



Confederation of Indian Industry



# BRIDGE

CONNECTING INDIA WITH USA AND CANADA



January 2012

## IN THIS ISSUE:

### I. Events Update

- Congressional Delegation at Partnership Summit 2012
- Session with US EXIM Bank Chairman, Mr. Fred Hochberg
- CII-USIBC Meeting on 'Prioritizing the India-U.S. Agenda'
- India-Canada Partnership: The Way Forward

### II. CII-IBF Members in the News

### III. India-US Economic & Policy Watch

### IV. India-US Corporate Watch

### V. India-Canada Corporate Watch

### VI. Upcoming Events

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## Events Update

### Congressional Delegation at Partnership Summit 2012: 11-13 January, Hyderabad



*Senator Mark Warner (D-VA) makes remarks at the dinner hosted by CII on 11 January, in Hyderabad.*

CII held the 16th annual Partnership Summit themed 'New Age Innovation Partnerships' in Hyderabad to highlight the cutting edge technologies emerging out of India and to build new partnerships for evolving and dispersing innovation. A Congressional delegation led by **U.S. Senator Mark Warner** (D-VA) attended the summit. Accompanying him were **Senators Michael Bennet** (D-CO) and **Tom Udall** (D-NM). Also part of the delegation were **Mr. Mark Brunner**, National Security Advisor to Sen. Warner, **Mr. Andrew Leahy**, Military Legislative Assistant to Sen. Bennet, **Mr. Matt Padilla**, Military and Foreign Relations Legislative Assistant to Sen. Udall, and **Mr. Sajit Gandhi**, Professional Staff Member on the U.S. House of Representatives' Foreign Affairs Committee. Mr. B. Muthuraman, President CII, hosted a dinner in honor of the delegation's visit on 11 January, 2012, with select CEOs from India.

At a panel discussion on *"The India and USA Promise: Partnership for Progress"* at the Partnership Summit, moderated by Dr. Sanjaya Baru, Director for Geo-economics and Strategy, International Institute of Strategic Studies, London, the delegation addressed various market access issues, trade and investment agreements and various strategic aspects of the bilateral relationship. They explained that

India and the U.S. share extensive cultural, strategic and economic linkages, but there remains a tremendous untapped potential, with mega-opportunities to collaborate. They outlined policy measures that could enable greater cooperation between the largest and oldest democracies of the world. In addition, they elucidated how United States and India together can positively and decisively influence world peace, economic progress and social development.

**Session with US EXIM Bank Chairman, Mr. Fred Hochberg: 4 January, Chennai**

CII hosted a session with Mr. Fred Hochberg, Chairman & President, EXIM Bank of USA, who outlined the mission of the bank in providing import financing to Indian firms. He explained that India is the second largest recipient of EXIM bank financing, after Mexico, with a \$ 7 billion portfolio. He highlighted some specific projects that were financed by the bank in the renewable energy sector, where there is mutual interest from both countries. He further explained that 85% of U.S. EXIM's customers are SMEs and the bank has financed about \$ 6 Billion to SMEs. He also touched upon the possibility of EXIM bank giving education loans to Indian Students seeking higher education in the U.S.



Ms. Jennifer McIntyre, Consul General, U.S. Consulate, Chennai reiterated the pivotal role EXIM bank financing can play for Indian

***L to R: Ms. Jennifer McIntyre, Consul General, U.S. Consulate, Chennai; Mr. T T Ashok, Chairman, CII Southern Region; Mr. Fred Hochberg, Chairman & President, EXIM Bank of USA.***

and U.S. companies in taking advantage of opportunities in infrastructure development. Also at the session, Mr. T T Ashok, Chairman, CII Southern Region, took the opportunity to highlight CII's initiatives to promote State-to-State cooperation and collaboration in new sectors such as aircraft maintenance, clean energy and skills development.

**CII-USIBC Meeting on 'Prioritizing the India-U.S. Agenda': 25 January, New York City**

CII in partnership with USIBC organized a closed door meeting in New York on 'Prioritizing the India-U.S Agenda', addressed by Ambassador Frank Wisner on January 25, 2012. The meeting was attended by the heads of several prominent Indian companies that have operations and investments in the United States. Ambassador Wisner, in his remarks pointed out the several challenges likely to face India and the United States in the coming year, such as a divided legislature, continuing obstacles in building political consensus, ballooning deficit and the growth imperative, and the need for fairness in the economic agenda. In the face of these domestic imperatives and forthcoming elections, India and the U.S. will need to engage deeply and patiently with each other in order to sustain the momentum in the bilateral economic and trade relationship.

Participants discussed several challenges being faced by Indian companies in the U.S., such as the free movement of skilled professionals, lack of a skilled workforce in the U.S., and extra-territorial taxing by state governments. On the issue of the free movement of skilled professionals between India and the U.S., Amb. Wisner suggested that a concerted effort from all quarters may be necessary such as the one that led to the India-U.S. civil nuclear agreement. It was also pointed out that since India has signed free trade agreements and economic partnership agreements with several countries, it is likely to lead to a diversion of investment tax dollars away from the U.S. In addition, the anti-Iran and anti-China sanctions are also likely to impact Indian companies. It was acknowledged that there is a perception problem with regard to Indian companies in the United States, which tends to distort the facts about the real contributions being made to the U.S. economy.



**Mr. Frank Scarpitti, Mayor of Markham, Ontario, addressing the session on “India-Canada Partnership: The Way Forward” on 6 January in New Delhi.**

CII, along with the Indo-Canada Chamber of Commerce and the Indo-Canadian Business Chamber, organized a program on “India-Canada Partnership: The Way Forward” on 6 January in New Delhi. Giving the keynote address Mr. Virbhadra Singh, Minister of Micro, Small and Medium Enterprises (MSME), Government of India, urged MSMEs in both countries to harness each other’s complementary strengths and enter into Joint ventures, technical collaborations and other cooperative agreements to jointly provide innovative products and services. Mr. Jawed Ashraf, Joint Secretary, Ministry of External Affairs emphasized Canada’s role as a partner to India’s strategic priorities in national growth plans. Among India's relations with all advanced economies, the India-Canada relationship is perhaps one with the most untapped potential, he explained.

Some collaborative activity still requires enabling frameworks, such as the Comprehensive Economic Partnership Agreement, and the Foreign Investment Promotion and Protection Agreement, for which Mr. Anup Wadhawan, Joint Secretary, Ministry of Commerce and Industry and Chief Negotiator of CEPA on Canada, presented a conclusion target of early 2013. Mr. Deep Kapuria, Chairman, Hi-Tech Gears offered support from CII’s National Committee on SMEs to step up collaborations. Mr. Apurva Mehta, Head-International Governments and Institutions, Tata Consultancy Services, elucidated CII's recent initiative of a Canada-focused Country Committee and promised full support to enhance India-Canada business ties. Mr. Stewart Beck, High Commissioner of Canada to India, Canadian High Commission and Mr. Frank Scarpitti, Mayor of Markham, Ontario also addressed the session, reiterating their resolve to step up the India-Canada bilateral economic partnership.

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#### **CII-India Business Forum Member in the News**

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**India Inc to Obama: We are creating jobs in US, Europe:** With HCL Technologies announcing 10,000 jobs for locals in the US and Europe, India Inc on Thursday chose the WEF meet to send a strong message that Indian IT firms are creating and not stealing jobs in troubled western economies. [More](#)

**Indian IT firms step up hiring in the US:** Top Indian firms such as Infosys, Tata Consultancy Services (TCS) and Wipro have started making whole-hearted efforts to raise local hiring in the US. This includes campus hiring, delivery and training centers and reducing dependency on visas, especially the L1 visas. [More](#)

**TCS opens new facility in Silicon Valley:** Expanding its presence in the US, IT major Tata Consultancy Services (TCS) has opened a new facility here which was welcomed by the US lawmakers and the Californian government. Speaking on the occasion, Congressman Mike Honda appreciated the efforts of Indian companies like TCS in the development of Silicon Valley. [More](#)

**Aegis Plans U.S. Listing:** India's Aegis Ltd., owned by the Essar Group, is looking to raise between \$350 million and \$400 million from a U.S. initial public offering, following a sale of some shares to individual investors first, a person familiar with the matter said Tuesday, in the latest U.S. listing by an Indian business process outsourcing firm. [More](#)

**Tata Coffee to serve US, Japan a special brew:** Tata Coffee Ltd plans to expand its footprint in the US and Japan by serving high-quality, premium speciality coffees to the small roasters there. It also plans to build on its subsidiary Eight O'Clock Coffee's presence in the region through the speciality segment. [More](#)

**Starbucks to Open First Indian Store This Autumn:** After years of studying the Indian market, StarbucksCoffee said Monday that it would open its first store here by September through a 50-50 joint venture with Tata Global Beverages, a unit of the largest business group in India. [More](#)

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## INDIA-US ECONOMIC AND POLICY WATCH

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**FDI inflows show India attractive: Ernst & Young:** India witnessed the second highest growth in FDI inflows in the world during 2011, which helped generate over two lakh jobs, reflecting robust faith of international investors in Indian growth and allaying fears of its fading global sheen, a private survey showed. [More](#)

**Foreign airlines get all-clear signal on FDI:** A key group of ministers on Tuesday reached a consensus on allowing foreign airlines to buy up to 49 per cent stake in Indian carriers. Foreign carriers are not currently allowed to directly or indirectly make any investment in Indian carriers. [More](#)

**Rule Change Would Allow Some Foreign-Owned Stores to Open in India:** Policy makers on Tuesday changed a rule that would make it easier for predominantly single-brand foreign chains like Ikea and Gap to set up fully owned stores here. [More](#)

**FDI in single brand: CII favours compulsory sourcing from MSEs:** CII today supported the government decision of mandatory 30 per cent sourcing from Indian micro and small (SME) units by the foreign single-brand retailers, who wish to hold more than 51 per cent stake in their units in this country. [More](#)

**Don't stop outsourcing: Pranab to US:** Worried over the adverse fallout of protectionism, finance minister Pranab Mukherjee on Monday said if the US stops outsourcing jobs to India, profitability of both the economies will be hurt. Speaking at the end of a two-day visit, he said that nations were free to adopt policies that suited their requirements, but the policies should not lead to protectionism. [More](#)

**US to streamline, simplify visas for Indians:** The United States is trying to simplify and quicken the visa process for Indian travelers, an American diplomat said here Saturday after President Barack Obama called for a national strategy to make his country the top travel and tourism destination. [More](#)

**India, US to work for implementing N-deal:** India and the United States have agreed to continue efforts to consolidate upon the "tremendous progress" made in strengthening their global strategic partnership and work towards implementing their civil nuclear deal at a meeting between secretary of state Hillary Clinton and Indian ambassador Nirupama Rao. [More](#)

**US says it is open to work with India on missile shield:** Weeks after offering to sell its F-35 fifth generation fighter jets, the US has said that it is open to work with India in the field of ballistic missile shield. The offer was made by Deputy Assistant Secretary of Defence Robert Scher. [More](#)

**India to grant \$1.5 million for Vivekananda Chair:** India will provide a grant of \$1.5 million to the University of Chicago to establish a Vivekananda Chair for Indian studies, as part of the initiatives to mark the 150th birth anniversary of the 19th century luminary, Swami Vivekananda, and polymath Rabindranath Tagore. [More](#)

**Wadhvani Foundation signed a MoU with Virginia Foundation:** The Wadhvani Foundation signed a memorandum of understanding with the Virginia Foundation for Community College Education, to upgrade skills training in the country. [More](#)

**Indian selected as first international teacher for US space programme:** A middle school teacher from Maharashtra has been selected as the first international teacher for a prestigious space programme in the United States. This is for the first time that an international teacher has been selected for this prestigious fellowship of the Space Foundation. [More](#)

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## INDIA-US CORPORATE WATCH

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**OIL in talks for \$200 mn shale gas buy:** State-owned Oil India Ltd (OIL) is in talks with a US-listed firm to buy an around 25% stake for some \$200 million (around Rs 1,030 crore) in the latter's shale gas acreage. "The acreage is near Eagle Ford (Texas)," chairman and managing director N.M. Borah said. [More](#)

**GAIL India in talks to buy US gas from Freeport LNG plant:** GAIL India Ltd, the nation's biggest natural gas distributor, is in talks to buy the fuel from Freeport LNG Development LP's proposed plant in the US, a person with direct knowledge of the matter said. The state-run company has held talks with Macquarie Group Ltd, Freeport LNG's partner in the plant, and may buy the gas at prices linked to Henry Hub, a US benchmark, the person said on condition of anonymity. [More](#)

**Suzlon arm to supply 73 wind turbines to US company:** Suzlon Group subsidiary, REpower Systems SE, has concluded a contract with a US wind power developer for the delivery of 73 wind turbines. The REpower MM92 turbines, with an overall power output of 150 megawatts (MW), are destined for a project in Oklahoma. [More](#)

**GE, Siemens Win India Solar Turbine Orders to Offset U.S. Slump:** General Electric Co. (GE), Siemens AG (SIE) and Areva SA (AREVA) have won orders from India's largest solar plants requiring conventional turbines, helping to offset a slump in the U.S. where developers are scrapping such projects. [More](#)

**Amazon setting up first "fulfillment center" in India:** Amazon.com Inc is setting up its first "fulfillment center" in India as the world's largest Internet retailer tries to break into the world's second most-populous nation. The fulfillment center is based in Mumbai, the biggest city in the country, according to job listings on Amazon's India careers website. [More](#)

**US company acquires Randstad's Indian payroll business:** US company Automatic Data Processing (ADP) has acquired the Netherland-based Randstad Holding's Indian payroll business to access the high-growth human resources business process outsourcing markets. Randstad's Indian payroll business is handled by its subsidiary Ma Foi Consulting Solutions. [More](#)

**US-based financial planning major enters India:** With rapid increase of high net worth individuals (HNWI), India has emerged as an attractive market for wealth management. The latest entrant is Ameriprise, the largest financial planning company of the US. The 117-year old company has a client base of over 2 million in US. [More](#)

**US-based DaVita picks up stake in NephroLife Care for India entry:** US-based kidney care services provider DaVita Inc has picked up a significant stake in Bangalore-based renal care services provider NephroLife Care, as a strategy to enter the India market. DaVita and global investment firm New Enterprise Associates (NEA) have injected \$25 million in NephroLife, according to a person with direct knowledge of the transaction. [More](#)

**McDonald's goes for costliest revamp to attract more adults:** Fifteen years after it entered India, Big Mac is changing colours, literally. The world's largest fast-food chain is shedding its familiar red-and-yellow colours for more muted tones as it goes for its biggest and costliest revamp in the country, in line with its global strategy of attracting more adults. [More](#)

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## INDIA-CANADA ECONOMIC & CORPORATE WATCH

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**Imax Corp signs deal with India's SPI Group:** Imax Corp has signed a deal with India's SPI Group to build four theatres in India focusing on digitally enhanced "Bollywood" movies, Chief Executive Richard L. Gelfond said. So far, the Canada-based company has released only Hollywood movies in India using its digital technology on its signature giant screens. [More](#)

### India-Canada to fast-track CEPA negotiations

Union Minister of commerce and Industry, Anand Sharma and his Canadian counterpart, Ed Fast, have agreed to fast-track the CEPA negotiations between the two nations. The Ministers met at the World Economic Forum at Davos and committed to advise the CEPA negotiators of their respective countries. [More](#)

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