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National Highways Development Conclave



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Hillary Clinton appreciates CII's work in the Green Building Movement



Hillary Clinton, US Secretary of State, being briefed on CII's work on environment and climate change by Dr Prem C Jain, Chairman, Indian Green Business Council and S Raghupathy, Senior Director, CII, at the ITC Green Centre in Gurgaon

Ms Hillary Clinton, US Secretary of State, during her recent visit to India visited the ITC Green Centre in Gurgaon, one of the early LEED (Leadership in Energy and Environmental Design) Platinum rated green buildings in India, on 19 July. The ITC Green Centre has been established under the CII-led Green Building movement.

Referring to the US-India framework agreement on clean energy in 2000, Ms Clinton noted the establishment of the CII-Sohrabji Godrej Green Business Centre and the Indian Green Building Council and appreciated the efforts of the Indian Green Building Council in establishing a flourishing green building movement across India.

Ms Clinton had an interactive session with dignitaries including Mr Jairam Ramesh, Minister of State, Environment and Forests, India, Mr Tim Roemer, United States Ambassador to India, Mr Todd Stern, Special Envoy for Climate Change, USA, Ms Meera

Shankar, Ambassador of India to the United States, and Mr S Padmanaban, Senior Advisor, USAID. Mr Tarun Das, Chief Mentor, CII, Mr Chandrajit Banerjee, Director General, CII and Dr Prem C Jain, Chairman, Indian Green Building Council (IGBC) also participated in the interaction.

Referring to the ITC Green Centre as a “monument to the future,” Ms Clinton said, “this building is a model of environmental stewardship and economic development, all wrapped up in one. And it is an inspiration. It uses half as much energy as conventional buildings and energy savings means that it will pay back its additional up-front costs in only six years.”

Ms Kiran Pasricha, Deputy Director General, CII, and Mr S Raghupathy, Senior Director & Head, CII Godrej Green Business Centre, briefed Ms Clinton on the green building activities and initiatives of the CII Sohrabji Godrej Green Business Centre.



Secretary Clinton at a closed door meeting with Jairam Ramesh, Minister for Environment and Forests, and senior officials at the ITC Green Centre. Also seen: Chandrajit Banerjee, Director General, CII, and Tarun Das, Chief Mentor, CII

National Highways Development Conclave

The National Highways Development Programme (NHDP) is the biggest and most significant infrastructure development programme in the country. The programme aims at building, upgrading and developing over 50,000 kms of highways, expressways, by-passes and bridges at a massive investment of over Rs. 3.3 lakh crores. Sixty –five projects worth an investment of Rs. 60480 crores are to be bid out by December 2009. One of the key features of the NHDP Programme, since its inception, has been the flourishing and expanding public private partnership. It is expected that out of the total investment of Rs. 3.3 lakh crores, approximately Rs. 2 lakh crores would come from the private sector.

CII organised the **National Highways Development Conclave** on 14 July in New Delhi to get an in-depth perspective of stakeholders on some of the issues that are impeding the pace of development, and suggest measures to further boost and strengthen the PPP approach in the highways sector.



Ajit Gulabchand, CMD, HCC Ltd, Brahm Dutt, Secretary, Road Transport & Highways, RPN Singh, Union Minister of State, Road Transport & Highways, Kamal Nath, Union Minister, Road Transport & Highways and Chandrajit Banerjee, Director General, CII

We have to build roads. We have to do 7000 kms per year. That is the bottom-line.

Kamal Nath, Minister, Road Transport & Highways



Sharing his vision on the Highways sector with a strong gathering of more than 300 investors from around the country, Mr. Kamal Nath, Minister of Road Transport and Highways, emphasised that India needs to have a quantum jump in highways development to make growth broad-base and inclusive.

The Ministry and the National Highway Authority of India (NHAI) are committed to increase the pace of highways development to 20 kms per day, amounting to 7,000 kms per year, he added. The entire NHAI programme is being converting into Work Plans which will be placed on the website for everyone to have prior information on projects on offer. This will help contracting companies to prepare their business plans to participate in the bid well in advance.

Mr Nath identified land acquisition as one of the biggest challenges that is slowing down the pace of implementation, in addition to bottle necks in availability of finance, lack of capacity within the contracting industry and process related issues. He assured investors that the Ministry is working on each of these issues to resolve them within a time-bound framework.

The new strategies are being planned in cooperation with the state governments to smoothen the land acquisition process. The Model Concession Agreement (MCA) is being amended to address the concerns of the investors and make it

more investment worthy, he added. The dispute settlement process has locked-up huge amounts of liquidity of the construction companies, and needs to be looked at seriously. The Ministry is also looking at some break-through ideas such as constituting a separate Expressway Authority and is also exploring setting up a Road Finance Corporation, if

Status of Different Phases of NHDP

Phases	Total Length in km	Approved Cost (Expenditure till 30.6.2009) in Rs Crore	Length Completed in km	Length under Imp.	Likely date of Completion
I GQ,EW-NS corridors, Port connectivity & others	7,498	30,300 (35,224)	7,825	267	Substantially completed
II 4/6-laning North South- East West Corridor, Others	6,647	34,339 (30,756)	3,192	2,703	Dec - 2010
III 4/6-laning links from network to capital etc.	12,109	80,626 (9098)	890	2069	Dec. 2013
IV 2 - laning with paved shoulders	20,000	27,800	-	-	Dec. 2015
V 6-laning of GQ and High density corridors	6,500	41,210 (1514)	130	900	Dec - 2013
VI Expressways	1000	16,680 (NIL)	NIL	NIL	Dec - 2015
VII Ring Roads, Bypasses and flyovers and other structures	700 km of ring roads/ bypass + flyovers etc.	16,680 (NIL)	NIL	NIL	Dec-2014



One of the areas that people are looking to see progress during the term of UPA II is the road programme.

Montek Singh Ahluwalia Dy. Chairman, Planning Commission

needed, to stimulate investments and smoothen the process of awarding of contracts, the Minister added.

To work in partnership with industry to resolve issues, Mr. Kamal Nath announced the constitution of a Ministry of Road Transport & Highways CII Task Force on the Road Sector.

Echoing the vision laid out by Mr. Kamal Nath, Dr. Montek Singh Ahluwalia, Deputy Chairman, Planning Commission, said that one of the areas where people are expecting the UPA-II government to make significant progress is the highways sector. The Planning Commission is working closely with the Ministry of Road Transport & Highways to take all possible measures to improve the process, he added.



We want you to partner us in making road building synonymous to nation building.

RPN Singh, Minister of State, Road Transport & Highways

Quoting the recent publication of the Planning Commission on 'Private Participation in Infrastructure', he said that significant progress has been made in implementing projects in the PPP mode, particularly in the road sector, where not only the central government but even the state

governments have taken up several new initiatives. Commenting on the idea of creating a separate financing institution for the road sector, he said that IIFCL which has recently been created by the government, could play a more broad-base role, particularly in the refinancing sphere.

Mr. R P N Singh, Minister of State for Road Transport and Highways, appealed to investors to

partner the government in making road building truly synonymous to nation building.

Mr. Brahm Dutt, Secretary, Road Transport and Highways, elaborating on the National Highways Development Programme (NHDP), said that total investments envisaged in the highways sector are approximately Rs. 331000 crore. Of this Rs 197000 crore is expected to come from the private sector and the rest will be provided by the Government.

The return on investments (ROI) in road projects has been very rewarding and till last year, the response from private sector was overwhelming. However, the economic downturn has badly affected the availability of finance. As a result, from September to March 2009, the response from the private sector to road projects remained very poor and discouraging. However, with an overall improvement in the economic environment, the response from the private sector is again picking up, he added. He stated that the Ministry and the Planning Commission are making all efforts to make projects as attractive as possible from the investors' point of view, and are ready to roll out projects covering 10,000 to 12,000 kms on PPP. A lot would depend on the appetite of the market, he added.

Earlier, setting the agenda for the discussions, Mr. Vinayak Chatterjee, Chairman, CII National Council on Infrastructure, and Chairman, Feedback Ventures P. Ltd presented a set of challenges that need to be suitably addressed. These include:

- Capacity of NHAI: NHAI does not have the requisite capacity to deal with programmes of this magnitude. There is a need to introduce a regime of stability and robustness by



Brahm Dutt, Secretary, Road Transport & Highways



Brijeshwar Singh, Chairman, NHAI



Vinayak Chatterjee, Chairman, CII National Council on Infrastructure and Chairman, Feedback Ventures P. Ltd



Ajit Gulabchand, CMD, HCC Ltd



Atul Punj, Chairman, Punj Lloyd Ltd



Gajendra Haldea, Adviser to Dy. Chairman, Planning Commission



Dr A Didar Singh, Member (Finance), NHAI



G V Sanjay Reddy, Chairman, CII National Committee on Transport Infrastructure, and Vice Chairman, GVK Industries



Athar Shahab, Chairman, CII Core Group on Roads, & Dy. MD, IDFC

appointing independent directors, giving greater autonomy to NHAI, adopting a decentralised approach and developing its cadre.

- State support for land acquisition / removal of utilities.
- Lack of capacity of professionals -engineering, consulting and design
- Construction sector capacity
- Financing capacity
- Broad-basing the role of the Planning Commission, beyond MCA, to enable the NHAI to proactively meet its target. The Planning Commission should also steer the idea of setting up a Regulatory Authority for the road sector.

- Move away from the asset creation approach only, to the service approach. Have a strong simultaneous focus on O & M.

- Make road projects commercially viable by creatively promoting the mixed use of various models such as annuity, toll, VGF, EPC etc.

- Introduce betterment charges – development of roads leads to significant appreciation of land prices around the corridor. Introduce betterment charges on transactions of land where the use of land is transferred from agriculture to any commercial / industrial use.

Mr. Brijeshwar Singh, Chairman, NHAI, made a detailed presentation on the opportunities in national highways. He said that in the next

two quarters, bids for approximately 71 projects, covering 7,987 kms, worth an investment of Rs 61621 crore would be invited. Strong factors such as political will, pragmatic approach, clear focus on cost recovery, dedicated institutions and a consistent policy framework are driving PPP in highways, he said.

To address the issue of land acquisition, he announced that government is planning



Kamal Nath, G V Sanjay Reddy and Chandrajit Banerjee

to set up 150 Special Land Acquisition Units across the country. He also expressed satisfaction over the state governments' support. He requested investors / developers to enhance their interactions with the local public to build a good image of the road projects.

Mr. Ajit Gulabchand, Chairman & Managing Director, HCC Ltd., presenting the developers' perspective, said that it is heartening to note that the new government has approached the issue of road development in India with new vigour and energy, which was completely missing in the past 4-5 years. The biggest issue that has ruined the prospects of private investors investing in road sector is the dispute resolution mechanism, he said, pointing out that the NHAI has not honoured even a single decision of the dispute resolution board in the past. As a result, millions of rupees are locked-in in dispute resolution. He strongly recommending creating an enabling atmosphere for an implementing agency to administer the contract in letter and spirit. Take out financing is a clumsy accommodation and the best solution is the development of a long term bond market, he added.

Supporting these views, Mr. Atul Punj, Chairman, Punj Lloyd Ltd., said that India has to develop a strong and vibrant capital market to meet the huge investment requirement of Rs 200,000 crore. One of the key impediments is the cost of finance and volatility in the interest rate. He suggested that for BOT road projects, government should guarantee a stable interest rate by extending an interest rate support. He suggested that the government look beyond L1 criteria and develop a mechanism whereby it can decide not to award the contract if the quoted project cost is less than minimum base price.

Mr. G V Sanjay Reddy, Chairman, CII National Committee on Transport Infrastructure, and Vice Chairman, GVK Industries, strongly suggested doing away with the RFQ process. Instead, NHAI should develop a process to pre-empanelment of companies that are qualified to bid for certain type of projects based on set criteria, he said.

Mr. Gajendra Haldea, Senior Adviser to the Planning Commission stated that NHAI would soon have a dedicated member to deal with PPP contracts. He also informed that the Indian Road Congress has worked out a 'Manual of Standards and Specifications' which will provide value and design flexibility to contracting companies. The Planning Commission has also engaged a group of experts to prepare model construction and EPC contracts. Very soon these contracts will be shared with the ministry and the contracting firms to develop a consensus, he said.

Dr. Didar Singh, Member Finance, NHAI, said that the estimated investment needs are as high as Rs. 331,000 crore; of which Rs 200,000 crore is envisaged to come from the private sector. In the next 3 quarters alone, the expected investment needs are almost Rs. 100,000 crore ! He wondered whether India's market was capable of handling this level of financing requirements. One way of raising funds for the highways could be to increase the cess on fuel which at present generates almost Rs. 8000 crore to NHAI, he suggested.

Mr. Athar Shahab, Chairman, CII Core Group on Roads and Deputy Managing Director, IDFC, presented the key recommendations emerging from the Conclave to Mr Kamal Nath at the valedictory session.

Recommendations

Strengthen NHA1

- NHA1 should be benchmarked with similar organisations in other countries. It should become an enabler that is able to deal with other stakeholders in a professional manner and is sensitive to their requirements.
- Restructuring & Reorientation
 - Permanent organisation
 - Staffing
 - Skill sets
 - Shift from Delhi-centric to region-focused approach
 - Continuity of top management
 - Broad-basing of the Board
- Independent members (professionals/private sector/international experts)

NHA1 Total Project Cost (TPC)

The capital grant disbursed as VGF is specified as a percentage of the TPC. The termination payments are also linked to TPC. An unrealistically low TPC affects both viability and bankability.

We propose that TPC for RFP must not be based on estimates older than 6 months. Also, TPC for termination payment purposes to be linked to audited cost of the project, accepted by the lenders.

Web-based Systems for Empanelment

The current process of submitting credentials, auditors' certificates and financial statements for each project is cumbersome and time consuming. Government must create a central database of experience certificates and experience scores of various parties, which could be referred to in all future bids. The database could be updated quarterly. This can be easily outsourced.

Amend MCA to address genuine concerns

Provide flexibility to concessionaire to use advanced construction techniques / international standards

Revamp dispute resolution mechanism

Categorization of road receivables as 'Tangible Assets' by RBI

Optimize fully mobilized contracting capacity

Allow SPVs to undertake more projects

Unlock the development capital locked in SPVs

Facilitate funding of infrastructure projects

- The existing restrictions do not allow insurance companies to invest in bonds below AA rating. Insurance companies must be allowed to invest in investment grade bonds issued by project SPVs.
- Asset – liability mismatch in the current bank-led financing structure for infrastructure projects needs to be addressed.

Review IIFCL refinance scheme

- Currently, only scheduled commercial banks are eligible for the refinancing under the scheme. Allow

NBFCs to avail of the scheme.

- Increase tenure from 10 to 15 years. The scheme allows refinancing to the extent of 60% of the total debt and for 10 years. However, most road project loans are structured for 15 year repayment.
- Reduce the rate of interest charged by IIFCL. Refinancing is provided at 7.85% to the banks, while in most cases, the cost of funds for banks is less than 7.85%.

Exemption from Conflict of Interest considerations

The RFQ has defined that bidders who hold more than 5% of direct / indirect shareholding in another bidder or its associates would not be considered for short listing to the RFP stage. Such provisions hinder participation by financial investors like NBFCs and PE funds which may hold minority interest in other companies but do not directly influence their bids.

Innovative mechanisms to attract capital

The current financing environment mandates developing institutional frameworks to specifically attract new sources of capital like mezzanine funds from the domestic and international markets.

Mandate 80% land acquisition before CA signing

The existing provisions of the MCA mandate that 50% of the site for four-laning projects needs to be handed over to the concessionaire before the appointed date. However, with the existing road being a part of the site, this barely includes any land required for construction of new project facilities. NHA1 must commit to provide 80% of the land required for construction of new project facilities before the CA signing.

Develop common IT platform

A uniform IT platform for collection of traffic data, toll collection and charging, would allow seamless travel across stretches managed by different concessionaires and ensure easy and real-time access of data to NHA1.

Ensure timely issuance of toll notifications

The current regulatory framework doesn't recognize delays in issuance / revision of toll notifications by the government. However, frequent delays are encountered by concessionaires in this regard, impacting project revenues.

Constitute 'Roads Task Force'

Constitute a 'Roads Task Force' representing key stakeholders to act as the forum for interaction between government, developers and lenders.

Monthly meetings would be held by the body to discuss key issues and concerns of the industry. The body would provide recommendations and action points on key issues hampering the sector.

CII would take the lead in outlining the scope and key objectives of this body and would present a detailed note on this to the Minister. ■

Indian Roads: Charting the Course



As India moves ahead on the path of road development, **Athar Shahab**, Chairman, CII Core Group on Roads & Highways, and Dy Managing Director, IDFC Projects Ltd, shares his ideas on how to scale up this ambitious programme and take it forward to the next level

Over the last decade, the Indian road sector has undergone unprecedented expansion and upgradation. This can be attributed to several positive developments like the conceptualization of the NHDP, setting up of the NHAI, the shift towards PPP as a preferred mode of project execution and the creation of a credible and sustainable framework for financing road projects. This has not only developed the road network but also significantly improved the capacity of the domestic construction industry.

Though the growth has been very impressive, the pace of road sector development has been hampered by several issues. As the country moves on the path of road development under a new leadership in UPA II, it is important to understand the key issues and address them, if we are to scale up the programme and take it to the next level.

Land acquisition continues to be the Achilles' heel for road projects. This, together with plethora of approvals and permits that must be put in place before execution can commence, is the biggest cause of delay in road projects. The process of land acquisition must be streamlined. All project clearances should be procured by NHAI prior to bidding.

The sector has also suffered on account of **poor feasibility**, under-estimation of the project cost and lack of clarity on use of new materials and technologies. Good homework by the government on all these counts would get the industry to respond positively and competitively.

Long drawn out **bid processes** with changing project specifications do not help anyone. Innovative use of the web, good quality of feasibility studies and standardized bidding rules can drastically reduce the time from issuance of notice to award of project.

Having a **Model Concession Agreement (MCA)** is a great thing for roads. However, it needs to evolve to take into account genuine concerns of the stakeholders. Some provisions in the current MCA need a relook in the light of the principle of fair allocation of risks and rewards.

In an industry that is expected to grow by leaps and bounds, a low threshold for **conflict of interest** will deter investors. We need financial investors to provide large volumes of private capital to road projects. The current regime needs to be reviewed if we want investors to stay interested.

A single track process that necessarily bumps up all unresolved disputes to the next level undermines the sanctity of all institutions, except the one that is the highest.

We need to fix our **dispute resolution mechanisms** and reserve the courtroom only for exceptional cases.

We need to **channelize pension and insurance funds** to infrastructure projects. The existing restrictions do not allow insurance companies to invest in bonds below AA rating. The insurance companies must be allowed to invest in investment grade bonds issued by project SPVs. As the road sector's demand for equity capital grows, we also need to review MCA provisions that restrict divestment of equity investments in the project SPVs.

IIFCL has come out with a strong product for the road sector. With some minor tweaks, it can provide significant impetus. For example, infrastructure-focused NBFCs should be allowed to avail of the scheme. Increasing the tenure from 10 years to 15 years would be of great help. The refinancing rate charged by IIFCL also needs a relook to make it competitive.

India cannot have different **IT platforms** for traffic data and tolling that vary from project to project. A uniform IT platform for collection of traffic data, toll collection and charging, that allows seamless travel across stretches managed by different concessionaires must be developed.

There is a need to shift from the current 'project' orientation to **'service' orientation**. As the number of PPP projects goes up, thorough monitoring mechanisms for O&M performance need to be put in place. Likewise, safety, security and incident management related issues need to be given much more importance.

Finally, we need a **stronger, empowered NHAI** that is geared up to deliver. The NHAI should be benchmarked with similar organizations in other countries, and necessary changes should be made to transform it into an enabler. It needs to become a permanent organization with its own cadre of well trained professionals with adequate skills in technical and commercial aspects.

Industry players in the road sector have responded positively to the government's call and mobilized a vast array of equipment and human resources as NHDP has progressed. They have rapidly absorbed new technologies and undertaken new risks in the PPP framework. Hopefully, the next stage of the programme would attract many others from within the country and abroad. A positive, facilitatory role of the government – the evidence of which has already been seen – will surely help industry build high quality road infrastructure that future generations could be proud of !

India@75 Next Phase: Call for Inspired Action

Prof. C K Prahalad addressed a Public Session on **India@75: Next Phase – Call for Inspired Action** on 30 July in New Delhi.

At the session, Prof Prahalad, Paul & Ruth McCracken Distinguished University Professor, Ross School of Business, University of Michigan, USA, outlined the journey so far, lessons learned, the approach to action, and moving forward. He listed the choice of 'Big Issues' from India@75 as:

- **Skill Development** (training 500 million people)
- **Inclusive Urbanization** (developing 300 cities)
- **Sustainable Development.**

Suggesting a 'sandbox' approach for realising the vision of India@75, he stated that we should be able to achieve innovation within constraints by maintaining global scales, environment sustainability, new price-performance level, market based approach, social equity and individual rights. On the Way forward, he stressed on highly decentralised deployment with a strong focus on integrity and quality, and building 'local coalitions' at all levels.

Other speakers at the Session included Mr. Rajesh V Shah, Past President, CII, who spoke on the concept of intelligent cities, and Mr Sanjay Mariwala, Chairman, CII Kerala State Council, who shared insights from Kerala@75. Dr. Rahul Mirchandani, National Chairman, Young Indians (Yi) said that Yi aims to become the fireflies of the India@75 programme, while Mr. Rajan Navani, Chairman, CII Mission on India@75, described the constraints within which India has to innovate, and called for entrepreneurial transformation.

Delivering the vote of thanks, Mr. Chandrajit Banerjee, Director General, CII, said that CII will continue to support the theme of India@75 with a mission to make dream India a reality. He said that the Mission has become an integrated part of CII's work across all sectors, on a pan-India basis.

Challenges in the Implementation Phase of India@75 were deliberated at a workshop with Core Group members, and CII Regional Directors and State Heads in a subsequent session. PWC, the process partner, also made a presentation on the 'Action Cube – Emerging Themes, Timelines & Nature of Actions'. ■



Prof. C K Prahalad, Paul & Ruth McCracken Distinguished University Professor, Ross School of Business, University of Michigan, Chandrajit Banerjee, Director General, CII and Rajesh V Shah, Past President, CII & Chairman, CII Urban Development Council and Co-Chairman & MD, Mukand Ltd

India@75

CII and Yi (Young Indians) have embarked on an ambitious mission to evolve a comprehensive vision for India@75 and facilitate India's transformation into an economically strong, technologically vital and morally sound global leader.

The impetus for this mission is inspired by Prof. C K Prahalad, Paul and Ruth McCracken Distinguished University Professor, Ross School of Business, University of Michigan, USA. Prof Prahalad presented a vision of what India can achieve in the next 15 years building upon the successes of the first 60 years at a CII conference in New York some time back.

CII believes that Prof. Prahalad's vision on 'India@75' is both inspiring and achievable. By adopting a bottom-up approach and incorporating varied aspirations, we have drawn up a comprehensive action plan for defining and carrying forward this vision at the national and state levels.

CII's theme 'India@75: The Emerging Agenda' reflects its aspirational role to facilitate this vision.



CII's Manufacturing Vision 2012

The global business scenario has undergone a tectonic shift over the last one year. However, compared to the global impact, the Indian manufacturing industry has suffered much less. With the green shoots of recovery becoming visible and the order booking picking up, Indian manufacturing is well placed for growth. The world is also banking upon India as a nation that can help others come out of the red.

This scenario is very different from the environment in 2004, when Indian manufacturing industry had just started making global strides and was seeking business opportunities. CII had, at that time, drawn a Vision for Indian Manufacturing - 2006, which led to the creation and delivery of the Visionary Leaders for Manufacturing Programme.

Given the new global and Indian business scenario, CII has once again drawn up a 'Vision for Indian Manufacturing industry - 2012.' This new vision will provide direction for the actions to be taken over the next two years.

Vision for Indian Manufacturing Industry-2012

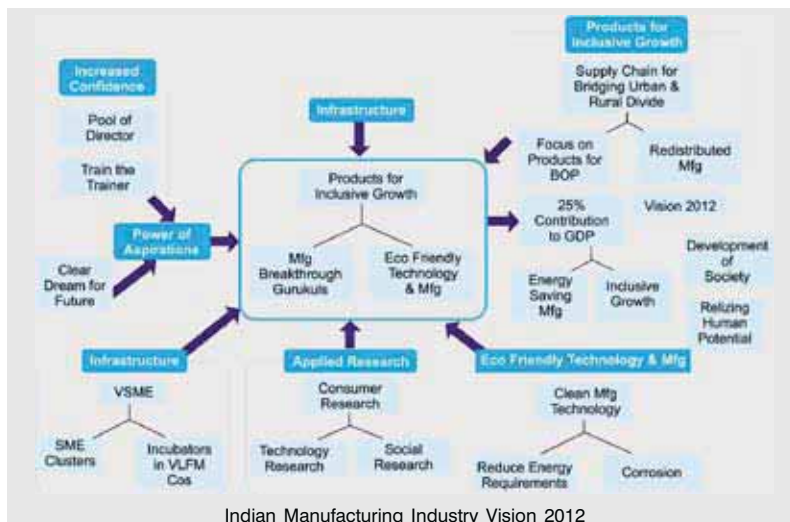
Today, India stands at an inflection point in its journey towards economic and inclusive growth. The environment offers India and Indian industry a huge growth opportunity. There is therefore, a need for a clear vision that will set the direction for India's future growth. CII has articulated this vision for the manufacturing sector in the **Vision for Indian Manufacturing Industry - 2012**.

'India's manufacturing sector should contribute at least **25% to the country's GDP**, while using **energy saving manufacturing** and must lead to **inclusive growth** by realizing the human potential and encouraging the development of society'.

This vision is aligned to CII's theme 'India@75'

which reflects its (CII's) aspirational role to facilitate the acceleration in India's transformation into an economically vital, technologically innovative, socially and ethically vibrant global leader by year 2022."

This Manufacturing vision is also aligned to the Prime Minister's Vision of



Indian Manufacturing Industry Vision 2012

Inclusive Growth and Energy Saving.

This vision is being driven by the ‘Power of Aspirations’ of a nation of a billion people. CII’s confidence to deliver on this vision comes from

- a clear dream for the future
- capacity built over the last three years through the Visionary Leaders for Manufacturing Programme
- ability to further build upon the pool of resources already created

At the centre of this vision stands the need to develop

- products for inclusive growth
- eco-friendly technology and manufacturing
- manufacturing break-through gurukuls

Products for Inclusive Growth

CII envisions not only bringing in a transformation in manufacturing to create products that would meet the needs of the Bottom of the Pyramid but also changing mindsets to meet the needs of society. This would include

1. Redistributed manufacturing – take manufacturing to the point of purchase to ensure low cost of production and to create livelihoods for people in rural areas
2. Improve supply chains to bridge the urban-rural divide
3. Create products to meet the needs of the Bottom of the Pyramid

Eco-Friendly Technology and Manufacturing

India is committed to reducing its global carbon footprint and is also a voluntary signatory to the Kyoto Protocol. CII also believes that building eco-friendly technology is the only way forward to build a sustainable, vibrant manufacturing sector in India.

The attempt would thus be to enable manufacturing to develop technologies that are clean and reduce energy requirements. Other critical aspects that adversely impact the environment, such as corrosion, etc, would also be focused upon.

Manufacturing Gurukuls

Working with the Vision for Manufacturing 2006, CII had created the Visionary Leaders for Manufacturing Programme (VLFM). Three different programmes were started under the VLFM umbrella to build capacity in India’s manufacturing sector:

- Visionary Corporate Leaders for Manufacturing (VLFM) for senior

leaders from the industry

- VLMP: a programme for the middle management in India’s manufacturing sector
- Visionary SMEs to accelerate the development of SMEs and create locomotives of high growth in that sector.

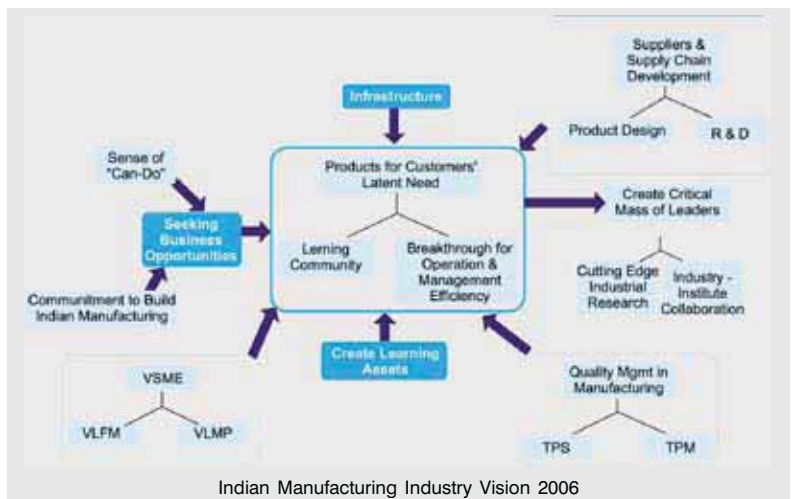
The vision now is to convert the VLFM companies into incubators of products; to get the VLFM community committed to work collaboratively and develop products to meet the needs of the society.

Applied Research

The achievement of this vision would require support in the form of Applied Research: Consumer Research, Social Research and Technology Research. Over the last three years, through the VLFM programme, managers have been trained to conduct consumer research, to listen to the voice of the customer. In the VLFM programme, CII will train managers to conduct social research by practicing observation skills in rural areas.

The Last Three Years

When VLFM began in 2006, the concept of Manufacturing Competitiveness was defined for helping industry transition from being only ‘production’ oriented (small m) to seek business opportunities through a comprehensive strategy for developing products that would meet ‘latent needs of customers’, build and link into global supply chains and develop R&D competence to convert these opportunities into ‘new products’. The model below explains this concept. This had been the basis for designing the VLFM programme in 2006. This would be now replaced by the new Vision for Manufacturing 2012 and become the basis for VLFM Version 2.0. ■



Indian Manufacturing Industry Vision 2006



CII University-Industry Council Symposium

The symposium explored ways for industry-academia collaboration for quality Human Resource Development and R&D towards sustainable Economic and Social Development

We need to free up the education system from political interference and government control, declared Mr. Kapil Sibal, Minister for Human Resource Development, noting that building up a critical mass for the country called for unshackling the University system. Mr Sibal was the Chief Guest at the **4th CII University - Industry Council Symposium**, held from 31 July – 1 August at the Bengal Engineering and

Science University, Shibpur, Howrah, West Bengal. Mr. Gopal Krishna Gandhi, Governor, West Bengal, and Mr. Sudarshan Raychoudhury, Minister, Higher Education, West Bengal, also participated in the Symposium.

Mr Sibal Minister said that universities should be given operational freedom in designing their own courses and having disciplinary focuses. He also proposed an incentive benchmark for universities as well as for faculties based on performance. Laying emphasis on transparency, the Minister suggested that each university's website should give all details regarding their curriculum, faculty, etc. Emphasizing the need for University - Industry



Kapil Sibal, Minister for Human Resource Development, India, Gopal Krishna Gandhi, Governor, West Bengal and Sudarshan Raychoudhury, Minister, Higher Education, West Bengal

partnership, the Minister felt that such partnerships should be supportive, synergetic and beneficial to each other.

Noting that the education system in the country has become static, Mr. Sibal said his ministry would review the system of accreditation of education institutions. Stressing on the importance of private partnership in the education sector, he urged the industry to come forward in critical areas like health and environment, which need huge investments.

The HRD ministry also plans to set up 14 'innovation universities' in the country from 2010 to build disciplinary focus and push research and development, he said.

Mr. Sibal launched the CII - BESU Industrial Research, Innovation & HRD Centre at the 153 year-old institute. The Centre will work on the basic model of a National Innovation Centre with regional centres with separate Intellectual Property Rights (IPR) cells under its umbrella. The Centre will provide a platform for inter-disciplinary teaching and innovative research and will be managed by experts from the academia and industry. The facility, however, is not exclusively for the students of BESU,

but for the entire region.

Mr. Kapil Sibal also made a very important announcement of holding an annual 'University Industry Congress' in line with the 'Indian Science Congress' where industry and universities would meet and celebrate (through awards, etc) successful university-industry collaborations in areas such as special course development, contract research, joint R&D, technology transfer, faculty orientation in industry, joint governance models, exhibitions, etc. He said the 'University Patent Auction' would be the major element of the Congress, for which industry could make a bid. This would be the biggest platform for university and industry representatives from all over the country, as well as overseas, to assemble and showcase successful partnerships, he said.

Mr. Gopal Krishna Gandhi, Governor, West Bengal, congratulated CII for this partnership of knowledge and enterprise.

Mr Sudarshan Raychoudhury, Minister, Higher Education, West Bengal, called for Centre - State cooperation in policy decisions in the educational sector, as the state governments have a big role to play in this regard.

Another major step for furthering university - industry linkage was the MoU inked between two major associations representing industry and universities: CII and the Association of Indian Universities (AIU).

CII Agenda on Education

The CII National Committee on Education has prepared a 10 point Agenda towards Consolidation of Issues. Mr. Vijay Thadani, Chairman, CII National Committee on Education & CEO, NIIT briefed Mr Sibal on these points at the Symposium.

- Provide bridges between universities and industry
- Develop industries with universities within, and vice versa
- Create 'practicing professors' and 'professing practitioners'
- Use technology to build / bridge urban-rural and research and practice gaps
- Learn from best practices and also create new benchmarks for others to emulate
- Facilitate creation, protection and commercialization of intellectual property
- Encourage higher education...from PG to PhD
- Create an innovation eco-system from KG to PG and inculcate application or knowledge
- Address quality along with inclusiveness. Reward excellence in Higher Education
- Give importance to the development of educators' and education administration.

The MoU was signed by Mr. Chandrajit Banerjee, Director General, CII, and Prof. M D Tiwari, President, AIU, and Director, IIT Allahabad and Amethi. The objective of the MoU is to take steps to enable universities, colleges and industries, especially MSMEs, to evolve joint research projects, and help in establishing a mechanism for institutionalising joint university - industry research at the national level.

Mr. Banerjee, also shared some ideas on educational reforms. He suggested opening up the Education sector for comprehensive reforms (like the Economic Reforms in 1991), increased private participation and making FDI in higher education more attractive, besides proposing an Independent Accreditation System. He also wanted the symposium to deliberate how India could produce 100

patents every year, how universities could earn 50% of their research fundings from industry, and how 10 academic institutes could aspire to figure in the list of top 100 institutes of the world.

Industry captains, leaders, vice-chancellors, deans, and professors from various universities all over India attended the symposium. The panelists and speakers included experts from Australia, Israel and Singapore. ■



Prof Peter Hodgson, Director, Institute for Technology Research & Innovation, Deakin University, Australia, Prof Shai Reshef, Founder & President, University of the People, Israel, Prof J A K Tareen, Vice Chancellor, Pondicherry University, and Prof Ng Wun Jern, Executive Director, Nanyang Environment & Water Research Institute, Singapore

National Conference on Road to Recovery

HRM in a Changing Business Environment

Corporates must encourage growth along with human development, advised Ms Sudha Pillai, Secretary, Labour and Employment, in her inaugural address at CII's National Conference on 'Road to Recovery' held on 30 July in New Delhi.

Ms Pillai emphasized that in today's India, economic recovery, leadership development, talent strategies for the future, labour reforms, skill development are all encompassed in the evolving role of the HR function.

She introduced the Modular Employable Skills as the minimum skills set that any person needs to be employed, while highlighting the need to skill for multiple jobs. The National Skills Development Policy stresses upon reskilling too, said Ms Pillai.

The National Skills Development Corporation, said the Secretary, will be a platform for the private sector to engage in skill development activities. To meet the need for trainers in our country, the Ministry of Labour & Employment is setting up 'Train the Trainer Institutes' across the country, she added.

Mr. Navin Bhatia, Chief Operating Officer, Bharti Learning Systems Ltd, said the world is going to be run by demography. India has the talent, and will be the source of human resource. However, issues are diverse and need to be tackled at all levels of society. The government has



Sudha Pillai, Secretary, Labour & Employment, and Suhel Seth, MD, Counselage India

initiated the process of investing but more needs to be done," he said.

Mr. Suhel Seth, Managing Director, Counselage India, in his special address, wanted "demonstrable examples of effective leadership to be shown by Corporate India. Dividends have to be harnessed as education does not naturally translate into employability. The

youth need to be involved in nation building and feel more in tune with the society."

Mr Ravichandar R Padma, Managing Director, Mercer Consulting India, gave a few positive pointers, noting that even in these challenging times, Indian companies have been resilient. Most Indian companies have managed to turn the downturn into an opportunity.

CII and Mercer shared the results of a joint survey on the implications of the changing business environment on people practices. The survey results highlighted that:

- Indian companies are less likely to consider retrenchment as a means to cut costs, compared with global counterparts
- Companies are buoyant on resuming hiring to normal levels, and the quest for skilled talent in India is set to make a comeback towards the end of 2009
- Indian businesses are set to be the first globally to rebound to regular pay revisions and salary corrections for inflation. ■

Swiss Support for Skills Development Initiative

In commemoration of the 60th anniversary of Indo-Swiss Friendship, the Swiss-Indian Chamber of Commerce (SICC), supported by the Swiss Federal Office for Professional Education and Technology (OPET), has launched an initiative to implement elements of the Swiss vocational education and training system in India. To take forward this initiative, the SICC signed an MoU with CII on 20 July in New Delhi, to co-operate more closely in activities relating to skills development.

The CII Skills Development Initiative was launched in 2004, to catalyse the skills movement in the country, as also to foster an atmosphere of social inclusiveness,



Franz Probst, Chairman, Swiss-Indian Chamber of Commerce and Chandrajit Banerjee, Director General, CII

wherein the socially and economically vulnerable population could be mainstreamed.

The MoU would foster co-operation regarding skills development, to:

- Implement elements of the Swiss dual-based vocational education and training systems in India, and work out exam and certifications systems which could lead to mutually recognised joint certification by CII-SICC.
- Train teachers and instructors to contribute to the up-gradation of the curriculum of the Industrial Training Institutes adopted by CII members in India.
- Co-operate regarding the implementation of a joint SME Platform in Switzerland and India. ■

RBI Q1 Monetary Policy Review for 2009-10

No change in policy rates

In the wake of steady inflationary expectations, the Reserve Bank of India kept the Repo and Reverse Repo rate unchanged at 4.75 % and 3.25% respectively in its first quarter monetary policy review. RBI also left the cash reserve ratio unchanged at 5%.

While noting that there are some nascent and sporadic signs of improvement in global conditions, the Central Bank will maintain an accommodative monetary stance until there are definite and robust signs of a recovery. On the way forward, it will have to reverse the expansionary measures to anchor inflation expectations and subdue inflationary pressures while preserving the growth momentum.

The task of returning the economy to a high growth path throws up some important challenges. RBI listed its future challenges as four-fold:

- The immediate challenge is to manage the balance between the short-term compulsions of providing ample liquidity and the potential build-up of inflationary pressure on the way forward.
- Manage the Government's borrowing programme for 2009-10.
- Spur private investment demand which has been dented by the crisis.
- Fiscal consolidation.

Various counter cyclical fiscal measures taken by Government during the last fiscal year have swelled the fiscal deficit to 6.8% of GDP (budget estimate for 2009-10). This has increased government borrowing requirements for the current fiscal through dated securities to Rs 451,093 crore (47% higher than the previous year). This massive increase in government borrowing has led to a hardening of yields on government securities which have impeded the monetary transmission mechanism. Furthermore, large fiscal deficits, if continued strictly beyond the recovery period, can crowd out private investment and trigger inflationary pressures.

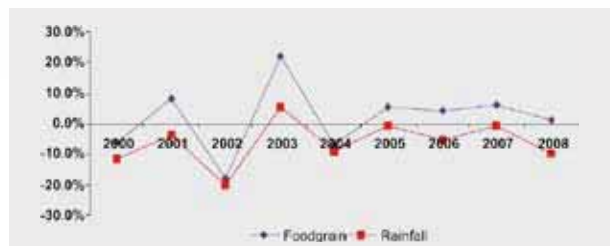
The policy statement said that the domestic and external conditions are more favorable now than they were a year back; however the delayed and below normal monsoons have increased the downside risks to agricultural production. Accordingly, RBI kept its growth

forecast unchanged at 6% with 'an upward bias' but raised its inflation target from the earlier estimate of 4% to 5% for 2009-10.

Weak Monsoon, a Concern

According to the India Meteorological Department, rainfall for the country as a whole is likely to be below normal. Data shows that low rainfall years in the past have usually adversely affected kharif crop production. As the graph below shows, 2002 and 2004 were two years when rainfall was inadequate and food grain production also declined relative to the previous year. In 2002, when monsoon rainfall was 81% of LPA, food grain production for 2002-03 fell by 18%. In 2004, when the monsoon was scanty, food grain production declined by 7%. However, in 2008, when the monsoon was again deficient by 9.9%, food grain production increased by 1.3%.

Performance of Rainfall (% shortfall) versus Food Grain Production (% growth)

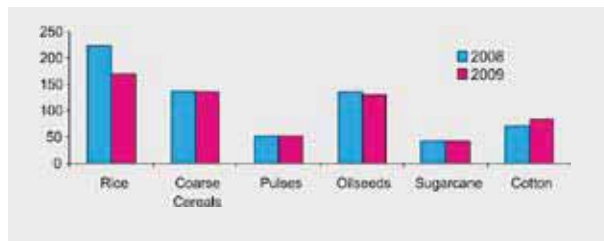


Source: CMIE

Data for the period beginning 1 June up to 29 July shows this year's monsoon has so far been 19% below the Long Period Average (LPA). Out of 36 meteorological sub-divisions, the cumulative rainfall was excess/normal in 17, deficient in 18 and scanty in 1. However, the performance of the monsoon has been improving over the weeks. The deficiency in actual rainfall from the normal declined from 36% in the week ending 8 July to 19% in the week ending 29 July.

Although it would be difficult to project what will happen regarding the performance of the monsoon, it would be prudent to say that the recovery could get stretched if the monsoon underperforms. As shown in the graph below, the area sown so far this year under various crops is lower than last year, pointing to the possibility of a dip in production, particularly for rice.

Area under Production as of 24 July (lakh hectares)



Source: Ministry of Agriculture

PSU Divestment & Fiscal Consolidation

As a step towards fiscal consolidation, divestment can clearly be one of the routes to bridge the gap of excess expenditure over government's revenue. For 2009-10, the Budget has pegged the revenue estimates from disinvestment at Rs 1,120 crore, while the Economic Survey has recommended an annual target of Rs 25,000 crore. The divestment process was kicked off by the National Hydroelectric Power Corporation Ltd (NHPC) IPO in August. The next one will most likely be the Oil India Ltd public offer, which is expected in September.

While the government has not yet given a clear roadmap for disinvestment, it seems likely that small stake sales in profitable PSUs in which the government has more than 90 percent stake will be favoured.

There are about 7 listed PSUs in the BSE PSU Index, in which the government's stake is above 90%. According to our calculations, the government could mobilize Rs 81,669 crore by offloading its stake in excess of 75% in these select PSUs. This will also be received well by SEBI, as the regulator had earlier suggested increasing the minimum public shareholding in listed companies to 25 per cent. According to SEBI, deep markets require larger and diversified public shareholdings, both

BSE PSU INDEX

Company Name	Government holding (%) as on March'09	Value* of Stake in excess of 75% (Rs Crore)
Engineers India Ltd.	90.4	889.0
Hindustan Copper Ltd.	99.59	5642.3
M M T C Ltd.	99.33	36462.2
N M D C Ltd.	98.38	33555.6
Neyveli Lignite Corpn. Ltd.	93.56	4141.4
Rashtriya Chemicals & Fertilizers Ltd.	92.5	637.2
State Trading Corpn. of India Ltd.	91.02	341.2

Source: CMIE

* Market value as of 30 July'09

for the private sector as well as listed public sector companies.

Disinvestment will also be extremely positive for the Indian equity markets and the economy. It will draw more foreign and domestic investors into the markets. PSUs will be in a better position to raise capital and fund their expansion plans. Removal of capital constraints will enable PSUs to compete better with the private sector. It will allow the government to stimulate the economy while resorting to less debt market borrowing, with less possibility of crowding out of private borrowers, as well. ■

This feature was prepared by the Economic Research Department, CII



Services Exports: The Next Big Opportunity

India achieved a landmark in 2008-09 when its services exports crossed the milestone of \$100 billion. Considering that this figure stood at \$43.2 billion just five years ago, this is a truly commendable feat. India's share in global services exports went up to 2.74% in 2007, while its rank, excluding intra-EU trade, has jumped to 5.

The platform shift in services exports has been led by India's iconic software services sector. Software exports have doubled in the last four years, attaining an average growth rate of 30% per annum, before dropping to half that rate in 2008-09 in the wake of the global economic crisis. India is the world's largest exporter of IT-BPO services, and the sector has given the country a high brand image as a knowledge hub.

The second largest services exports from India are in the category of business services, registering \$16.3 billion in 2008-09, with the most significant share coming from business consultancy services. Other services exports that have developed rapidly include financial services and construction, although from a small base.

World exports in services have been growing faster than merchandise exports to stand at \$3.73 trillion in 2008. The US is the world's largest exporter of services with close to \$500 billion worth of exports and a 14% share. Although the global economic crisis severely impacted the exports of financial services and transport and tourism services, aggregate exports still expanded by 11% in 2008, decelerating from 19% the previous year.

India's performance in the services trade over the last few years signifies a huge opportunity ahead for the country. Several factors are in its favour, including predominant share of services in GDP, excellent image of the 'Served from India' brand, skilled English-speaking workforce, competitive costs, and expertise across a range of sectors. Addressing the **National Conference on Services Exports** held by CII in July, Mr Anand Sharma, Minister, Commerce and Industry, reiterated the target of doubling India's share in global service exports.

It is essential for India to be aggressive in the services exports space. Primarily, services exports can help meet

India's aspirations for creating large-scale employment opportunities, given its youthful demographic profile. Secondly, services exports also have the advantage of raising India's profile on the world economic platform, as many services are people-related and can build positive perceptions about the country. India already enjoys high reputation among developing countries as a knowledge capital of the world, and needs to capitalise on this. Third, the services sector will increasingly become crucial as the world economy transforms into a knowledge and innovation-led growth model. India has a good base on which to take a commanding position on services exports.

In order to achieve the target of doubling trade, India needs to identify key sectors in the services space for intensive promotional activity. Building on existing brand image and previous performance, India can aim at becoming a knowledge center for the world,

delivering services such as higher education, healthcare, R&D, engineering and design, entertainment and media, etc. Tourism, travel and transport services and financial services could also be emphasised. Given India's large workforce, the country can provide services across a range of sectors.

However, achieving this target will require a coordinated and comprehensive policy to address domestic and external hurdles to growth.

On the domestic side, the key constraints to unleashing the potential are to be found in regulatory and infrastructural areas. For example, tourism infrastructure is inadequate to meet the expectations of overseas visitors. In the higher education sector, there are restrictions on FDI and entry of overseas providers. In fact, roadblocks arising from policy and infrastructure issues need to be systematically examined and alleviated for each targeted sector in order to unleash the growth potential.

A crucial aspect of services exports is that of skilled human resources. Although millions of youth are expected to join the workforce each year, the level of their education and skill attainments may fall short of the high requirements of the sector. Currently, the



skill development infrastructure is grossly inadequate, leaving less than 5% of the workforce with any kind of training. On the positive side, many of the skills needed in the services sectors can be provided through short training modules that can be progressively built upon by the beneficiaries.

Skill development is a focus area for CII, which has been working in providing training, developing modules, and devising vocational education curriculum in accordance with industry requirements. CII is also partnering in the National Skill Development Corporation under the Government's Skill Development Mission. However, much needs to be carried out on the policy front on creating institutions across the country, setting up regulatory bodies and accreditation and certification agencies, and financing courses.

India would also have to examine the issues of intellectual property rights and piracy if it is to give comfort to the buyers of its services in areas such as R&D, design, and entertainment and media, among others.

On the international front, there are a number of issues to be tackled relating to development of focus markets, movement of personnel, local regulations, and mutual recognition of professional qualifications.

The General Agreement on Trade in Services (GATS)


negotiation is part of the Doha Development Agenda under the WTO and covers service delivery under the four modes of services supplied from one country to another. India has made GATS commitments in 37 services sectors, as compared to 110 sectors by USA and 93 by China. It has been primarily interested in service delivery through cross-border supply and movement of natural persons.

To promote services exports, India would need to increase the number of services sectors with GATS commitments. Its payments on account of services imports went up sharply in 2007-08, due primarily to increased expenditure on travel and transportation, but declined marginally to \$52 billion in 2008-09. In fact, imports of non-software services have come down since 2006-07, indicating scope for liberalisation of service imports under key sectors.

For delivery of services by Indian workers and professionals overseas, it would be necessary to negotiate mutual recognition agreements (MRA) with other countries, enabling doctors, lawyers, accountants, architects, and other professionals to work overseas. Local laws limiting entry of professionals and creeping protectionist tendencies in other countries also might need to be examined. In USA and UK, India is already among the top source countries for skilled professionals, but given



Confederation of Indian Industry
CII-Sohrabji Godrej Green Business Centre



10th National Award for Excellence in Energy Management 2009

19-20 November 2009, Chennai


Last date for submission of questionnaires: 31 August, 2009

Objectives of the Award	Award Categories
<ul style="list-style-type: none"> ◆ Recognize the achievements of Indian companies for their significant and innovative contributions to industrial energy efficiency ◆ Showcase innovation in energy efficient technologies and facilitate sharing of information between companies ◆ Encourage and motivate more companies to achieve excellence in energy efficiency 	<ul style="list-style-type: none"> ◆ Excellent Energy Efficient Units ◆ Innovative Project Award ◆ Encon Champion of the Year ◆ Innovative Energy Saving Product/ Service Award



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Please download the questionnaires from: www.greenbusinesscentre.com

shortages in these and other nations, there is potential for more Indians to work overseas. Short-duration visas could be one way to increase personnel movement. In this context, Totalisation Agreements to avoid double payment of social security taxes should also be negotiated.

Finally, India should include services in its Free Trade Agreement negotiations in order to enlarge market access. The Comprehensive Economic Partnership Agreement with Singapore, including MRA, can be a guide.

Some sectors that India can promote aggressively:

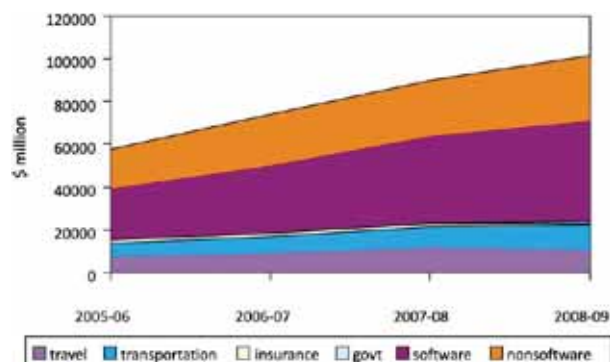
Travel and Tourism: According to the World Travel and Tourism Council, the contribution of the sector will rise from \$5.5 trillion in 2009 to \$10.5 trillion by 2019, after the downturn is over. India attracts about 5 million overseas tourists annually and derived \$17 billion of exports from the sector. Countries such as Malaysia and Thailand have 15-20 million visitors a year and earn about \$25 billion from exports of travel and tourism products.

The Incredible India campaign has succeeded in raising India's profile as a tourist destination; however, tourist infrastructure to provide a pleasant experience to visitors is lacking. There is need to reduce taxes and fees and examine comprehensive development of tourist centres.

Healthcare: India, with 450,000 medical tourists, ranks among the top destinations for patients seeking care overseas after Thailand, which has positioned itself as the number one medical tourism hub and counts 1.2 million patients annually. According to a CII-McKinsey Report of 2006, India can earn \$2 billion by 2012 on account of healthcare, if issues relating to expansion of medical and nursing universities and others are sorted out.

Higher Education: Higher Education is experiencing a tectonic shift with greater mobility of students and more Higher Education institutions. In 2003, more than 2 million students were enrolled overseas. USA exported \$ 17 billion worth of education services in 2008. India itself is now the largest source of foreign students for USA, second largest for UK, and had about 95000 in Australia in 2008.

But there are few efforts to attract foreign students to India. A major barrier is the fact that there is no clear policy on export of higher education services from India or



on Foreign Higher Education Providers (FHEP). Among other reasons for low overseas enrolment are the lack of information and absence of support system for foreign students, limited number of seats available for them, doubts on accreditation, limited recognition of degrees from the country, etc. These need to be addressed to make India a global education hub.

To conclude, given the Indian economy model, India's economic growth, employment opportunities and global profile can benefit tremendously from assiduous and committed promotion of services exports. The new Foreign Trade Policy should bring out a policy roadmap on this vital issue.

Table: Invisibles Receipts

\$ million

Item	2005-06	2006-07	2007-08	2008-09
Services	57659	73780	90077	101224
1. Travel	7853	9123	11349	10894
2. Transportation	6325	7974	10014	11066
3. Insurance	1062	1195	1639	1409
4. Govt not included elsewhere	314	253	330	389
5. Software	23600	31300	40300	47000
6. Non-software:	18505	23935	26445	30466
Communication services	1575	2262	2408	2170
Construction	242	700	763	866
Financial services	1209	3106	3217	3939
News agency	185	334	503	799
Royalties, etc	191	97	157	132
Business services:	9307	14544	16771	16251
- Trade related	521	1325	2233	2008
- Business consultancy	2320	4476	4433	4847
- Technical services	3193	3457	3144	1759
- Maintenance of offices abroad	1577	2638	2861	2980
- Others	1696	2648	4100	4657
Personal, etc	189	243	562	729
Others	1042	2649	2064	5580

Source: RBI Balance of Payments Developments, various issues

National Conference on **Services Exports**

The Services sector represents the dynamism in the Indian economy today.

Services, which represent over 50 per cent of India's Gross Domestic Product (GDP), are witnessing good export growth too, aided by the expansion in the IT and ITES sector which constitutes over 40 per cent of the country's Services exports. In 2006-07 and 2007-08, the growth in exports over the previous years were 32.1 per cent and 22.1 per cent, respectively.

The export of Services in 2007-08 was valued at US \$ 90 billion. India today has 2.7% of the world market in Services export compared to just over 1 % share in merchandise products.

To sharpen the competitive edge of the Services sector in increasingly challenging world markets, CII organised a **National Conference on Services Exports** on 31 July in New Delhi.

Inaugurating the conference, Mr. Anand Sharma, Union Minister for Commerce and Industry, called on the nation, society and leaders to work together to substantially enhance India's Services delivery. Though the Services Sector contributes Rs 106 billion to India's exports, it is less than 3% of the global share. We should work towards doubling this figure, said the Minister, noting that investment in Skills Development through public-private partnership is the key to the growth of the Services sector in India.

With a 40% shortage of skilled manpower globally, there is a huge opportunity for India to invest in training and skilling manpower, thereby bringing in inclusive and sustainable growth. "We should convert challenges into opportunities by setting out clear priorities on development of infrastructure, universities, centre of excellences and charting a conducive policy for growth" he said. .

Mr Sanjiv Goenka, Past President, CII, Chairman, CII Services Council, and Vice Chairman, RPG Enterprises,



set the tone for the conference by stating that "To raise our share in global services exports in the next few years, we need to make the industry more competitive by providing stimulus to exports. Some areas that need focus include easier domestic policies and taxes, identifying at least three more key sectors to target global markets, seeking GATS visa for short term assignments,



Dr. Janmejaya Sinha, MD, The Boston Consulting Group, Sanjiv Goenka, Past President, CII, Chairman, CII Services Council, Vice Chairman RPG Enterprises; Anand Sharma, Union Minister, Commerce & Industry, Chandrajit Banerjee, Director General, CII and Lalit Bhasin, Chairman, Services Export Promotion Council and CII Legal Services Committee



Jyotiraditya Scindia,
Minister of State,
Commerce & Industry

negotiating Mutual Recognition Agreements and Totalization Agreements, providing impetus to small and medium sized service exporters, and making effective use of WTO and FTA platforms for real market access."

The current global economic downturn, warned Dr. Janmejaya Sinha, Managing Director, The Boston Consulting Group (India), is far from over. Globally, \$ 20 trillion have been spent to stabilise banking systems that are still reeling under high degree of uncertainty. Despite this

scenario, confidence is moving positively, he said, complimenting the Indian Government for tackling the situation in a timely and coordinated manner. Currently in India, 58 million out of 150 million jobs in the services sector are being affected by the crisis. However, 70% of the incremental GDP growth, over 60% of new jobs and 50% of India's exports in the next 5 years would come from Services sectors, he said.

Mr Lalit Bhasin, Chairman, Services Export Promotion Council and CII Legal Affairs Committee complimented the Ministry of Commerce and Industry for galvanising

the Services Export Promotion Council in promoting thirteen services verticals.

Mr Jyotiraditya Scindia, Minister of State for Commerce & Industry, in his valedictory address, said that the Services sector has given a face to 'Brand India' that has resiliently launched India on the growth trajectory. Government and Industry as common stakeholders should make India the No.1 country in Services exports, he declared.

Mr Scindia said that the bouquet of Services needed to be re-engineered, widened, made more comprehensive and deep to invoke a larger share of the global Services market for India. He also advocated the need to assess the demand potential of each Service vertical and the matching skills requirement for creating and enhancing the employability of manpower. Mr Scindia said that the Indian IT sector has done well in tough times not only

with cost arbitrage and talent pool but also by building a globalised value chain. Similarly, automotive, hi-tech and engineering sectors are constantly moving up the value chain, which will pay rich dividends and help them recuperate from the recession.

The day-long event discussed how to provide a conducive environment for Services exports, as well as the opportunities and challenges in this area. The conference the need for diversification of India's Services basket and how India can move up the value chain in IT and ITeS services.

Mr Chandrajit Banerjee, Director General, CII, while appreciating the ministers' able leadership in handling multilateral negotiations, assured the government that industry would respond to the challenges and engage itself in developing skills for the enhancement of the Services sector. ■

Interactive Session with MPs from Maharashtra



Members of Parliament from Maharashtra at the interactive session: Bharatkumar Raut, Anant Geete, Anand Paranjape, Shivaji Dattatray Adhalrao, Bhausahab Rajaram Wakchaure, Sanjay Shamrao Dhotre, Haribhau Madhav Jawale, and A. T. Nana Patil

CII Western Region organized an interactive session with 14 Members of Parliament from Maharashtra, representing different political parties, on 15 July in Delhi. At the session, the Members were apprised of the need to facilitate new investments into the State, as well as to create jobs and improve infrastructure.

Mr. Pramod Chaudhari, Chairman, CII Maharashtra Council, Mr. Nitin Paranjpe, Vice Chairman, CII Maharashtra State Council and Mr. Rajan Navani, National Chairman for India@75, shared CII's agenda and presented the CII theme – 'India@75.' Some issues concerning



MPs Prakash Javadekar and Supriya Sule in discussion with Pramod Chaudhari, Chairman, CII Maharashtra State Council

Industry in Maharashtra were also discussed with the Members of Parliament. The topics ranged from infrastructure to traffic management, connectivity, agriculture etc. in Maharashtra.

The MPs appreciated CII's initiative in organizing the session and promised to take up the issues with the Union and State Governments. They also assured CII of their continued support on any issue pertaining to the development of the State.

Mr Prateek Prakashbapu Patil, Minister of State, Union Youth Affairs and Sports, attended the dinner which followed the meeting. ■

Interaction with Chief Election Commissioner

Important issues regarding the country's electoral process and possible synergies between Industry and the Election Commission were discussed at a closed-door meeting with Mr Navin B Chawla, the Chief Election Commissioner, and a select group of CEOs from large Indian business groups, PSUs and representatives of CII's Young Indians on 31 July in New Delhi.

Mr Sunil Kant Munjal, Past President, CII, and Chairman, Hero Corporate Services Ltd, in his welcome address, appreciated that the Election Commission had proved itself equal to the tremendous challenges

in holding elections for a population of over a billion people in a country of enormous diversity. He traced CII's involvement with the Election Commission beginning with its inputs to the Inderjit Gupta Committee in 1998 and the more recent call to its members to announce a holiday at all sites so that all workers could vote.

Mr Munjal said that CII has always stood for transparent and clear modalities of the relationship of political parties and industry, and would continue its work on building leadership, especially among the youth. He also raised issues regarding threats from Naxalite and militant movements, the existence of criminal elements in the political process, need for a transparent legal process of corporate funding of political parties, state funding, and increasing the voter turnout.

Mr Chawla observed that the enormity and complexity of the recently concluded elections was evident from the involvement 1.18 million electronic voting machines, 8.34



Navin B Chawla, Chief Election Commissioner, India

lakh polling stations, 714 million voters and more than 11 million personnel on election duty. The challenge was not the size and magnitude alone but being able to reach the remotest of locations sometimes for a single voter, he said. He described initiatives introduced this year, such as Booth Level officers, CCTV recording of polling stations, and vulnerability mapping, amongst others, to ensure safe and fair elections.

Responding to queries raised by members, the Chief Election Commissioner said that it might be a good idea to introduce a course on

the electoral process in the educational curriculum to make the younger generation more aware. He said the Commission was open to adopting best practices from other democracies and assured that the EVMs were tamper-proof.

The deliberations also touched upon issues such as making the electoral process more accessible for the elderly and the physically challenged by providing wheelchair access to all polling booths, providing Braille facilities for the visually challenged, enabling Non Resident Indians (NRIs) to vote and an option for 'none of the above' on the EVM.

Mr Chawla suggested that regular interactions

with a select group of CII members would help take these suggestions forward.

Mr Chandrajit Banerjee, Director General, CII, in his concluding remarks, reiterated CII's commitment to work with the Election Commission on possible synergies to make India the role model democracy in the world. ■



Sunil Kant Munjal, Past President, CII & Chairman, Hero Corporate Service Ltd, Navin B Chawla, Chandrajit Banerjee, Director General, CII and SK Roongta, Chairman, Steel Authority of India Ltd

Indo-US Cooperation in Agriculture

Indo-US cooperation in agriculture dates back 40 years, when India's Green Revolution, launched with US assistance, met with major success. India produced a record grain output and eventually became one of the world's leading agricultural producers. Building on this strong tradition CII organized a session on 'Indo-US Cooperation in Agriculture'



Dr Rahul Mirchandani, Chairman, Yi National & Executive Director, Aries Agro Ltd, Dr Ashok Gulati, Chairman, CII National Task Force on Food Security and Director-in-Asia, International Food Policy Research Institute (IFPRI) and Tarun Das, Chief Mentor, CII

on 16 July in New Delhi bringing together the best consultants, scientists and business leaders of the industry. The session explored a broad collaborative framework for the Indo-US agriculture agenda in the near future, with the focus on

- Raising agricultural productivity
- Strengthening agri marketing systems and logistics
- Institutional collaboration in science and technology-based R & D
- Food safety standards and quality
- Facilitating trade in agriculture

Agricultural Productivity

Food Security

Food security ranks high on the upcoming Indo-US bilateral agenda. Ms Hillary Clinton, US Secretary of State, addressing the USIBC Synergies Summit held recently in Washington DC, noted that "Encouraging greater agricultural cooperation should be a major focus of our economic agenda... A significant expansion of India's agricultural sector would have dramatic benefits for Indians, but also could help to spur agricultural revolutions in Africa and other parts of the globe where food security remains a persistent problem."

- An institutional dialogue on raising agricultural productivity in India could go a long way in ensuring

regional and global food security.

High Value Agriculture

Strengthened focus in high value agriculture will help augment overall agricultural productivity. In the Indian Horticulture Development Alliance project, Michigan State University is partnering Tamil Nadu Agricultural University to provide technical assistance, and works with the

Ministry of Agriculture's National Horticulture Mission, State Marketing Boards, and State-level Departments of Agriculture, in partnership with CII and YES Bank. In addition, CII is working with the Ministry of Agriculture to develop policies and models for the development of cold chains in the Public Private Partnership mode.

India and USA can find opportunities in:

- Greater academic and institutional collaboration in high value agriculture and sharing best practices of the US private sector in raising productivity through higher-value commodities, such as livestock, dairy products, fish, fruits, vegetables, and spices.
- Buildings logistical and technological infrastructure for high value agriculture in India. Huge investment opportunities lie in setting up a wide range of cold warehousing and evacuation systems like controlled atmosphere storage systems, up gradation of existing cold storages to multi-chamber cold storage reefer trucks, and more.

Second Green Revolution

Coaxing more food grain to feed a larger population from lesser land under cultivation remains a complex challenge. As policy makers and researchers try to usher in a Second Green Revolution, given the track record of US assistance with India's first Green Revolution,



collaboration is naturally expected.

- Private sector engagement between American and Indian agri-biotechnology-based research institutions must be encouraged.

Businesses on both sides should be encouraged to pursue commercial opportunities in agri-chemicals, food processing, cold chain technology and value added agriculture.



Agri-Marketing

Strengthening Linkages

USAID, through many State Governments, has been working to improve linkages between farmers and markets. The National Institute of Agricultural Marketing along with USAID has introduced a project on Strengthening Agricultural Marketing Systems in India covering the entire chain of post harvest operations.

- There is enormous opportunity for cooperation in the entire area of agriculture marketing, especially technology transfers in post harvest management, including storage, handling, processing and transportation.
- Another area of joint activity is facilitating information flow in the food supply chain in terms of data integration, supply demand matching, demand forecasting, movement synchronisation and price discovery mechanisms for farmers.

Food Parks

The Ministry of Food Processing Industries has an ambitious plan of setting up several mega integrated food parks to serve as consolidation, supply and primary processing hubs for agricultural produce in India.

- Significant FDI is envisaged in the development of food parks, a promising area for Indo-US cooperation.

Food Processing

Food Processing can help increase the shelf life of food products and eliminate significant wastage. Appropriate technologies for the selection, preservation, processing, packaging and distribution of wholesome food would enable food businesses to attain the requisite innovation. Today, new state of the art integrated technologies are emerging in the whole food value chain.

- US companies can bring technical know how and latest developments in food processing technologies to facilitate the Indian food sector in upgrading systems and achieving global competitiveness.

Education/ Science & Technology/ R&D

University collaboration

American universities are much ahead in both fundamental and specialized agricultural research. Michigan State University is a partner in the Business Catalysts for Rural Competitiveness and Inclusiveness project, led by the International Food Policy Research

Institution with a number of public and private sector companies.

- University collaboration at every level must be encouraged. Exchange programmes for higher education students and agri-based business managers can help expand the frontiers of knowledge and productivity.

- The Agriculture Knowledge Initiative (AKI) between the US and India must be broadened to include private sector stakeholders and academic institutions. AKI is an excellent platform, with the potential to be utilized much more effectively.

Biotechnology Research

The US has major strengths in agri biotechnology applications. India's experience in developing BT crops has been quite successful. For instance, Monsanto's participation in cotton has witnessed a phenomenal increase in cotton acreages.

India and the US could collaborate in:

- Establishing Centres of Excellence in Biotechnology
- Private sector JVs for co-developing molecules/seeds
- Innovative business models for high-value research
- Capacity building and HRD
- Joint projects in bio-fortification of crops

Capacity Enhancement in Food Safety and Quality

- Study missions could help create exposure on design, operation, assessment and accreditation systems for food import and export inspection and certification systems

Food Regulations

There is an urgent need for harmonizing Indian Food Regulatory and Safety Standards with international standards, for expanded and smoother trade between India and the world, including USA.

- The food safety and regulatory systems in the US are quite evolved. Study missions and delegations would help understand the US systems for implementing new food regulatory laws in the food businesses.

Agriculture Trade

There is continuing concern on both sides with regard to agricultural trade, especially trade distorting subsidies, market access, tariff and non-tariff barriers. The US-India CEOs Forum had recommended that the two countries work together to settle difficult differences agricultural trade, and work towards successful completion of the WTO Doha development round.

Cooperation on the development of effective policy, regulatory, and institutional frameworks will contribute to increased prosperity for farmers and agricultural growth. ■



-nabled Development

-Agriculture in India's Progress Canvas

Agriculture in the country is going through a major transformation from traditional farming to an open and technically designed model, which is opening alternatives for farmers and attracting participation from the private sector in a major way.

A CII seminar on eAgriculture, titled **'E-nabled Development: E-Agriculture in India's Current Progress Canvas'** examined the role of improved communications and information

technology (ICT) in the enhancement of agricultural and rural development. The discussions dwelled upon the challenges and role of local innovation in ICT for enhancing the productivity of the farmers, and the implementation and practicing of e-agriculture in India. The seminar, held on 28 July in New Delhi, also shared innovative and successful models / best practices, and discussed government initiatives and policies, etc.

'Mobile technology can bring about the much needed interface with farmers,' said Mr Sanjeev Gupta, Joint Secretary, Agriculture and Cooperation, at the seminar. The government has developed so far over 75 agri-websites and portals, but very few are in vernacular languages. There is much need to overcome major challenges of language and bandwidth, which can be dealt with using wireless technology, he said.

It was realized that the bigger challenge is of disseminating agriculture-related information to farmers as there is a severe dearth of relevant content in vernacular/ local languages. The need to digitize more information, especially in vernacular languages, needs the attention of both industry and Government, stressed Mr M Moni, Deputy Director General, National Informatics Centre (NIC). He also emphasized the need to provide IT training to agriculture graduates.

The seminar highlighted that CII promotes growth in



Sanjeev Gupta, Jt Secretary, Agriculture & Cooperation, Rakesh Bharti Mittal, Chairman, CII National Council for Agriculture and Vice Chairman & MD, Bharti Enterprises Ltd, and Ganesh Natarajan, Chairman, CII National Committee on IT, ITeS & e-Commerce, and Vice Chairman & MD, Zensar Technologies Ltd

Agriculture and Agribusinesses, and looks to promote ICT enablement of Agriculture to bring about inclusive growth and sustainability and build competitive agribusinesses. It was realized that eAgriculture would help the country ensure that Agriculture performs with more than 4% growth year after year.



Global trends in IT deployment for Agriculture, Remote sensing and GIS applications, supply chain management, 'e' & 'm' commerce in agriculture, agricultural information networks, drought network integration, micro-finance, carbon emissions, community organizations, capacity building for ensuring food security, and IT-related subsidies in the National Agricultural Policy, were also discussed.

Dr Ganesh Natarajan, Chairman, CII National Committee on IT, ITeS & eCommerce, and Vice Chairman & Managing Director, Zensar Technologies Ltd said that while world class institutions and organizations are engaged in agro and food development in India, there is an urgent need to bring ICT and agri and food industries together to collaborate on a large scale. This would convey the benefits of such alliances to people in two ways: better food production and management, and economic growth in rural/ urban areas. Opportunities abound in eAgriculture; we need to enable the ecosystem to evolve, he said. ■

Conference on Agro Food Processing Technologies Quality and Safety in Fruits and Vegetables Processing

Technology transformation is not a matter of quick fixes but requires visionary planning and long-term scientific commitment. Food processing technologies meet the current demands for added value and guaranteed safety, with specific applications dedicated to high pressure, pulsed electric fields, microwave applications, freezing and packaging methods, and predictive microbiology.

However, issues relating to food safety, traceability, rapid detections methods and treated foods require greater understanding of food processing operations, better utilization of existing technologies and adoption of new innovative technologies.

The Tamil Nadu Technology Development & Promotion Center (TNTDPC), an autonomous society of the Government of Tamil Nadu and CII, the United States Agency for International Development (USAID), Michigan State University, and the Indian Horticulture Development Alliance jointly organized a conference on Agro Food Processing Technologies with the theme of 'Quality and Safety in Fruits and Vegetables Processing' on 24 July in Chennai.

The conference updated the progress of research activities and their adoption by industries in the field of fruits and vegetable processing, and post-harvest technology of fruits and vegetables.

Speaking at the inaugural session, Mr Veerapandi S Arumugam, Minister, Agriculture, Tamil Nadu, said his Government would provide a subsidy of Rs.40 crore for the proposed terminal market project. He urged the private sector to actively participate in infrastructure projects, especially on post harvest and cold storage technologies, to benefit the farming community, and said that the government would support such initiatives by way of subsidies and grants.



Atul Anand, CEO, Tamil Nadu State Agricultural Marketing Board; Veerapandi S Arumugam, Minister, Agriculture, Tamil Nadu, and P C Duraisamy, MD, Sakthi Masala Private Ltd



Mr. Atul Anand, CEO, Tamil Nadu State Agriculture Marketing Board described the Government of Tamil Nadu's initiatives in promoting the agro processing sector. He said that venture capital funds upto

Rs 75 lakh would be provided for entrepreneurs setting up food processing industries in the state. Further, the government is providing training to farmers in handling post harvest agricultural products and also on export of fruits and vegetables.

Mr P. C Duraisamy, Immediate Past Chairman, CII Erode, & Managing Director, Sakthi Masala Pvt Ltd said that R & D has become increasingly important to sustain the growth momentum and also to meet emerging challenges.

Mr. Sunil Gupta, Head QA and Food Safety, Jain Irrigation Systems Ltd, regretted that though India today is the largest producer of agricultural products, only 2.2 % of it is processed, deterred by poor storage facilities, improper handling, and high transportation costs. India needs to achieve a breakthrough in technology and R&D to process food items that meet international quality standards and norms, he said, calling for the development of infrastructure facilities, eco-benefits, and financial support, particularly in areas such as processing and ripening, optimizing harvesting time, pre cooling etc.

The Recommendations

- Industry should come forward to make use of the opportunities created by the government and set up new ventures for successful commercialization of new technologies developed through R & D.
- CII has to play an important role in the facilitation of the establishment of food processing industries by identifying potential raw materials available locally and working with various stakeholders.
- More collaboration is required between industry / academia / research labs for successful translation of knowledge creation into wealth creation especially in the areas of agriculture, post harvest technologies and modern food processing techniques.
- Government must relax the import / export regulations for processed foods and consider this sector as a priority sector in trade. ■

Indian Navy Invites Industry to Partner its Self-Reliance Agenda



Nailin Kohli, Chairman CII Defence Sub Committee on SMEs, Vice Admiral Dilip Deshpande, AVSM, VSM, Chief of Material, Integrated Hq, Ministry of Defence (Navy), Admiral Sureesh Mehta, PVSM, AVSM, ADC, Chief of Naval Staff, Satish K Kaura, Co-Chairman, CII National Committee on Defence & Aerospace, & Chairman, Samtel Group, Vice Admiral G Mahadevan, AVSM, VSM Vice PWP & A, Indian Navy, and Commodore R K Rana (Dr), Principal Director, Indigenisation, Integrated Hq Ministry of Defence, (Navy)

The Indian Navy intends to spend more than Rs 20,000 crores every year on building capacity and capability for the next few years, of which 55 - 60 % would go into acquisitions. This presents a huge opportunity for Indian industry to partner the Indian Navy in its upgradation and indigenization agenda, declared Admiral Sureesh Mehta, PVSM, AVSM, ADC, Chief of Naval Staff, at the **Naval Self Reliance Seminar - Leveraging Strengths of Public - Private Industry**, organised by CII jointly with the Integrated Headquarters, Ministry of Defence (Navy), in New Delhi on 30 July.

Admiral Mehta urged Indian industry, including SMEs, to engage with the Navy in understanding its equipment and warfare requirements, and provide world-class products and services to fulfill the security needs of the nation. Industry needs to be aware of the Navy's needs and challenges. Government and academia too are key stakeholders in building defence self reliance, he observed.

The Indian Navy is fully committed to indigenization, with a 15 year plan (till 2022) in place, along with a Science & Technology Roadmap 2025 to chart the route to modernization, but there would be no compromise on our self reliance and security, said Admiral Mehta. While vigorously pursuing indigenization, we are

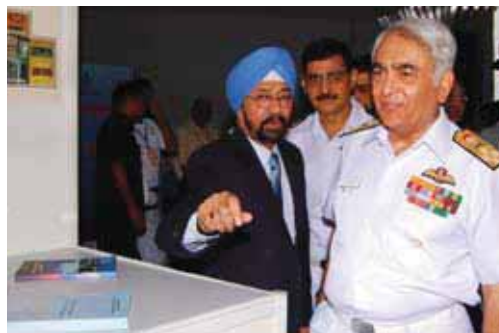
looking at transfer of technology and joint development, rather than merely purchases, he added.

Calling for stringent yet transparent and efficient acquisition procedures, he stressed that competence should be the key criteria. Opting for the lowest bidder could be detrimental, he said, calling for stream-lined procedures that ensured the best in class products across the spectrum. Alongside, industry needs to invest in R & D and collaborate with academicians to develop world class warfare, suggested the Naval Chief.

Earlier, Vice Admiral Dilip Deshpande, AVSM, VSM, Chief of Material, Integrated Headquarters, Ministry of Defence (Navy), said that MSMEs have a key role in the Indian Navy's plans for self-reliance.

Mr Satish K Kaura, Co-Chairman, CII National Committee on Defence & Aerospace, and Chairman,

Samtel Group, in his welcome address emphasized the need to combine the skills of the Public and Private sector to develop a strong partnership to achieve self-reliance in defence production. CII believes that SMEs have an integral role to play in achieving self reliance in defence, he said, noting that these organizations might, however, require a little hand holding to attain the required levels of expertise. He congratulated the Indian Navy for the launch of India's first indigenously built nuclear-powered submarine, the 'INS Arihant'. ■



Admiral Mehta visiting the exhibition, accompanied by Gurbal Singh Deputy Director General, CII and Commodore R K Rana



Hero Cycles' Cluster I Concludes

Hero Cycles Ltd celebrated the conclusion of its first vendor cluster competitiveness enhancement programme in Ludhiana on 9 July. Eight supplier companies presented landmark improvements in their shop floor practices and savings achieved as a result of a year-long exposure to manufacturing excellence methods. Buoyed by the success of the first cluster, Hero Cycles had already launched its second vendor cluster much earlier. It's a perfect case of win-win where smaller companies embark on the path to global competitiveness and the larger OEMs get the benefit of an efficient supply chain. The closing ceremony was attended by Mr O P Munjal, Chairman, Hero Cycles and all cluster members.

O P Munjal, MD, Hero Cycles

2nd Corrosion Management Summit

Corrosion costs the nation's exchequer a staggering Rs 1.5 lakh crores. This sum can be brought down to half if good practices are followed to prevent and control corrosion. Providing a forum for experts from industry, academia and research laboratories to disseminate best practices on corrosion management; the CII-L M Thapar Centre for Competitiveness organized the 2nd Corrosion Management Summit on 17-18 July in Chennai.

The speakers shared best practices that Indian industry can adopt to prevent the ill-effects of corrosion in various sectors to a gathering of over 100 senior and middle managers from leading companies, through 14 technical papers and relevant case studies.

Effective Inventory Management

Inventory is one of the largest wastes. It devours capital, becomes Obsolete consumes space and manpower.



Training Session on Effective Inventory Management



A training programme on Effective Inventory Management on 17 July in Chandigarh discussed the challenge of turning inventory back into cash.

Power Q



V Ramakrishna, Member Power System, Central Electricity Authority & Ex-Officio Additional Secretary, Jens Burgtoff, Director, GTZ and Dr. G C Datta Roy, CEO (Energy), DCM Shriram Consolidated Ltd

The 3rd National Seminar cum Exposition on Power Quality & Reliability: Power Q: 2009, organised by the CII-L M Thapar Centre for Competitiveness for SMEs in New Delhi brought together all stake holders: government, industry and service provider to discuss the issue.

Mr. V Ramakrishna, Member – Power Systems, Central Electricity Authority and Ex-Officio Additional Secretary, Government of India, stressed the need to prepare a detailed action plan for improving quality and reliability of power along with energy efficiency.

Mr Jens Burgtoff, Director IGEN, GTZ, in his keynote address, pointed out the German experience in achieving excellent energy efficiency.

Mr. Rajive Chawla, President FSIA, Faridabad, along with speakers from renowned product and service providers focussed on solutions to improve the quality of power.

New Product Development Tools

A national seminar cum exposition showcased new product development tools such as PLM-CAD-RP-CAE on 28-29 July in Pune. The seminar presented prototyping applications through live models and case studies on new trends and best practices in implementing Computer Aided Technologies.

Mr. Suhas Baxi, Vice Chairman, CII-Pune Zonal Council and Managing Director, Demag Cranes and Components described the many issues and challenges in Product Development activities and the need for product innovation in shrinking markets. He said the rural sector offers great opportunities for industry to address a wide diversity of rural challenges.

Convention on City Development Sustainability & Legal Interface

The 21st century is said to be on the cusp of an urban millennium. In 2008, the world reached an invisible but momentous milestone with more than half its human population, 3.3 billion people, living in urban areas. By 2030, this is expected to swell to almost 5 billion.

The phenomenon is particularly notable in developing nations where the urban population will be duplicated in a single generation. By 2030, the towns and cities of the developing world will make up 81% of urban humanity.

Urbanization at this unprecedented rate poses simultaneous social and economic destitution and massive environmental degradation. The current concentration of urban population, mounting poverty, slum spiraling and social uproar in cities paints a threatening picture. Unequal distribution of the products of economic growth, poverty and inequality limit access to resources and opportunities. These perils have prompted calls for urgent actions to promote urban sustainability. And this is where the role of law comes in. Law can be either an impediment or a source of strength in the sustainable development of cities.

The CII ITC Centre of Excellence for Sustainable Development, in association with The Bar Association of India (BAI) and the Society of Indian Law Firms, held **the Convention on City Development: Sustainability and Legal Interface** on 24-25 July in New Delhi. The convention had three significant themes:

- Integrating Sustainability into City Planning

- Redoing City Transportation
- Secure Cities, Safer Citizens

The sessions were followed by a debate 'Are Sustainable Cities an Obscure Aspiration?' which catalyzed the constructive understanding of the issues pertaining to sustainable urban growth.

Mr. Ajit Gulabchand, Convention Chairman, Chairman & Managing Director, HCC and President, Construction Federation of India, in his special address, emphasized on strengthening the local governance and urban structural reforms. He cited Lavasa, India's first artificially constructed, sustainable hill city, as a model of balanced life in harmony with nature. He said that good governance is essential for our urban future, however, its concerns and planning horizons must extend beyond current needs. Along with this, community sensitivity and proactive public involvement are requisite in tackling urban issues.

In his keynote address, Mr. Fali S. Nariman, President, Bar Association of India, and Senior Advocate, Supreme Court of India, noted that though India has laws in place for city planning and development, there seems to be a lack of intention in implementing these laws. He opined that individual responsibilities and a better understanding of the 'spirit' of the law are the keys to mobilize development. He said that simplification is very important for better interpretation of laws. Sustainable development of cities is possible by adopting a multi-pronged approach of integrating sustainability in city planning. City planning should have a systematic approach



Fali S Nariman, President,
Bar Associate of India



J S Verma, Former Chief
Justice of India



Vinod Rai, Comptroller &
Auditor General of India



O P Agarwal, MD, Urban
Mass Transit Company



Ajit Gulabchand,
Chairman & MD, HCC

both in planning and operational phase, he suggested.

Mr. J S Verma, Former Chief Justice of India, presented the citizen's perspective at the convention. He highlighted the issue of equitable distribution of land as a precursor to good city planning and development. He said that the present day urban transportation crisis in cities is a major threat to sustainability. Severe levels of local air pollution and GHG (greenhouse gas) emissions, reliance on fossil fuel-based energy sources, hostile pedestrian environment, high congestion, long travel distances and increased travel times, and loss of precious man hours are all negative externalities resulting from the urban transport sector.

Talking about 'Mainstreaming the User in Urban Transport Planning, Mr. O P Agarwal, Managing Director, Urban Mass Transit Company Ltd, and IL&FS Infrastructure Development Corporation, said that the present scenario

requires people to shift from private vehicles to public and non motorized systems of transport, while noting that policy makers face a massive challenge in providing good quality transport at an affordable price. He said that the legislations governing urban transportation in India like the Motor Vehicles Act 1988 need to be revisited. Mr. Agrawal said urban transport planning is more of an 'art' than a 'science', and plans have to be 'user-led' not 'engineering' led.

The way cities are planned, built and used is of vital importance. The approaching urban millennium could make poverty, inequality and environmental degradation manageable, or it could make them exponentially worse. The future of cities as well as the future of humanity itself depends very much on the efforts towards sustainable growth. A sense of urgency needs to permeate efforts to address the challenges and opportunities presented by the massive urban transition. ■

CII Sohrabji Godrej Green Business Centre Papertech 2009

Make Indian Pulp & Paper Industry World Class was the theme of the 3rd edition of PaperTech, held on 2 - 3 July in Hyderabad. The pulp and paper industry in India holds huge potential to become a global leader, given the lower consumption and production costs in the country, observed Mr Busi Sam Bob, Principal Secretary, Industries & Commerce, Andhra Pradesh, who was the Chief Guest at the inaugural session.

Mr Bob also released the 'National & International Best Practices Manual - Pulp & Paper Industry', a compilation of some of the identified national and international best practices of the pulp & paper sector. The manual would act as a catalyst to promote continual improvement in the performance of individual units, towards making the Indian pulp & paper industry world class.

Mr Pradeep Dhobale, Chairman, Energy Efficiency Council, CII Godrej GBC, and Divisional Chief Executive, ITC - PSPD, in his special address, said Andhra Pradesh would soon become the 'Pulpwood Bowl of India.' Appreciating that India's 'green cover' is increasing rapidly, he and appealed to the paper mills to invest in measures



Release of the National & International Best Practices Manual - Pulp & Paper Industry

to bring down energy consumption considerably.

Mr K S Kasi Viswanathan, Chairman, Papertech 2009, & Deputy Managing Director, Seshasayee Paper and Boards Ltd, in his theme address, noted that paper-making has become eco-friendly, thanks to the quantum jump in technology in the last 10 years.

Many industries are actually able to reduce costs by implementing the Corporate Responsibility for Environment Protection (CREP) initiative with a commitment to reducing water and waste, he said.

The two-day event was marked by learnings from international paper plants and technical sessions on various aspects of pulp and paper production, as well as a special plenary on 'How to take the world class energy efficiency initiative forward.' ■

Certificate Course on Quality Management & Analytical Techniques

Quality Management, traditionally viewed as the exclusive domain of Quality Departments, has gradually acquired a very prominent role in the competitive management of organisations. Quality tools, standards and models have now merged into mainstream strategic management and are applied across all functions of the organisation. Models such as Balanced Score Card, Business Excellence and Six Sigma integrate quality approaches into business models with tangible and visible benefits. Many of these models, however, rely on the basic and fundamental quality and statistical tools that have evolved over the past 50 years and form the backbone of improvement initiatives.

Unfortunately, Quality management still does

not constitute a formal part of the engineering or management curriculum. As a result, engineers and managers are often handicapped by a lack of knowledge of the existence and potential application of these tools and techniques when driving change programmes.

The CII Institute of Quality has launched a comprehensive **Certificate Course on Quality Management and Analytical Techniques (Statistical Methods)** designed to serve as a foundation for any person planning to make a career in Quality Management. Before finalizing the course structure, a detailed validation exercise was carried out to determine the current needs of industry, in terms of areas of statistical quality techniques, quality assurance, quality management and other related management system standards.

The validation exercise also provided the inputs for proper sequencing, weightages, and inter-module linkages. As a result, the final course design is vastly advanced in comparison to any other course on quality-related

Course Highlights

- Detailed industry level validation to identify the gap analysis
- Proper inter-modular linkages making it unique
- Covers all Statistical Tools besides Six Sigma, Lean Manufacturing, Team Building, Problem Solving Techniques, Quality Planning, TPM & OEE, Supplier QA, FMEA, QFD besides software application training
- 6 month course blends theory and practice
- Examination leading to certificate
- Led by eminent external faculty and practicing consultants of CII-IQ

subjects being offered in India or even globally. For example, the CII Course includes, besides all the statistical analysis tools, subjects like six sigma, lean manufacturing, team building, problem solving techniques, quality planning, TPM & OEE, supplier quality assurance, FMEA, QFD, use of software for data analysis, customer satisfaction measurement and SIPOC, which are not covered in the integrated course structure of any other programme.

The target group for this course comprises young engineers / scientists who are placed or have the potential to be placed in the Quality Management function.

The course is spread over a six month period comprising one week of contact classes every month followed by hands-on exercises and projects at the



Inaugural Session of the Certificate Course on Quality Management and Analytical Techniques

workplace. The course terminates with a comprehensive examination that certifies the proficiency level of the participant. The project work and other hands-on exercises ensure that the theoretical content is fully assimilated and the candidate is fully prepared for application in the workplace. The rigorous training enables the candidate to emerge as a thorough (certified) quality professional and become a long term asset for his/her company.

The faculty is led by Prof K N Anand, eminent professor and SQC consultant (ex ISI, Bangalore), who has also provided considerable assistance in developing the course material. He is supported by senior faculty from the CII Institute of Quality and other experts from industry.

The first course commenced on 29 June at the Corporate Quality Division, BHEL Secunderabad. The next course would be offered on open nomination basis from January 2010.

For more details please contact Anupam Kaul, Senior Counsellor, CII Institute of Quality, at anupam.kaul@cii.in

Launch of Standards Portal

(www.standardsportal.org.in)

The launch of the Standards Portal, www.standardsportal.org.in was organised by CII jointly with the American National Standards Institute (ANSI) and the Bureau of Indian Standards (BIS) on 7 July in New Delhi. This move clearly reflects India's growing importance in the global arena. The Standards Portal was launched under an MoU between CII, ANSI and BIS in December 2007 to facilitate trade between India and USA.



Mallikarjun Kharge, Minister, Labour & Employment, India lighting the lamp, as Chandrajit Banerjee, Director General, CII, Venu Srinivasan, President, CII, Yashwant Bhawe, Secretary, Consumer Affairs, Ministry of Consumer Affairs & Public Distribution and Joe Bhatia, President & CEO, ANSI, look on

Congratulating CII on the partnership to enhance trade relations between India and US, Mr Mallikarjun Kharge, Minister of Labour and Employment, who launched the portal, said, "I believe this kind of agreement is an important step by the two nations, which will bring them closer on the trade front. The portal will facilitate interaction and engagement between representatives from industry and government in the United States and in India. Companies in various sectors will immensely benefit from the initiative by getting all the relevant information needed to access markets."

The Minister added, "It is also important for the US and India to effectively communicate what standards, regulations and conformance requirements are used in each country." Increased communication will assure that each country's policies and practices do not create conflicting or duplicative requirements, and will encourage best practices all around, he observed.

Highlighting the importance of the Portal in enabling India and US to address issues related to non tariff barriers, Mr Kharge said "we must give this portal an appropriate name, as is the tradition in this country and everywhere else in the world. I suggest it be called Saarthi, which means the chariot commander, whose role in commandeering a chariot is most crucial and on whom depends the outcome of any battle as he guides the chariot-borne warrior."

Mr Yashwant Bhawe, Secretary, Consumer Affairs, Ministry of Consumer Affairs & Public Distribution, "The Portal will give consumers an indication that they could expect conformity in relation to standards which would create a win-win situation for all", he said.

Mr Joe Bhatia, President and CEO, ANSI, noted that "80% of the global commodity trade is impacted by standards and conformity assessment programme." Standardisation is thus the need of the day, he added.

Mr Venu Srinivasan, President, CII, said that the portal was an important step in bridging the gap on the trade front. "Standards are the answer to trade barriers. If we all work together changes can happen and the launch of this portal is a step in this direction", he said. Mr Chandrajit Banerjee, Director General, CII, felt the portal would help in creating a competitive environment which will enhance best practices.

The Standards Portal will develop Five Standard Directories in sectors of common interest, and Master Training Manuals for exporters. The directories will include a comprehensive collection of applicable standards in India and USA, covering Manufacturing/ Testing Standards, Conformity Assessment Standards and Regulatory Standards.

The launch of the portal was followed by a panel discussion on the automotive sector organised by CII, with included industry experts, representatives of the government, and standards making bodies from India and the US. ■

SME Exchange: Challenges & Opportunities

The availability of timely and adequate capital at a competitive cost is vital to the growth, development and sustenance of the SME sector. There is therefore a need for developing a dedicated stock exchange for the SME sector, to help SMEs access capital markets easily, quickly and at lower costs.

Accordingly, the Indian stock market regulator, Securities and Exchange Board of India (SEBI), is evaluating the setting up of a dedicated stock exchange for the SME sector after obtaining due recognition under the Securities Contracts (Regulation) Act 1956.

In order to discuss various issues relating to the need for an SME Exchange, regulatory framework for listing and potential for trading on the SME Exchange, etc. CII, with support from the Ministry of Micro, Small & Medium Enterprises (MSME), organised a conference on '**SME Exchange: Challenges & Opportunities**', on 16 July in New Delhi.

Mr. Dinesh Rai, Secretary, Ministry of MSME, strongly promoted a dedicated, transparent and neutral SME exchange platform to provide cost effective solutions to SMEs by reducing the IPO and compliance cost and without undervaluing the companies. Mr. Rai reiterated that a vibrant SME Exchange model would help this sector which will eventually lead to higher governance standards in this industry. With a positive outlook he said, "the SME platform in India has the potential to become one of the largest alternative platforms in the world."

Dr. K P Krishnan, Joint Secretary, Department of Economic Affairs, Ministry of Finance, emphasized on



Dr. K P Krishnan, Jt Secretary, Dept. of Economic Affairs, Ministry of Finance, India; Madhav Lal, Additional Secretary & Development Commissioner, MSME, India; Dinesh Rai, Secretary, MSME, India and Jignesh Shah, Chairman, CII Task Force on Indian Financial Markets and Chairman & Group CEO – Financial Technologies Group

the public policy issues relating to risk capital raising of MSMEs. He maintained that, as India does not have a fully functional market in this area, there was a need to instead develop and strengthen the existing markets for such activities. Dr Krishnan also stressed on the need for strengthening the entire eco system before bringing the exchange activities to life. Legal, Venture Capital and Private Equity, including taxation aspects are important areas that would need to be looked at he said.

Mr. Jignesh Shah, Chairman CII Task Force on Indian Financial Markets, and Chairman and group CEO, Financial Technologies, strongly supported the need for risk capital for the fund-starved MSME sector. He mooted the idea of having multiple exchanges, calling for competition in this sector. He noted that, "Out of the existing 11 million SMEs in India at present, even if the conservative figure of 1 % qualify as per the designed standards it will lead to huge capital generation."

Speakers from the Bombay Stock Exchange, National Stock Exchange, Delhi Stock Exchange, Small Industries Development Bank of India, and ICICI Bank addressed the conference. ■

IPR Awareness Workshop

The CII-Andhra Pradesh Technology Development Centre, under its ongoing initiative to spread IPR awareness among Indian companies and corporates, recently conducted an awareness programme on Intellectual Property Rights at the Mishra Dhatu Nigam Ltd (MIDHANI) in Hyderabad. MIDHANI is a Government of India undertaking under the Ministry of Defence.

The workshop was mainly a primer on IPR with an insight to patent filing procedures in India and abroad, and highlighted the importance of patent information for R&D.



A case study on IP management was also presented at the workshop. Subsequent to the workshop, MIDHANI has sought the services of CII-APTDC to set up an IP management team in their organisation.

CII-APTDC has already facilitated in filing of five patents for MIDHANI. ■



Chapter Round Up

Ahmedabad

4 July: The 2nd Success Mantra was an interactive session with Mr Atul Karwal, Jt Commissioner of Police (Traffic), Ahmedabad, who is the first IPS officer of India to scale Mt Everest. Mr Karwal described his experiences, challenge and future plans to around 80 CII-Yi Members / Yi net students.

12 July: The 2nd Yi Akshara learning resource centre was Inaugurated at Gulbai Tekra Municipal School, Ahmedabad, by Mr I P Gautam, Municipal Commissioner, Ahmedabad Municipal Corporation. This centre would be utilized by around 560 municipal school students.

19 July: The first 'Yi Get Together & Induction Programme 2009-10' featured games like Soccer, Cricket, Golf, etc, The new joinees were given a brief on Young Indians and the forthcoming activities of the chapter.



Tajpreet S Chopra, President & CEO, GE India, Srilanka & Bangladesh

Chandigarh

16 July: The opening session of the CEO Series was addressed by Mr Tajpreet S Chopra, President & CEO, GE India, Srilanka & Bangladesh. Mr Chopra described GE's various initiatives in the field of health care, food, electricity and providing clean and safe drinking water.

24 July: An awareness session was held on Organic Food and how it affects the health and environment.

Chennai

7 July: A Basic Life Support System Workshop gave around 38 Yi net students of Sri Sankara Senior Secondary School hands-on information on first-aid measures for sudden cardiac arrests, choking problems and other simple first-aid measures.

17 July: A Dental Camp at Smt Samjuben Kapurchand Vivekananda Vidyalaya covered 400 under-privileged children between classes 1 and 5.

17 July: A valedictory function was held to conclude the LABS programme at the Centre in Ayanavaram, which was launched on 23 March this year.

24 July: Yi Chennai members had an interesting interactive dinner session at the residence of Mr Mike Connor, British Deputy High Commissioner.

27 July: Yi Chennai, along with Kumararani Meena Muthiah School, part of the Yi net conducted a session on Global Cooling. The session demonstrated the devastating effects of global warming.

Coimbatore

10 July: A session on Cardiopulmonary resuscitation (CPR) and First Aid was addressed by Dr J Clement Joseph, and Dr Sekar Michael. The lecture provided knowledge about first aid and basic life support.

18 July: Yi Coimbatore members, continuing their effort to learn from the various success stories of the legends who hail from Coimbatore, met with Padmashree P R Krishna Kumar, Managing Director, Arya Vaidya Pharmacy, Coimbatore, at the Arya Vaidya Pharmacy premises in Ramnathapuram. A learning tour made members aware of the benefits of various ayurvedic treatments that have been in existence in the country since ancient times.

18 July: Yi members gathered to commemorate the death of the king of pop, Michael Jackson. Dressed in attire resembling Michael Jackson's, as a tribute to the legend, they danced to his hit songs.

27 July: A session on 'Role of Business Associations in Coimbatore's Development' was addressed by Mr K Ilango, President, The Coimbatore District Small Industries Association, Mr Jayakumar Ramdass, President, The Southern India Engineering Manufacturers' Association, and Mr Ravi Sam, Chairman, CII Coimbatore Zone.

Delhi

30 July: Yi Delhi Chapter organised a bowling competition for 10 teams of students from leading schools of Delhi and NCR at BluO, Ambience Mall, Gurgaon. Bharti School.



At the Bowling Competition for school students of Delhi & NCR

The bowling competition gave an opportunity to the students to interact with each other and know more about Yi activities.

Hyderabad

7 July: A Yi Net was launched at Glendale Academy



Students of Glendale Academy and Joyland orphanage at the launch of the Yi Net in Hyderabad

coinciding with the Vanamahotsav celebrations, to highlight the importance of ecological conservation.

Indore

11 & 16 July: At a Tree Plantation Drive at Shree Jee Valley, Indore, supported by Scientech Eco Foundation, members planted more than 100 saplings.

12 July: An 'Aero Modeling Show' at Sri Satya Sai Seva High School at Rangwasa Village, Betma District, showcased spectacular air demonstrations.



Aero modeling show at Rangwasa, Indore

Mumbai

20 July: Mr. Chintan Shah Chairman, Youth Affairs-Mumbai Chapter conducted 'The induction to the first

years at K.J Somaiya' to apprise students about Young Indians as well as CII.

27 July: A fun filled trekking trip to Karnala offered a great way for members to interact with each other.

28 July: A seminar on Stress Management at the KJ Somaiya Institute of Management Studies was attended by 60 students.

Pune

24 July: A student's college Net was launched at MITCON Institute of Management. Around 240 students participated in the session, who later became part of the Yi student net.

25 July: In an interactive session for student nets, Dr Anand Deshpande, Chairman, CII Pune Zonal Council & Founder Chairman and Managing Director, Persistent Systems Ltd, spoke on 'The challenges and opportunities for young IT professionals in the current global scenario'.



Nihar Shah, Chairman, Yi Youth Affairs, with Pavnesh Kaushik, Sr Associate Professor, MITCON



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Africa

South Africa

The 2nd 'Doing Business with India' conference was organised by CII in collaboration with the Consulate of India at Johannesburg, South Africa, on 23 -24 July. Ms. Maite N Mashabane, Minister of International Relations & Cooperation, South Africa, called for new and revitalised inputs and thrust on south-south collaboration. Recalling the historical linkages, she highlighted the need for new and vibrant economic links for the future.

A 15-member CII delegation participated in the Conference, led by Mr. Hari Bhartia, Vice President, CII, & Co Chairman Jubilant Organosys.

The conference focused on 'Brand India' and on the reasons why India should be a favoured destination for South African investments. A session on strategies relating to emerging markets, looked at new and innovative ways of addressing the current recession. The nuts and bolts session spelt out the actual ways of doing business and the requirements of the companies as they look at new partners in India. Focused sessions on Pharmaceuticals and the State of Maharashtra were high points of the conference.

Attended by more than 270 delegates from South Africa as well as delegates from DR Congo, Tanzania and Uganda, the conference acquired a regional hue.

At a session on 'Is Cricket recession-proof?' Mr. Sundar Raman, CEO IPL, Mr. Gary Kirsten and Mr. Jonty Rhodes, cricketers, explained the model of the IPL with its new format and its growing relevance to next generation of viewers.

Addressing the closing session, Mr Rob Davies, Minister of Trade and Industry, South Africa, spoke of the growing requirement for a dialogue between the two countries. He spoke of the calendar of visits and exchanges of delegations between India and South Africa in the near future.

In his closing remarks, Mr. Chandrajit Banerjee, Director General CII, committed to another



Hari Bhartia, Vice President, CII & Co - Chairman & MD, Jubilant Organosys greeting Maite N.Mashabane, Minister, International Relations & Cooperation, South Africa

Conference on 'Doing Business with South Africa' during the coming months.

During a meeting with Mr. Pravin Gordhan, Minister of Finance, South Africa, Mr. Hari Bhartia, Vice President, CII, mooted deeper dialogue between the governments and industry of both countries. The Minister, too, indicated a resolve to create an enabling environment to engage the businesses of the two sides.

The visit of the CII delegation has started a process of deeper engagement with South Africa. New partnerships have emerged and a structured response to the needs of the two sides will be put in place to facilitate an enabling business environment.



Gary Kristen, Coach, India's National Cricket Team, Jonty Rhodes, cricketer, Intiaz Patel, CEO Super Sports, Hari Bhartia and Sundar Raman, CEO, IPL, at a session on cricket during the conference on 'Doing Business with India'

Asia

China

Economy Indicators

GDP:	6.1% in Q1, 7.9% in Q2
GDP:	13.99 trillion yuan, up 7.1% in H1
Forex reserves:	\$185.6 billion rise in H1
FDI H1:	\$43 billion, down 17.9%
Industrial output:	Up 10.7% in June from a year earlier
Urban fixed-asset investment:	Up 33.5% in H1
Retail sales:	Up 15.0% in H1

Yuan Trade Pilot Scheme

Three Shanghai companies became the first batch to complete cross-border yuan trade settlement deals on 6 July, marking the launch of China's long-anticipated pilot renminbi trade settlement scheme. China allowed Shanghai and four cities in Guangdong province to execute the trial programme of cross-border trade between Chinese mainland and Hong Kong.

Iron Ore Deposits

Asia's biggest iron ore deposit with proven reserves of more than 3 billion tons was recently found in Dataigou, Qiaotou town of Benxi, Liaoning Province.

Luring Multinationals

The municipality of Beijing has announced plans to offer cash to lure multinational companies to set up their regional headquarters in Beijing in an effort to enhance its appeal as it competes with Shanghai, Hong Kong and Singapore to be the city of choice for Asian corporate headquarters.

Bank Loan totals exceed Target

The new lending by Chinese banks reached 7.4 trillion yuan this year by June, far exceeding the country's initial full-year target of disbursing 5 trillion yuan in loans. Total lending so far this year amounted to almost one quarter of last year's GDP.

Export Contract in Equipment Manufacturing

Shanghai Zhenhua Heavy Industry Company (ZPMC) has signed the largest export contract for China's equipment manufacturing industry to date worth \$2.2 billion with Spanish company ADHK. The transaction involves 10 offshore drilling platforms, seven land drilling rigs and two floating cranes, marking the first step for ZPMC to enter the global marine engineering market.

China-US Strategic, Economic Dialogue

The first round of the China-US Strategic and Economic Dialogue ended in Washington with the two countries pledging to intensify bilateral ties and expand cooperation on major international issues and shared global challenges. In a joint press release, the two countries said they had "a candid and in-depth exchange of views on the strategic, long-term and overarching issues concerning the development of bilateral relations" during the two-day dialogue.

US Hi-tech Products

The US has agreed to loosen restrictions on the export of hi-tech goods to China and speed up its recognition of China's market economy, Vice-Premier Wang Qishan said, after the China-US Strategic and Economic Dialogue.

Beijing - New Delhi Hotline

The Indian government said on 24 June that China has proposed that there should be a hotline between the Chinese Premier and the Prime Minister of India to maintain regular contacts at the highest level.

India-China trade (Jan-June 2009)

Trade	Value (\$ billion)	Change
Total trade	19.63	-32.3%
China's exports to India	13.02	-16.8%
China's imports from India	6.61	-50.5%
China's trade surplus	6.41	

Source: Ministry of Commerce, PRC

Seminar on China & India

The China Economic Review, a leading English business magazine in China organised a seminar on 'China & India - Leveraging your Capital in the World's Two Largest Countries' on 30 July in Shanghai. CII was the supporting partner for the event.



Riva Ganguly Das, Consul General of India in Shanghai

Mrs Riva Ganguly Das, Consul General of India in Shanghai, in her inaugural address, spoke on the growing trade between India and China. She called on Chinese companies to set up their facilities in India, to not only help in decreasing the widening trade deficit between the countries, but also to build a more sustainable business partnership.

CII made a presentation on the state of the Indian economy in the light of the global economic crisis.



Ambassador Nirupama Rao, with J J Shrikhande, Chairman, CII India Business Forum, China and Country Head, Larsen & Toubro Ltd and members and officials of the Indian Embassy, Beijing

The presentation highlighted the various business opportunities emerging from the crisis, and some of the key sectors where the Chinese can increase their engagement with India. The presentation also touched upon India's FDI policies, and investment opportunities for Chinese companies.

Other speakers gave their views on the various sectoral opportunities. The speakers included Mr J J Shrikhande, Country Head, L&T (Infrastructure), Mr V Rangarajan, COO Infosys Technologies (IT & ITES), Mr Sumeet Chander, Country Manager, Evalue Serve (Private Equity) and Mr Vibash Ranjan, Chief Representative, Equaterra China (R&D Outsourcing). Around 40 representatives from various Chinese companies also participated in the day-long session.

CPPCC Shanghai Delegation



CPPCC Shanghai delegation in New Delhi

CII met a visiting 6-member delegation of the Chinese People's Political Consultative Conference (CPPCC) Shanghai Committee headed by Mr. Qian Jinglin, Vice Chairman, on 2 July in New Delhi. The delegation was briefed on CII initiatives in promoting trade and economic cooperation between India and China and the current status of e-governance in India. Mr. Qian spoke on Shanghai Expo 2010 and invited CII to participate in the exhibition.

Japan

Record Budget Cap Approved

The Japanese Cabinet has approved a record 52.7 trillion yen cap on general policy budget spending for the fiscal year starting in April 2010. The amount is 940 billion yen higher than the current fiscal year's initial budget. The government will also set aside 350 billion yen in special reserves to address priority issues such as the deteriorating economy.

Boost for Chipmaker

Struggling chipmaker Elpida Memory Inc. will receive a capital injection of 30 billion yen from the Development Bank of Japan. The move would make it the first entity to be helped under a new programme to bail out non-financial sector firms using public funds.

Trade Surplus Shrinks

Japan's trade surplus shrank 99.7% in the first half of 2009 from a year ago to 8.32 billion yen (\$88.5 million) due to the global financial crisis. In June, Japan's trade surplus marked the first rise in 20 months from year-earlier levels. Exports fell 35.7% from a year earlier while imports shrank 41.9%, according to a preliminary report.

South Korea

Economy Registers 2.3% Growth

South Korea's economic growth in Q2 reached a five-year high on the back of large-scale stimulus packages and export rises. GDP saw a 2.3% on-quarter expansion during the April-June period, sharply up from the 0.1% advance in Q1. The Q2 figure stood at the highest since the fourth quarter of 2003 when the country marked a 2.7% growth rate. Exports jumped 14.7% on-quarter in the April-June period, the steepest growth since Q4 2003. Private spending also increased 3.3%, together with facility and construction investment, which rose 8.4% and 0.4%, respectively.

Manufacturing Sentiment Climbs

South Korea saw its manufacturing sentiment rise to a 14-month high for August on the back of rising optimism on an economic recovery, the Bank of Korea said. The monthly business survey index climbed to 80 from 78 in July. Along with other indices that show optimistic business sentiment, this figure suggests that the South Korean economy is stepping out of the economic downturn, local media reported.

CIS & Russia

Russia

CII met with a 3-member delegation from the International Congress for Industrialists and Entrepreneurs (ICIE), Russian Federation, CII's MoU Partner in Russia, on 16 July in New Delhi. The ICIE delegation was represented by Mr Pshenichnikov Viacheslav, and Mr Shpurov Ilya, both Vice Presidents, ICIE and Mr Rummyantsev, Counsellor, ICIE. Senior officials from the Embassy of the Russian Federation and the Trade Representation of the Russian Federation also participated in the meeting.

The meeting was held to examine ways and means to enhance cooperation between the two institutions and to formulate a strategy and work plan for the next couple of years. Various areas for cooperation were discussed including exchange of sectoral visits, formation of a joint Arbitration Court to help India and Russian companies settle business disputes, setting up of an India Russia Trading House in Moscow and joint efforts to facilitate trade between the memberships of

the two organisations. ICIE also extended an invitation to CII to participate in a forthcoming conference on 'The EU & CIS – Experience and perspectives of economic cooperation in the context of global crisis' to be held on 6 October in Vilnius, Lithuania.

Mr Chandrajit Banerjee, Director General, CII, along with several members of the CII Russia Committee, participated in the meeting.



Vyacheslav Pshechnikov, Vice President, ICIE; Ilya Shrupov, Vice President, ICIE; Chandrajit Banerjee, Director General, CII, and Vladimir Chrysanthov, Commercial Counsellor, Embassy of the Russian Federation in India

Europe

France

Economy

Signals on the economic front were perplexingly mixed. In June, the number of jobless unexpectedly declined though it remained 25.7% higher than a year ago, and consumer spending beat expectations. The Auto sector, doped by subsidy, recorded good sales. A new government scheme to put more money into the hands of the unemployed and low income groups to stimulate consumption benefiting 1.3mn households may also have helped.

The EU warned of the current crisis leading to capital destruction and reducing the long term Eurozone potential output. Around 13.4% of the French population now lives below poverty line.

Business & Industry

Banque Populaire and Caisse d'Epargne merged in the biggest French banking merger since 2002; they will have 22% of market share to Credit Agricole's 25%.

India

To reciprocate his being chief guest at India's Republic Day in 2008, Mr Sarkozy invited Dr Manmohan Singh to be the guest of honour on Bastille Day. An Indian military contingent was also invited to march in the

parade and became the first Indian military contingent to so participate on foreign soil. The short visit ended with a quick meeting between Mr Sarkozy and Dr Singh.

In view of the relatively robust performance of the Indian economy in the current global crisis, the Indian budget evoked great media interest. The CII Advisor was invited to discuss the budget and economic prospects at a meeting organised by the prestigious Think Tank IFRI, and was also interviewed on French Radio.

Mérieux Alliance, belonging to the French Mérieux Group, sold 80% of its Indian vaccine-making subsidiary Shantha Biotechnics to Sanofi Aventis for € 550mn. The Mérieux Group will, however, maintain its presence in India through its subsidiary, Bio Mérieux, specialising in embryonic diagnostics.

Germany

Economy

The economy in Germany is gaining traction. The IFO Institute reported its business climate index has risen strongly. The composite index, covering manufacturing and services, has risen too. It is hoped that Q3 would mark a return to growth. Since the start of the crisis, which has caused a decrease of German exports by 25 %, the German government has faced international pressure to take steps to encourage



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1-2 September, Bangalore Workshop on Critical to Quality
7-10 September, Pune Laboratory Management & Internal Audit as per ISO 17025
8-9 September, Mumbai Workshop on Accreditation Requirements for Inspection Bodies: ISO 17020
9-11 September, Mumbai Competency Mapping & Assessment: Certification Programme
10-11 September, Pune Workshop on 7 QC Tools – Problem Solving Methodology for Manufacturing Industry
14-15 September, Mumbai Workshop on Cleaning Sanitation and Pest Management for Food Safety and Quality
14-16 September, Chandigarh Workshop on Assessment for Business Excellence for Small and Medium Businesses
14-18 September, Chennai QMS Lead Auditor Course on ISO 9001:2008
16-17 September, Coimbatore Workshop on Producing Zero Defect Through Statistical Techniques
21-22 September, New Delhi Workshop on Project Cost Management
21-23 September, Bangalore Six Sigma Black Belt (Module I)
21-24 September, Bangalore Certificate Course on Managing Materials Effectively
22-25 September, Bangalore CII Lean Six Sigma Black Belt Certification Program for Services & Service Industry (Module I)
22-25 September, Bangalore Workshop on Assessment for Business Excellence for Large Business Organisations
28-29 September, Pune Internal Audit as per ISO 9001:2008
30 September–1 October, New Delhi Workshop on Business Planning

For further details, please contact:
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German consumers to provide an alternative source of economic growth. However, in Germany, the political consensus remains firmly against further measures, as the government cannot yet determine the impact of its two stimulus packages worth a total of € 81bn. Much of the € 13bn from the stimulus package that was committed to public investment projects has not yet been spent.

German unemployment remained broadly stable in July at 8.3 per cent as the government labour market subsidies continued to shield workers from mass layoffs, but experts feel the realistic value is 10 %.

Many industries have announced massive layoffs within the next few months: the steel industry alone intends to cut 43000 jobs.

Due to the drop in oil price the inflation rate declined.

Businesses

Automotive: The car scrapping bonus scheme had a positive impact on car sales in June too. VW said the system accounted for half its 800,000 orders in its home market this year. However there could be a severe slump in car sales after the scheme expires.

VW became one of the few carmakers to report a profit in the second quarter with € 283m, however 83 % lower than the year before. It has lifted its net cash position by more than € 4bn in the first half of this year, gaining leeway to buy Porsche's sports car business in a very complex financial deal. VW would then become a family-controlled car empire with 10 brands including Porsche, Skoda, Seat, Bentley and Audi.

Porsche has announced a loss of nearly € 5bn in business year 2008/2009.

The German luxury car industry is still suffering. Daimler reported a loss more than € 1bn in the second quarter, which was however less than the loss in Q1, due to a sharp cost cutting programme.

GM is going ahead with talks with Magna International and RHJ International for a stake in its Opel business, after rejecting a bid from China's Beijing Automotive Industry Corporation. The German government, will play a decisive role in the final decision.

The takeover battle between Europe's largest car part suppliers Schaeffler Engineering Group and Continental still continues.

Other Industries: Machinery and engineering firms reported sharp declines in business, while revenues in the electrical and electronic industry fell by 27 %, with both domestic sales and exports shrinking. The chemical industry, which relies on sales abroad, expects output to improve sufficiently in the second half of the year.

The aerospace group EADS reported a 23 % drop in the first-half year profit.

The steel industry reported an improvement of decline in production in June, versus the month before.

Banks: The German government raised the pressure on banks to lend to industry, with key ministers warning that the government could be forced to find its own 'solution' to a credit crunch. The banks prefer to put the money received from ECB at a very low interest rate into trading currencies, bonds or shares, instead of lending to industries. Obviously, this supported Deutsche Bank which reported a net income of € 1,1bn in the second quarter.

Latin America & the Caribbean



Malay Mishra, Indian high Commissioner in Trinidad and Tobago; Dr Vinod Surana, Mission Leader and Partner & CEO, Surana and Surana, Intl. Attorneys, Orville D London, Chief Secretary, Tobago House of Assembly, Dr. Anselm London, Secretary, Finance & Enterprise Development, Tobago



Dr. Vinod Surana; R Viswanathan, Ambassador of India to Argentina, Uruguay & Paraguay, and Ernesto Carlos Alvarez, Ambassador of Argentina to India, releasing the report 'Argentina & India, Strategic Partners in Industry & Business'

CII organised a Business Delegation to Latin America and the Caribbean region from 22 June to 3 July to enhance business partnerships. The Mission visited Trinidad and Tobago from 23-26 June, and, in Leg 2, visited Uruguay and Argentina from 29 June – 3 July.

Trinidad and Tobago

The 10-member CII delegation participated in the India-Caribbean Conclave at Trinidad and Tobago. The Conclave coincided with the 10th Trade and Investment Convention 2009 at Macoya, Trinidad.

On 23 June, Senator Mariano Browne, Minister, Trade and Industry, Trinidad & Tobago, inaugurated the first ever CII India-Caribbean Conclave, in Port of Spain. Referring to India as a power to be reckoned with, he said it has been a pioneer of South-South cooperation. With the emphasis moving east, India has an even bigger role to play, he said.

The Minister said his country was making efforts to develop infrastructure. Though the manufacturing sector is important, the services sector would make Trinidad & Tobago a destination of choice for investments, he noted.

Trinidad & Tobago, as the largest market in the Caribbean, can provide Indian manufacturers and exporters access to the entire region of North, Central and South America. With several trade agreements in place, India and Trinidad & Tobago have laid the foundations for long-term mutual engagement.

Mr Malay Mishra, Indian High Commissioner to Trinidad & Tobago, said India's young population, and its advances in technology could fuel partnerships of entrepreneurship, technology transfers, joint ventures and collaborations.

Mr Kishor Kharat, Managing Director & CEO, Bank of Baroda, Trinidad & Tobago, spoke about doing business in the country, while Mr Tarun Sharma, Resident Representative, EXIM Bank, USA, made a presentation on the Bank's Lines of Credit.

The Conclave drew business leaders from Trinidad and Tobago as well as from the neighbouring countries of Cuba, Suriname and El Salvador.

The Tobago House of Assembly hosted the Indian delegation in Tobago. At a business session there, opportunities in tourism and transportation were highlighted by Assemblyman Oswald Williams, Secretary, Tourism and Transportation. A Buyer Seller Meet was also organised.

Mr Orville D London, Chief Secretary, Tobago House of Assembly, hosted a reception for the delegation.

Uruguay and Argentina

The CII delegation visited Montevideo and Cordoba in Uruguay, and Buenos Aires in Argentina. CII, in collaboration with the Indian Embassy and India's Ministry of Commerce & Industry, organized business seminars and buyer – seller meets in the three cities. This was the first ever visit of a CII delegation to Uruguay.

The discussions underscored that, despite the global financial crisis, India will grow at 6% this year and will outgrow China in 2010. The Latin Americans were impressed that, even in these uncertain times, Indian business had reached out to explore new markets.

About 150 local businessmen attended the business seminar in Montevideo on 28 June and had one-on-one meetings with the delegates. Mr Daniel Martinez, Minister of Industry, Energy and Minerals, Uruguay, highlighted the growing importance of India for Uruguay.

The Ambassadors, both of India to Uruguay as well as of Uruguay to India, also spoke on the occasion.

Mr. Gabriel Rozma, Vice President, TCS, talked about TCS' plans to expand operations and increase staff strength from the current level of 6,000 in Latin America. The representative of a non-resident Indian company, Olam, Mr Simmarpal Singh, described his company's rapid growth in farming and agro-processing in Argentina and Latin America, and their future plans.



Ruben Azar, Honorary Consul General of India in Uruguay, Daniel Martinez, Minister, Industry, Energy & Minerals, Uruguay, and R Viswanathan, Cesar Ferrer, Ambassador of Uruguay in India

'Confident' Indian company achieves success in Latin America

In his blog, 'Passionate about India', **Amb. R. Viswanathan**, Ambassador of India to Argentina, Uruguay and Paraguay, relates the success story of an enterprising CII member from Coimbatore, who, during the CII mission to South America, established strong business ties with textile companies there. CII Communique is delighted to share this story with our members

Confident is both an adjective and noun in this story.

It is the name of a small but confident company from Coimbatore, Confident Engineering Pvt Ltd, which has inspired confidence among Latin American clients and got \$ 500,000 of orders for its textile machinery in Peru, Ecuador, Dominican Republic and Argentina.

More precisely it is the self confidence of Rathnakumar, the Managing Director of the company, who has gained the confidence of textile companies in South America.

Hardwork and perseverance have complemented the confidence of Rathnakumar in bringing about success in Latin America. He spent 10 days each in Argentina, Peru and Ecuador. He came with the CII delegation on 28 June and left from Buenos Aires on 31 July. He plans to return to the region in the next three months and target Brazil and Colombia.

Rathnakumar has appointed dynamic and proactive agents in these three countries. These agents took him to visit over 30 textile plants. He convinced some of these companies that he could help them reduce their cost of production with his dyeing and finishing and effluent treatment machinery, which costs just half of what machines they import from Europe cost. He carried a small prototype of his effluent water treatment plant and gave demonstrations to the clients, using their plant waste water. Confident Engineering has innovated a new technology to treat waste water of dyeing plants without the use of chemicals. They are applying for a patent for this.

In Peru, he got an order for \$70,000 for a machine which he has never made so far. He showed the client a French machine in a Peruvian plant and told him he could make a similar one. The client was convinced and gave him the order.

What difference did he find in business with South American clients? He says, here they don't want to open a LC. Most of them prefer to deal in cash. They pay an advance amount and pay the rest later. They retain a percentage of payment as guarantee for the performance of the machine. Of course, Latin American importers open LCs for large orders.

Confident Engineering is a small scale enterprise with a turnover of just \$1.5 million and 40 employees. Their machines cost \$20,000-100,000. Rathnakumar, an electronics engineer, started the company with his partner in 2003, with an investment of \$20,000. He got a breakthrough in Bangladesh for his dyeing and finishing machines. Now he has a full-fledged office in Dhaka. Then, he got some orders from Indonesia and Sri Lanka.

Now, his focus is on Latin America. He expects to get orders worth \$5 million in the next few years. Rathnakumar says he found the Latin Americans pleasant and friendly. Of course, they needed to be convinced that they could risk their money with a small company in a remote corner of India. But they were willing to listen to him with an open mind, he says.

The Latin American textile industry is turning to less expensive import sources such as China and India, preferring India for cultural reasons.

Language and food were no problem, he says.

The story of Confident Engineering, is the story of success of a small Indian company. I hope this will inspire and motivate the small and medium exporters of India.

Indian exports to Latin America increased by 50 percent in 2008 to 7.5 billion dollars from 5 billion in 2007. What else is needed to inspire confidence?

The member delegates appreciated the level of productive interactions and number of business meetings arranged. The delegation was impressed with the large bonded-warehouse facility of Grupo RAS in Montevideo, which is already being used by some Indian companies for distribution of their products in South America.

Again, for the first time ever, a business seminar was organised with an Indian delegation in Cordoba, the second largest city in Argentina, on 1 July. This was also the first visit of an Indian business delegation to the city. Dr Gerardo Zamora, Governor, Santiago de Estero, was the Chief Guest, while Ministers and representatives of chambers of commerce from the provinces around Cordoba attended the event, along with over 150 Argentine businessmen.

The India-Latin America Conclave on 2 July, in Buenos Aires, Argentina, was the main event on this leg. Mr Carlos Arganoroz, Director General for Export Promotion, Ministry of International Trade, represented the Minister of Production. Apart from Indian and Argentine business representatives, the Presidents of the Brazil-India Chamber of Commerce and the India-Mexico Business Chamber, as well as commercial

representatives of Indian Embassies in Colombia and Chile and the Consul-General in Sao Paulo, made presentations. Again, the Indian Ambassador to Argentina as well as the Argentine Ambassador to India, addressed the Conclave.

Over 200 businessmen attended the Conclave confirming the serious interest of the local business in India. Despite the crisis, India's exports in Q1 this year to Argentina have gone up compared to the same period last year. The number of Argentine visitors to India between January to June 2009 has also increased, compared to the same period last year.

Buyer Seller Meets were organized prior to and after the presentations at the venue at each event. Networking evenings at all three destinations drew participation from the local business community and government representatives, including Ministers.

CII will develop a concerted strategy to facilitate concrete outcomes in terms of tie-ups, joint ventures and collaborations etc. between the Indian companies represented on the delegations and local businesses in the LAC region, especially in cases where substantive discussions have already taken place onsite between two parties during the visit.

SAARC

Sri Lanka

A 16-member CII Business Leaders Mission visited Sri Lanka from 30 June to 2 July coinciding with the Sri Lanka Economic Summit organised by the Ceylon Chamber of Commerce.

The members participated in the inaugural session of the Summit where Mr Ratnasiri Wickramanayake, Prime Minister of Sri Lanka, was the Chief Guest. The Sri Lanka Economic Summit was held to fulfill the national aspiration for 'A Better Sri Lanka for All', through rapid economic development.

Apart from participating in the Summit, the delegation had a meeting with Prof G L Peiris, Minister, Export Development and International Trade, Sri Lanka. Prof Peiris said that with the war over in Sri Lanka, this was the right time to promote business. He invited CII members to invest in his country, noting that Sri Lanka was looking at investments in Agriculture, Housing, Hospitals, Roads, Railways, Power, etc.

The CII delegates also met with Mr Sumith Abeysinghe, Secretary to the Treasury, Board of Investment, and



CII Mission members with Alok Prasad, High Commissioner of India to Sri Lanka

senior officials of the Ministry of Foreign Affairs.

The CII Mission also met Mr Alok Prasad, High Commissioner of India to Sri Lanka. They interacted with a cross section of Sri Lankan industry and political leadership and discussed business opportunities, especially after the end of the internal troubles. They also had one-on-one business meetings with the members of the Ceylon Chamber of Commerce.

The CII Mission was led by Dr C Palaniappan, Managing Director, Sun Best, and Planters Energy Network.

United States of America

Visit of Hillary Rodham Clinton, US Secretary of State, to India



Hillary Clinton, US Secretary of State, with the CII team

(L-R): Seema Arora, Principal Counsellor, Centre of Excellence for Sustainable Development; Chandrajit Banerjee, Director General; S Raghupathy, Senior Director; Tarun Das, Chief Mentor, and Kiran Pasricha, Deputy Director General, at the ITC Green Centre, Gurgaon

The first official visit of US Secretary of State, Hillary Rodham Clinton, to India from 17-19 July has allayed any and all doubts in India about the future of US-India relations. The three key agreements between the two countries during the three days of her visit mark the beginning of a broad-based, bilateral, strategic partnership, which Secretary Clinton has termed, 'US-India 3.0' or the third, upgraded version of US India relations. The agreements expand upon strengthening bilateral cooperation in sensitive areas of defence as well as science and technology, in which cooperation had been held up for long. The two countries have announced a new 'India-US. Strategic Dialogue,' based on 5 pillars:

- Science and Technology, Health and Innovation
- Regional as well as Global Issues
- Energy and Environment, Climate Change
- Education and Development
- Economics, Trade and Agriculture

Mr SM Krishna, Minister, External Affairs, India, and Secretary Clinton will chair this Dialogue that would meet once annually in alternate capitals. This dialogue will focus on a wide range of bilateral, global, and regional

issues of shared interest and common concern, continuing programmes currently under implementation and taking up mutually beneficial initiatives that complement Indian and US development, security and economic interests. While significant progress has been made, the finer details still need to be worked on.

The largest and oldest democracies of the world have joined hands with a sense of long-term commitment and sincerity.

Key Pacts

Technical Safeguards Agreement: Non commercial satellites containing US components can now be launched from Indian Space Launch Vehicles, taking space collaboration to new heights.

End-Use Monitoring Agreement: Yet to be signed, but the US and India have agreed on long-pending language modification. India will now be able to buy sensitive, hi-tech military/ civil nuclear equipment and technology from the US but be barred from re-selling it to third countries.

Science & Technology Endowment Board: To facilitate greater interaction in science and technology, education, research and innovation related matters.



Bill Gates with young Ministers & Parliamentarians. Also seen Tarun Das and Kiran Pasricha

Bill Gates meets with Indian MPs

CII held a breakfast meeting of Indian Ministers and young Parliamentarians with Mr Bill Gates, Chairman, Microsoft Corporation and Co-chair, Bill & Melinda Gates Foundation, on 24 July in New Delhi. Mr Gates now dedicates most of his time to the Bill and Melinda Gates Foundation (B&MGF), focusing on issues like healthcare and education, which could further human development objectives through better application of science and technology. The B&MGF is being honoured with the 'Indira Gandhi Prize for Peace, Disarmament and Development' for its active involvement in India in the field of health and development. Since 2003, the B&MGF's initiative in India, Avahan, has been working to reduce the spread of HIV/ AIDS and has recently announced increasing its total commitment from \$258 million to \$338 million.

Political leaders including Mr M M Pallam Raju, Minister of State for Defence; Ms Purandeswari, Minister of State, Human Resource Development; and Members of Parliament, Mr J Panda, Mr Madhu G. Yaskhi, Mr Deepender Singh Hooda, Ms Priya Dutt, Ms Supriya Sule, Mr Ijyaraj Singh, Ms Mausam Noor and Mr Hamdulla Sayeed had the opportunity to voice their concerns in healthcare and suggest solutions. The key is to raise awareness levels and disseminate information in order to get the high risk groups and vulnerable communities to behave with a preventive mindset. To

encourage research and innovation in healthcare, the B&MGF has funded numerous vaccine development projects in India and started research labs.

Meeting with Ambassador Frank Wisner

In an interactive meet with Amb Frank Wisner on 14 July in New Delhi, the top brass of Indian industry came together to understand the economic situation in the US and the emerging geopolitical architecture. The US is still experiencing high fallout with a contracting GDP and rising unemployment, a trend which is likely to continue through the next few years; any significant growth will be visible on the horizon of 2015. India must be nimble and tough in fighting US protectionism. India-US relations will be guided by the nuclear agreement, climate change and a long term vision. In the geopolitical context, the agenda in Afghanistan and Pakistan needs more definition in terms of specific objectives that the US is trying to accomplish. However, the development and social agenda in Afghanistan should be taken up by a global institution like the United Nations, rather than the US or India. Industry members presented the political-pricing and under-pricing policies of China as a threat to the competitive Indian private sector. Amb Wisner suggested that a panel of American and Indian experts on China be put together by CII to study and understand the direction of China's policies.



Amb Wisner (Centre) with (L-R) Harpal Singh, Mentor and Chairman Emeritus, Fortis Healthcare; Subodh Bhargava, Chairman, Tata Communications; Arun Bharat Ram, Past President, CII, and Chairman, SRF Ltd and Tarun Das

CII-US Exim Bank MoU & Seminar

CII and the US Export-Import Bank set forth their intent to cooperate to increase the sale of goods and services between India and the US by signing a Memorandum of Understanding (MoU) on 13 July in New Delhi. The MoU was signed by Ms Diane Farrell, Member of the Board of Directors, US EXIM Bank and Mr Chandrajit Banerjee, Director General, CII. The two parties agreed to identify and exchange relevant

information on trade and business opportunities in their countries and work together to facilitate the same through workshops, presentations and other initiatives.

In Kolkata, CII organised a seminar on 'Infrastructure Financing: Catalyzing Growth' on 17 July.

The US EXIM Bank is focused on assisting Indian SMEs for infrastructure projects, with a view that gradual turnaround of the US economy would be further facilitated if US and Indian companies work closely together.



Diane Farrell, Member, Board of Directors, US EXIM Bank and Chandrajit Banerjee sign the MoU as Dhruv Sawhney, Chairman, CII International Council and Kiran Pasricha, look on

Roundtable on Financial Services



Charles Heeter,
Managing
Principal, Global
Public Policy,
Deloitte LLP

CII organised a Roundtable on 'Financial Services: Opportunities for India' on 9 July in New Delhi, with Mr Charles Heeter, Managing Principal, Global Public Policy, Deloitte LLP, and Chairman, Business & Industry Advisory Committee (BIAC) to the OECD, and members of the Global Public Policy Group.

Mr Graham Ward, Partner, PricewaterhouseCoopers; UK Chair, Indo-UK JETCO Accountancy Task Force and Past President, International Federation of Accountants, made a presentation on the experience of UK companies with IFRS convergence. Mr Balachander, Partner, Ernst & Young, detailed the IFRS convergence agenda in the country, going forward. Discussions were held on shortage of skills, regulatory cohesion and the need for reviewing thresholds.

Indian Economy: Roadmap Ahead

A session on 'Indian Economy: Roadmap Ahead – A post budget perspective', on 8 July in Mumbai, brought together cross currents of opinions, views and perspectives on challenges posed by the downturn. It also reflected upon the probable impact of the Union Budget on industry with a detailed analysis of direct and indirect tax implications.



Prof A Panagariya

The programme was addressed by prominent speakers including Prof Arvind Panagariya, Jagdish Bhagwati Professor of Indian Political Economy, Columbia University, Mr Jahangir Aziz, Chief Economist, J P Morgan Chase

and Co (India) and Dr Ajit Ranade, Chairman, CII WR Economic Affairs Sub Committee & Group Chief Economist, Aditya Birla Management Corporation Pvt Ltd. While India has the advantage of a demographic dividend and entrepreneurial spirit, the key challenges to sustained growth are the tightening US laws on immigration, India's negotiations at the WTO rounds and, more importantly, the carbon tax that the US is pitching for. A detailed analysis of direct and indirect taxes implications was presented by KPMG, Knowledge Partner for the event.

US Economy Watch

- US Gross Domestic Product: US Real GDP decreased at an annual rate of 1% in Q2 of 2009, following a decrease of 6.4% in the first quarter.
- US international trade deficit in goods and services: Total May exports of \$123.3 billion and imports of \$149.3 billion resulted in a goods and services deficit of \$26 billion, down from \$28.8 billion in April, revised.
- US International Investment Position: The US net international investment position at year end 2008 was -\$3,469.2 billion. The value of foreign investments in the US continued to exceed the value of US investments abroad.

US-India Corporate Watch

- Anil Ambani group- Spielberg Deal : Anil Ambani's Reliance ADA Group formalised its association with DreamWorks Studios, promoted by Hollywood director Steven Spielberg and his partner Stacey Snider, by inking a \$825 million production deal. Under the deal, DreamWorks will make 5-6 films a year for global audiences and is already working on films like Tintin, while also talking to Clint Eastwood for a movie.
- Swine Flu Vaccine: Bharat Biotech, Panacea Biotech and Serum Institute will now be able to procure seed strains from labs in the US and UK, but will have to follow the strict bio-safety standards mandated by the Drugs Controller General of India.
- US Pharma companies eye India: US-based pharma and biotechnology companies, particularly SMEs, numbering over 4,500, are looking at India for potential partnerships—JVs, acquisitions, offshore outsourcing or sharing of tech know-how.
- Tata donates books: The Tata group of companies in the United States has partnered with First Book to promote literacy in Florida with a donation of 1,500 high quality books. The Tata group recently announced a nationwide donation of 40,000 books valued at \$160,000 as part of its partnership with First Book, an award winning non-profit organization that provides high quality new books to children in need.

East

Union Budget 2009-2010

6 & 7 July, Kolkata; 7 July, Bhubaneswar; 8 July, Raipur



Budget Analysis session in Kolkata

Budget viewing and analysis sessions were held in Chattisgarh, Orissa and West Bengal. In Kolkata, the televiewing session was followed by a Comprehensive Analysis the following day. The seminar had sessions analysing the Union Budget both from the economic and the industry perspective. There was a separate session on the impact of the Union Budget on the tax structure and a panel discussion on the sectoral impact of the budget.

The Budget Analysis session in Raipur was attended by CFOs, tax consultants and CAs from the leading industries of Chhattisgarh.

In Bhubaneswar, the analysis of the impact of the Union Budget included a presentation on 'Direct & Indirect Tax'.

Chhattisgarh

Energy Management in Cement Industry

30 – 31 July, Raipur

A two-day training programme on Energy Management & GHG Inventorisation in the cement industry helped participants understand the macro level approaches on energy conservation in different equipment, disseminated latest techniques and advancements in energy management and updated on the latest energy saving ideas with implemented case studies on GHG inventorisation.

Income Tax and Central Excise

31 July, Raipur

An interactive session was held with Mr. Jameel Ahmed, Commissioner, Income Tax, and Mr. Anil Kumar, Commissioner Central Excise.

Jharkhand

Understanding US Policy

20 July; Jamshedpur

In a lecture cum interactive session, Mr Moulik Berkana, Deputy Director, American Center, Kolkata, elaborated upon the global impact of the new economic and foreign policies implemented by the U.S. President, Mr. Barak Obama.

Cost Reduction by Kobetsu Kaizen

16 – 17 July, Jamshedpur

CII in association with TPM Club India, organised a seminar on Cost Reduction by Kobetsu Kaizen.

Orissa

Fighting Recession

23 July, Bhubaneswar

A workshop on 'Fighting Recession Through Productivity, Quality and Innovation' discussed how companies could, in the on-going turbulent period, work out strategies to beat the recession with tools like Productivity, Quality and Innovation.

Real Mart

31 July, Bhubaneswar

The Comprehensive Development Plan (CDP) 2030, which has been drafted by the Department of Architecture and Regional Planning, IIT, Kharagpur, provides a vision for the anticipated development of Bhubaneswar. To clarify CDP 2030 and to include any missing links that should be addressed, CII Orissa organized a session on CDP – 'Real Mart.' Mr Badrinarayan Patra, Minister, Housing & Urban Development, Orissa, inaugurated the event, while Mr. A.K Panda, Commissioner –cum – Secretary, Housing & Urban Development, Orissa, and Mr. D K Singh, Vice Chairman, Bhubaneswar Development Authority were also present.

West Bengal

Powering the Future

2 July, Kolkata



Conference on Powering towards the Future

The Indian Power sector is witnessing major changes, even as the demand for power continues to substantially outstrip availability. The conference titled “Powering towards the Future” deliberated on strategy implementation for better governance, customer service improvement initiatives, role of APDRP, role of technology in distribution reforms, etc. Mr Sunil Mitra, Additional Chief Secretary, Power, Government of India, and Mr Malay Kumar De, Chairman & Managing Director, WBSEDCL, addressed the conference.

Brand Conclave

16 – 17 July, Kolkata



N D Mehta, Chairman, Marketing Subcommittee, CII (ER), Prof. John Philip Jones, and Mukul Somany, Chairman, CII (ER)

The eighth edition of the Brand Conclave, the biggest brand management symposium in India was addressed by Prof. John Philip Jones, advertising guru and international expert on brand management. The theme of Brand Conclave for this year was “Brands: Safeguards during Recession, Springboards during Recovery”.

US Export – Import Bank

17 July, Kolkata

Ms Diane Farrell, Member of the Board of Directors and Mr Raymond Ellis, Vice President, Strategic Initiatives Division, EX – IM Bank of the USA, interacted with the



Diane Farrell

membership on Infrastructure Financing: Catalyzing Growth an interactive session with the US Export – Import Bank in Kolkata. This was the first such interaction of the US EX – IM Bank with the CII membership in the eastern part of the country.

Logistics Colloquium

24 July, Kolkata



Mukul Roy, Union Minister of State for Shipping, at the inaugural session of Logistics Colloquium

The third edition of the CII Logistics Colloquium looked to accelerate the growth trajectory of the Indian logistics industry by focusing on areas of critical importance.

Mr Mukul Roy, Union Minister of State for Shipping, who was the chief guest, described the Colloquium an ideal forum for policy makers to interact with industry leaders. Acknowledging CII’s role as catalyst for development, he said the Government of India intends to involve CII in their future interactions with the industry.

Capital Market Conclave

25 July, Kolkata



C.S. Mohapatra, Director, Secondary Markets, Dept of Economic Affairs, Union Ministry of Finance

After a long spell of buoyancy, the Indian Capital Market is passing through volatile times due to the global meltdown. It has, however, been accepted internationally that the Indian economy has not been affected as badly as those of developed nations because of the existence of a good regulatory regime. The Capital Market Conclave, the first of its kind in Kolkata, took stock of the present status, and discussed the learnings from the turbulence and the way forward.

North

Union Budget: Insights and Analysis

10 July: Chandigarh



Budget Analysis session in Chandigarh

CII Northern Region and KPMG organised a session on the Union Budget in Chandigarh, for a detailed analysis of the impact of some of the tax announcements made in the budget including Removal of FBT, Dual GST, changes in service tax infrastructure/construction sector, implication of increase in MAT, and the implications of changes in service tax on packaged software, etc.

The session was chaired by Mr Harpal Singh, Chairman, CII Northern Region. Mr D S Sra, Chief Commissioner, Customs & Central Excise, Government of India and Mr Richard Rekhy, Chairman, Economic Affairs & Taxation Sub-Committee, CII (NR) and Chief Operating Officer, KPMG addressed over 100 industry delegates at the session.

A post budget analysis session was held in Jaipur too.

Chandigarh

IT CEOs Forum Meeting

2 July, Chandigarh

The IT CEOs Forum deliberated on issues relating to the global slowdown's negative impact on business, opportunity for SMEs, and working capital viz a viz payments. The Forum also discussed how to capture captive clients based in India itself, and how to scale activities in the current recessionary scenario to run businesses most effectively.

Industrial Policy for Chandigarh

10 July, Chandigarh

"The formulation of an Industrial Policy will help local industry gain access to much-needed funds for technology upgradation and modernization from various agencies, said Mr Partap K Aggarwal, welcoming the Chandigarh Industries Department's move for an Industrial Policy for Chandigarh 2009. CII advocates that the Industrial Policy should clearly state a vision for Chandigarh. It should encourage industries that are highly technology intensive, non-polluting, sophisticated, and high value addition generating.

Delhi

Infrastructure Management

1 July, Delhi

A Conference on Infrastructure Management highlight that Infrastructure needs to be maintained and managed for its efficient use, enhancement of life, optimizing cost and giving confidence to investors to deploy capital in other infrastructure projects in India. The development of infrastructure should be supplemented while actively maintaining existing projects, opined Mr. Anshuman Magazine, Chairman & Managing Director, CB Richard Ellis South Asia Pvt Ltd.

Lt Gen. Ashok Vasdeva, PVSM, AVSM, VSM (Retd) Additional Director General, Organizing Committee Commonwealth Games 2010, said that security is of paramount importance during the upcoming Games.

CSR Session on Mainstreaming India



Pradeep Jain
Aditya, Union
Minister of
State, Rural
Development

2 July, New Delhi

Addressing a session on 'Mainstreaming India: Engaging Young, Progressive Leaders', Mr. Pradeep Jain, Union Minister of State, Rural Development, called for active direction to remove prevalent social ills through CSR initiatives. Mr. Harpal Singh, Chairman, CII (NR) and Mentor & Chairman Emeritus Fortis Healthcare Ltd and Mr. Bharat Wakhlhu, Co-Chairman CSR Sub-Committee, CII (NR) & Resident Director, Tata Services Ltd, said any economy cannot be considered developed unless it meets the aspirations of all its people.

Interaction on Commonwealth Games

24 July, Gurgaon

An interaction was organized with Lt. Gen. Ashok Vasudeva, Additional Director General, Organising Committee Commonwealth Games 2010 to understand the current status on various projects related to Commonwealth Games and to explore opportunities for industry-government partnership. Lt. Gen. Vasudeva urged industry to interact with the Delhi Government to explore various opportunities related to the Games.

Haryana

Meeting on Power

9 July, Chandigarh

CII Haryana had identified Transmission & Distribution losses as the major reason for the dismal power scenario in the State. Therefore a document of recommendations for the Power Sector in Haryana was prepared with technical

solutions for reducing T & D losses along with other important suggestions for improving the power scenario. This document was presented to Mr Madhusudan Prasad, Financial Commissioner and Principal Secretary, Power, and Mr Sanjeev Kaushal, Managing Director, Haryana Power Generation Corporation Ltd, by Mr G C Narang, Convenor, Power Panel, CII Haryana State Council.

SEZ: The Changing Business Landscape

15 July, Gurgaon



Dr L B Singhal, Director General, Export Promotion Council (EoUs & SEZs), India

Addressing a session on 'Special Economic Zones: The Changing Business Landscape,' the Chief Guest, Dr L B Singhal, Director General, Export Promotion Council (EoUs & SEZs), Government of India, invited industry to take benefits from the Special Economic Zones developed in the country, to maintain competence and growth in the current economic scenario.

Manufacturing Innovation Mission

23 & 24 July, Gurgaon

A Manufacturing Innovation mission visited Honda SIEL Cars India Pvt Ltd, Subros Ltd, Whirlpool of India Ltd, and Orient Craft Ltd to understand how environment friendly technologies are used for performance improvement, energy and water conservation, optimum utilization of natural resources and reduction in emissions.

Himachal Pradesh

Colloquium on Water Conservation

24 July, Shimla

CII Himachal Pradesh State Council and Coca-Cola India organised a Colloquium on Water Conservation under 'CONSERVE' - a water conservation and management project in Himachal Pradesh.



Mahender Singh, Minister of Urban Development, Transport, Housing and Town & Country Planning releasing the Water Conservation Poster

Mr Mahender Singh, Minister, Urban Development, Transport, Housing and Town & Country Planning, HP, released a poster on water conservation, selected from those painted by school children in a CII competition on World Environment Day.

Growth Roadmap for Himachal Pradesh

28 July, Shimla

CII Himachal Pradesh State Council organised a session on Growth Roadmap for Himachal Pradesh at the request of the Union Ministry of Commerce & Industry.



Ajay Shankar, Secretary, DIPP, and Asha Swarup, Chief Secretary, HP

The session was attended by Mr Ajay Shankar, Secretary, DIPP, and Mrs Asha Swarup, Chief Secretary, Himachal Pradesh.

Mr Shankar said the Central Government has identified three sectors for the State: Tourism, Agri & Food Processing, and IT. He also emphasized that Skill Development needs to be strengthened to make youth in the state employable.

CII presented a four pronged strategy: Creating 'commons' in industry niches, investing in skills, leveraging competitive advantages and brand building as roadmap.

Open House on Labour Issues

29 July, Baddi

At an Open House session on PF, Labour, ESIC and Industrial Safety and Health, Mr B S Negi, Regional Director, ESI Corporation of India and Mr P K Aggarwal, Regional Provident Fund Commissioner, answered the queries of the participants and shared the various initiatives being taken by their departments.

J & K

Wealth Generation in the Stock Markets

10 July, Jammu

A workshop on "Wealth generation in the stock markets under all odds", discussed how to make selections of potentially growth oriented stocks at all levels of the market. Mr Vikram Luther, Chief Executive, Alfab Vinair, New Delhi, who conducted the workshop, also discussed the impact of the changing economy on the stock market.

Rajasthan

Meeting on Technical Education

29 June, Jaipur

CII Rajasthan participated in an important meeting on ITIs with Mr Mahendrajeet Singh Malviya, Minister of

Technical Education, Rajasthan, to resolve the issues and problems related to ITIs.

Rajasthan Calling

25 July, Chennai



Giriraj Singh Kushwaha, Additional Director, Tourism, Rajasthan

CII Rajasthan organised a road show on 'Rajasthan Calling: An Experience of Indulgence & Exuberance' in Chennai to promote domestic tourism in the state. Mr Giriraj Singh Kushwaha, Additional Director, Tourism, Rajasthan, Mr D Subhash, Regional Director – South, India Tourism, Government of India, and Mr Lalit Verma, General Manager –

Finance, Rajasthan Tourism Development Corporation addressed more than 55 prominent tour and travel operators at the road show.

Uttar Pradesh

ICT & SME Productivity

24 July, Lucknow

A workshop on 'Information Communication Technology for Maximizing SME Productivity' sensitized SMEs in UP about the use of Information & Communication Technology to help increase their productivity and achieve customer satisfaction. Mr D S Srivastava, PCS, Special Secretary, IT & Electronics, UP, Dr Upendra Kumar, Managing Director, UPTEC Computer Consultancy Ltd, Mr Sanjay Sathu, COO (UP East), and Mr Ashish Sharma, SME Business – National Head, Tata Teleservices Ltd. addressed the session.

Uttarakhand

Campus to Corporate

20 & 21 July, Dehradun

CII Uttarakhand organized two sessions on Campus to Corporate at the University of Petroleum & Energy Studies (UPES) and the Graphic Era University. The sessions were part of the induction programme organized by the universities to apprise students on how they can groom themselves to take up corporate challenges.

Meeting on Power

28 July, Dehradun

The Uttarakhand Electricity Regulation Commission (UERC) convened a meeting to discuss Uttarakhand Power Corporation Ltd's Aggregate Revenue Requirement (ARR) for 2009-10. CII presented its suggestions to Mr V J Talwar, Chairman, UERC, for approval of ARR and Proposed Electricity Tariffs for the year.

Udyog Mitra Meeting

28 July, Dehradun

Mr Rakesh Oberai, Chairman, and Mr Rajiv Berry, Deputy Chairman, Uttarakhand State Council, participated in the state-level Udyog Mitra meeting organized by the Directorate of Industries, Uttarakhand. CII presented its recommendations on tax issues related to the hotels and tourism sector, VAT procedure and input credit, bar license fee and luxury tax.

EHS Systems

29 & 30 July, Haridwar

CII Uttarakhand State Council in association with the CII-ITC Centre of Excellence of Sustainable Development (CESD) organised a two day Internal Auditors Programme on Environmental, Occupational Health & Safety Management Systems as per ISO 14001:2004 & OHSAS 18001:2007. The workshop was held to facilitate an understanding of the various aspects of Environmental Health and Safety Management Systems (EHSMS) as per ISO 14001:2004 & OHSAS 18001:2007 and also to explain the principles of auditing.

Events

Management in Economic Downturn

July 14, New Delhi



Conference on Strategic Management

Business leaders and strategists called for predictive strategic tools to build resilience in the system at an international conference on Strategic Management in Economic Downturn. They also mooted innovative thinking on the part of companies to overcome the current slowdown.

The conference highlighted issues in the four identified sectors of real estate, agribusiness, manufacturing and financial services. Both demand and supply side issues were highlighted by presenters along with credit and exchange rate related problems faced by companies.

Organic Farming

24 July, Chandigarh

The Conference on Organic Farming – Ushering in

Organic Revolution presented Organic agriculture as a preferred option and priority not only for food safety and biodiversity, but also for improving net income for small and medium-scale farmers. Across sessions, speakers reiterated that growing environmental concerns about the use of agricultural inputs make organic farming a big opportunity area. Better technologies for organic production, organic processing, linkage to markets, and promising regions and crops for organic farming would help India surge ahead and mark its presence in the organic sector worldwide, which is poised to reach USD 100 billion by 2012.

Meeting with UK Delegation

30 July, Chandigarh

Led by Ms Patricia Hewlett, MP and Chairperson, UK India Business Council, a high profile business delegation



UK Delegation in Chandigarh

from UK, explored investment partnerships with Indian industry at a business meet, "Doing Business In and With India." Ms Hewlett presented UK as the most eligible country to invest, noting that over 500 Indian companies having now established base in the UK. Mr Paul Grey, Head, UK Trade & Investment; and Mr Alpesh Patel, Dealmaker, UKTI, spoke on the tremendous scope to enhance the bilateral trade between India and the UK.

Food Processing ties with Manitoba

22 July, Chandigarh



Lynda Lowry

At a session on Food Processing industry in Manitoba. Ms Lynda Lowry, General Manager and Chief Operating Officer, Food Development Centre, Manitoba Agriculture, Food and Rural Initiatives, said it is necessary to introduce an Integrated Food Development Centre into India's Food Park model. Sharing the infrastructural perspective for the sector, Ms Lowry mooted a Food Development Centre in North India to provide the agri-food industry with the facilities and the expertise to successfully develop and commercialize food products. The module, she explained, would look after product development, pilot plant facility, food quality and safety.

South

Budget Viewing and Analysis Sessions

6 July, Coimbatore, Bangalore; 7 July, Kochi; 9 July, Puducherry; 10 July, Vijayawada; 11 July, Trichy



Budget Analysis Session in Trichy

Live Budget Viewing Sessions were held across the region followed by Post Budget Analysis Sessions on the Union Budget.

In Bangalore, the Post Budget Analysis was presented by BMR Advisors.

The interactive session organized with KPMG in Kochi provided a quick overview of the benefits and concerns

that different sectors could witness over the next year.

In Puducherry, the session focused on various changes on Direct and Indirect Taxes in the Union Budget, with detailed presentations by representatives from Ernst & Young.

In Coimbatore, too, Ernst & Young Pvt Ltd made a detailed presentation on changes in the Direct and Indirect Taxes.

Sessions were held in Vijayawada and Trichy too, to provide clarity on the Union Budget and analyze its impact.

Workshop on Hazardous Waste



R Balakrishnan,
Chairman, Tamil
Nadu Pollution
Control Board

9 July, Chennai

The CII-ITC Centre of Excellence for Sustainable Development in collaboration with the Ministry of Environment and Forests conducted the workshop to enable industry members to understand the legislation on Hazardous Waste Management, and its impact on business.

Upgrading Healthcare Providers

14 July, Thiruvananthapuram

Initiated by the Healthcare Forum of CII Southern Region, the first in the series of workshops on 'Competency Development for Healthcare Providers' was conducted to upgrade the existing skill level of the medical fraternity on various competencies in their field of work.

Internal Security

23 July, Puducherry

The session on Internal Security created awareness on security measures, and also the various strategies used by terrorist groups in creating a threat to the nation. Dr B Srikanth from Police Dept was the key speaker.

International Trade & Investment

23 July, Chennai

Addressing a seminar on enhancing international trade with Western and Asian countries, Mr P M Amza, Deputy High Commissioner, Sri Lanka Deputy High Commission, Mrs Joelle Rayet Consul General, Consulate General de France, Mr. Robert Kelly, Deputy Head of Mission, British Deputy High Commission and Ms Aileen Crowe Nandi, Principal Commercial Officer, US Consulate, spoke on the emerging business opportunities between India and their respective countries.

Andhra Pradesh

Building Business Excellence

8 July, Hyderabad

The session brought out the need to align individual goals with business goals, bring out perceivable linkage between various functions, and eliminate non value added activities, by relating the process to result.

TQM Forum Launched

8 July, Hyderabad



Launch of TQM Forum for Organizational Excellence in Hyderabad

The Andhra Pradesh TQM Forum was launched to provide a platform for business executives and change agents from various companies to informally discuss and exchange ideas, views and experiences relating to building organizational excellence through Quality in all activities of the organisation. Around 30 members from

the manufacturing sector in and around Hyderabad have joined the forum.

Infrastructure Development Focus: Roads

18 July, Hyderabad



J P Nayak,
President & Head
of Operations,
L & T

The seminar highlighted the importance of the Road sector and deliberated on the opportunities and challenges it holds with special focus on public private partnerships (PPPs). Dr T Chatterjee, Principal Secretary, Roads, Buildings & Highways, Andhra Pradesh, and prominent speakers from industry addressed the seminar.

Members' Meet

29 July, Hyderabad

The members' meet was addressed by Mr C R Swaminathan, Chairman, CII Southern Region & Chief Executive, PSG Industrial Institute and Mr. S Gopalakrishnan, Deputy Chairman, CII Southern Region, and Chief Executive Officer and Managing Director, Infosys Technologies Ltd. The meet was an occasion to communicate the various initiatives / activities undertaken by CII as well as to understand the needs of industry based in Hyderabad.

CII calls on Chief Minister

29 July, Hyderabad



Dr Y S Rajasekhara Reddy, Chief Minister, Andhra Pradesh with CII Team

A high powered CII delegation called on Dr Y S Rajasekhara Reddy, Chief Minister, Andhra Pradesh, to brief him on the industry scenario and to discuss industry related issues with him.

Exports in a Challenging Economy

30 July, Hyderabad

The Seminar brought together government authorities, banking regulators, financial experts, economists and successful exporters to help industry meet current challenges and take advantage of opportunities to grow business over the longer term. The technical sessions focused on Risk Management, Commodity Derivatives and Foreign Currency Hedging, Finance for Exports, Policy Issues and Export Market Opportunities.

Karnataka

Mission on Best Manufacturing Practices

7-8 July, Bangalore



Mission members at Kurlon Ltd, Bangalore

A two day learning mission visited Kurlon Ltd, Kennametal India Ltd, and L&T Komatsu Ltd to understand Manufacturing Best Practices in member companies, relating to supply chain management and production, Six Sigma and Lean Manufacturing initiatives.

Aerospace Studies

6 July, Bangalore

The session was organised with representatives from academia and industry to discuss the need for inclusion of Aerospace Studies in the University Visvesvaraya College of Engineering (UVCE). The discussion, led by Mr. Prabhu Dev, Vice Chancellor, Bangalore University, suggested that Bangalore University consider starting a four years Bachelor's degree engineering course on aerospace studies.

CEO Forum

17 July, Bangalore

The 5th meeting of the CEO Forum was addressed by Mr Pradipta K Mohapatra, co-author of 'India's Global Powerhouses: How They are Taking on the World', a book outlining how India's MNC differ from their international counterparts.

Road Safety – Engaging Corporates

17 July, Bangalore

The programme was designed to deepen the knowledge of the business community that relies heavily on basic road infrastructure to carry people and as well as products. It also helped the business community identify ways to mobilize resources to improve road safety.

CII Karnataka also launched the FM-based safety awareness campaign on 'Lane discipline & Indicator use' at the seminar. The campaign is a joint venture by CII and the Bangalore Traffic Department.

Interaction on Ground Water

28 July, Bangalore

An interaction with the Central Ground Water Board and member industries was organized to discuss the optimum utilization of ground water by industries.

SME Cluster

29 July, Bangalore

The first session of the Jigani - Bommasandra Industrial cluster highlighted the benefits of marketing using the internet and technology and Innovation.

Mr Narayan Rajan, Chief Executive Officer, i-Vista Digital Solutions demonstrated how small things like creation of a company website with the company's name on the URL could add credibility to the enterprise, enhance accessibility and interactivity.

Innovation Forum

30 July, Bangalore

At the 6th Meeting of the CII Karnataka Innovation Forum, Dr. Mukul Saxena, Head, Siemens Corporate Technology India Labs, spoke on Open Innovation @ Siemens. Mr. Jatin Desai, Co-Founder & CEO, The DeSai Group made a presentation on Strategic Innovation and Financial Performance - Lessons from World-Class Innovators.

The Forum seeks to develop a vibrant platform for members to interact and learn best practices in R&D and Innovation Management.

Interaction with UNESCO

30 July, Bangalore

An interactive session between the CSR heads and UNESCO representatives was organized to explore possible link ups. Mr Shantha Retnasingam, Chief, Section for Multilateral and Private Sector Funding Sources, External Relations and Cooperation, and Mr. Svein Osttveit, Chief Programme Coordinator, shared that UNESCO would like to synergise with companies that have CSR programmes in Education and Culture for joint implementation.

Contract Labour Management

30 July, Bangalore

Mr B C Prabhakar, Advocate & Management Consultant conducted a workshop covering the objectives, applicability and essential ingredients of Contract Labour (Regulation & Abolition) Act, 1970. Bosch Ltd shared a presentation on handling contract labour at Bosch.

Kerala

Infracon – 2009

23 July, Kochi



At Infracon

Organized in partnership with the Government of Kerala, the conference, on 'Infrastructure in the Time of Economic Crisis' dealt with issues such as improving physical infrastructure, city development, funding options and Implementation challenges. It brought out policy prescriptions to create a 5 point infrastructure agenda, and discussed creating world-class urban infrastructure with the support of the JNNURM.

Puducherry

CII calls on Government Officials

14 July, Puducherry



CII office bearers with M O H F Shahjahan, Minister, IT & Higher Education, Puducherry

Mr T Rajarajan, Chairman, CII Puducherry & General Manager, Emami Ltd, and Mr M S Vijayaraghavan, Vice Chairman, CII Puducherry, & Director, Josco Footwear Products Pvt Ltd called on Mr E Valsaraj, Minister for Industries and Commerce, Puducherry, and state government officials - Mr G Paneerselvam, Director, Industries & Commerce, Mr P Mathew Samuel, Special Secretary, Industry & Commerce, and Mr B R Babu, Managing Director, Puducherry Industrial Promotion Development and Investment Corporation.

Mr Rajarajan and Mr Vijayaraghavan, also met Mr M O H F Shahjahan, Minister, IT & Higher Education, Puducherry.

Brain storming on Education

18 July, Puducherry

A meeting was held to design a yearly programme for higher secondary (+1) students in Puducherry. Mr Meenakshi Kumar, Chairman, Education Sub-Committee, CII Puducherry, Mr Raghunandhan, Consultant, officials from the Times of India and Kendriya Vidyalaya 1 (JIPMER Campus) participated in the meeting.

Session on Internal Security

23 July, Puducherry

Dr B Srikanth, Senior Superintendent of Police, (Law & Order), Puducherry, addressed a session on Internal Security to generate public consensus for more effective counter terrorism measures.

Tamil Nadu

HR Conclave 2009

1 July, Chennai



At the HR Conclave

The HR Conclave 2009 had the theme: Winning strategies for challenging times. Mr Ravishankar, Head, Organizational Development and Effectiveness, HCL Technologies, said that a 360 degree appraisal will help organizations be transparent and honest with employees at all levels. Mr Sriram Rajagopal, Assistant Vice President, Cognizant Technology Solutions Pvt Ltd said the priority of organizations has changed from recruitment and retention to resizing and cost cutting, due to recession.

College Excellence Cluster

15 July, Chennai



Launch of the College Excellence Cluster in Chennai

The Education Cluster has been formed to provide frequent intervention support to cluster member colleges through regular Industry- Institution intervention. The faculty and students will also be exposed to good manufacturing practices, TQM, energy efficiency, etc. Post the launch an industrial visit for to Saint Gobain Glass India, Chennai, was organized for faculty members of the cluster colleges.

Zones

Chennai

Digital Publishing Course

17 July, Chennai



C K Ranganathan, Chairman, CII Tamil Nadu, Dr K Ponmudy, Minister, Higher Education Tamil Nadu, Dr K Veeramani, Chancellor Periyar Maniammai University & Gayathri Sriram, Chairperson CII Chennai Zone

A MoU between CII and Periyar Maniammai University, Thanjavur, was signed in the presence of Dr K Ponmudy, Minister, Higher Education to facilitate knowledge partnership for developing employability in digital publishing industries for the students.

Total Employee Involvement

30 July, Chennai

A mission visited Wheels India Ltd & SRF Ltd to examine and learn the concept of Total Employee Involvement and benchmark some best practices.

Coimbatore

Cost Reduction in Manufacturing

2 July, Coimbatore

The programme discussed the Principles of the Toyota way, the Toyota Production System, Benefits of Single Piece Flow, Elimination of Waste, Kanban System and its roles, Heijunka in Logistics, Standardized work etc.

Bouncing Board

3 July, Coimbatore

Introduced for the first time in Chennai, the objective of 'bouncing boards' is to get a group of 10 members from non-conflicting sectors on a common platform for sharing among peers in a confidential setting. It provides a 'safe' environment for members to share and learn with a closed group of peers.

Business Innovation & IT

24 July, Coimbatore

Dr M S Krishnan, Hallman Fellow and Professor of Business Information Technology, Ross School of Business, University of Michigan, USA, spoke on

restructuring of global industries, emergence of new competition, role of governments and new regulations, accessing of new talent pools and challenges before the incumbent companies. He also spoke about his book 'The New Age of Innovation' which he co-authored with Mr C K Prahalad, the visionary behind India@75.



Dr M S Krishnan

Erode

CEOs Session on Power

8 July, Erode & Coimbatore

Mr A R Buhari, Founder President & Chief Executive Officer, Coal & Oil Group, said the delay in unbundling the Tamil Nadu Electricity Board has impeded investment in the power sector. Mr Emile Abdurahman, Executive Director, Morgan Stanley, spoke on the international coal market and coal availability.

Ecological Compliance in Textile Industry

15 July, Erode

The conference discussed alternatives products, eco-friendly dyes and chemicals, and pollution control avoidance and control methods.

Karur

Organic Farming

29 July, Karur



N Shanmugam,
Jt. Director,
Agriculture,
Tamil Nadu

Eminent speakers from various institutions were made presentations on Organic Farming at the conference which discussed the effective use of techniques in organic farming, negative impact of inorganic cultivation, sustainable agriculture, restoration of soil health, techniques on natural farming, bio-diversity in natural farming and rural based industries for value addition of agri products.

Mysore

Members Fellowship Meeting

21 July, Mysore

The CII Mysore Zonal Council met to arrive at an 'Action Plan' for industry in Mysore. Coinciding with this meeting, a fellowship meeting was also organized to induct new members and apprise prospective non-members on the benefits of taking up CII membership.

Trichy

Programme for School Principals

4 July, Trichy



Programme for School Principals, Trichy

The programme was conducted to help principals of schools understand the need for the penetration of Information and Communication Technology in schools; explore the possibilities of converting conventional class rooms into e – classrooms and reiterate the importance of soft skills for students at the school level.



S Gopalakrishnan

Inspirational Lecture

24 July, Trichy

Mr S Gopalakrishnan, Deputy Chairman, CII (SR) and Chief Executive Officer and Managing Director, Infosys Ltd, delivered a public lecture on India@75: The IT advantage. He said that funding

of fundamental research in academic institutions where breakthrough innovations happen must get a major thrust.

Member Fellowship Evening

24 July, Trichy

The fellowship evening facilitated networking and relationship building, between members. Mr S Gopalakrishnan, Deputy Chairman, CII (SR), and CEO and MD, Infosys Ltd and Mr C K Ranganathan, Chairman, CII Tamil Nadu, addressed the meeting.

Awareness Expo on Lifestyle Diseases

29 & 30 July, Trichy

An expo on Lifestyle Diseases highlighted the need for proper planning and performance for delivering quality healthcare. The themes for display were based on lifestyle problems such as: cardiology, diabetes,

obesity, cancer, orthopedic problems, stroke, arthritis, asthma, occupational hazards, maternity & infertility, mental disorders, yoga, fitness, alcohol & smoking problems, accident hazards etc.

Education Excellence for Schools

30 & 31 July, Visakhapatnam

The programme included a series of lectures, activities, discussions and case studies to facilitate better understanding of TQM and its application to bring about a sea change in the way education is imparted in schools.



T Soundiah, District Collector, Trichy, and Dr Chandrakumar, Chairman, Healthcare Panel, CII Trichy Zone, visiting the stalls

West

Union Budget 2009

6 & 8 July, Mumbai; 6 & 7 July, Pune; 6 & 7 July, Vadodara, Ahmedabad; 8 July, Indore; 11 July, Nagpur; 15 July, Goa



Budget Analysis session in Mumbai

CII organised live budget viewing sessions and post-budget interactions across the region. In Mumbai, the viewing session was followed by a media interaction. Subsequently, a post-budget session brought together cross currents of opinions, views and perspectives on challenges posed by the downturn on India and the way ahead. It also reflected upon the probable impact of the Union Budget on industry with a detailed analysis of direct and indirect tax implications.

In Pune, the post-budget session discussed the implications of the budget on various sectors, to get an overall view for the country in general, and specifically, Maharashtra.

Members in Ahmedabad termed the budget as a prudent fiscal instrument that will go a long way in boosting consumer demand and providing the right kind of ecosystem for economic development.

In Vadodara, Mr Hitesh Gajaria, Executive Director, KPMG, highlighted the salient features of the direct tax proposals, while Mr Parind Mehta, Partner, B S R & Co. spoke on the changes in indirect taxes. Mr T N C Rajagopalan, noted EXIM consultant, concluded the session.

In Indore and Nagpur, too, members discussed the implications of the budget and its impact on industry.

In Goa, Mr. M. S. Mani, Partner, Indirect Taxes, Deloitte Touche Tohmatsu India Pvt. Ltd discussed various issues and implications on Indian indirect taxes.

Gujarat

Engaging with North West UK

Vadodara, 1 July

CII and the North West Regional Development Agency, UK pledged their support for promoting the industries from North West UK and Central Gujarat region in their respective regions for increased bilateral trade. It was decided that both CII and NWRD will exchange information pertaining to industry profiles of both the region for working out a long term engagement strategy.

Interaction on Power

4 July, Vadodara

Mr L Chuaungo, Managing Director, GUVNL, talked about the government initiatives to make Gujarat power surplus by installing various power projects. The state government is seriously promoting solar energy and is considering various options including providing subsidies to component manufacturers, he added.

Techno-Entrepreneurs Network

6 July, Vadodara

Mr Krishna Luhar, a consultant with several years of experience in the field of Chemical Engineering, made a presentation on the business/ entrepreneurial potential of micro-reactors.

Sustaining & Growing in Challenging Times

8 July, Ahmedabad; 9 July, Rajkot

The sessions were organised by CII and Deloitte jointly to make industries aware of various strategies to sustain and grow in the downturn. In Ahmedabad, Mr Chetan Tamboli, Past Chairman, CII Gujarat Council, and Vice Chairman and Managing Director, Steelcast Ltd, made a presentation on 'Global Scenario for SMEs in Downturn'.

Business Leadership Summit

24 July, Ahmedabad



Unveiling the CII-Deloitte Report on 'Sustaining Growth through Innovative Practices' at the Business Leadership Summit

The Business Leadership Summit showcased the innovative business strategies adopted by various

leaders across the State through a CEO round table discussion. A CII-Deloitte study report on 'Sustaining Growth through Innovative Practices' was released, which profiled around 25 CEOs across the state interviewed during the road shows.

Madhya Pradesh

Open Session on Service Tax



11 July, Indore

The session was a platform for members of trade and industries to have a dialogue with the Tax Department to understand the various definitions and provisions in Service Tax, and also to discuss various issues faced by industry in this regard.

Interaction on Power

22 July, Indore

CII organised an interaction with Mr Raghendra Kumar Singh, Chairman & Managing Director, Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Ltd, to discuss issues such as frequent unscheduled load shedding and breakdowns, maintenance of existing transformers and lines in industrial areas, augmentation of infrastructure to support increasing demand, upgradation of services with an increased customer focus, etc.

MSME Mission to Pithampur

24 July, Pithampur



Mission members at Caparo

The mission was organised to sensitize MSMEs on systematic best practices on the shop floor with visits to Caparo Engineering India Pvt Ltd & MAHLE Engine Components India Pvt Ltd in Pithampur.

Maharashtra

Session on PF, Labour, ESIC

3 July, Pune

The open house session discussed the implementation of the prevailing schemes and offered clarifications on issues relating to the Employees Provident Fund

Scheme, Labour Laws, Industrial Safety & Health norms and the Employee's State Insurance Scheme.

Sustainability through M & As

9 July, Pune

The panel discussion examined the 21st century's most pressing problems by taking a bold and innovative approach to achieve sustainable development. A panel of eminent leaders and experts deliberated on the theme.



Panel discussion on M & As

Seminar on IFRS

16 July, Nashik

The seminar made industry aware of the challenges to convergence and assisted in drawing of a roadmap to facilitate companies' technical preparedness through advance planning.

Solar Power Plants

Mumbai, 17 July

A financial round table for utility – based solar power plants was organized to facilitate the exchange of information between officials from the Rajasthan State Government, bankers, and US-based solar technology companies. The discussions related to financing requirements for immediate solar projects in Rajasthan.

Occupational Health & Safety

18 July, Aurangabad

At the seminar on 'Current & Future Trends of Occupational Health & Safety,' Mr S B Kolapkar, Joint Director of Industrial Safety & Health, Maharashtra, strongly urged industry to share knowledge and benchmark best practices to create a conducive, healthy and safe work environment in their respective organisations. He said that Government and industry must work as partners to promote occupational health and safety centres across the region.

Business delegation from Spain

23 July, Mumbai

CII supported the visit of officials from M/s COMEMSA, a Spanish company, to Mumbai by facilitating their meetings with concerned officials in the Government of Maharashtra.



Ashok Chavan, Chief Minister, Maharashtra, with members from Nashik

Meeting with the Chief Minister

22 July, Nashik

A delegation of CII Nashik Zonal Council members led by Mr Umesh Bharadwaj, Vice Chairman, CII Nashik, and Vice President, ABB Ltd, met Mr Ashok Chavan, Chief Minister, Maharashtra. They briefed him on the various activities organised by CII, particularly in the zones like Nagpur, Kolhapur, and Aurangabad, and specifically in Nashik. The members welcomed the Chief Minister's intention to have a 'Single Window Clearance' at the District Industrial Centres, as also the initiative of appointing franchisees in MSIEDCL at select places in Maharashtra, and developing Satpur as an industrial township.

Doing Business with India

23 July, Johannesburg

CII, in association with the High Commission of India and the India Brand Equity Foundation (IBEF) organised this conference, where the Government of Maharashtra was the 'Partner State'. A separate session on 'Doing Business with Maharashtra,' within the overall theme of 'Doing Business with India,' drew a lot of attention at the conference. Ms Malini Shankar, Development Commissioner-Industries, and Mr Bhushan Gagrani, Secretary-Medical Education, represented the Maharashtra Government at the conference.

Conflict Resolution

23 July, Pune

Ms Sonoo Thadaney-Israni, the faculty for this workshop and representative, Stanford University, on the Campus Consortium for Conflict Resolution, explored conflict resolution styles and strategies.

MSME Panel Visits Crompton Greaves

25 July, Aurangabad

MSME members visited Crompton Greaves to understand how they handled their vendors and their supplies to ensure zero defect products, improve workers' productivity and control costs.