerships.

A CII - Technopak Report on Higher Education was released on the occasion. CII and PANIIT signed a MoU towards a shared vision of the future, commitment to success and bringing about a quantum change in the education sector.

Participants from nine countries including Netherlands, UK, France, Canada, US, Australia, Japan, Singapore and Nepal, participated in the Summit.

A fair amount of crystal-gazing saw India as knowledge destination of the future. The general consensus on the way forward was to address the challenges of Inclusion, Expansion and Excellence through partnerships.

Visitors at the Education Fair

Towards Naval Self Reliance

The Confederation of Indian Industry organised a seminar on **'Leveraging Offsets for Naval Self Reliance'** during the recently concluded DEFEXPO 2010 held in New Delhi.

M M Pallam Raju, Union Minister of State for Defence, inaugurating the seminar on 'Leveraging Offsets for Naval Self Reliance'

The Defence Offsets Policy would be the key driver for the growth and modernisation of the defence industrial base. India's Defence Offsets policy is evolving as per the requirements, keeping in perspective policy considerations and global processes. The industry therefore will evolve in-sync with overall development, said Mr. MM Pallam Raju, Union Minister of State for Defence, Government of India, addressing the seminar on 17 February. The Minister acknowledged that the Indian Navy has now graduated to design and building of its own aircrafts.

Defining the milestones achieved in the offsets domain, Mr. Raju outlined that offsets proposals worth 49,000 crore are in the pipeline. Given the complexity involved in supervision of offsets, an administration infrastructure to facilitate offsets banking has been put in place. The public sector alone will not be able to absorb huge amount of offsets that are to be generated in future, said Mr Raju, highlighting the opportunity that Offsets provide to domestic players to penetrate the sensitive defence industry.

Vice Admiral NN Kumar, AVSM, VSM, Controller of Warship Production and Acquisition, Integrated Headquarters of Ministry of Defence (Navy) said that India is the world's second largest importer of arms pegged at USD 5.6 billion. This amount is likely to grow in future.

Mr. Nalin Kohli, Chairman, CII Defence Sub Committee on SME, and Chairman and Chief Executive Officer, Terabyte Informatics Pvt Ltd, stated that offsets should not be seen as an obligation but an opportunity for global companies to experience India's low cost competitive advantage.

Mr. Satish Kaura, Co-Chairman, CII National Committee on Defence & Chairman, Samtel Group, said that as R&D in defence has not kept pace with the requirements of the industry, it has resulted in imports of major systems and armaments. India on the domestic manufacturing front is developing low-end, low-tech items.

CII-UK industry organisation sign trade deal

Confederation of Indian Industry and A|D|S, the UK's Aerospace, Defence and Security trade organization on 18 February signed a Memorandum of Understanding that recognises the benefit that increased co-operation between the two bodies can bring to both UK and Indian industry and that will also see an increase in joint activities between the two organisations.

Rear Admiral Rees Ward, Chief Executive, A|D|S, and Gurpal Singh, Deputy Director General, CII, signing the MoU

A|D|S has a history of working in India, through the former Defence Manufacturers Association office in New Delhi, and has also opened a Bangalore office in October 2009.

In his welcome address Mr Gurpal Singh, Deputy Director General, CII , said that India and the UK have a strong strategic relationship, marked by cooperation in science and technology, education and security-related issues. The huge Indian Defence market has the potential to attract the UK defence manufacturers and thus offers a great opportunity for building long term relations in the defence industry as well, he said.

Mr Rees Ward, Chief Executive, A|D|S, said that the UK is number one in Europe and number two in the world, behind only the US, in aerospace, defence and security. India is a major global player and a vital market in its own right. Together companies in both countries can create lasting partnerships to deliver lasting economic and employment benefits to both nations, he said.

"The Memorandum of Understanding is an important step towards increased cooperation between our two organisations and their member companies., It is further evidence of the mutual recognition and respect both UK and Indian industry have developed. As A|D|S further establishes its position in India with an additional office in Bangalore to complement our operations out of New Delhi, we look forward to working closely with the CII in the future to the benefit of members of both organizations," said Mr Ward.

The session was followed by one to one meetings between Indian and British companies to forge strategic business partnerships.

Energy Efficiency Trading Scheme

The manufacturing industry in India accounts for 25% of the national Gross Domestic Product (GDP) and 44.4% of commercial energy use. There is a significant level of coal and oil in the energy mix with the power sector now producing over 700,000 GWH per annum. The thermal power sector's energy consumption is about 65% of the total commercial energy consumption of the industrial sector. These energy intensive sectors are therefore prime candidates for energy efficiency initiatives, and are the target of the Government of India's proposed trading scheme in energy saving certificates.

The Government of India has proposed a Perform, Achieve and Trade 'PAT' scheme for Mandatory Trading in energy-saving certificates for energy-intensive industries

The National Mission on Enhanced Energy Efficiency (NMEEE) has been initiated by the Ministry of Power (MOP) to enhance energy efficiency in the country. One of the initiatives under NMEEE is development of a market based mechanism to drive delivery of additional energy savings cost-effec¬tively. Following from this, the Government of India has outlined a proposed Perform, Achieve and Trade 'PAT' scheme for Mandatory Trading in energy-saving certificates for energy-intensive industries.

The proposed mandatory PAT scheme will cover 714 installations (termed as designated consumers) in 9 energy intensive Indian industrial sectors (Thermal Electric Power Generation, Fertilizers, Steel, Cement, Pulp & Paper, Aluminium, Chemicals (Chlor-alkali), Textiles, and Railways). The designated consumers covered by the scheme have been notified by the Government. The Energy Conservation Act 2001 allows the government to introduce programmes that target improved energy efficiency. Alongside major industrial energy consumers (downstream) the proposed scheme includes large power stations (upstream), as these are large users of energy in their own right, and the application of a PAT target serves to provide an additional focus on energy efficiency.

Under the scheme, the Bureau of Energy Efficiency (BEE) would issue energy saving certificates or ESCerts to designated consumers against energy efficiency targets set for them. The ESCerts or virtual share certificates will be tradable and will be handled by two power exchanges. Companies that exceed targets for energy efficiency will be issued ESCerts and the companies that fall short of targets would need to purchase ESCerts. With targets in place, industrial units are obliged to meet the targets or buy certificates for not meeting the targets.

The PAT ESCerts scheme is a model with a business perspective and is expected to bring transformational change in energy consumption by the intensive consumers. It will sustain itself once it is set in motion. However, for PAT to become sustainable, it will need to evolve into a standard and will require regular exchange of data from the manufacturing companies in the identified sectors.

A time frame of three years, beginning April 2011, has been set out by BEE for driving energy-intensive manufacturing companies to adhere to energy conservation norms, and for ESCerts to become a reality. This time frame is justifiable, given that globally many nations have taken much longer to achieve similar objectives.

PAT proposes to follow specific targets which will be set on unit basis for each sector to be covered by the scheme. Consumers exceeding the targets will be eligible for ESCErts while those unable to meet targets would be penalized.

Indian manufacturing industries, ever constrained for demand and higher energy costs, have already taken several significant steps in reducing energy consumption, particularly in the wake of global competition. By the time the new PAT ESCerts scheme becomes operational, the energy-intensive manufacturing companies with scope to go beyond conventional methods will necessarily have to exploit process-oriented changes to achieve the mandated energy conservation goals. Those who are

unable to achieve the objectives will suffer erosion of bottom-lines as the ESCerts will have to be paid for.

Applications such as advanced process control, energy management software packages, integration of electrical automation with process automation systems, and decision support may be used to optimize processes and coordinate energy management activities across functional areas in a plant environment.

Companies that improve visibility into plant processes and energy use, set goals for energy reduction, and empower workers to have an impact on energy consumption, tend to achieve the best results. The PAT ESCerts scheme could well usher in host of opportunities for energy-intensive manufacturing industries in India to be efficient and globally competitive.

India-UK Cooperation in Energy Efficiency

Recent years have seen an increasing use of market-based trading schemes to deliver environmental objectives and contribute to sustainable development. Examples include the UK trading in energy saving certificates through the UK Climate Change Agreements (CCA), the UK and EU Emissions Trading Schemes, and local authority waste disposal trading schemes among other international trading schemes.

Chris Dodwell, Head of International Climate Change, UK DECC; Henry Derwent, Head of International Climate Change, UK DECC; Dr Ajay Mathur, Director General, Bureau of Energy Efficiency and Dr G C Datta Roy, CEO, DSCL Ltd

Within the context of the Indian National Action Plan on Climate Change (NAPCC), the Government of India proposes to launch a new trading scheme in energy saving certificates – the 'Perform, Achieve and Trade' (PAT) scheme – as a flagship commitment within the Indian National Mission on Enhanced Energy Efficiency (NMEEE).

In an effort to facilitate the proposed scheme by sharing best practices of international energy efficiency trading schemes and identifying cooperation opportunities between India and UK on energy efficiency and trading, CII, CAMCO (a UK-based leading climate change and sustainable development company) and ABPS Infrastructure Advisory organized a stakeholder meeting on **'India – UK Cooperation on Energy Efficiency and Trading'** on 18 February, in New Delhi. A stakeholder workshop on **'Lessons Learned from the UK and International Experience for the Potential of Mandatory and Voluntary Trading Schemes for Energy Efficiency and Climate Change'** was held on 19 February in Mumbai.

Dr Ajay Mathur, Director General, Bureau of Energy Efficiency (BEE), at the session in New Delhi, presented an overview of the proposed PAT scheme. He requested industry representatives and sectoral associations to share their views and thoughts in developing a framework for the scheme and highlighted importance of accurate benchmarking and appropriate target setting in the 9 sectors. He also said the first phase of the PAT scheme is expected to start on 1 April 2011 and end on 31 March 2014.

Other key presentations at the session in New Delhi included

- Mr Henry Derwent, President, International Emission Trading Association, presented lessons learned from UK and other international trading schemes relevant to the proposed PAT scheme. His key suggestions were to have quality data for benchmarking and to avoid confusion with other policies.
- Mr Chris Dodwell, Head of International Climate Change, UK, shared his thoughts on the rationale behind the carbon reduction policies in UK. He highlighted the need for strong incentives for energy efficiency initiatives undertaken by organizations and the need for a robust compliance regime.
- Mr Steve Freeman, Energy & Environment Manager, Confederation of Paper Industries, UK, shared the experience of the paper and pulp sector within the CCAs.
- Mr Gareth Stace, Head of Climate & Environment Policy, EEF, the Manufacturers Organization, presented the barriers of the UK manufacturing sector.
- Dr G C Datta Roy, Chief Executive – Energy Business, DSCL Energy Services Company Ltd., shared the Indian industry perspective covering risks and opportunities.

Building a Low Carbon Economy

Local sustainable energy models have the potential to meet India's growth objectives in a sustainable fashion. To identify opportunities to be pursued and barriers to overcome in this regard, CII, jointly with Ashden Awards, organized a conference on **'Building a Sustainable Energy Future for India: Scaling Up Local Sustainable Energy Models'** on 8-9 February, in New Delhi.

India needs to develop a renewable based low carbon strategy to build a sustainable energy future, quoted Dr Kirit Parikh, Chairman, Government of India's Expert Group on Low Carbon Economy and Chairman, IRADe, while inaugurating the conference.

The use of solar energy should be scaled up to address India's energy problem and the role of second generation biofuels needs to be stressed to meet the need of the transport segment. There is a need to provide subsidies and develop a strong and all-inclusive institutional mechanism to make local models sustainable and viable, said Dr Parikh. He also stressed on the need for a coalition of successful local sustainable energy models that have been proven on ground as ways and means to get action together for future strategy and upscaling / replication.

India's challenges related to poverty, environment and water are primarily related to lack of energy supply which can be addressed through innovation, felt Mr Suresh Prabhu, Chairman, Council for Energy, Environment and Water (CEEW). He called for mapping resources at the national level to facilitate exploitation of the available renewable resources though innovation at the local level. A centralized decision making approach is essential for scaling-up de-centralized energy models and there is a need for synchronization of efforts and need for partnership between stakeholders to bring the vision to reality, he said. Mr Prabhu also suggested the constitution of a Task Force with representation from all concerned stakeholders at central and state level to steer the upscaling and replication of decentralized energy models.

Mr Andrew Steer, Director General, Policy and Research, Department for International Development, identified poverty and climate change as India's two primary challenges. He said businesses and entrepreneurs must play a key role in addressing these challenges. Availability of finance will play an integral role for which clear domestic and international policy framework is required, he said. Mr Steer said finance for climate change mitigation and renewable energy technology development is expected to be raised from global carbon markets, end-users and innovative financing options.

A number of Ashden Award winners presented their success stories during the two day conference.

Sarah Butler Sloss, Founding Director, Ashden Awards for Sustainable Energy; Richard Stagg, High Commissioner, British High Commission; Deepak Gupta, Secretary, Ministry of New & Renewable Energy, India and K Subramanya, CEO, Tata BP Solar

Dr Kirit Parikh, Chairman, Government of India's Expert Group on Low Carbon Economy, and Chairman, IRADe, Suresh P Prabhu, Chairman, CEEW, and Andrew Steer, Director General, DFID

US-India Cooperation in Energy

LNG, LPG & CNG Equipment

Harmonization of standards across countries has become strategic to increasing trade between countries. The Standards Conformance & Cooperation Programme (SCCP) between the US and India is a significant step in this direction, taken by the US Trade and Development Agency (USTDA) along with American National Standards Institute (ANSI) and CII.

To raise issues and concerns in bilateral trade in the hydrocarbon sector, CII organized an interactive session on **'US-India Standards & Conformance Cooperation in LNG, LPG & CNG Equipment'** on 15 February in New Delhi under the aegis of the Market Access Initiative (DIPP) and the USTDA. The session gave an overview of US experiences on safe practices related to all aspects of the LNG, LPG and CNG industry, and activities of the National Fire Protection Association (NPFA) related to determining effect and applicability of NFPA standards to the LNG, LPG and CNG industry.

In the immediate future, the Oil Industry Safety Directorate (OISD) is likely to be announced as the single window agency to ensure safety in the oil & gas sector and is also expected to be vested with all necessary statutory powers to fulfill its responsibilities, stated Mr Ambrish Mishra, Director, Marketing Operations, OISD. He said that OISD has been closely working with US institutions like ANSI and others to develop Standards in the Indian context. He stressed the need for greater awareness about these organizations in India so that stronger ties could be forged at all levels.

Mr Joe Bhatia, President and Chief Executive Officer, ANSI, highlighted the need to disseminate information on the Standards Directory, operating sector specific workshops and publicizing the Standards Portal to encourage trade between India and USA.

Mr P K Gambhir, Scientist 'G' Technical, Bureau of Indian Standards, gave an overview of the process followed by BIS in the process of Standards formulation and Conformity assessment.

The need to formulate specific roadmaps for the oil and gas sector was stressed by Mr Ramani Iyer, Chairman, CII Standards Council, in his concluding remarks.

Green Energy

An Interactive Session on **'The Road from Copenhagen: Energy Technology, Policy & Innovation'** on 16 February in New Delhi discussed the policy, technology and innovation enablers needed to create a ecosystem that aids building a green economy.

Dr Ernest J Moniz, Cecil and Ida Green Professor of Physics and Engineering Systems, Director of the Energy Initiative, Massachusetts Institute of Technology (MIT) and Prof Robert Stoner, Assistant Director, MIT Energy Initiative for Developing Countries were the key speakers.

Baba N Kalyani, CMD, Kalyani Group; Prof Ernest J Moniz, Director-Energy Initiatives, MIT, USA; Suresh P Prabhu, Chairman, CEEW, and Robert Stoner, Assistant Director, Energy Initiatives, MIT, USA

The session focused on MIT initiatives in renewable energy technologies such as Solar PV (high efficiency and lower cost next generation technologies); Solar Thermal (lowering cost and establishing performance); Wind Energy (smaller turbines, blade manufacturing); Waste to Energy (gasification and other technologies, energy generation); Energy Storage (very important from distributed generation point of view); Fuel cells and Bio Fuels. The session also explored collaboration opportunities, both domestic and international, engaging industry and academia.

Mr Baba Kalyani, Chairman and Managing Director, Bharat Forge Ltd, emphasized the need for multi-level policy intervention in the area of sustainability and renewable energy to mitigate climate change effects.

To facilitate partnership between MIT faculty and leaders from Indian Industry, CII also organized a separate CEO Round Table Session on **'How MIT Might Contribute to Solving India's Energy Challenges in the Post-Copenhagen Era'** on 16 February in New Delhi.

Highways Infrastructure Investment Roadshows

CII organised Highways Infrastructure International Investment Roads Shows with Mr Kamal Nath, Union Minister for Road Transport and Highways, in Kuala Lumpur, Malaysia, and in Tokyo, Japan, in January. The road shows evoked a very good response and CII is extremely hopeful of these leading to increased investments in the Indian Roads and Highways sector.

The Road Shows had three components:

– Building India: Road Infrastructure Summits were Investors' Meets to highlight to potential investors, investment opportunities in the Indian Roads and Highways sectors. They were organised in partnership with CIDB, Malaysia, in Kuala Lumpur and with JETRO in Tokyo.

– Interactions with select investors from financial institutions and also the construction industry

– Media Interactions

Mr. Srinivas Bommidala, Chairman, Urban Infrastructure and Highways, GMR Group, led the CII CEOs team which accompanied the Minister to Kuala Lumpur, while Mr. Ajit Gulabchand, Chairman and Managing Director, HCC Ltd. led the delegation to Tokyo.

Key issues highlighted at the Investors Meets:

1. Land acquisition
2. Long term debt market and cost of finance
3. Enabling regulatory framework

Kamal Nath, Minister for Road Transport & Highways, India, and Brijeshwar Singh, Chairman, NHAI

4. Need to build capacities within the National Highway Authority of India, and also amongst the engineering / construction and consulting firms. This is essential in view of the overall 20 km per day vision.

5. New technologies are needed by India in highway construction and management.

6. The model Concession Agreement. The Minister assured the investors that the government is more than willing to review the Model Concession Agreement to ally the concerns of investors and developers. The clause for termination during construction was highlighted as an issue of concern by investors.

British-India Road Group

As a concrete outcome of the Road Shows of the Ministry of Road Transport and Highways to attract investments, the UK India Business Council, in partnership with CII, announced the setting up of a British-India Road Group to invest in the highways sector in India. The Group will also facilitate exchange of technology and know-how between the two countries. This was announced in a meeting of select UK investors with Mr. Kamal Nath, Minister of Road Transport and Highways, India, in London on 1 February.

The British-India Road Group is a joint initiative by CII, the UK India Business Council, and the UK Trade & Investment, (UKTI). The UK companies in the Group include Serco, Arup Group, JCB, Pinesent Masons LLP, Carillion Private Finance, KPMG, Benoy, Aggregate Industries UK Ltd, 3i Investments Plc, Laing, Balfour Beatty Plc, Kier Construction, VINCI, Halcrow, Holcim, and Standard Life Plc.

Michael Ward, UKTI; Rt. Hon Patricia Hewitt, MP, and Chairperson UKIBC; Kamal Nath; Nalin Surie, High Commissioner of India to UK; Brijeshwar Singh; G V Sanjay Reddy, Chairman, CII National Committee on Transport Infrastructure, and Vice Chairman, GVK Power & Infrastructure Ltd and Vinayak Chatterjee, Chairman, CII National Council on infrastructure, and Chairman, Feedback Ventures Pvt. Ltd

CII-CBC India Infrastructure Forum

Mr. Kamal Nath addressed the India Infrastructure Forum, jointly organised by CII and the Commonwealth Business Council on 2 February in London. Addressing a huge gathering of British investors and private sector leaders, he presented the emerging opportunities in the road sector in India and invited foreign players to invest in India.

Rt Hon Lord Andrew Adonis, Secretary of State for Transport, UK, spoke of the importance of Anglo-Indian business relations to both countries' economies.

It was announced that the two governments aim to sign an UK – India MoU that will focus on road construction, road safety and best practice in inspection and certification.

Mr Chandrajit Banerjee, Director General, CII, said the prospects for cooperation and partnership between Indian and British companies are enormous but still under-used, and hoped that "the contacts made at events like this will result in greater cooperation between the two countries."

Chandrajit Banerjee, Director General, CII, Nalin Surie, Kamal Nath, and Rt Hon Lord Andrew Adonis, Secretary of State for Transport, UK

Boosting Modern Retail

The CII National Committee on Retail organized an Interactive Session with Dr Montek Singh Ahluwalia, Deputy Chairman, Planning Commission, to discuss policy issues and put forth the recommendations to bring out the full potential of the retail sector in India. Mr Arun Maira, Member, Planning Commission, also joined the session, held on 18 February in New Delhi.

Dr Montek Singh Ahluwalia, Deputy Chairman, Planning Commission, with members of the CII National Retail Committee in New Delhi

The discussions, led by Mr Thomas Varghese, Chairman of the Committee, and CEO, Aditya Birla Retail Ltd, focused on policy issues like recognizing Retail as an industry and developing a policy framework, easing restrictions on funding by allowing portfolio investments, and making favourable amendments in legislation and real estate.

Several legislative amendments on Prevention of Food Adulteration Act, Standards of Weights and Measurements Act, adoption of Bar Codes, uniform laws for allowing shops to operate 365 days and extended hours, packaging laws to encourage recycling of plastic and hourly employment were also proposed.

Taking note of these issues, Dr Ahluwalia validated many of the points, leading to a prolific discussion. Dr Ahluwalia assured the Committee members that the Retail industry will see a new growth trajectory and is definitely the next step forward for India, with the younger generation opting for modern retail formats.

Mr Rakesh Biyani, Director, Future Group discussed the impediments to funding in the retail sector relating to Portfolio investments and FIIs that is hindering positive growth.

The high-powered delegation consisted of CEOs and stalwarts of the leading Retail groups in India including Mr B S Nagesh, Vice Chairman, Shoppers' Stop Ltd.; Mr Raghu Pillai, President & Chief Executive-Operation & Strategy, Reliance Retail Ltd.; Mr Anand Raghuraman, Partner & Director, The Boston Consulting Group; Mr Vineet Kapila, President, Spencer's Retail; Mr Ajay Kaul, CEO, Jubilant Foodworks Ltd. and Mr Pranay Sinha, MD, Starcentres, among others.

Further to the meeting, the CII Committee on Retail will submit detailed notes on select agenda points including funding, a model Shops & Establishments Act, the APMC Act, Real Estate and other legislative measures, to the Planning Commission, for consideration and appropriate action.

Retail is the third largest direct employer in the country after agriculture and textiles. Modern Retail trade contributes to around 12 percent to India's GDP and has tremendous potential to bring about inclusive growth in India. However, the Indian Retail sector is at a critical policy juncture and requires sustained efforts from all the stakeholders in the retail ecosystem. The retail industry has been striving for a comprehensive Retail Policy to boost modern retailing and propagate consumption and growth of the economy.

Collaboration between India & Turkey in Tourism

Oya Narin, Vice Chairman, Turkish Tourism Investors Association, Arjun Sharma, Executive Member, CII National Committee on Tourism, Erdal Alkis, Vice Chairman, DEIK, and Member, Turkish India Business Council and Subhash Goyal, Chairman, Stic Travels Pvt Ltd

On the occasion of the visit of Mr Abdullah Gul, President of the Turkish Republic, to India, CII organised a Roundtable on **'Opportunities for Collaboration in Tourism Sector'** on 8 February in New Delhi.

Mr Arjun Sharma, Executive Member, CII National Committee on Tourism, shared that India has 5 million inbound tourists and over 9 million outbound tourists every year. Turkey could be a very attractive destination for MICE Tourism, he said.

To develop opportunities for collaboration in the Tourism Sector, India and Turkey need to look at the flights between the two nations, tourism investments in both countries (credit opportunities), measures to increase the number of tourists, trade related to Tourism, and issues related to visa procedures, said Mr Sharma. He added that the granting of visa on arrival could lead to a boom in the traffic inflow from India.

Ms Oya Narin, Vice Chairman, Turkish Tourism Investors Association, spoke on the initiatives taken by the Turkish Government in promoting Tourism. Turkey receives over 27 million tourists, she said, inviting investments from India. Mr Erdal Alkis, Vice Chairman, DEIK, and Member, Turkish - India Business Council, said the Turkish Government has taken many favourable steps to make the country investor friendly and urged the Indian business community to invest in Turkey. Mr Emin Cakmak, Chairman, Turkish Indian Tourism Council, said that Turkey is one of the top 10 tourism destinations in the world. Last year over 25,000 visas were granted from India to Turkey, he said.

Mr Subhash Goyal, Chairman, Stic Travels Pvt Ltd. suggested that, Turkey, like India, should consider following the Open Sky Policy for international airlines. Noting that Indian tourists are prolific shoppers, he said Turkey would really gain by eas ing its visa policy. He also presented India as a good and safe destination for investment.

The Roundtable was attended by a large number of representatives from the travel industry and over 25 delegates from Turkey.

Confederation of Indian Industry

LM THAPAR
Centre for Competitiveness for SMEs

Protective Coatings for Industrial Structures

Certification Training Course on 'Protective Coatings for Industrial Structures' in Kolkata

When most people think about paints and coatings, they tend to consider how the coating will affect the appearance of the substrate in question. However, the right selection of coatings and their proper maintenance can lead to significant savings in cost, and increase in life of the equipment. To bring awareness in industry about corrosion protection through protective coatings, the CII-L M Thapar Centre for Competitiveness organised a three – day certification training course on 'Protective Coatings for Industrial Structures' in Kolkata on 15-17 February. The programme covered various aspects of surface treatment and corrosion protection. It also included a plant visit to Garden Reach Ship Builders & Engineers Ltd.

First International Assignment Executed

Energy Audit in Indonesia

The Energy Audit team of CII – L M Thapar Centre for Competitiveness carried out its first international assignment, a detailed Energy Audit of PT Jindal Stainless Ltd, Indonesia.

A 5-member team visited the plant for carrying out the audit, which covered both electrical and thermal energy in the plant. The results of the energy audit were very encouraging, with total savings worth Rs. 2.3 crores identified, with 38 areas of improvement. Training programmes on Energy Management and Quality Management were also conducted, to involve all plant personnel.

The first international assignment has opened the doors for more such assignments in future.

Skill-building of Counselors

Training programme for Counselors in Chandigarh

The CII-LM Thapar Centre for Competitiveness strives to enhance competitiveness of SMEs to global standards by imparting training on best practices. An important tool bring about this transformation is the team of dedicated counselors spread across the country who work seamlessly with SMEs, hand-holding them to confidence.

To stay ahead of obsolescence and efficiently serve the SMEs with the best available tools, the counselors at the Centre underwent a rigorous Professional Development Programme spread over five days. Conducted in two batches in January and February 2010, this specially created 'Train the Trainers' programme included communication and presentation skills and training methodologies with special emphasis on adult learning, using the latest AV aids and business simulation strategies to hone the counselors' skills.

SME Development Manager - Module 1

The CII-LM Thapar Center for Competitiveness for SMEs is organizing a specialized programme to develop Managers who can be the catalyst for change in their industry, leading SMEs to competitiveness. The programme will train SME managers in waste identification, so that they can eliminate it on the shop floor, for increased productivity, excellent quality, zero breakdown machines, accident free shop floor and motivated employees. The format includes training, sharing of best case studies and visits to benchmark plants.

The programme, to be conducted in 5 modules of three days each spread out over five months, will include representatives from various sectors of the manufacturing industry.

For more details please contact:
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CII-Godrej Green Business Centre

TCM in Service Industry

A one-day Seminar on Total Cost Management in the Service Industry was organised by the CII- Total Cost Management Division (TCM) Division on 19 February in Hyderabad.

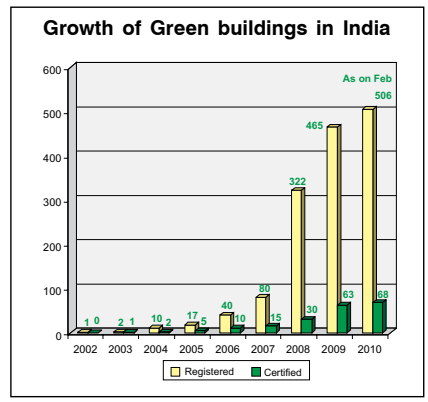
The seminar had technical sessions on measuring and managing service profitability, performance measurement and analysis in the service industry, challenges in the service industry and TCM as a panacea.

Green Building Projects

The green building movement in India is spearheaded by the CII-Indian Green Building Council (IGBC), since 2001. The vision of the Council is to usher in a green building movement in India and facilitate India to become a global leader in green buildings by 2010.

As on February 2010, 506 green building projects have been registered with the Indian Green Building Council (IGBC), amounting to 358 million sq.ft. of green built-up area, of which 68 green building projects have been certified and are fully functional.

The buildings include IT parks, offices, banks, airports, convention centres, institutions, hotels, residential and factory buildings.



The Council offers a wide array of services which include developing new green building rating programmes, certification services and green building training programmes. The council also organises the Green Building Congress, its annual flagship event on green buildings.

The Council is committee-based, member- driven and consensus-focused. All the stakeholders of construction industry comprising of architects, developers, product manufacturers, corporate, Government, academia and nodal agencies participate in the council activities through local chapters.

CII-Sohrabji Godrej Green Business Centre, Hyderabad. India's first Platinum rated LEED green building in India

Training Calendar April 2010

5-6 April, Mumbai
Workshop for Calibrating External Auditing Skills

6-7 April, Pune
Breakthrough Thinking in Achieving Zero Machine Breakdown through PM

9 April, Delhi
Workshop on Risk Management for Business Continuity

14-16 April, Bangalore
Strengthening MR Skills: Compliance to Excellence

15-16 April, Bangalore
Workshop on Customer Relationship Management

15-16 April, Bangalore
Role of Technology in Supply Chain Management

15-16 April, Bangalore
Workshop on Packaging &Transportation

19-20 April, Delhi
Organisational Maturity through Self Assessment Tool Based on ISO 9004: 2009

19-20 April, Chennai
Workshop for Improving the Machine Operating Conditions through Jishu Hozen

20-21 April, Chennai
Linking Performance to Total Profit Improvement

21-22 April, Bangalore
Training Programme on Foreign Trade Policy & Procedures

21-23 April, Mumbai
Kaizen Conference

22-24 April, Chennai
Trail Based Internal Auditing of the Processes for ISO/TS 16949:2009 Requirement

23-24 April, Bangalore
Creating & Sustaining a High Performance Culture, Bangalore

26 April, Bangalore
Developing New Machines and Products with Least Cost in Short Time (DM)

For further details, please contact:
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Visit us at : www.cii-iq.in

CII-Suresh Neotia Centre of Excellence for Leadership

Linking HR Strategy to Business Strategy

Workshop on Linking HR Strategy to Business Strategy

The recent upheavals in the world of business have increased competitive pressures, calling for a higher level of accountability of the workforce coupled with restructuring of the business strategy.

The workshop on 'Linking HR Strategy to Business Strategy' at the CII-Suresh Neotia Center of Excellence for Leadership on 4-5 February was held to enable professionals from different sectors to determine how to confront the challenges ahead through a mixed balance of theoretical inputs, case studies and participative sessions.

Waste Reduction for Competitive Manufacturing

Seminar on Waster Reduction for Competitive Manufacturing

The Japanese concept of 'muda', or minimization of waste, was the focus in the Seminar on Waste Reduction for Competitive Manufacturing on 11-12 February. The seminar presented a comprehensive view of the cardinal principles, techniques and roadmap essential to metamorphose a conventional organization into a waste-free one by embracing techniques like TQM, TPM and Lean Methodologies.

The seminar focused on the production of a better quality output while delivering it faster to deadlines, increasing each employee's productivity and enhancing organizational effectiveness and gaining knowledge on identifying and removing non-value adding activities rather than only enhancing value addition. It also dwelt upon adopting cellular manufacturing to eliminate over-production and application of lean SMED to build greater manufacturing flexibility, lower inventory, shorter lead times and responsiveness to internal and external customers.

Workshop on Emotional Intelligence

Workshop on Emotional Intelligence

Emotional intelligence, it has been observed, is the key differentiator which assists a professional to transform from an average to a star performer. In the competitive corporate environment it is as essential to be emotionally adept as to be technically skilled. Comprehending emotions of one's own self as well as that of others is an indispensable factor for professional success.

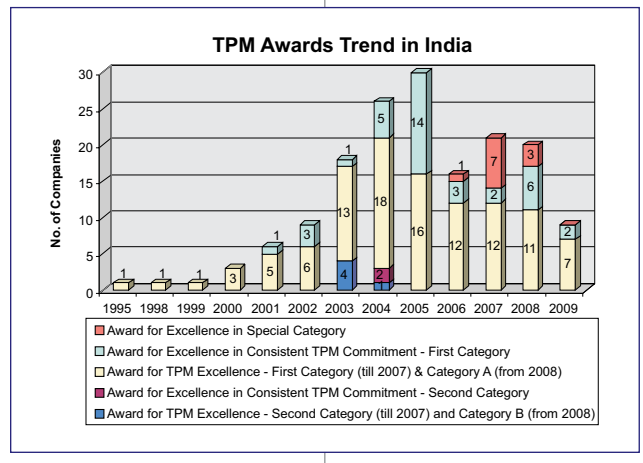
The workshop on Emotional Intelligence on 26-27 February sought to develop these skills in corporate professionals. The focal point of the discussions was on discovering strengths and development areas in one's emotional intelligence, using an emotional tool kit to reduce stress levels, striking a balance between work and life and reorienting attitude to influence and motivate others. It also discussed the importance of empathy to stay ahead in the leadership race and the need to develop a positive personality profile.

CII INSTITUTE of QUALITY

Taking India Inc Towards Business Excellence

India has witnessed a sea-change in the way the manufacturing industry has evolved over the last 20 years. On their journey towards Manufacturing Excellence, many companies are actively adopting several management tools like TPM, TQM, Lean, Six Sigma, Kaizen, ISO and other certifications and accreditations to completely re-engineer processes from within and outside. These management tools basically help in streamlining systems and integrating standard procedures to improve and reduce variations so as to produce zero-defect products and services. Total Plant Maintenance (TPM) has evolved as a front runner in India Inc. as the manufacturing sector has gained enormously applying this tool effectively in their systems.

Nine Indian manufacturing companies bagged the most prestigious Japan Institute of Plant Maintenance (JIPM) Awards for integrating TPM practices into their manufacturing processes in 2009. CII is proud to report that five of these companies were entirely supported and guided by counsellors from CII-TPM Club India through training, consulting and specialised visits. The Awards were presented on 11 March in Kyoto, Japan.



Established in 1964 to encourage excellence in the manufacturing industry, the TPM Awards have become one of the most sought after recognitions in India Inc., giving the company an international benchmark which acts as brand equity factor that can be capitalized to improve bottomline.

TPM, which was initiated as a manufacturing process improvement methodology, encompasses the entire company from the shop floor to the executive boardroom, creating a true company-wide commitment to manufacturing excellence. With these nine new additions, in all 111 Indian companies have so far bagged this recognition, bringing 161 awards to India. India now has the number two position in the awards tally just next to the pioneer of the TPM concept, Japan. The nine winners this year are : Aqua Group, Chennai Petroleum Corporation Ltd-CBR, Hi-Tech Gears Ltd (Group), Indian Oil Corporation Ltd –Guwahati Refinery, J K Paper Ltd-Jayakapur, J K Paper Ltd-CPM, PepsiCo India Holdings Private Ltd, Frito Lay Division-Kolkata, Sundaram-Clayton Ltd, Padi Plant and Tata Steel Processing and Distribution Ltd –HR & CR Plant, Jamshedpur. Three domain experts of TPM Club India, Mr. Mahendra Prasad, Mr. Samir Adhikari and Mr. S Narasimhan were responsible for the complete re-engineering procedure in five of these companies.

Mr. V. Narasimhan, Chairman, TPM Club India, and Managing Director, Brakes India, said "An internal study conducted by CII-IQ indicates that companies which incorporated TPM tools into their systems have showed marked improvement in pruning costs by streamlining various processes, and one company even reported 8-fold savings. This is no mean achievement as companies in the new business environment are treading on razor-sharp competition and wafer-thin margins."

Typically, companies that have incorporated TPM into their processes show increased turnover in sales, drastic reduction in inventories, optimal utilization of equipment, huge cut down in break-down hours, better management of man hours, delivery, safety and many other measurable reformations. There is also a rich harvest of intangible benefits like enhanced employee moral, improved working conditions, more emphasis on more visual management and safer working environs. To cite an example, Pepsico India invested Rs 5 million in TPM tools and reaped a mind-boggling Rs 43 million as savings –an 8-fold

TPM Awards winners in Tokyo, Japan

increase! Similarly, IOC Panipat Refinery gained huge savings in just a few years by integrating TPM into its system. The overall utilization of equipment (OEE) and its effectiveness jumped from 15 to 25 percent over the existing values in almost all the companies that adopted TPM tools. (The utilization of OEE is an important parameter to gauge the health of a manufacturing company.)

Today, the TPM movement has moved beyond large scale industry to SMEs and PSUs too. Significantly, process industries are also showing keen interest in adopting TPM.

Journey of TPM in India

India's tryst with Total Productive Maintenance (TPM) began in mid 1991 when the 'highly protected' economy opened up to global competition. But the real push came in 1998 when the Japan Institute of Plant Maintenance (JIPM) and Confederation of Indian Industry (CII) joined hands to proactively promote TPM across the board in India. Nearly two decades later, the TPM movement has been embraced by a number of Indian companies, encompassing not only traditional manufacturing but service and process industries too.

TPM as a concept gained popularity when the world was scouting for new management techniques to improve. Probing the phenomenal rise in the Japanese manufacturing industry, they found the successful implementation of TPM. These techniques were quickly adopted by several global companies like Unilever, Arcelor, Tetra Pak, etc., with phenomenal results. In India, companies like TVS, Birlas, Tatas, Mahindras, TTK LIG, Hindustan Lever, to name a few, were the early birds to incorporate TPM principles.

Intangible Paybacks from TPM

- Pinning down variance/deviation is easier
- Awareness towards cleaner and more structured work stations
- Moral high due to excellent working conditions
- Easier working because of better visual management
- Increased sense of ownership
- Enhancement of knowledge and skill sets
- Improved level of communication
- Safer working environs

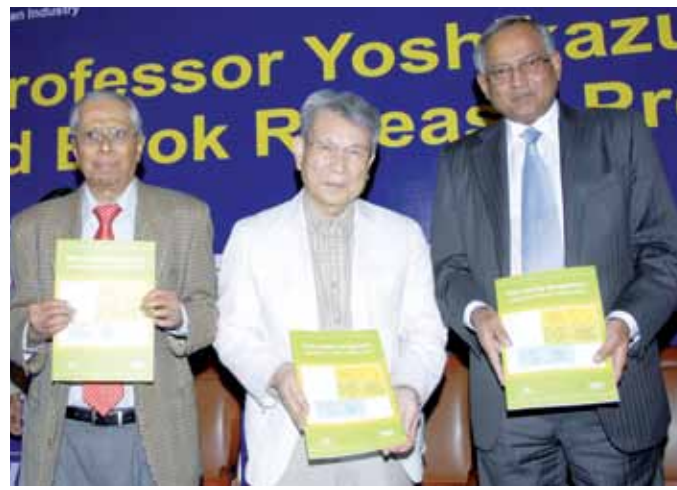
Tangible Paybacks

- Increased turnover in sales
- Complete reduction in inventories
- Optimal utilization of equipment
- Huge cut in break-down hours
- Better management of man hours
- Increased technical capability
- High delivery time
- Elimination of hidden loss

CII Honours Prof Tsuda

Think, think and think more…is the mantra of venerated Japanese management guru Prof Yoshikazu Tsuda to bring about dramatic 'top-bottom' organisational change

Post-globalisation, India Inc has been relentlessly pursuing the goal of achieving overall business and manufacturing excellence by strongly embedding TQM tools to produce high-end zero-defect products and services, precisely what the neo-economic scenario demands.



K N Shenoy, Past President, CII, and Chairman, CII Institute of Quality, Prof Yoshikazu Tsuda and Venu Srinivasan, President, CII

One person who has greatly assisted Indian industries to transform from just being mere companies rolling out products and services to entities that are passionate about quality and customer satisfaction, is the venerated Japanese Quality Management Guru, Prof Yoshikazu Tsuda. The 'Quality' seeds he sowed two decades ago through the cluster movement are now bearing bountiful fruits.

Prof Tsuda's Mantra for Success

- Tap uniqueness of the company
- Reduce dependence on technology
- Create or expand market
- Optimally utilize Human Resources

Prof Tsuda was felicitated by the Confederation of Indian Industry fFor his visionary contribution on 4 March in Bangalore. Speaking on the occasion, Prof Tsuda said Indian industry leaders have the right vision and are quick in adapting to emerging new business philosophies and technologies to stay on par with the global entities. "Top Indian management has the right vision for the business and the Indian worker is perfectly backing him to realize the potential by executing his task exceedingly well. The workforce is always open to suggestions and improvements which incidentally are very critical to stimulate a paradigm shift in the processes and systems in any organization," he said. However, he sounded a word of caution on the performance of middle-level management. He said: "There are performance gaps at the middle management level which needs immediate attention to push them to perform at the optimal level. The production manager operates in a confined environment of rules and regulations and is far too involved with their supervisory role."

Over the past few decades, CII has been actively working with a number of institutions in Japan. CII worked closely with Prof Tsuda to introduce TQM to Indian manufacturing companies, in particular, SMEs, through the very successful Cluster Approach. With his mentorship, CII set up two clusters of about 20 companies of Maruti Suzuki, to take them through the Quality journey. Through this unique programme, the companies developed a new area of competence. Five of the 20 companies who participated in this unique experiment have become 'Deming Prize' winners. This has fostered the growth of a new cadre of entrepreneurs in India.

Releasing the book titled 'Total Quality Management: Learning from Professor Yoshikazu Tsuda' which basically encapsulates Prof Tsuda's experience with Indian companies, Mr. Venu Srinivasan, President, CII, appreciated the management guru's contribution to India

Inc. Prof Tsuda has directly helped many companies to dramatically change the very outlook of their functionality and inculcate an element of fighting spirit to face razor-sharp global competition without compromising on the quality aspects, he said, acknowledging that "what TVS Group is today is entirely due to the significant contribution from Prof Tsuda".

A significant phase of CII's Quality movement was born in 1998 – the 'Cluster Movement' – wherein SMEs in India adopted TQM techniques through an integrated approach spanning productivity, quality, cost, delivery performance, safety and employee involvement. Mr. K N Shenoy, Chairman, CII-Institute of Quality, pointed out that the clustering concept has helped umbrella companies to stay highly focused on quality and without incurring much of a financial burden. He sought Prof Tsuda's help on "how to sustain TQM model so that India Inc is secured in the highly global competitive world in the future."

Mr. V Narasimhan, Executive Director, Brakes India Ltd, Foundry Division, said that the Cluster concept has dramatically changed the base functionality of Indian companies by completely re-engineering their processes so that they meet the exact specification of the end-users. He opined that several Indian literally match global giants with the same efficiency and class of the product rolled out to the end-customer. He said: "Earlier what mattered most was quantity. But now we are focusing on quality. That is a great transition".

Mr. C Narasimhan, frmer President, Sundaram Clayton, sharing his years of association with Prof Tsuda said, "Integrating TQM in a company is not an easy task though it looks very simple. It takes years to standardize processes in any organization. All that a company needs is patience and one day it will pay rich dividends." . He stressed that without the "total involvement of employees, TQM is ineffective in any organization."

Both management and workers were amazed at the levels of improvement in operations, productivity and cost-efficiency from the seemingly simple and clear directions of Prof. Tsuda, said Ms Sarita Nagpal, Deputy Director General, CII. "The visible changes led to a new enthusiasm and eagerness in following the guidelines offered in the shared learning process. As we have observed, development of new products was also an integral part of Prof Tsuda's game plan."

Cluster Movement

Prof. Tsuda, who introduced the concept of Clustering in India drew up a plan for companies to start the Cluster journey with a subject titled 'Exactness' followed by Daily Work Management.

Exactness of operations comes through exactness in man, method, material, machine and environment. These conditions must be exact enough to achieve daily targets in a consistent manner. Only then would managements have executed their responsibility to empower people to execute responsibility with a sense of accountability. The concept of Exactness thus leads the company to implement exactness at every step of the production process be it the machine, tools, quantity and quality of input material, operator movement or handling crisis.

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Oman Education Delegation in India

CII-IQ steps into the international arena with its first-ever programme on TQM in Education for the Ministry of Education, Oman

Education, the sector which literally shapes or mars a nation's status in the world economy, is accorded top priority by governments the world over. Like India, which has embarked on a journey to achieve 100 percent 'operational' literacy by promoting various projects and programmes across the board, the Sultanate of Oman too is looking for qualitative change in the way education is imparted in the tiny Middle–Eastern nation.

A five-member core committee team representing the Minister of Education, Oman, visited India on a six-day mission in February to experience and explore various education excellence models. Mr. Waleed Talib Abdullah Al-Hashmi, Director of Quality in the Ministry of Education, Oman, along with four senior officials visited the CII Institute of Quality-Bangalore to understand how the CII-IQ School Excellence Model is being implemented in various government and private schools across India. (The Omani core team is visiting various nations, including Singapore, UK, and Malaysia, to identify an appropriate model that suits the needs and expectations of its student community.)

Delegation from the Ministry of Education, Sultanate of Oman

A six-day programme on TQM in Education was designed exclusively by CII-IQ for the Oman delegation. They were extensively briefed on various TQM principles and techniques that they could implement in their schools. Well-researched concept like Quality and Total Quality Management; History and evolution of TQM in Education; Educational Processes with Measurements, Integration of Processes for Excellence, Leadership, Excellence Frameworks, and Quality Improvement Projects, to name a few, were shared with the delegates. In addition to in-house faculties, three school leaders, Mr. R M Krishnan, Advisor, SRF Vidyalaya, Mrs. Anna George, Principal, AMM Matriculation School and Mr. S S Nathan, CEO, Bala Vidya Mandir from Chennai, presented case studies on how they implemented TQM in their educational institutions. The visitors also had a series of hands-on activities and one-on-one discussions on TQM can be effectively translated into their educational institutions.

CII-IQ took a step towards international consultancy with the Omani education delegation seeking its handholding to provide quality education to all students. The Omani team said it would recommend to the Ministry either the deputation of a larger delegation to India, or that a CII-IQ team visits Oman to conduct training programmes there.

Regional Summit on Education

Anshul Mishra, Commissioner, Coimbatore Municipal Corporation

The CII-Institute of Quality organised its annual two-day Regional Summit on Quality in Education in Coimbatore on 29-30 January, with the theme 'Quality Leadership for Future Campuses.' Over 250 delegates from various parts of the country including top educationists, domain experts and corporate heads, administrators, principals, and senior shared their concepts and perspectives on grooming high-end leaders to take on the emerging challenges in the education sector.

CII Mining Mission to South Africa

A 12-member CII mining delegation, led by Mr S Vijay Kumar, Special Secretary, Union Ministry of Mines, visited Cape Town, South Africa, from 1-4 February, coinciding with Mining Indaba, the largest international mining exhibition and conference.

S. Vijay Kumar, Special Secretary, Ministry of Mines, India, with Susan Shanbangu, Minister of Mining, South Africa

The CII delegation also participated in meetings and briefings organized by the Indian Consulate General in Johannesburg, and explored opportunities in Southern Africa. The meetings included an interaction jointly hosted by the Indian Consulate with the Rand Mercantile Bank, and separate interactions with leading law firm, Edward Nathan Sonnenbergs, Consultants Frost & Sullivan, mining solution specialist Shaft Sinkers, investment and resource holding firm Kopano Holdings, and Standard Bank.

The CII delegation expressed interest in the opportunities presented by the resource sector in Africa, including offtake opportunities in coal, iron ore, chromium, uranium and manganese, and underlined their readiness to consider investment as well. Noting that a VVIP visit was planned from South Africa to India in the year ahead, the Indian delegates looked forward to expanded cooperation in this vital sector.

Mr Vijay Kumar underlined that India's mineral resource sector was booming, along with industrial growth, fuelled by strong internal demand. India's need for metallic minerals was likely to increase significantly over the next few years, he said.

Apart from looking for investment opportunities abroad, the Special Secretary underlined that India also invited inward investment in exploration opportunities, especially in base metals, diamonds and noble metals. The new Indian National Minerals Policy encourages foreign direct investment in exploration and mining, he said.

Session on Limited Liability Partnership Act

The Limited Liability Partnership Act 2008, notified in January 2009, requires wide publicity for its benefits to be known to existing and potential entrepreneurs, especially MSMEs, declared Mr Jitesh Khosla, Officer on Special Duty, Indian Institute of Corporate Affairs, at a session on **'Limited Liability Partnership Act: Boosting Entrepreneurship'**, in New Delhi on 19 February. The Act would encourage qualified professionals to leverage each other's strengths within the framework of a limited liability partnership (LLP) firm to provide services to world markets, he said.

Jitesh Khosla, Officer on Special Duty, Indian Institute of Corporate Affairs and Salil Singhal, Chairman, CII National MSME Council

Mr Khosla said that, as a knowledge hub of the world, India could see a large number of LLPs serving global markets, including a large number of Fortune 500 companies who are looking to outsource their business and knowledge processes to India. These LLPs could also establish global operations, he added.

Mr Subash Lakhotia, Director, R N Lakhotia & Associates & The Strategy Group, described the distinct advantages in getting registered as an LLP. He said LLPs do not attract Dividend Distribution Tax and Minimum Alternative Tax. An LLP is easily converted into a private limited company, and vice versa. There is no limit to the number of people who can come together to form an LLP, and there is maximum flexibility in restructuring its share-holding, he added. He felt that the capital gains tax pertaining to conversion of a private limited company into an LLP should have been done away with.

A LLP can participate and invest in the stock market as well. The Act also opens up immense possibilities of venture capital funding in LLPs, Mr Lakhotia said, suggesting that the Government could consider allowing the setting up of non-banking LLP firms.

Mr Salil Singhal, Chairman, CII National MSME Council, said the LLP provisions would benefit a large number of MSMEs run by entrepreneurs who are exposed to a high level of personal liability.

Textile Industry Roundtable

Mr Dayanidhi Maran, Union Minister for Textiles, stated that the textile industry is the first to come out of recession. Addressing the **Textile Industry Roundtable** organised by CII in Mumbai on 16 February, Mr Maran noted that most textile companies are now posting profits, but there is still scope for improvement. Currently, more than 50% of production is exported, but the industry also needs to focus on the domestic market, he said.

T Kannan, Chairman CII National Committee on Textiles, and MD, Thiagarajar Mills with Dayanidhi Maran, Union Minister of Textiles

Mr Maran said the legacy issues have to be overcome and the industry needs to look at aggressive investments to meet the challenges posed by competing countries like China. He clarified that the government does not have a large role to play since the stimulus was announced. What is required is new ideas, which would help the competitiveness of the industry as a whole, he declared.

"About 70% beneficiaries of the government funding for capital investment are spinning mills and the least is garment units, whereas the garments units generate maximum employment," he said, commenting on the government's stimulus package.

Mr Maran said exports and technical textiles will be the key focus areas in the future. "Indian exporters are more dependent on the European and US markets. Both these markets have the tendency of parallel movement: they boom together and also fall together. Indian exporters should focus on other big markets also, he said. The Minister pointed out that though the entire US import market fell by 12.04%, Indian exports to the US fell by a smaller percentage of 7.56%. A a similar trend was also seen in the EU market.

On the sector's growth plans ahead, he said, "India's domestic textile consumption is third largest in the world. In this environment, we have targeted a growth path at 12% for the next five years and global trade share of 7%. For this, we have to focus on the rural market, he said, observing that malls and retail space created by malls are not the solution to increase business. Further, the companies in garments try to compete more with the international brands which sell products at very high prices, he said.

Mr T Kannan, Chairman, CII National Committee on Textiles, and Managing Director, Thiagarajar Mills, said the industry needs to scale up on productivity through clustering. Integrated textile parks are operating on gas, as the electricity availability is still an issue, and should be set up close to these clusters." He also appealed to the Minster to extend TUFs and welcomed the Textile Minister's move of encouraging FDI in the industry.

The roundtable drew the participation of all key players from the sector, including textile machinery manufacturers.

7th IP Summit

Dr. Arun Jaitley Leader of the Opposition Rajya Sabha, Ramesh Adige, President, Corporate Affairs & Global Corporate Communications, Ranbaxy Laboratories Ltd, P H Kurian, Controller General of Patents,Trademarks & Designs, Ranbir Singh, Vice-Chancellor, National Law School University, Delhi, and Hari S. Bhartia, Vice President, CII

The Confederation of Indian Industry, in association with the George Washington University Law School, USA, and the US–India Business Council, successfully organised the 7th annual edition of the **IP Summit** in India from 14-18 February in New Delhi and Mumbai. The IP Summit 2010 was held to foster partnership, disseminate information about international best practices in IP protection, discuss issues on IP protection within and outside the country, and build international partnerships to strengthen the IP system.

The Summit was inaugurated with a Moot Court on IP, and an interactive session with the judiciary at the National Law University, New Delhi. Senior justices from India, and judges from USA, described the intricacies and methodology adopted by their respective jurisdictions while dealing with IP issues. Judicial roundtables and panel discussions were also held in Delhi and Mumbai during the four day Summit.

The important issues discussed included IPR issues in collaborative R&D between industry, academia and R&D institutes, universities as invention sources, industry support to basic research for knowledge creation, need for industry participation in technology development involving some exploratory work, and academic intervention in solving specific industry problems. Further, IPR issues in technology transfer and commercialisation including essential terms of IP licensing, marketplaces for technology knowledge valuation, capital, mechanisms for evaluating and sharing IPRs in Joint Ventures were also part of the discussion.

A panel discussion on Patent Litigation in India versus the US brought out the distinction in case management, ADR techniques, specialised benches, specialised courts, discovery, evidence and other related methods. IP issues in the software and electronics industry were also discussed.

Leading academicians, industry leaders, lawyers, judges and policymakers in the IP field not only from India and USA, but Europe and other Asian countries too participated in the Summit.

7th IP Summit Sessions in New Delhi (Left) and Mumbai (Right)

Development Initiatives

Affirmative Action

Industry Interventions for Inclusion

CII, through its National Council on Affirmative Action, is working on a focused intervention in the areas of 4Es i.e Employability, Entrepreneurship, Education and Employment, and is encouraging its member companies to participate in programmes to enhance the capacity of the Scheduled Castes and Scheduled Tribes. Dr JJ Irani, Past President, CII, and Director, Tata Sons Ltd, who leads the Council, shares CII's agenda for 'inclusion' in this article.

India's caste-based society and social predicaments are unique, and pose special challenges to inclusiveness. However, given the country's projected population dynamics, the marginalization of any section of society from the market economy will seriously impact India's overall competitiveness and economic prospects. In our rapid march towards economic prosperity, inclusiveness and competitiveness are interdependent, and one cannot be achieved without the other.

At the CII Annual Session in 2006, Dr Manmohan Singh, Prime Minister of India, had appealed to Industry to reach out to the marginalized sections of our society, especially the Scheduled Caste (SC) & Scheduled Tribe (ST) communities, to enable the country's economic growth to be more inclusive. CII had responded immediately by setting up a 'Council on Affirmative Action.' Our approach in the area of Affirmative Action includes interventions in the four key areas of **Entrepreneurship, Employability, Education** and **Employment**. Many member companies of CII have offered to reach out to the SC & ST communities using one or more of these interventions

Indian industry needs to put in place measures that will facilitate greater inclusion of all sections of society in the workplace. The key elements of the CII Action Plan are:

- Code of Conduct for Affirmative Action to be followed by companies. The Code relates to non-discrimination, assistance, and transparency with respect to employees/ applicants/ vendors from the SC and ST communities. This is a voluntary commitment.
- The CII National Council on Affirmative Action is to identify, operationalize and monitor the Action Plan
- Targets for Education, Employability, Entrepreneurship and Workplace Action Plans.
- Dissemination of information and best practices on Affirmative Action amongst members.

Industry's action plan for inclusiveness centres around entrepreneurship development, self-employment, training and skilling. The main targets are to create SC/ ST entrepreneurs, coach SC/ST students in universities, assist in entrance exams for professional colleges, and provide scholarships in schools and colleges.

The initiatives taken by CII members have made some headway. The Prime Minister has been kept informed of the progress on the Affirmative Action agenda and he has been deeply appreciative of CII's efforts in this area. We believe that the headway made by CII member companies and the intent shown has strengthened the hands of those within the Government who felt that a legislation in this area was not required in view of the voluntary measures being undertaken by Industry in India.

This is the first time Indian Industry has committed to undertake such a wide array of activities to ensure that Affirmative Action is followed in letter and spirit. However, unless there is a sustained focus and attention from our membership to ensure that Affirmative Action becomes a movement in the country, as a result of voluntary action by Industry, leading to a significant and visible impact in the lives of youth from the SC and ST communities, the chorus for 'Job Reservation in the Private Sector' may gather strength again.

At the same time, it is also critical to communicate Industry's actions on Affirmative Action to the Government and opinion-makers by aggregated information from our members on the initiatives taken so far.

In this context, a Feedback Form has been designed which can be obtained from the CII Secretariat. It has been so designed that, on the one hand, it will provide guidance to members on the specific activities they can

undertake under Affirmative Action and, on the other hand, it seeks feedback on their past, ongoing and future initiatives in this regard.

A collated report would be shared with the Prime Minister with special mention of companies wherever possible. In addition, CII has designed a detailed strategy to share communication on the Affirmative Action agenda.

I encourage members to join hands in this endeavour.

CII-MARG Grassroots Level Skill Development Initiative

Small opportunities are often the beginning of great enterprises. Indeed, timely intervention can change the trajectory of a life, in ways that are deeply gratifying. In the small village of Koovathur in South India, M Bhuvaneshwari was born to landless Scheduled Caste agricultural labourers. She and her three siblings subsisted on a family income of Rs 100 per day. Her parents, though impoverished, wanted their daughter to have a better life. They sent Bhuvaneshwari to school, and she completed her Class 10.

For a child from such a background, passing Class 10 is a very big achievement. However, in a country where the job market is as competitive as it is in India, the achievement was no assurance of a brighter future. However, Bhuvaneshwari was able to break the chain of poverty when she was amongst those selected for a 15 day MARG GLSDI programme. The training built self-confidence and the certificate received on the successful completion of her training enabled her to get a secure job with RK Apparels, with a monthly salary of over Rs 2100.

Education and training made it possible for M. Bhuvaneswari to change the script. She is the first member of her family to earn a monthly income. With the mentoring given to her during and after the programme, there is every reason to believe that she will continue to progress.

This is a case study that should encourage more corporates to step forward and adopt CII's voluntary code of conduct on Affirmative Action. Our endeavours in Affirmative Action aim to draw more people from the Scheduled Castes and Scheduled Tribes into India's exciting growth story.

Hohmann & Partner

Attorneys

Our law firm specializes in **International Trade Law** (export, US export, customs and international contract law) and in **Law of Chemical Substances** (foodstuff, chemical and environmental law) with proven expertise (cf. our global in house seminars and our publications: ed. *Kommentar Ausfuhrrecht* <Book commenting on the whole German & EC Export Law>*, 2002*, and: *Agreeing and Implementing the Doha Round of the WTO, 2009*, Author in: *Basiswissen Sanktionslisten* <Basis Knowledge on Sanctions Lists>*, 2008*, and: *Praxis US-Re-Exportkontrolle* <Practice of US Re-Export Controls>*, 2008,* et al.).

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- **International marketing of products:** authorization & labelling of products globally, distribution / transport, commercial agents, investments in the EC (incl. incentives), export financing & international taxes etc.
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- **International law**: international private law and international public law; especially EC and WTO Law

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Industry-Government Interface in Assam

At the Industry - Government Interface on the Assam Industrial & Investment Policy 2008, held in Guwahati on 10 February, Mr Pradyut Bordoloi, Minister of Power, Public Enterprises, Industry & Commerce, Assam, took a very forward looking approach and laid emphasis on creating conditions for income and employment generation in the state. The new policy addresses issues and provides incentives complementary to the NEIIPP 2007.

A K Dutta, Chairman, Assam Pollution Control Board, Pradyut Bordoloi, Minister, Industries & Commerce, Assam, and Abhijit Barooah, Chairman, Policy Advocacy, CII Assam State Council

Mr Abhijit Barooah, Chairman, Policy Advocacy, CII Assam State Council, welcomed the Assam Industrial & Investment Policy 2008, and said that this was the right way to take the economic agenda of the state forward. The interface provided an opportunity for industry to interact with the Minister and senior bureaucrats of the Industries, Finance, Power and Pollution Control departments.

Mr Ravi Capoor, Commissioner & Secretary, Industries and Commerce , Assam, said that the young generation should drive the Assam Economy. He was of the view that the state provides the best incentives in the country and the onus is now on the local industries to leverage this advantage.

Mr Sumeeth Jerath, Principal Secretary, Power, Assam, informed that the power scenario has improved over the years and emphasized that pragmatic policies and aggressive planning have provided substantial benefits to the Department, its consumers and the state economy.

Mr Sanjay Lohiya, Commissioner, Taxes, Assam, said that the finance department has been working to make the tax law simpler, stable, robust and also to streamline the various provisions for easy compliance.

CII made suggestions on issues pertaining to and having implications on the Assam Industrial and Investment Policy 2008. Operationalization of single widow clearance for industries, review of the Entry Tax on import of plant and machinery and raw materials, synchronizing the negative list of industries, streamlining project clearances, constitution of a state - level Environment Impact Assessment Authority and adequate power to industrial units, parks and estates were some of the issues discussed at the interaction.

The development of the MSME sector is critical for driving the economy of the state. CII also suggested that this sector should be supported in terms of infrastructure and policy.

North East Expo in Mizoram

CII, in association with the Ministry for the Development of the North Eastern Region (DoNER) organised a North East Expo in Aizawl, Mizoram from 23 to 27 February. The exhibition was inaugurated by Mr Lal Thanhawla, Chief Minister of Mizoram, in presence of Mr S. Hiato, Industry Minister, Mr H. Rohluna, Minister for Forests and Environment, Mr R. L. Rinawma, Industry Secretary and Mr Shurbir Singh, Director, Industry, Mizoram. The programme was supported by the Department of Industry, Mizoram.

Lal Thanhawla, Chief Minister of Mizoram, with his wife, at the North East Expo in Aizawl

Welcoming the initiative of CII in bringing the North East Expo to Mizoram, the Chief Minister said the Expo would provide an opportunity to enhance the trade and business of the local entrepreneurs and traders. Promoting the State as an attractive investment destination, he said Mizoram, with abundant natural resources, could become one of the bio-diversity hotspots of the country.

As Mizoram is below only Kerala in terms of high literacy rate, he urged the educated youths to look for avenues in entrepreneurship

development instead of seeking only Government jobs. He spoke of plans to improve trade ties with Myanmar and Bangladesh, by establishing a land customs station at Zokhawthar, which would provide a corridor through Myanmar with the rest of South East Asia. The Kaladan multi modal transit transport project envisages connectivity between Indian ports on the Eastern seaboard and the Switte port in Myanmar, which is being developed by India. This would open up the riverine transport and the road routes between Mizoram and Myanmar, thereby providing an alternative route for transport of goods to North East India which is otherwise landlocked, said Mr Lal Thanhawla. Noting that Mizoram's rich handlooms and handicrafts suffered from lack of exposure, the Chief Minister said such exhibitions would offer the much needed marketing opportunities for the products of Mizoram.

The exhibition had 54 stalls from sectors ranging from handloom and handicrafts, electronic goods, and horticulture to jute products. Several Government Departments like Tourism, Industry, Food Processing, Agriculture and Education were present at the exhibition to showcase their achievements and future plans.

More Crop per Drop

The water crisis is one of our biggest national challenges. Sustainable development demands that water has to be efficiently used with integrated water management at all levels: agriculture, industry, and domestic, involving all user groups. Since agriculture, by far, is the largest user, technologies or measures adopted for increasing water efficiency in the agriculture sector will significantly improve the water situation in the country. With depleting water resources and increasing population, food security for all is becoming more challenging with each passing year. There is an urgent need to adapt to agricultural systems, processes and technologies that are aimed at increasing water efficiency. Finding this balance is particularly important in a developing and agrarian countries like India, where millions of people depend on agriculture for employment.

Anil B. Jain, MD, Jain Irrigation Systems Ltd.; G C Pati, Additional Secretary, Agriculture, A K Bajaj, Chairman, Central Water Commission and Ex-Officio Secretary to the Government of India and Gokul Patnaik, Chairman, CII Task Force on Agri Marketing, & Chairman, Global Agrisystems P Ltd

The **'National Seminar on Increasing Water Efficiency in Agriculture Sector'** on 19 February in New Delhi brought together different stakeholder groups to share innovative solutions to considerably reduce water demand vis-à-vis irrigation, crop varieties, fertilisers, new age agro chemicals etc. in the agriculture sector.

"The challenge of managing our water resources in a rational and sustainable manner will require collaborative action on many fronts and coordination across different sectors of the economy" said Mr. A K Bajaj, Chairman, Central Water Commission, setting the tone for the deliberations.

Mr. G C Pati, Additional Secretary, Ministry of Agriculture, said that water-related issues need to be addressed with the full involvement of the local communities, taking into account specific local conditions and concerns. "Farmers as principal stakeholders should be consulted in any agricultural water management initiatives" he stressed.

"Expansion of irrigation and improvement in irrigation efficiency are the key not only to improving agricultural productivity but also to our strategy for sustainable water use. There has to be a greater synergy between our agricultural policies and our water policies with a view to securing food supply, especially to the poor and vulnerable sections of the population, through more efficient and sustainable use of scarce water resources" remarked Mr Anil B Jain Managing Director, Jain Irrigation Systems Ltd.

Mr Gokul Patnaik, Chairman, CII Task Force on Agri Marketing, and Chairman, Global Agrisystem P Ltd, said the target of doubling the growth rate of agriculture to 4% during the 11th Plan requires increased public investment in agriculture, and particularly in water management to reduce water wastage and increase productivity.

The seminar also included presentations on technologies with the potential to considerably reduce water consumption in agriculture.

Yi National

6th Yi National Summit

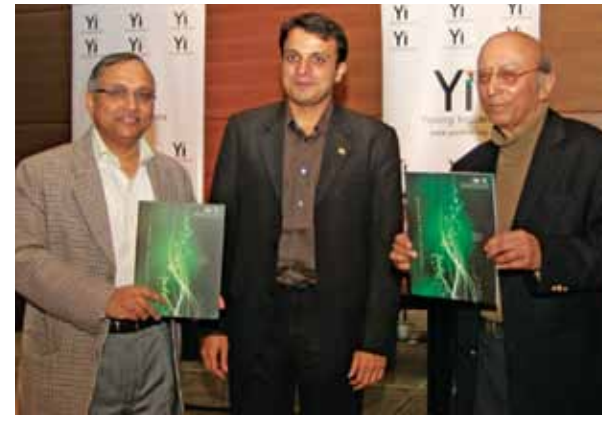
Rahul Chawla, Summit Chairman; Rahul Mirchandani, National Chairman, Yi; Venu Srinivasan, President, CII and Dr Isher Judge Ahluwalia, Chairperson, ICRIER

On 5 February, Yi organised its 6th National Yi Summit in Gurgaon, with the theme 'Leadership: Dream to Reality.' The 330 delegates also included two international delegations, representing the UK India Business Council and the Australia India Business Council. The distinguished speakers included Mr. Venu Srinivasan, President, CII, and Managing Director, Sundaram-Clayton Ltd; Dr. Isher Judge Ahluwalia, Chairperson, Indian Council for Research on International Economic Relations; Mr. Kartikeya Bharat Ram, Deputy Managing Director, SRF Ltd; Ms. Anu Aga, Director, Thermax Ltd; Mr. Ashish Bharat Ram, Managing Director, SRF Group; Mr. Shanker Annaswamy, Managing Director, IBM India Pvt Ltd; Mr. Peter Kronschnabl, President, BMW India Pvt Ltd; Mr. Malvinder Mohan Singh, Group Chairman, Religare Enterprise and Fortis Healthcare; Mr. Mani Shankar Aiyar, Member, Indian National Congress; Mr. Gurcharan Das, Author and Management Guru; Mr. Arun Maira, Member, Planning Commission, and Mr. Tarun Das, Former Chief Mentor, CII.

The National Summit demonstrated thought leadership on building India's future, and deliberated on converting India's demographic advantages to reap sustainable dividends. The Summit outlined Yi's agenda in working towards India@75, initiating a diverse range of activities like skill building, environmental sustenance and constructive debate on the Indian economy.

Pathfinder 2010

The Pathfinder is a workshop for Yi members to formulate the strategy for the coming year and the new leadership takes charge. This year, at Pathfinder 2010 in Gurgaon on 6 February, Ms. Bhairavi Jani took over as National Chairperson, Yi, while Mr. Shankar Vanavarayar became the National Vice Chairman, Yi. The Pathfinder was addressed by Mr. Chandrajit Banerjee, Director General, CII and Mr. Tarun Das, Former Chief Mentor, CII and President, Aspen Institute India.



Chandrajit Banerjee, Director General, CII, Dr. Rahul Mirchandani, and Tarun Das, Former Chief Mentor, CII, and President, Aspen Institute India, releasing the Yi Annual Report 2009-2010

Chapter Updates

Chandigarh

Navita Mahajan, Co-Chair, Yi Chandigarh; Gangaram Talekar, Secretary, Dabbawalla Association; Raghunath Medge, President Dabbawalla Association and Mohit Chitkara, Chair, Yi Chandigarh

On 28 January, Yi Chandigarh organised a session with the Mumbai Dabbawallas, where Mr. Raghunath Medge, President, Dabbawallas Association, made a presentation on determination, commitment and cooperation, showcasing the functional accuracy, discipline, time management and logistical organization used by the Mumbai Dabbawallas.

On 19 February, a session on 'Health and Lifestyle Management' was conducted by Mr. Gaurav Mundra, Director & Chief Operating Officer, Truworth Group of Companies. Mr. Mundra also conducted a health assessment for the members.

Goa

On 9 February, addressing a learning session, Mr. P. F. X. D' Lima, Past Chairman, CII Goa Council, and Director, Goa Institute of Management, spoke on 'Important issues for a higher GDP growth rate in India'. The session highlighted the importance of innovation and synergy, where the individual efforts of all would add to a greater contribution to the nation's GDP.

Hyderabad

On 29 January, Mr. Shrinivas Acharya, Principal Director, Vishwa Vishwani Institute of Systems and Management, shared his story of establishing a successful institution, which is now the third largest business school in Andhra Pradesh, ranking 52nd in India in the A+++ Category.

On 20 and 21 February, Yi Hyderabad organised a retreat for members and their families at Lahari Resorts.

Indore

Yi Indore members at the Madhya Pradesh Flying Club

On 14 February, Yi Indore organized a unique low flying sortie for members at the Madhya Pradesh Flying Club, for an aerial view of Indore city.

Kolkata

On 18 February, a workshop on 'Becoming the Path: Leadership and Inner Engineering' with Mr. Arka Mukhopadhyay, poet, director, performer and performance artist, helped Yi Kolkata members learn about the dynamic process that brings together elements of art, spirituality and philosophy, to gain self-awareness and become better leaders.

Pune

John Davidson, Executive Director, Inter-Climate Network

On 26-27 January, a Yi conference on International Climate Challenge was organised in association with the Centre for Development Education (CDE) to build awareness about the initiatives that can be taken for climate change and involve corporates in environmental sustainability. The conference was chaired by Mr. John Davidson, Executive Director, Inter Climate Network. Two books, 'Hear our Voices' and 'Action Project Report Handbook' were released by the Centre for Environment Research and Education.

Raipur

Two blood donation camps were conducted on 17 and 24 February, in association with Ambedkar Hospital's Model Blood Bank at the premises of Sarda Energy & Minerals Ltd, Siltara, Raipur. More than 1000 people donated blood.

India@75

CII Confederation of Indian Industry

JMAC JMA Consultants Inc.

Announcing

Ist Lean Manufacturing Study Mission

23-27 August2010: JAPAN

Limited Seats

CII along with JMAC- Japan is organising the Lean Manufacturing Study Mission to Japan.

Mission Features:

- Visit to shop floors of World Class companies
- Interact with the people who made Lean successful in their shop floors
- How they manage their resources optimally
- Learn & Experience the true essence of Lean
- JMAC Seminar – Lean Production System / Toyota Production System

Plant Visits:

- TOYOTA Motor Corporation
- Nissan Motor Company
- Nippon Steel Corporation
- DENSO Corporation
- GIFU Auto Body Co. Ltd
- TOYOTA Museum

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East Asia

China

New Level of Cooperation

India is planning a series of major activities to mark the 60th anniversary of the establishment of diplomatic relations with China, said Dr. S. Jaishankar, Indian ambassador to China. "It is important to develop our relations with China in a much fuller manner than we have done so far," Dr. Jaishankar said. "If we actually develop business on the one side, and culture on the other, we'll create the basis for a new level of cooperation between India and China."

"On the whole, the trade cooperation between the two countries is good," said the Ambassador. But, he added that "India should do better" in expanding exports to China, especially from its strong and competitive IT and pharma industries.

India is planning a series of cultural activities this year to introduce Indian culture to the Chinese people. During the ''Year of India in China,' performances will be staged in Beijing, Shanghai, and many other cities. More than 25 business-related events will also be held, Dr. Jaishankar said. To mark the 60th anniversary of establishing diplomatic relations, the two countries are organizing a 'Year of China in India' and a 'Year of India in China.'

India-China Trade 2009

Trade	Value	Change
Total trade	$43.381 billion	-16.2%
China's exports to India	$29.667 billion	-5.8%
China's imports from India	$13.714 billion	-32.4%
Trade surplus in favour China	$15.952 billion	+42%

Source MOC, PRC

Anti-dumping Duty on Tyres, Steel

Concerned over the surge in imports, particularly from China, India has slapped anti-dumping duty on several stainless steel products and radial tyres. The anti-dumping duty is a WTO compatible remedy available to protect domestic industry against cheap imports. The Central Board of Excise and Customs has imposed anti-dumping duty of up to $2254.7 per tonne on steel products — used mainly for making durables like refrigerators and also in automobile and kitchenware industries. The tyre makers seem pleased with the dumping duty of up to $99 per a set of bus and truck radial tyres (including tubeless) from China and Thailand.

Meeting with Vice Governor of Sichuan

A 9-member delegation led by Mr Huang Xiaoxiang, Vice Governor of Sichuan Province of China visited CII on 3 February in New Delhi. Mr Gurpal Singh Deputy Director General, CII, said that India attached great importance to developing a cooperative relationship with Sichuan, which was reflected in the recent visit of a CII delegation to Chengdu in December 2009. He identified IT, ITES and high tech manufacturing as possible areas of cooperation with Sichuan.

Mr Huang Xiaoxiang invited Indian companies to participate in the 11th West China International Fair' in Chengdu in October 2010 and promised to provide facilities to the participating Indian companies. He identified areas of cooperation as pharma, IT, biotechnology, chemicals, oil and gas and high tech manufacturing.

Mr Huang said that the proposed introduction of a direct flight between Chengdu and Bangalore by Air China would reduce the commuting distance between Sichuan and India to just over three hours. He also suggested the opening of an Indian consulate in Chengdu to boost bilateral cooperation between Sichuan and India. He proposed that Sichuan and CII could enter into an arrangement to organize seminars alternatively in India and Chengdu to strengthen understanding and enhance cooperation.

Economic Indicators January 2010

CPI	Up 1.5%	Total foreign trade	$109.47 billion, up 21%
FDI	$8.13 billion, up 7.79%	Exports	$109.47 billion, up 21%
ODI	$2.36 billion	Imports	$95.31 billion, up 85.5%
PMI	55.8	Trade surplus	$14.16 billion, down 63.8%

China Top Exporter

China became the number one exporter in the world in 2009 pushing Germany to second position. German exports slid by nearly a fifth in 2009, the biggest decline in 60 years. In 2009, China's exports were more than $1.2 trillion, well ahead of the 803.2 billion euro ($1.1 trillion) that Germany reported.

Iron Ore Imports

According to China's Ministry of Industry and IT, China imported a total of 630 million tons of iron ore in 2009, up 41.6% year-on-year, and the iron ore import dependency ratio has increased from 44% in 2002 to 69%.

Aircraft Orders

Commercial Aircraft Corp of China (Comac), maker of the nation's first narrow-body passenger plane, the C919, aims to win around 100 orders for the aircraft by the year-end as it challenges Boeing Co and Airbus SAS. Most contracts are expected to come from domestic customers. The company also plans to complete the preliminary design for the plane by the end of the year, he said. Comac expects to sell more than 2,000 C919s over the next two decades.

CIC - Apax Deal

China's sovereign wealth fund, China Investment Corp. (CIC), has finalized a $956 million investment deal with British private equity group Apax Partners, which could see CIC acquiring 2.3% stake in Apax.

Coal Deal

Australian coal and iron ore company, Resourcehouse, signed a record $60 billion coal supply deal with Chinese power stations. Resourcehouse will supply 30 million tons of coal annually over 20 years to China Power International Development Ltd.

FIE Imports and Exports

In 2009, import and export of Foreign-Invested Enterprises (FIE) in China totaled $1217.437 billion, a decrease of 13.69%, accounting for 55.16% of the total import and export. Exports of FIEs in China included $494.4 billion worth of machinery, electrical and electronic products, 69.3% of the country's total exports of such products.

Labour Shortage in Pearl River Delta

Processing and manufacturing as well as services industries in Guangzhou are facing labour shortage estimated to hit 150,000, while almost 30% of the labour demand of Dongguan cannot be satisfied. Shenzhen had a shortage of 819,000 labourers in Q4 of 2009. Zhongshan has a labour shortage of 130,000 or so at present. Total labor shortage in the Pearl River delta exceeds 2 million.

New Policy for Carmakers

The Chinese government plans to implement a new policy in the first half of this year to encourage auto industry consolidation and further the development of Chinese passenger vehicles. It intends that Chinese-brand passenger vehicles will comprise at least half of vehicle sales by 2015 and sedans made by entirely domestic automakers will have about 40% of the nation's car market.

Japan

Economy Grows 1.1%

Japan's economic recovery remained intact at the end of 2009, as it grew by a better-than-expected 1.1% in the final quarter of last year. Consumer spending, which accounts for about 60% of the Japanese economy, rose 0.7% from the previous quarter. Corporate capital spending rose by 1% in the quarter, seeing the first expansion since March 2008.

Exports Rise

Japan's exports grew by 40.9% in January, the fastest in 30 years, compared to the same month in the previous year. Goods sold to Asia accounted for more than 50% of all Japanese exports. Japan's imports also increased for the first time since October 2008.

US Treasury Holdings

Japan has become the top holder of American government debt, which reached $768.8 billion in December from $757.3 billion in November, after China drastically slashed its holdings of US government debt in December. Britain is the third biggest holder of US Treasury bonds.

Interest Rates Stay Steady

The Bank of Japan kept its key interest rate on hold at 0.1%. Core CPI has fallen for 10 straight months through December, when it dropped 1.3%.

Japan No. 2 World Economy

Japan narrowly retained its lead over China in 2009 as the world's second-largest economy behind the US, buoyed by recovery of exports and rising consumer spending. On a nominal basis, before adjusting for inflation, Japan's GDP last year totaled $5.09 trillion compared with China's $4.91 trillion.

Forex Reserves Up

Japan's foreign exchange reserves at the end of January rose $3.67 billion from a month earlier to $1.053 trillion.

Fctory Output Rises

Japan's industrial output rose for the 11th straight month in January amid rising demand in China and elsewhere in Asia, though another decline in consumer prices cast a shadow over the country's economic recovery. The 2.5% gain in factory output - a key barometer of Japan's economic health - from December exceeded expectations. Industrial shipments in January rose 2.4% month-on-month. Industrial inventories expanded 1%.

Auto Production Up

Production of cars, trucks and buses in Japan increased 30.7% year on year in January. This increase is reported for the third consecutive month. Vehicle output rose to 753,773 in January from 576,539 in the same month a year earlier, when most Japanese car makers slammed the brakes on production to prevent inventories from building up as auto demand collapsed. Domestic vehicle demand totaled 366,659, up 21.5%.

South Korea

Outbound FDI Hits Record High

South Korean companies' outbound FDI hit a record high in the fourth quarter of 2009 as more firms expanded their overseas presence in search of profits. In fourth quarter, local firms' FDI spending reached $10.25 billion.

Global Auto-output Rankings

South Korea retained fifth place in global auto-production rankings for 2009. The country's five automakers, led by Hyundai Motor Co. and its affiliate Kia Motors Corp., produced 3.5 million vehicles at home in 2009, accounting for 5.7% of the global auto output. The exports of the Indian subsidiary of Hyundai Motor Co have exceeded a cumulative 1 million vehicles. Hyundai is the first automaker in India to reach the milestone.

South East Asia

Australia

CII members met the Rt Hon'ble Lord Mayor Michael Harbison of Adelaide, South Australia, on 24 February in New Delhi. The focus of the discussions was Education.

Lord Mayor Michael Harbison of Adelaide

Cambodia

GDP

The GDP of Cambodia grew 2% in 2009. With the exception of agriculture, other key sectors contracted, and the garment sector alone recorded a net loss of 30,000 jobs as garment exports fell 18.2%.

Investment

Data by the Council for the Development of Cambodia indicated a 25% y-o-y drop in approved investments in January this year. Investment in tourism projects, which accounted for $89 million last year, has stopped, with new capital focussing on agriculture.

Indonesia

Economy

Indonesia's economy expanded 4.5% for the full year, supported by rising consumer confidence ,a stable political climate, and low inflation.

Bank Indonesia maintained its benchmark interest rate at 6.5% in February.

Lao PDR

CII, with the support of the Embassy of India, Lao PDR, and the Union Ministry of Commerce & Industry, India, organised an 11-member business delegation to Vientiane (Lao PDR) from 21 – 23 February to explore business opportunities between India and Lao. The delegation, was led by Mr. H. L. Dabi, Vice President, Kirloskar Brothers Ltd,.

Addressing the seminar on 'India and Lao PDR - Partners in Trade and Investment,' in Vientianne on 22 February, jointly organized by CII, the Embassy of India and the Lao National Chamber of Commerce and Industry,

Seminar on 'India and Lao PDR: Partners in Trade and Investment' in Vientianne

Mr Suresh K Goel, Indian Ambassador to Lao PDR, said the construction of a road and railway network offered rich possibilities for growing trade flows from India to Laos. "Laos is a substantial part of our projects in capacity building, infrastructure development and enterprise developments because part of ASEAN integration initiatives are focused on Laos," he said.

Mr Siaosavath Savengsuksa, Deputy Minister of Industry and Commerce, Lao PDR, invited Indian companies to invest in Lao. Mr Kissana Vongsay, President, Lao National Chamber of Commerce and Industry, said, "We need to promote cooperation in every sector."

The delegation also met Dr Thongloun Sisoulith, Deputy Prime Minister and Minister of Foreign Affairs.

Inflation Rises

The Central Bank of Lao PDR said that it would continue putting a hold on loans for new public infrastructure projects in a bid to curb inflation. International financial organisations such as the Asian Development Bank have warned Lao to monitor inflation levels closely especially after the introduction of 10% VAT this year.

Malaysia

Economy Grows

The Malaysian economy was lifted out of a recession after it grew 4.5% in Q4 of 2009. Manufacturing grew 5.3% while the exports of goods and services gained 7.3%. Investments and private consumption rose, too.

Investments

The manufacturing sector in Malaysia saw sharp drop in investment in 2009, with foreign investment contracting too.

India-Malaysia Strategic Dialogue

At the second meeting of India-Malaysia Strategic Dialogue from 27 – 29 February in Kuala Lumpur, the two sides agreed that bilateral relations have been 'below optimal level' owing to 'a large knowledge gap', which needs to be bridged. The Institute of Strategic and International Studies Malaysia, and the Indian Council of World Affairs hosted the dialogue. Besides bilateral relations, the participants also discussed the security situations in their respective regions, particularly threats from terrorism and piracy in the high seas.

Reliance Capital

Reliance Capital Ltd has set up a Malaysian unit called Reliance Asset Management (Malaysia) Sdn Bhd to serve as a global hub for Shariah-compliant financial products. According to the Economic Times, Reliance Capital Ltd is negotiating to manage up to $2.5 billion of public and government funds, including the country's national pension fund.

MAE -SpiceJet Agreement

MAS Aerospace Engineering (MAE), a wholly-owned subsidiary of Malaysia Airlines, sealed a 3-year maintenance support agreement with SpiceJet for its fleet of Boeing 737 new generation series aircraft. The deal also makes SpiceJet the first airline customer of MAS-GMR Hyderabad Engineering Company Ltd, a JV established by MAE and GMR Hyderabad International Airport Ltd last year.

Singapore

Girija Pande, Chairman CII-India Business Forum Singapore, and Chairman, Asia Pacific, TCS in Singapore, Dr Rahul Khullar, Commerce Secretary, India, Dr T C A Raghavan, High Commissioner of India to Singapore, and P K Dash, Jt Secretary, Commerce & Industry, India

Dr Rahul Khullar, Commerce Secretary, India, met members of the CII-India Business Forum (IBF) Singapore over a breakfast session on 1 March in Singapore.

GDP

Singapore's GDP in the fourth quarter of 2009 expanded by 4% y-o-y , though the full year GDP performance was -2.0%, in line with the government's forecast. The services producing industries contracted 2.2%, while manufacturing contracted 4.1%. The government forecasts the Singapore economy will grow at 4.5 to 6.5% in 2010.

Arbitration Destination

According to Singapore's Minister for Law, Mr K Shanmugam, an increasing number of Indian companies are using the island republic as an arbitration destination. Addressing a conference organised by CII, in association with the Singapore International Arbitration Centre (SIAC)

Conference on Arbitration in Mumbai

on 20 February in Mumbai, Mr Shanmugam said about 21% of the 114 international cases seen by the SIAC in 2009 involved at least one Indian party.

Indian Investment

Singapore has emerged as the top destination for investment by Indian companies in the last financial year, with more than $5.5 billion invested. Indian companies now account for the second largest overseas contingent in Singapore, with over 3,800 companies registered as of 2008.

Tiger Airways

Tiger Airways, which is one-third owned by Singapore Airlines, is seeking to fly to Trivandrum, Kochi and Trichy. The budget carrier currently flies only to Chennai and Bangalore.

Thailand

GDP Declines

Thailand's economy emerged from a year-long recession in the fourth quarter of 2009 with GDP up 5.8% y-o-y. Economic growth however remained negative for the full year with GDP at -2.3%. However, this year GDP is expected to expand 3.5% to 4.5% if political tensions ease.

Exports Grow

January's exports rose 31.4% y-o-y (the highest in 18 months) on continued recovery of export markets. Agricultural and agro-industrial product exports grew 46.2% while shipments of industrial goods, electronic appliances and vehicles abroad grew 27.8%. Imports also surged 50.1% in January. The country saw a trade surplus of $591 million in January, compared with a $122 million deficit the month earlier.

The Philippines

GDP

The Philippines GDP rose 0.9% in 2009 – the least in 11 years, as the economy expanded 1.8% y-o-y in the fourth quarter of 2009, Exports, which account for a third of the Philippine's economy dropped 10% y-o-y in value terms.

JV for Water Services

Jindal Water Infrastructure Ltd has signed a joint venture agreement with Manila Water Co., Inc. to jointly develop new business in water supply, wastewater and other environmental services in Rajasthan, Gujarat and Maharashtra.

Vietnam

CII and the Vietnam Chamber of Commerce and Industry (VCCI) jointly organized a seminar titled 'Vietnam – India Business Forum: Towards a Strategic Partnership' and business meeting with a visiting Vietnamese business

Gurpal Singh, Deputy Director General, CII, Preneet Kaur, Union Minister of State for External Affairs, India, Nguyen Phu Trong, President, National Assembly, Vietnam, and Dr. Vu Tien Loc, President, VCCI

delegation led by Mr Nguyen Phu Trong President, National Assembly of Vietnam, on 25 February in New Delhi. Mr Trong also addressed CII members in Bangalore on 27 February.

Mr Nguyen Phu Trong called for deepening and strengthening economic and trade relations between India and Vietnam. Appreciating India's 'Look East' policy, he asked Indian businessmen to avail the advantage of young Vietnamese labour force, huge market and a gateway to the larger ASEAN market and invest in sectors like IT, human resources development, management, education, science and technology, manufacturing, pharmaceuticals, ICT, energy, biotechnology, nanotechnology etc in Vietnam. He also called upon the two countries to increase the volume of the bilateral trade to $10 billion by 2010.

Ms Preneet Kaur, Union Minister of State for External Affairs, India, in her keynote address, called for strengthening bilateral relations by forging strong economic and trade relations. She hoped the ASEAN India FTA in trade would foster economic relations between the two countries.

Mr Gurpal Singh, Deputy Director General, CII, said that Indian investment in Vietnam would bring technology and capital, while enabling Indian companies to reach out to the larger ASEAN market.

Dr. Vu Tien Loc, President, VCCI, proposed a mechanism to promote two-way trade based on close coordination between VCCI and CII, and sharing business information.

Over 260 persons including about 75 business people from Vietnam and representatives of Indian industry, academia and government officials attended the event

GDP Grows

Vietnam's economy performed stronger than expected, growing from a revised 6% in the third quarter of 2009 to 6.9% in Q4. Full year GDP growth in 2009 was 5.32%. Vietnam kept its benchmark interest rate at 8%. The country Vietnam devalued the dong by 3.25% in February, the second devaluation in 3 months.

CIS & Russia

Turkmenistan

The Confederation of Indian Industry (CII) took its first ever b usiness d elegation to Turkmenistan from 7-9 February, coinciding with the visit of Ms. Preneet Kaur, Union Minister of State for External Affairs, in its endeavor to enhance and strengthen bilateral trade and economic relations between India and Turkmenistan. During the visit, CII organized an India-Turkmenistan Business Forum with the Turkmenistan Chamber of Commerce and Industry (TCC&I).

CII Business Delegation with the Turkmenistan Chamber of Commerce and Industry

The business delegation, led by Mr Shiv Vikram Khemka, Chairman, CII Russia Committee and Vice Chairman, Sun Group, participated in the plenary session of the IGC Meeting and had useful business to business interactions with their counterparts, organised by the Chamber of Commerce of Turkmenistan. It also examined ways for enhancing trade between India and Turkmenistan.

The IGC recommended that CII and the Turkmen Chamber of Commerce should consider entering into an M o U and should continue facilitating exchanges for furthering economic engagement. A Protocol was signed not ing that the business delegation from India was keen to enter into a business alliance with Turkmenistan.

Europe

France

As the Greek crisis exposed discord within Eurozone and Euro's vulnerability, deepening concerns about the already fragile economic recovery, it plunged France, on the eve of the Regional elections in March, in a pessimistic mood and the Unions' new assertiveness raised the spectre of serious threats to industrial peace.

Government & Politics

The Greek deficit and debt crisis and the looming shadow of similar problems in Spain, Italy, Portugal and Ireland acted as a wake up call for Eurozone.

While a strong EU statement of support seems to have averted a major Greek meltdown for the present, it has generated a mood of despondency, particularly in France. This is paradoxical, because as President Sarkozy never tires of pointing out, due to timely government action in terms of massive stimuli, France has so far done relatively better than other EU countries. But the waning effect these measures, coupled with steadily growing numbers of jobless, finally seems to have affected consumer spending, the motor that has so far kept the economy ticking.

A recent study also shows that the French, once proud of their Great Power status, are gloomy about France's place in the world and although there is no basis for such belief, increasingly feel that they are likely to lose out in the globalisation process to more tech savvy emerging countries.

Ahead of the Regional Polls in March, in which the ruling party traditionally fares worse that the Opposition as voters tend to hold the government responsible for their grievances and frustrations, President Sarkozy, while stressing his government's broadly positive report card, has also been saying that it would go ahead with the long due structural reforms; in fact, the controversial pensions reform would be tackled by autumn. This has put the Unions in a fighting mood, and one can expect them to resort to more militant social action if the government emerges weakened after the polls, as it is widely expected to be. The opposition Socialists, though holding a majority of Regions, are trying to rise above debilitating factional rivalries. The campaign is getting increasingly shrill, with highly emotive issues like immigration being whipped up!

Economy

Though it is relatively in better shape, the Greek crisis has nevertheless helped focus attention on the French economy. In a sign of decreasing competitiveness, French labour costs have risen by 17% in the last decade. The national debt has crept up to 85% of GDP

which means France will have to borrow €450bn this year, more than any other European country, Greece included. And though the GDP is expected to grow by 1.4% in 2010, in 2009 the jobless rate rose by 16%. To make matters worse, both consumer confidence and spending, which had responded positively until now to the government's fiscal and monetary stimuli, went down by 3% and 2.7% respectively in January, raising fears about scenarios when such stimuli are withdrawn.

Business & Industry

The European Roundtable, consisting of 50 of the continent's top CEOs called for Europe to act with a unified voice on economic, financial, trade and educational issues or face global irrelevance! It also called for progress in services and free movement of people to complement the single EU market in goods.

2009 was a 'black year' for the French industry: industrial production fell by 11.9% and foreign investment fell to €46.2bn from €66.3bn in 2008, but bank lending to businesses increased by 4%. The French Foreign Trade deficit fell to €43bn in 09 from €55.7bn in 2008; aeronautics, agro foods and pharmaceutical goods were the main export stars, but wine exports were down by 16.9%.

Oil major Total, which was in discussions with the Unions about its plans to reduce operations in France, suddenly announced closure of its refinery in Dunkirk. The Unions, crying breach of faith, reacted with hostility and a strike. Conscious of the dispute's likely impact on the Regional Polls, the government tried to broker peace. Sensing their opportunity, the Unions upped the ante, the strike threatened to spread to other Total refineries as well as refineries of other oil companies. In the ensuing consumer protests, Total was forced to back down. The Union victory is likely to harden labour posture in coming negotiations on issues like pension reforms, making the government's task much harder,

India

Two Indian ministers visited France. Minister Maran led a delegation to a symposium to promote FDI in the Indian textile industry, organised by India-based Technopak Advisers.

Minister Sahai brought a joint government-industry delegation, organized by CII, of the food processing Industry. The visit went off well and CII offered to set up a Centre of Excellence in India to promote technical cooperation in that field.

Although Ms Valerie Pecresse, French Minister for Higher Education could not attend the CII-organised Global Summit on Higher Education in New Delhi due to her preoccupation with forthcoming Regional Polls, there was significant French participation, both government and academic, in the event.

The 1st Observatory of Investments in Major World Cities was launched by the Greater Paris Investment Agency. A KPMG study of cities' attractiveness based on criteria for doing business and setting up office revealed that Mumbai, with 88% came second to London with 92% . New York (81%), Shanghai (65%) and Paris (42%) followed in that order.

The French media extensively covered the Indian Economic Survey predictions of growth, the pro-growth Budget, Bharti Airtel's bid for Zain, and the Indo- Pak talks.

Germany

Economy

The German economy has experienced a setback for first time after 10 months, due to the strong winter, which had a massive negative impact not only on the retail business but also on the construction business. The IFO business climate index in February dropped to 95.2 from 95.8 points in January. But German economists believe these do not signal a trend reversal, and hope that German economic growth regains its robustness.

The government's annual economic report has provided a new growth figure for 2010, which is expected to be 1.4 %. The number of unemployed people will increase by 200,000.

While some leading German industrialists see no signs of a self-sustaining, long term recovery, others expect a remarkable improvement in the second half of 2010.

Germany recorded a budget deficit of 3.3 % of GDP in 2009, one point

more than previous records, but still well below most European economies. Economic observers are concerned that the deficit is forecast to rise to almost 6 % in 2010.

Due to agreements between unions and employers, major strikes of public-sector workers and metal – workers were avoided. However the agreement for the public-sector worker is quite a burden for the municipalities and the deal will cost an extra € 1.1bn this year.

Businesses

One hundred days after the new German Government took office, a poll of 700 German top managers gave

the German Coalition an average grade of 3.2 on a scale between 1 (very good) and 5 (very bad), which is the worst result for a government since 2006, and a clear statement of dissatisfaction.

Mr Peter Löscher, Chief Executive Officer, Siemens, has been appointed the new Chairman of the Asia-Pacific-Committee of German Business. He will take next year from Mr Jürgen Hambrecht, Chief Executive Officer, BASF.

Banks

After BDI and others criticized German banks for not providing sufficient funds for small companies, Deutsche Bank established a fund of € 300m for small companies to provide equity capital.

The Euro is under severe pressure against US dollar, mainly because of the vulnerable economies in South Europe, mainly Spain but also Greece, which have more than 11% budget deficit. As Greece is practically insolvent, German banks might step in to buy Greek government debt, backed by financial guarantees from the German government, in order to support the European currency.

Automotive

General Motors announced an increase in its contribution to restructure Opel from € 600m to € 1,9bn, more than half of the € 3,3bn needed to turn around the loss-making European operations.

GM applied to Germany for € 1,5bn of loans and guarantees, where more than 24, 000 people are employed by Opel. The decision of the German Government regarding this request is still pending.

Daimler reported a net loss of € 2,6bn in 2009 and shocked the market by not paying any dividend for the first time since 1995. The sales of the premium car maker was down in 2009 by 20 %. However the forecast for 2010 is positive regarding growth and profit. In January the sales rose 24 %.

BMW is strengthening its ties with the French car maker group PSA (Peugeot + Citroen). Sales dropped by 16 % last year, but were 17 % higher in January.

Volkswagen, Europe's largest car maker reported a drop in sales by 8 % and in profit of 81 %, but still with a positive result of € 911m. However in January, sales increased by 41 %.

After buying half of Porsche's sports car business and a stake in Japanese car maker Suzuki, VW is also striving for the majority in MAN, the truck manufacturer.By 2018, VW wants to be the largest car manufacturer worldwide with sales of more than 10 million units a year.

The Association of the German Car Industry (VDA) has reported a production of nearly 363,000 cars in January, 17 % more than the year before. About 73 % have been exported, 18 % more than January 2009.

Energy and Electrical Industry

Excessive bureaucracy has blocked major investments in the German energy sector.Meanwhile the construction of 7 major coal fired power plants has been cancelled. Therefore it is likely that, until 2020, there will be a shortfall of 13 000 MW in power generation capacity. Also there is no clear concept for the remaining lifetime of the nuclear power plants. Ms Merkel has promised to prepare an overall German energy concept – the first since more than 20 years –this year. However, experts believe that massive black-outs are unavoidable in the future as renewable energy can not close the gap.

The solar industry is dependent on government subsidies all over the world, also in Germany, providing a comfortable feed-in tariff. The government has now decided to cut this tariff by 16 % to take effect in June, which will cause financial problems to small manufacturers and operators.

Over 2009, the German Electrical and Electronic Industry saw new orders sag by 28 %.

Machinery

The German Machinery Industry is still skeptical about the economic recovery despite the fact, that December, for the first time since more than 15 months, saw an increase of 8 % in orders received. The VDMA (Association of Machinery Industry) expects zero growth in 2010.

CII Activities

During the visit of Mr Horst Köhler, President of Germany to India from 2–5 February, a meeting was arranged between Mr Hans-Peter Keitel, BDI President, and Mr Hari Bhartia, CII President Designate. CII members participated in meetings with the German President and the accompanying delegation in NewDelhi and Mumbai.

Preparation has started for a CII Solar Mission to Germany and Spain in June, led by Mr Farooq Abdullah, Union Minister for New and Renewable Energy.

Mr Anand Sharma, Minister of Commerce and Industry, and a CII delegation including the CII President are scheduled to visit Germany in September for the BDI Summit 2010.

Latvia

CII organised a business seminar with Mr Artis Kampars, Latvian Minister of Economy and the accompanying business delegation visiting India for deep and comprehensive cooperation.

Hardijs Baumanis, Ambassador, Republic of Latvia to India, Artis Kampars, Minister of Economics, Republic of Latvia, Rama Mukherjee, MD, ARA Healthcare pvt Ltd and Andris Ozols, Director, Investment and Development Agency, Latvia

Addressing Indian industry on 19 February in New Delhi. Mr Kampars opined that excellent opportunities for business for both the countries lie in sectors like transport and logistics, food processing, metal processing, pharmaceutical, education & science, tourism, IT, banking and finance. The Minister signed an agreement of Investment Protection and Promotion during his visit, to improve the legal framework for further promotion of investment flows between India and Latvia.

Strategically located in the centre of three Baltic states, Latvia has decided to open three honorary consul general offices in different cities of India to facilitate the travel of Indian businessmen to Latvia, said Ambassador Hardijs Baumanis. At present the Hungarian Embassy in New Delhi is providing schengen visas to enter Latvia.

Poland

Mr Aleksander Grad, Minister of Treasury, Poland has announced a privatisation programme for 2010. The privatisation plan covers companies from the power, chemical, coalmining, petroleum and finance sectors.

In the power sector, the parent company of the largest Polish capital group in the energy sector, which controls a capital group of 44 companies, is on sale. Polish companies from fertilizer, lignite mines, Warsaw Stock Exchange and Polish biggest bank are also participating in the privatisation process.

For more details, please log on to Europe page under International Division on our website www.cii.in

Gulf & Middle East

Iran

Dariush Panahi, Leader, Iranian Delegation to India

CII organised one-to-one business meetings with a business delegation from Kermanshah Province of Iran on 22 February in New Delhi. The delegation, led by Mr Dariush Panahi, Foreign Deputy of Commerce Organisations, Kermanshah Province, Iran, discussed opportunities in the province, with special focus on mining.

Oman

At the invitation of the Ministry of External Affairs, Government of India, CII organized a business delegation to the Sultanate of Oman on 6 - 7 February, accompanying the Dr. Shashi Tharoor, Union Minister of State for External Affairs.

During the visit, the delegation, members along with Dr Tharoor, met Mr Maqbool bin Ali bin Sultan, Minister of Commerce and Industry, Oman. At the meeting, both sides stressed on the importance of intensifying Omani-Indian investments to serve common interests and goals, especially in agriculture, SME development, Oil and Gas, IT, Renewable Energy and Nuclear Energy for civil purposes.

CII, in cooperation with the Oman Chamber of Commerce and Industry, also organized the Oman-India Business

CII Delegation with Maqbool Ali Sultan, Minister of Commerce and Industry, Oman and Dr Shashi Tharoor, Minister of State for External Affairs, India

Anil Wadhwa, Ambassador of India to Oman Dr Shashi Tharoor, Khalil bin Abdullah bin Mohammed Al Khonji, Chairman, Oman Chamber of Commerce and Industry, and Pankaj Khimji, Chairman, Oman-Indian Business Council

Forum, which was attended by a large number of leading Omani businessmen. Dr Tharoor was the keynote speaker, while other speakers included Mr Khalil bin Abdullah bin Mohammed Al Khonji, Chairman, Oman Chamber of Commerce and Industry, Mr Pankaj Khimji, Chairman, Oman-India Business Council, and Mr K K M Kutty, leader of the CII delegation, Past Chairman, CII (SR), and Chairman, South West Group. The other members of the delegation included senior representatives from Punj Lloyd Ltd, Tata Consultancy Services; Hira Power and Steels Ltd;, Bank of Baroda, Punjab National Bank, Larsen & Toubro Ltd, Dynamic Logistics; and Essar Global Ltd.

Saudi Arabia

A CII CEOs delegation visited Saudi Arabia from 27 February to 1 March, coinciding with the visit of the Prime Minister of India. Besides interactions with the Council of Saudi Chambers and the Riyadh Chamber of Commerce and Industry, the delegation also met Mr Abdullah Zainal Alireza, Minister for Commerce and Industry, Saudi Arabia. The Minister was very supportive of Indian businesses and offered all assistance to Indian companies wishing to operate in the kingdom. Earlier, the briefing meeting by Ambassador Talmiz Ahmed highlighted opportunities for Indian Industry for cooperation and investment, particularly sectors such as infrastructure, ICT, Energy, Healthcare and Pharma, and education.

Mr Amr Al-Dabbagh, Governor and Chairman, Saudi Arabian General Investment Authority (SAGIA), in his presentation on projects in Saudi Arabia which need investment and expertise, highlighted energy, transportation and knowledge-based industries. He

Indian Delegation with Abdullah Zainal Alireza, Minister of Commerce & Industry, Saudi Arabia

invited Indian companies to actively engage with SAGIA to participate in the development and growth of the Saudi Arabian economy. The visit ended with a private meeting of the delegation members with Dr Manmohan Singh, Prime Minister of India. Dr Singh was briefed on the meetings, and assured the government's full support to engage with Saudi Arabia.

Turkey

Abdullah Gul, President of Turkey

CII hosted Mr Abdullah Gul, the President of Turkey, and the official and business delegation accompanying him. Select CII CEOs also met the visiting delegates separately in Mumbai. Roundtable discussions on Tourism and Industrial Cooperation were also organised by CII for the delegation.

UAE

Mohamed Sultan Abdalla Al Owais, Ambassador of UAE in India, Sheikha Lubna Al Qasimi, Minister of Foreign Trade, UAE, and A P Mull, Director, Tata Consulting Engineers Ltd

A 37 member high-powered delegation from the United Arab Emitates led by Sheikha Lubna Al Qasimi, Minister of Foreign Trade, UAE, visited India. With an objective to further strengthen and promote UAE-India economic, trade and investment relations, CII, in cooperation with Ministry of Foreign Trade, UAE, organised road shows on 'Why UAE' in Mumbai, Hyderabad and Bangalore on 10, 11 and 12 February respectively.

Latin America & Caribbean

The CII Lac Committee, chaired by Mr Madhur Bajaj, with Mr Shubhendu Amitabh, Senior President, Aditya Birla Group, as Co-chairman, had an interaction with Mr Dammu Ravi, Joint Secretary (LAC), Ministry of External Affairs, which was followed by an interaction with Heads of Mission and other officials of the LAC countries in India on 12 February in New Delhi. Some of the salient points included:

- Shipping and transport lines need to be further strengthened between India and LAC. Currently, there are issues of delays in shipping (some routes take as long as 58 days), which add up to 30% to the cost, rendering trade in some cases unviable.
- It was suggested that India joining APEC (an association of Pacific rim countries) would give a boost to bilateral trade and investment.
- Travel to LAC countries is normally through the US or Europe, and getting visas to transit through these countries is a big issue.
- Although interest in the LAC is increasing in India, and more and more people are travelling from the region to India, the numbers are still too low, especially from the SICA/Andean Community etc. One reason is lack of information. Indian Missions in the region need to help with information on potential business partners, verifying their credibility, financial background etc. Other entities like ECGC can also advise on credit worthiness of companies.
- Indian companies should work with local partners in LAC to use the Lines of Credit (LoC) available through EXIM bank. Though LoCs are under-utilised, if industry is serious about doing business with the region, it should think beyond LoCs.

The members of the LAC diplomatic corps also gave their views and suggestions on CII's proposed work plan with the region for 2010-11.

United Kingdom

February 2010 saw a medley of high powered visits from India to UK to discuss a wide range of areas of bilateral cooperation between the two countries.

CII Delegation to London

On 1 and 2 February, a high level Infrastructure delegation accompanied Mr Kamal Nath, Minister for Roads and Highways, to in London to discuss opportunities in the Roads and Highways sector and investment by UK industry.

Bilateral business discussions on Infrastructure cooperation between India and UK took place on 1 February in London. The discussions were co-chaired by Mr. Athar Shahab, Member, CII National Council on Infrastructure, and Deputy Managing Director, IDFC Projects Ltd, and Mr. Terry Hill, Chairman, Arup Group, UK.

The recommendations of the roundtable were presented to the trade ministers of the two nations on 4 February at the JETCO meeting.

India-UK Joint Economic Trade Commission and Infrastructure Round Table

On 1 February, Minister Kamal Nath and the CII delegation, co-led by Mr Sanjay Reddy, Chairman CII National Committee on Transport Infrastructure and Vice Chairman, GVK Power and Infrastructure Ltd and Mr Vinayak Chatterjee, Chairman, CII National Council on infrastructure and Chairman, Feedback Ventures Pvt. Ltd met with a group of UK investors who presented to them a proposal for UK industries to invest in India's Roads infrastructure. The group, formally launched by the UK to represent companies interested in investing in India's infrastructure opportunity, especially Roads and Highways, was chaired by Rt Hon Patricia Hewitt, MP, and Chairperson UKIBC. The group has members from both CBI and UKIBC.

Chandrajit Banerjee, Director General, CII, with Geoffrey Clifton Brown, Shadow Minister for Trade and International Development. Also seen: Dr Mohan Kaul, Secretary General, CBC

On 2 February, the Minister and the industry leaders participated in the Infrastructure Forum organized jointly by CII and the Commonwealth Business Forum to

Deep Kapuria, Chairman, CII National Working Group on Automation & Robotics, and CMD, Hi-Tech Gears Ltd, briefing Anand Sharma, Minister, Commerce & Industry, India, on the outcome of the roundtable discussions

discuss various opportunities that India presents to UK industry.

JETCO Meetings

A CII manufacturing delegation to the UK, led by Mr Deep Kapuria, Chairman, CII National Working Group on Automation & Robotics, and Chairman and Managing Director, Hi-Tech Gears Ltd, met JETCO members in London on 4 February. The discussions from UK side were led by Prof Mike Gregory, Cambridge University.

Mr Kapuria presented the recommendations of the UK-India group on Industrial Innovation to Mr Anand Sharma, Minister for Commerce and Industry, India, and Lord Peter Mandelson, Secretary of State for Business Innovation and Skills, UK.

Recommendation of the JECTO UK-India Round Table on Manufacturing & Innovation: Industrial Innovation Forum

- Aerospace & Automotive Sectors: Good progress was reported in the initiatives targeting cooperation in aerospace and automotive sector. Both sides have committed new missions and initiatives to be undertaken to continue and strengthen the cooperation in these two areas. The third area of cooperation is defence.
- Knowledge Exchange: CII and UK industry will work on creating a Indo-UK Centre of Excellence in Manufacturing which would enable knowledge exchange as a big area to match India's manufacturing targets. Train the trainers programmes and a virtual manufacturing network would be set up under this initiative.
- Sustainable Technologies : Projects on sustainable technologies would be explored to cover light weighting, batteries and other clean technologies.
- The India UK collaboration has worked very successfully in developing appropriate technologies in bringing Nano and chotukool to the Indian domestic market. These would be documented as case studies of cooperation.

Financial Crisis and Climate Change

India, in comparison with the developed world, was only partially affected by the financial crisis. Due to its conservative regulatory policies, India has managed to contain collateral damage and has continued to grow, said Lord Adair Turner, Chairman, The Financial Services Authority, UK, at a session on "Financial Crisis and Climate Change: a new form of capitalism required?" on 16 February in New Delhi.

Lord Turner said the main reason for the financial crisis in the developed world was that regulators believed in the ideology of free markets. Financial innovation was regarded as positive for growth and stability of financial markets. Regulators did not discourage banks from taking on excessive leverage while non-banks were performing new forms of maturity transformation. The capital adequacy regimes did not consider it necessary to provide for adequate capital against trading activities.

Lord Adair Turner, Chairman, The Financial Services Authority, UK, Suresh P Prabhu, Former Union Minister, and Chairman, Council of Energy, Environment & Water, and Harpal Singh, Chairman, CII (NR) and Mentor & Chairman Emeritus, Fortis Healthcare Ltd

In India, Lord Turner said that indicators such as credit relative to GDP, deposits relative to GDP, are still very low, calling for a process of financial deepening. While competition in basic banking, including competition from skilled global banks, has a major role to play, it is not necessary to introduce complex financial products such as derivatives, he felt.

The financial sector should serve the real economy instead of becoming an activity in itself, with a focus

Prof. Lord Bhattacharyya, Founder and Director, WMG, Warwick University; Tarun Das, Former Chief Mentor, CII, and President, Aspen Institute India; Dr Nitin Desai, Co-Chair, UK-India Round Table; and Dr Neil Bentley, Director, Business Environment, CBI

on the core functions of finance, which are banking and insurance, rather than the unnecessary level of trading activities which characterised the boom period, suggested Lord Turner.

Climate change, Lord Turner said, is the most problematic issue for two reasons: one, it is a global issue and not a local issue and two, the time scales are very long. Hence, we need a global plan, national plans and then plans on how to deliver them.

Mr Suresh P Prabhu, Former Union Minister of Environment, Power and Industry, and Chairman, CII Council of Energy, Environment and Water, said there are two market failures taking place at the same time on account of different reasons and there is need to identify the real reasons for these failures. He wanted climate change to be addressed along with the rescue of economies from the financial crisis.

Mr Harpal Singh, Chairman, CII Northern Region and Mentor & Chairman Emeritus, Fortis Healthcare Ltd, moderated the session.

Indian Economy and the Climate Change Agenda

CII UK organized a panel discussion on the 'Indian Economy and the Climate Change Agenda' on 24 February in London.

The session was moderated by Mr Tarun Das, former Chief Mentor, CII, and President, Aspen Institute India. The panelists included Lord Prof Kumar Bhattacharyya, Director and Founder, Warwick Manufacturing Group, Warwick University, UK; Dr Nitin Desai, Co-Chair, UK-India Round Table; and Dr Neil Bentley, Director Business Environment, CBI.

Mr Das set the scene for the discussions by sharing Indian industry's expectation of reaching 8-9% growth in 2010-2011, in an economy where 600 million rural folk will fuel the internal demand and growth.

Lord Bhattacharyya observed that young Indians are exuding confidence and entrepreneurship. With the new levels of infrastructure development foreseen in India, it will be interesting to see the country's future levels of growth, he said.

Building on these remarks, Dr Nitin Desai said the boom witnessed in India has been due to the huge increase in corporate savings and investments which have increased four-fold over the last five years. The challenge is "how to maintain the growth rate" he said. He noted that, in the Prime Minister's Council on Climate Change, the strongest pressure for speedy adaptation of the solar programme has come from Indian industry, that has seen an opportunity in the change and is ready for a long term plan to bring in this change.

Copenhagen has shown an emergence of a 40-40-20 world where USA and China represent the first 40% of global emissions; Europe, India, Russia and Japan represent the next 40% and rest of the world the remaining 20% of global emissions. It has also shown a complete lack of leadership from Europe and a skepticism regarding the Climate Change agenda with its epicenter in London, he said.

Dr Desai stressed the need to emphasise the climate change agenda and other goals like energy security and renewable energy, pointing out that issues of water efficiency, forests, bio-diversity, and water management are equally important .He felt that the action on climate change would shift and lead to more bi-lateral agreements between governments. Ultimately, market forces will determine the approach to climate change, he predicted, stating that the prices of fossil fuel will decide the speed of the climate change agenda.

Dr Neil Bentley said that British industry is committed to climate change, and pointed to the global US$ 7 trillion opportunity in low carbon technologies.

Mr Das summed up the discussions saying that it was up to business associations to stress the importance of climate change and work on the agenda. European business associations need to be put under pressure to respond to the demand for change, he said.

United States of America

CII-Aspen Institute India session on China

Dr Ken Leiberthal, Director, John L. Thornton China Center

"China seeks to achieve wealth and power and be respected as a great nation and protect its sovereignty/ territorial integrity," said Dr. Kenneth Lieberthal, Director, John L. Thornton China Center, and Senior Fellow in Foreign Policy and Global Economy and Development, Brookings Institution, USA, at a CII-Aspen Institute India Session on China, on 12 February in New Delhi. Pointing to China's spectacular success in economic development, he said the new power status has induced confidence and arrogance in China, while putting it in the midst of a debate on handling new opportunities and responsibilities. Ambassador Naresh Chandra chaired the session. Mr Tarun Das, President, Aspen Institute India said that a track II 'India China Strategic Dialogue' has been established to promote bilateral relations between India and China.

1st Indo-US Summit on Standards in Trade

With trade ties between India and USA set to further expand, the role of Standards and Conformance Assessment in facilitating global trade was emphasised by Mr Rajiv Agarwal, Secretary, Consumer Affairs, Union Ministry of Consumer Affairs & Public Distribution, at the 1st Indo-US Summit on Standards in Trade in New Delhi on 16 February. Noting that different countries adopt Standards to suit their national requirements, he said that Third Party Certification was a welcome step in trade facilitation. Standards Conformance and Cooperation Programme (SCCP) between India and US would go a long way in opening India's dialogue on Standards with the world.

Mr Sharad Gupta, Director General, Bureau of Indian Standards (BIS) wanted Non-Tariff barriers to be demystified. The trade portal jointly commissioned by BIS, American National Standards Institute (ANSI) and CII would provide a platform for continuous dialogue, he said. Mr Blair Hall, Minister Counselor for Economics, Environment, Science and Technology Affairs, US Embassy, underlined the need for a Public Private Partnership in the formulation of bilateral trade standards. To further intensify co-operation under the SCCP, a MoU between CII and ANSI was signed by Dr Sarita Nagpal, Deputy Director General, CII, and Mr S Joe Bhatia, President & CEO, ANSI.

CII-USIBC Defence and Aerospace Industry Interaction

Dr Girdhar J Gyani, Secretary General, Quality Council of India, Ramani Iyer, Chairman, CII Standards Council, S Joe Bhatia, President & CEO, ANSI and Dr Biswajit Dhar, Member, CII WTO Committee & Director General, Research and Information Systems

The programme on US India Cooperation in Standards & Conformance in Aerospace was jointly organised under the Standards and Conformity Assessment Programme of ANSI, BIS and CII, who already have a tripartite agreement on mutual co-operation in this area.

SAE International, USA, the largest global player in Aerospace Standards, with over 6800 aerospace standards to its credit and a presence in 97 countries, is seeking to strengthen its ties with India in the Aerospace segment. Mr Bruce Mahone, Director, Washington Operations, SAE International, sought Indian co-operation and inputs in "beginning a dialogue" in evolving Aerospace standards and their harmonization with existing standards.

Food Safety and Innovation

The Indo - US Seminar on Food Processing, addressing contemporary issues of Hygiene and Food Safety, on 25 February, dealt with day to day issues in food processing. Bursting one of the common myths that the processed food causes obesity, Dr V Prakash, Director, Central Food Technological Research Institute (CFTRI) said, "It's a wrong notion. There is no food which is not processed barring a few fruits. The food we consume daily is somewhere somewhat processed."

Food safety has become a subject of huge interest, said Mr Jamshyd Godrej, Past President, CII and Chairman and Managing Director, Godrej & Boyce Mfg Co Ltd citing

Dr Joseph I Lewis, Head-R&D, Kaya Life, Marico Ltd & Chairman, Regulatory Affairs Committee, PFNDAI, Prof Darsh Wasan, Vice President, IIT, Chicago & Co-Chair, USNAE, Prof John Anderson, NAI & President, IIT, Chicago, USA, Jamshyd Godrej, Past President, CII, and CMD, Godrej & Boyce Mfg Co Ltd and Dr V Prakash, Director, CFTRI, Mysore, and Co-Chair, INAE

the example of the BT Brinjal controversy. Speakers and participants discussed food safety and contamination issues, changing lifestyles and obesity, marketing and labelling aspects of food processing.

IBF Members In The Spotlight

KPCL - L&T Joint Venture

The state-owned power generating company Karnataka Power Corporation Ltd and Larsen & Toubro signed a joint venture for a 1,600 MW coal-based thermal power project at Godhna in Chhattisgarh.

SBI - TVS MoU

TVS Motor Company has entered into a Memorandum of Understanding (MoU) with State Bank of India (SBI) for inventory funding for its dealers. SBI will

provide funding to over 600 dealers of TVS Motor Company, across the country to enable them to increase their working capital, boost vehicle stocks and consequently enhance retail sales.

ICICI Bank Expects Credit Growth

India's largest private sector lender, ICICI Bank, said its loan growth in the next financial year could go up to around 15 percent on the back of a strong revival in demand in key-segments.

Ranbaxy in Mexico

Daiichi Sankyo said its Indian arm, Ranbaxy Laboratories, will start selling its original products in Mexico as part of its strategy to leverage Ranbaxy's global marketing presence.

US-India Bilateral Update

- Green PCs launched by Wipro Infotech: Wipro Infotech, provider of IT and business transformation services, has unveiled its new eco-friendly and toxin-free desktops, manufactured with materials completely free of deadly chemicals, in a major breakthrough in clean production and recycling.
- Genpact acquires US-based Symphony: India's largest back-office firm Genpact has acquired US-based analytics and data management services provider Symphony Marketing Solutions (SMS), for an undisclosed amount. Apart from expertise in data integration, modelling and consulting, the acquisition will transfer 1,200 SMS employees across India and the US to Genpact's payrolls. Currently, the Indian firm employs more than 37,000 people globally.
- Skechers Footwear enters India: Skechers USA Inc, the California-based lifestyle footwear brand, announced the launch of the fashion footwear brand Skechers in India.
- Toyota Prius: Toyota Kirloskar Motors, the Indian subsidiary of the Japanese car major, is hopeful of working out a green subsidy for its hybrid car Prius as it enters the Indian market as a completely built unit.

US Economy & Policy Watch

- GDP: Real gross domestic product increased at an annual rate of 5.9% in Q4 of 2009, according to the Bureau of Economic Analysis. In Q3, real GDP increased 2.2%. The increase in Q4 primarily reflected positive contributions from private inventory investment, exports, personal consumption expenditures (PCE), and nonresidential fixed investment. Imports, which are a subtraction in the calculation of GDP, increased.
- Healthcare Reform Bill: President Obama has urged Congress to "finish its work" on health-care reform legislation and indicated support for a Democratic legislative strategy that includes a controversial procedure known as reconciliation.
- Jobless Benefits: Putting a lone senator's cantankerous challenge behind it, the Senate is back to work on a $100 billion-plus bill reviving popular tax breaks and extending longer and more generous jobless benefits through the end of the year.

Interaction on Trade

Mr. Tapan Mazumdar, Joint Director General of Foreign Trade, Mr. A K Singh, Joint Director General of Foreign Trade and Mr. TA Khan, Deputy Director General & UN/CEFACT Vice Chair, Government of India, met members of the CII National Committee on Trade on 23 February in New Delhi.

Sanjay Budhia, Chairman, CII National Committee on Trade and MD, Patton International Limited; A K Singh, Jt. Director General of Foreign Trade; and Tapan Mazumdar, Jt Director General of Foreign Trade

Mr. Mazumdar informed the committee members that the Department of Commerce has taken up the issue of availability of dollar credit to exports sector at LIBOR plus 1% as against the current levels of LIBOR plus 3.5%, with the Department of Revenue. However, in response, the committee members pointed out that even if the Department of Revenue accepts the request of availability of dollar credit to exporters at LIBOR plus 1%, the commercial banks may be unwilling to provide dollar credit to exporters even at LIBOR plus 2%. Members also felt that banks' insistence for ECGC cover on pre-shipment credit was redundant, and should be done away with.

Several other critical points with reference to better targeting of exports promotion schemes such as Focus Products Scheme (FPS) and the Focus Markets Scheme (FMS) were raised during the interaction. Members also expressed concern about the multiplicity of schemes and the need to effectively rationalise such schemes.

Keeping with the tradition of close partnership with the government, the DGFT officials expressed their support for continued engagement on these issues and reassured members that their suggestions would be taken up at the policy level.

During discussions with Mr. Khan, members expressed the need to integrate various government agencies like the Public Health office and the Textile Committee with the new EDI system. Members felt this would facilitate electronic exchange of documents like the no objection certificate and hence would lead to greater efficiency. Mr. Khan was in unison with the committee members on these suggestions and said these would be addressed in the next phase of EDI implementation.

During the Committee meeting held prior to the interaction, the discussions focussed on major areas of reforms in various export policies and procedures. Members present were unanimous in their view that the trade-related incentives already given to exporters in the wake of global economic slowdown, must continue.

Mr. Sanjay Budhia, Chairman, CII National Committee on Trade, reflecting the mood of the committee, stated that Indian exports are of better quality than close competitor products and hence enjoy goodwill in international markets. However, since international competitors in countries like China have been getting due support from the state machinery and are using exchange rate as a strategic tool, the challenge for Indian exporters was to provide good quality products at internationally low prices.

The members felt that despite the upturn in India's exports since November 2009, there was a need to tread cautiously, since the recent rise may be due to low base during the corresponding months of 2008. Since the exports have not yet fully recovered from the slowdown, they expressed the necessity to continue with various export promotion schemes. Some of the key support measures include –

- The extension of interest subvention scheme beyond March 2010
- Reduction in ECGC cover charges for both pre and post shipment exports credit
- Inclusion of additional products under status holder incentive scrips scheme
- Availability of dollar credit at LIBOR plus 1%, among others.

The members expressed concern about the increasing use of non-tariff barriers in some key markets, such as Indonesia and Philippines, and felt that such non-tariff barriers will become a big challenge for exporters in the years to come. The members agreed that industry will have to stay engaged with the government as well as develop their own strategies to deal with such challenges.

India REGIONAL ROUNDUP

East

Bihar

Interaction with the Chief Minister of Bihar

10 February, Patna

CII Bihar State Council members interacted with Mr Nitish Kumar, Chief Minister of Bihar on issues pertaining to industrial growth in the state. The Deputy Chief Minister, the Ministers of Energy, and of Industries, Bihar, were also present. The Chief Secretary, Principal Secretary, Industries, and the Director General of Police were the other dignitaries present at the interaction.

Council Annual Meeting

23 February, Patna

CII Bihar State Council Annual Meeting in progress

A session on 'Skill Development: Opportunities & Challenges' was organised on the occasion of the Annual Meeting of the CII Bihar State Council.

Chhattisgarh

Workshop on Family Managed Business

12 February, Raipur

The workshop, conducted along with the S.P.Jain Institute of Management & Research (SPJIMR) Mumbai, gave the participants a sharper understanding of the issues confronting individual family members and the direction to address these concerns.

Jharkhand

Enterprise Jharkhand 2010

2 – 7 February, Jamshedpur

Enterprise Jharkhand 2010 displayed a wide range of industrial products, consumer durables, products of banks and financial institutions, etc. The focus was on the development of industry, particularly the Manufacturing

Inauguration of Enterprise Jharkhand 2010

and Automobile sectors. The exhibition helped small, medium and large enterprises searching for opportunities for business co-operation and joint ventures to establish relationships with a high quality automobile, engineering ancillary supplier base.

Industry – Defence - Railways Partnership

3 February, Jamshedpur

The Indian government is continuing its efforts to indigenise the production of Defence equipment wherever technologically feasible and economically viable, and plans to source 70% of its defence requirements from indigenous suppliers. The Railways too are significantly increasing their sourcing and procurement needs. CII Jharkhand State Council organized a session on Industry – Defence – Railways Partnerships to help industry understand the unfolding opportunities offered by these sectors.

Export Awareness Workshop

4 February, Jamshedpur

An export awareness workshop was organized to create awareness on exports for the benefit of industries and SMEs in particular, and to bring growth and development to the State. Mr. S Nandwani, Jt. Director General, Foreign Trade, Government of India, was the Chief Guest.

Interaction on Industries

6 February, Jamshedpur

An interactive session was held with Ms Aradhana Patnaik, Director of Industries, Jharkhand, to remove infrastructural bottleneck for industrial development.

Orissa

North Orissa Zonal Council

3 February: Balasore

The CII North Odisha Zonal Council organised its Annual Meeting on 3 February. A session on Development of Plastic Parks was organised on the occasion.

Interactive Session with Chief Minister

5 February, Bhubaneshwar

Naveen Patnaik, Chief Minister of Orissa, (centre)

An interactive session with Mr Naveen Patnaik, Chief Minister, Orissa, dealt with issues pertaining to skill development, downstream activities, MSMEs and Corporate Social Responsibility.

Arogya Fair

23 – 26 February, Bhubaneshwar

CII joined hands with the Department of Health & Family Welfare, Orissa, to organise 'Arogya Fair 2010' to showcase the various treatment systems in Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy.Mr Naveen Patnaik, Chief Minister of Orissa, inaugurated Arogya Fair 2010.

Naveen Patnaik, Chief Minister of Orissa, inaugurating Arogya 2010

West Bengal

CFO Forum

16 February, Kolkata

The CFO Forum with the theme 'Economic Rebound – How Soon, How Far' discussed how CFOs are transforming themselves into enablers and innovators in these times, and the drivers for transformational growth in the current economy. It also included a Panel Discussion on 'Innovative Financial Engineering in the Current Economy.'

CFO Forum in progress

Session on Skill Development

19 February, Kolkata

CII Eastern Region in collaboration with the UK Trade & Investment (UKTI), Kolkata and Scotland's Colleges International (SCI) organized a Session on 'kill Development Priorities in the Globalised World.

Kolkata Marathon

21 February, Kolkata

CII, along with the Athletics Coaches Association of Bengal, (ACAB) organised the Kolkata Marathon, an annual feature on the city's sporting calendar ever since its inception in 2005. This year there were four events : Men's Marathon (42.195 km), Ladies Run (10.50 km), Wheel Chair Race (1 km approx) and a Fun Run (4.20 km) for the masses and celebrities.

Mukul Somany, Chairman CII Eastern Region, and Vidya Balan, Noted film personality, with Kavita Raut, Winner of the Women's Run

Non – Life Insurance: Emerging Scenario

24 February, Kolkata

Subir Chaki, Vice Chairman, CII West Bengal State Council; M Ramadoss, CMD, The New India Assurance Co Ltd; and Ravi Todi, Chairman, CII West Bengal State Council

The Indian insurance sector is rapidly moving towards international standards of free (risk-based) market pricing and new/innovative product offerings, as deregulation continues at a hectic pace. The session on 'Non – Life Insurance: Emerging Scenario' was addressed by Mr M Ramadoss, Chairman and Managing Director, The New India Assurance Co Ltd.

Budget Analysis

27 February, Kolkata

The seminar on Union Budget 2009-10 analyzed the Union Budget from the economic and and the industry perspective. There was a separate session on the impact of the Budget on the tax structure and a panel discussion on the sectoral impact of the budget.

North

Chandigarh

MSME Empowerment

9 February, Chandigarh

The seminar on MSME Empowerment addressed the issues of enhancing competitiveness, financing options, enhancing HR competitiveness and benefits of websites. Mr R C Chopra, Director MSMEs Development Institute, Government of India, said that MSMEs flourish in mainly four sectors: Food, Fashion, Fun and Fitness.

Meeting with Governor

19 February, Chandigarh

Shivraj Patil, Governor, Punjab & Administrator, UT Chandigarh, Deepak Puri, Deputy Chairman, CII (NR) and Partap Aggarwal, Chairman CII Chandigarh

Mr Shivraj V. Patil, the new Governor, Punjab, and Administrator, UT Chandigarh, mandated CII to take renewable and alternative sources of energy to every citizen in Chandigarh. "Every house in Chandigarh should have a solar room, to enable the city overcome power shortages. As Chandigarh doesn't have a power generating unit, renewable and alternative sources of energy are a must," he said.

Mr Deepak Puri, Deputy Chairman, CII Northern Region assured the Administrator that CII would hold a Chandigarh-specific campaign and road show to promote energy friendly measures."

Delhi

Meeting with CEO, Delhi Jal Board

9 February, Delhi

India's booming economy and the development of waste management services and infrastructure offers partnership opportunities with the public and private sector. A mission of 11 UK-based companies made a presentation to Mr Ramesh Negi, Chief Executive Officer, Delhi Jal Board, to understand the opportunities present in the water sector in the capital city.

Haryana

Inter and Intra city Transport Plan

13 February, Gurgaon

A meeting was organized with Mr Samir Mathur, Financial Commissioner & Principal Secretary, Transport & Civil Aviation, Haryana, to discuss the Inter and Intra city Transport Plan formulated by the Government of Haryana and Ernst & Young, and take feedback from a select group of prominent persons who reside and work in Gurgaon. The objective was to collate inputs before finalizing the Transport Plan for better connectivity in the region.

Mr Mathur shared the plan to introduce new bus routes for effective inter and intra city transport in Gurgaon, stressing that "It is very necessary to reduce traffic load by making public transport more reliable and accessible."

Interactions with Government

20 February, Gurgaon

Mr Rajiv Arora, Managing Director, HSIIDC, told CII members that the work of infrastructure development of the industrial estates of Kundli- Rai - Baddi, Yamunagar - Jagadri is in progress. This would decongest the cities of Gurgaon and Faridabad. He said that 50 % of work on the Kundli-Manesar-Palwal expressway project is completed, and the project is expected to be fully completed by the year end.

Mr Y S Malik, Financial Commissioner & Principal Secretary Industries, Haryana, said that Agro and Pharma hubs are being planned for Haryana.He said the New Industrial Policy will be released in April. Several significant changes are being made in the Estate Management Procedures, as well. He added that all the procedures of HSIIDC would be made online in the coming eight to nine months, which would not only remove procedural bottlenecks, but also provide the status of projects online.

Himachal Pradesh

Work Place Planning

22 February, Chandigarh

The workshop on 'Self – Empowered Approach for Work Place Planning' enabled each participant to realize his/her inherent potential and responsibilities in the assigned job role. The workshop also helped organizations achieve high motivation in their employees, through

the concepts of daily work management in order to enhance performance.

Union Budget: Insights & Analysis

2 March, Chandigarh

Richard Rekhy, Head Advisory-KPMG, P K Sirohi, Chief Commissioner, Customs & Central Excise, Capt Alok Sharma, Past Chairman, CII HP State Council, and Naveen Aggarwal, Executive Director-KPMG

CII Himachal Pradesh and KPMG organized a Session on 'Union Budget: Insights and Analysis' to understand the impact of some of the tax announcements. Tax related queries on the budget proposals were addressed by the Chief Commissioner, Customs and Central Excise, Government of India, and Mr Richard Rekhy, Head Advisory, KPMG, and other senior experts from KPMG.

Jammu & Kashmir

Meeting with Industries & Commerce Minister

1 February, Jammu

S S Slathia, Minister for Industries & Commerce, J&K, with CII members

A CII delegation led by Mr Sanjay Puri, Chairman CII J&K State Council called on Mr S S Slathia, Minister for Industries & Commerce, J&K, to discuss issues related to Income Tax for industrialists. They also discussed denying of rebate benefit to export and deemed export from units in J&K, disparity in central excise exemption between new units and existing units (which undertook substantial expansion), removal of toll tax on fuel, consumables and packaging material, obtaining of quarterly certification from DIC, SSI units executing contracts on turn-key basis and entry tax on earth moving equipments.

Meeting With Mr Omar Abdullah

10 February, Jammu

A CII delegation led by Mr Sanjay Puri, Chairman, CII J&K State Council, called on Mr Omar Abdullah, Chief Minister of Jammu & Kashmir, to discuss issues related to income tax on central excise exemption granted to J & K industry, revival of central excise package, removal of entry tax, non-availability of coal linkage for cement plants and simplification of the single window system. Mr Abdullah directed that a committee be formed, headed by the Principal Secretary, Industry & Commerce, J&K, also co-opting industry members, to recommend simplification of procedures.

Punjab

Energy Efficiency

19 February, Ludhiana

The II Punjab State Council and the Bureau of Energy Efficiency (BEE), Government of India, jointly organized a workshop on 'Enhancing Competitiveness through Energy Efficiency.' Mr Vikas Garg, Deputy Commissioner, Ludhiana, who was the Chief Guest, urged Industry to adopt energy efficient techniques as a service to the society, state and country. Mr Shashank Jain, Advisor (SME), BEE, highlighted various government schemes to encourage industry to adopt energy efficiency.

Session with UK Trade & Investment

25 February, Ludhiana

To promote and explore business opportunities between Punjab and UK, a delegation led by Mr Paul Grey, First Secretary, UK Trade & Investment (UKTI), British High Commission, visited Ludhiana. Mr Grey said that UKTI's mission is to provide dedicated professional assistance covering all aspects of locating a business in the UK or expanding existing facilities.

Rajasthan

Interaction with Governor of Rajasthan

9 February, Jaipur

Prabha Rau, Governor of Rajasthan, with CII Team

Mr Kishore Khaitan, Chairman, CII Rajasthan State Council, called on Mrs Prabha Rau, Governor of Rajasthan, to brief her on various activities and initiatives of CII in Rajasthan. The discussion covered wide range of issues like water, agriculture, infrastructure, skill development, rural development, policy issues, etc.

Dr Jitendra Singh, Minister for Higher Education, Rajasthan

HR Conclave 2010

12 – 13 February, Jaipur

The 3rd edition of the HR Conclave was organised to build a synergetic and symbiotic partnership between the academia and industry to bridge the skill divide, and also to address HR issues and concerns of industry. Dr Jitendra Singh, Minister for Higher Education, Rajasthan, was the Chief Guest at the Inaugural Session, while Mr Bharat Singh, Minister for Rural Development & Panchayati Raj, and Mr Rajendra Singh Gudha, Minister of State for Manpower Planning, were the Chief Guest and Guest of Honour respectively at the Valedictory Session.

Development Agenda for Rajasthan

19 February, Kota

An Interactive Session on Developmental Agenda for Rajasthan with Mr Bharat Singh, Minister for Rural Development & Panchayati Raj, was organised to discuss inclusive growth, with specific reference to the Kota division.

Ravi Mathur, Principal Secretary, SSI, and Bharat Singh, Minister of Rural Development & Panchayati Raj, Rajasthan

Uttar Pradesh

'Shaam-e-Awadh'

5 February, Lucknow

Mr Ramesh Suri, Chairman CII UP State Council hosted a grand cultural 'Awadhi' evening replete with gazals and quawallis from famous artists, for CII Northern Region Council members. Mr BL Joshi, Governor of Uttar Pradesh, along with senior bureaucrats from the state government graced the occasion.

Ramesh Suri, Chairman, CII UP State Council, and Harpal Singh, Chairman, CII (NR) with BL Joshi, Governor, Uttar Pradesh

Corporate Sector Participation in Health

9 February, Lucknow

In an attempt to reduce maternal and neonatal mortality in Uttar Pradesh, CII, in collaboration with Population Council conducted operational research on health in the state, and organized an interactive session to share the findings. The session was well represented by professionals including advisers, public health deliverers, and human resource management.

Sensitising session on Energy Efficiency

25 February, Muzaffarnagar

CII Western UP Zonal Council and the Bureau of Energy Efficiency (BEE), jointly organized a workshop on enhancing competitiveness through Energy Efficiency in Muzaffarnagar.

Uttarakhand

Meeting on Industrial Development

24 February, Dehradun

CII interaction with Bansidhar Bhagat, Minister Industrial Development, Uttarakhand

A CII delegation, led by Mr Rakesh Oberai, the then Chairman, CII Uttarakhand State Council, called on Mr Bansidhar Bhagat, Minister Industrial Development, Uttarakhand, to apprise him of CII's activities and seek his guidance on how CII could contribute better to the overall development of the State.

Events

Realty 2010

10 February, New Delhi

Madhukar Tulsi, Conference Chairman & President IREO Mgmt Pvt. Ltd; Saugata Roy, Union Minister of State for Urban Development, and Harpal Singh

REALTY 2010 focussed on diverse topics including regulatory, governance, transparency and financing issues. A session was also devoted to developing a plan for adopting International Financial Reporting Standards (IFRS) in the Real Estate Sector. Mr Saugata Roy, Union Minister of State, Urban Development, was the Chief

Guest at the Conference, which was chaired by Mr. Madhukar Tulsi, President, IREO Management Pvt. Ltd.

WATER 2010

17 – 18 February, New Delhi

The two day event highlighted various issues pertaining to the water sector in India, the current and forecast water availability in India and methods to improve the situation through conservation of water, restoration of water and recycling of wastewater. The conference also explored issues relating to the regulatory and governance framework as well as investigated potential commercially viable models and way forward for tapping opportunities for corporate sector in the areas of water management, water infrastructure projects and water treatment technologies. It also emphasized upon the need for an evolved PPP model and change in the mindsets of the authorities, the consumers as well as the private players.

Vipin Sondhi, Chairman, Regional Core Group on Water, CII (NR), and MD & CEO, JCB India Ltd; Pawan Kumar Bansal, Union Minister for Parliamentary Affairs & Water Resources and Harpal Singh

Mr Pawan Kumar Bansal, Union Minister for Parliamentary Affairs & Water Resources, was the Chief Guest at the Inaugural Session, while Mr Umesh Narayan Panjiar, Secretary, Water Resources, addressed the Valedictory Session. An exposition on waste water technologies was also organised on the occasion.

South

Ties with Bermuda

8 February, Chennai

Delegation from Bermuda in Chennai

Bermuda, a hub for financial services, there are huge business opportunities in insurance and reinsurance services in the country. Dr. Ewart Frederick Brown, Premier of Bermuda, and Minister of Tourism, told CII members that India and Bermuda are likely to sign a tax information exchange agreement soon.The investment friendly climate, the proactive government and the availability of skilled man power in Tamil Nadu were presented to the Minister.

India-Hiroshima Meeting

9 February, Chennai

The Guidance Bureau, Industries Department, Tamil Nadu, in cooperation with CII, hosted a business delegation from Hiroshima Prefecture Business, Japan, to establish economic exchange with Hiroshima in Tamil Nadu. The areas of cooperation which were discussed include: technical and collaborative research development, free movements of goods and services,

Session with Hiroshima Prefecture

investment by Japanese SMEs, and access to movement of people from India to Japan.

Investing in Nigeria

12 February, Chennai

Session on Investing in Nigeria

The CII – NIPC 3rd Nigeria Investment Business Forum met to promote bilateral trade and investment in power, education, agriculture and healthcare. Various investment opportunities available for Indian industries and incentives for investment offered by the Nigerian Government were also presented at the meeting.

Innovator

12 February, Chennai

The first edition of Innovator drew 33 teams with 91 students from across the Southern Region. The day began with an exposition wherein teams displayed their technical, business or social ideas. The award-winning projects included innovative ideas such as providing a free lane for ambulances on highways, adaptive e-learning for 3G mobile multimedia systems, innovative shopping assistance carts, integrating RFID technology with existing teaching mechanisms for the mentally challenged, and electronic lavatories.

CEO Speak

13 February, Coimbatore

Ms. Karuna Gopal, President, Foundation for Futuristic Cities (FFC), addressed 150 students and faculty from cluster colleges on entrepreneurship and career development at the CEO Speak session.

MSME Expo 2010

20 & 21 February, Visakhapatnam

Organised in association with MSME-DI, Hyderabad, the MSME Expo 2010 explored the enormous scope for design and development of critical components and spares needed by various departments in the Defence Ministry, Railways, public and private sector enterprises and Government departments. Around 165 exhibitors put up their stalls at the exhibition. Coinciding with the expo, a National Vendor Development Programme was also organized.

IR Issues for HR Managers

24 February, Bangalore

The workshop generated awareness on the latest issues faced by HR managers, such as challenges of retention and changes brought about by technology improvements. The workshop also dealt with the definition of IR in the newer context in Blue Collars as well as White Collars, and HR dynamics for outsourced employees.

States

Andhra Pradesh

Building Organizational Excellence

13 February, Hyderabad

The seminar focused on the role of management in engaging the workforce in the process of organizational excellence, covering topics such as Leadership and Motivation; Productivity Improvement at the Shopfloor level; Material Handling and Material Management; Technology for Excellence; 5S & Total Quality Management, etc.

D Purandeswari, Union Minister of State for HRD

Green Buildings

13 February, Visakhapatnam

Ms D Purandeswari, Union Minister of State for Human Resource Development, inaugurated the conference on the Green Building Movement in India.

Clean Energy 2010

19 February, Hyderabad

The seminar focused on the importance of alternative energy sources like wind, solar, biomass, hydro and renewable energy certification, feed-in-tariffs and clean energy technologies.

Agri Conclave 2010

20 February, Vijayawada

The conclave focused on the latest developments and practices adopted internationally and the different challenges faced by the industry to boost agricultural production and enhance earnings.

Karnataka

SME Conclave

5 February, Bangalore

The 'SME Conclave: The World is Your Market' exposed SMEs members to the various facilities and options available for accessing marketing opportunities outside India, nuances of doing business with foreign partners and developing relationships between SMEs of other countries. Over 150 SMEs participated in the programme.

Developing the Aero Space Sector

11 February, Bangalore

The session was organized in partnership with the Government of Karnataka to get views from industry in finalising the agenda for attracting investment, promotion and development of the Aero Space sector in Karnataka. Over 30 companies related to this sector participated in the session.

Employees Provident Fund

24 February, Hubli

Mr P Veerabhadraswamy, Regional Provident Fund Commissioner, Employees Provident Fund Organisation, interacted with members on the procedural issues and new initiatives of the Employees Provident Fund.

National CSR Seminar

28 January, Bangalore

The national CSR seminar on 'Opportunities for Inclusive Growth' helped increase awareness among corporates

National Seminar on CSR

about the importance of adopting CSR as a part of their Corporate Governance initiatives. It was a platform for knowledge- sharing on global trends in CSR, PPP role in CSR and employee volunteering.

Puducherry

Meeting with Air India

8 February, Puducherry

CII members met officials from Air India to discuss starting air services from Puducherry to other cities. Recommendations from the members included early morning flight connectivity from Chennai to New Delhi and night landing facility at Puducherry airport.

Higher and Technical Education

10 February, Puducherry

The Department of Higher and Technical Education, Puducherry arranged the first meeting of the Task Force on Higher and Technical Education, under the Chairmanship of Mr MO H F Shahjahan, Minister for Higher Education, Puducherry. The meeting discussed the suitability of establishing higher educational institutions in Puducherry, and the need to introduce various courses /institutions to meet HR requirements in the primary, secondary and tertiary sector for the next 5 years.

TQM in Higher Education

25 February, Puducherry

The programme on 'Building Competitiveness in Higher Education: The TQM Way' was organized for senior faculty members from various colleges to understand how TQM can bring about improved results (academic and non academic), better utilization of assets and resources, optimization of time, enhance participation and synergy of various stakeholders (Internal & external) and improve satisfaction levels.

Tamil Nadu

TN Education Summit 2010

4 February, Chennai

The 2nd edition of the TN Education Summit focussed on attracting the talent to teaching and research, igniting

TN Education Summit 2010

rural India through higher education, and creating an ecosystem for higher education through innovation and research.

Zones

Chennai

Effective Cost Management

10 February, Chennai

The experience-sharing session on Effective Cost Management with leading manufacturing companies, namely Wabco TVS Ltd, Carborundum Universal Ltd, SRF Ltd & Rane Madras Ltd, helped understand and learn the various initiatives undertaken at different levels to tackle the effects of global recession on industry.

Doing Business in the UK

24 February, Chennai

Jointly conducted with the British Deputy High Commission, the session on 'Doing Business in the United Kingdom & Related Opportunities' offered an understanding of the investment opportunities and strengths of the United Kingdom. Sir Richard Stagg, High Commissioner, British High Commission, New Delhi, and Mr Mike Nithavrianakis, Deputy High Commissioner, British Deputy High Commission, Chennai, were the key speakers.

Thoothukudi

Explore Export 2010

6 February, Thoothukudi

The session was organized with the Indo-Japan Chamber of Commerce & Industry, JETRO, and the Hong Kong Trade Development Council to promote Thoothukudi as an export-import destination and also explore business opportunities in Japan and Hong Kong.

Trichy

Workshop on GST

3 February, Trichy

The workshop was organized to discuss the first paper on Goods and Service Tax for the industry.

West

Nigeria India Business Forum

8 February, Mumbai
10 February, Ahmedabad

Session with Nigerian delegation in Mumbai

A Nigerian delegation led by senior government officials visited India to explore opportunities in the area of oil & gas, solid minerals, mining, energy & power, healthcare & pharmaceuticals, automobile, transport, machine tools, agri/agro-allied, education, banking & finance, manufacturing, and IT & ICT. The sessions were followed by one-on-one business meetings

At the Engineering Summit

At the CFO Forum

Gujarat

Enhancing Productivity

Workshop on Enhancing Productivity

6 February, Vadodara

The workshop focused on helping the participant understand how the features embedded in MS office can be leveraged to enhance the productivity of corporates.

Session with Franklin Paris

8 February, Vadodara

The session created awareness about the emerging business opportunities in Europe, with specific focus on France. The session also highlighted the legal environment in European Union and the immigration policies in Europe for starting business.

Engineering Summit

18 February, Vadodara

The Summit, with the theme 'Engineering Sector: The Way Forward', focused on evolving a vision plan for the engineering sector for the coming few decades, contemporary technology practices, and talent management. It included a CEO's interactive round table on 'Engineering Excellence'.

CFO Forum 2010

19 February, Ahmedabad

The CFO Forum was held to create awareness amongst finance professionals about the landmark shift in accounting standards and to provide insights that would enable them to take appropriate steps for navigating the complex issues surrounding IFRS implementation.

MSME Linkages 2010

22 February, Ahmedabad

The forum, provided a common platform to develop a roadmap for MSMEs in Gujarat. A CII – PWC report on the 'The Gujarat Vision: Making MSMEs Globally Competitive' was released on the occasion.

CEO Network Series 2010

24 February, Ahmedabad

In the session 'Salzgitter Ag – Be different!', Prof. Dr Ing. Fuhrmann gave insights on how to be differen

Improving our Cities

24 February, Ahmedabad

The workshop was held to evangelize the concept of industry getting involved in the improvement of cities through the creation of an institutional framework. The workshop highlighted the importance of creating institutional frameworks for betterment / development of the city.

Post Budget Analysis

27 February, Ahmedabad
27 February, Vadodara

Interaction on Labour in Indore

The sessions provided a quick over view of the benefits and concerns that different sectors can witness over the next year, from the point of view of public finance, direct taxes and indirect taxes.

Madhya Pradesh

Interaction on Labour

11 February, Indore

The session with Mr P K Das, Commissioner – Labour, Madhya Pradesh, enabled members to directly interact with senior officials of the Labour Department.

Effective Inventory Management

24 February, Indore

The training programme empowered participants to understand inventory management functions and gain capability to make significant qualitative and quantitative improvements in his job and department thorough Inventory Management.

Maharashtra

Session on GST

6 February, Nagpur

Mr S M Kulkarni, Vice President - Indirect Taxation, Mahindra and Mahindra Ltd, discussed the current status of the proposed GST and the road ahead for MSMEs.

Best Kaizen Competition

10 February, Nashik

The 5th edition of the Best Kaizen Competition 2010 witnessed strong participation from both the Service industry and the manufacturing sector. The winners were Mahindra & Mahindra Ltd, Nashik, Vishay Components Ltd, Pune, and Endurance Technologies, Aurangabad. A special award for 'Outstanding SME' went to BSA Facilities Ltd, Pune.

Best Kaizen Competition Winners

'Factory of the Future Practices'

10 February, Chennai

The mission to Chennai provided the members an insight into the practical aspects of implementing best practices, to enhance their knowledge and facilitate benchmark with Nokia's manufacturing facility.

Interaction on Industry

15 February, Mumbai

The meeting Mr Rajendra Darda, Minister for Industries, Employment and Self-Employment, Maharashtra, highlighted the joint initiatives of CII and the State Government for industry in the State, while examining the issues hampering existing as well as potential investors. CII invited the Minister's inputs for creating a conducive environment for industries in Maharashtra.

BANKing TECH Summit 2010

24 February, Mumbai

Release of CII - PwC Report on 'Revving up New Age Banking with Technology' at the, CII BANKing TECH Summit 2010

The Summit covered a wide range of topics, including Managing Risk and Compliance for Sustainable Growth, Tapping New Avenues and Means of Growth, Future Banking, and an exclusive CEO's Interactive Roundtable on Leveraging Growth with Higher Liquidity. A CII - PwC report on 'Revving up New Age Banking with Technology' was released at the Summit.

Design & Innovation Symposium

25 February, Mumbai

The symposium, with the theme, 'Design & Innovation: Knowledge, Policy, & Competitiveness' explored how India can use design to create innovation in services, organizations, information, and processes.