

April 2009

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CII & USA: APRIL EVENTS UPDATE

BUSINESS LEADERS MEETING WITH AMBASSADOR MEERA SHANKAR: 15 APRIL: NEW DELHI

On 15 April in New Delhi, CII organized an interactive meet with Indian Ambassador (designate) to US, Ms. Meera Shankar. At the meeting, Amb Shankar shared her views regarding the overall US-India relationship and the geopolitical dynamics among US-China, US-Iraq and Af-Pak in the present context and also in the long term. **Mr. Hari Bhartia**, Vice President, CII and Co-Chairman & Managing Director, Jubilant Organosys chaired the meeting. The business leaders shared their insights towards building a forward looking and extensive agenda for the US-India bilateral engagement. Among the promising areas, from the CEOs perspective, were IT, ITeS, healthcare, education, defense cooperation, horticulture and IPR. The business leaders expressed concern over handling protectionist sentiment in the US and fueling overall economic growth. They also suggested greater interaction with the Indian Embassy in the USA through CII India Business Forum and other existing CII platforms to further facilitate bilateral trade and investments.



Mr. C Banerjee, Director General, CII (Left) and Mr. Hari Bhartia, Vice President, CII and Co-Chairman & Managing Director, Jubilant Organosys (Right) share their perspectives at the meeting with Ms. Meera Shankar, Indian Ambassador-Designate to the US (Centre)



Mr. Tarun Das, Chief Mentor, CII (Left) greets Ambassador Richard Holbrooke, US Special Envoy to Afghanistan and Pakistan (Centre) and Admiral Mike Mullen, Chairman of the Joint Chiefs of Staff (Right).

INTERACTIVE MEET WITH AMBASSADOR RICHARD HOLBROOKE: 8 APRIL: NEW DELHI

On 8 April, CII organized an interactive session with an American delegation led by **Ambassador Richard Holbrooke**, US Special Envoy to Afghanistan and Pakistan, and **Admiral Mike Mullen**, Chairman of the Joint Chiefs of Staff (CJCS). Both sides emphasized that the strategic relationship between India and the US extends much beyond Afghanistan and Pakistan, and that a comprehensive framework is required within which the bilateral relationship should operate. The meeting was attended by strategic, political and security experts from both the sides.

CII SESSION WITH CONGRESSMAN HOWARD BERMAN AND ACCOMPANYING US CONGRESSIONAL DELEGATION: 16 APRIL: CHENNAI

Towards promoting collaborative exchange between India and the US in the field of Intellectual Property in media and entertainment arena, CII hosted a US Congressional Delegation on 16 April in Chennai, Tamil Nadu. The session focused particularly on IPR issues confronting the media sector and deliberated ways towards addressing the challenges of digital piracy. The US Lawmakers and business executives have brought to light the deteriorating



Ms. Shobana Kamineni, Executive Director, Apollo Hospitals looks on as Congressman Howard Berman addresses the Session on IPR in Chennai

situation in which revenue worth almost \$20 billion is lost annually to global piracy networks through illegal reproductions of copyrighted movies, music and other entertainment. Congressman Berman recently announced plans to offer legislation that would “begin to elevate the attention” given to piracy and explore ways to create global collaborative framework; the session on piracy with the accompanying US Congressional delegation is a step forward in that direction. The session further highlighted the need for innovative techniques to address the challenge of enforcing IPR Laws in a global context. **Ms. Shobana Kamineni**, Executive Director, Apollo Hospitals, chaired the meeting and **Mr. Rajiv Rai**, Co-Chairman, Task Force on International Business Promotion & Networking & Chairman, RKKR Steels Ltd, lauded the efforts of **Congressman Howard Berman** in initiating the PEACE Act. (The Act links US aid to Pakistan with accountability measures against terrorism). The US Congressional delegation included **Congressman Gary Ackerman** (D- NY), **Congresswoman Sheila Jackson Lee** (D- TX), **Congressman Dan Lungren** (R- CA), **Congressman Ed Royce** (R- CA), **Congressman Jim Costa** (D- CA) and **Congressman Jim Moran** (D- VA).

CII CHIEF MENTOR VISITS WASHINGTON DC: APRIL 27-29

Mr. Tarun Das, Chief Mentor, CII visited Washington DC from April 27-29. In a continued effort to strengthen bi-lateral relations he met with several senior officials in the Obama Administration and with leaders in the think tank community to discuss issues related to the US India Strategic Dialogue and the US India Japan Trilateral.

The meetings included **Ambassador Ron Kirk**, United States Trade Representative; **Ambassador Richard Holbrooke**, US Special Envoy to Afghanistan and Pakistan; **Mr. Michael Froman**, Deputy National Security Advisor; **Mr. Bill Burns**, Under Secretary for Political Affairs, US Department of State; **Mr. Strobe Talbott**, President, Brookings Institution; **Congressman Jim McDermott**, **Ambassador Richard Armitage**, President, Armitage International; **Mr. Mike Green**, Senior Advisor, Center for Strategic and International Studies and **General Brent Scowcroft**, National Security Advisor among others.



Ambassador Naresh Chandra, Chairman, CII National Task Force on Internal Security greets Admiral James M. Loy, Senior Counselor, The Cohen Group and former US Deputy Secretary of Homeland Security at the Session

INTERACTION OF CII NATIONAL TASK FORCE ON INTERNAL SECURITY WITH US SECURITY DELEGATION: 9 APRIL: NEW DELHI

In a bid to strengthen the security and defense cooperation framework, CII organized a session focused on sharing the US experience on 9/11 with members of its National Task Force on Internal Security on 9 April in New Delhi. India's growing security market presents lucrative opportunities for the American companies. In the backdrop of the NSG waivers, India is likely to bargain with the US for dilution of the stringent technology denial regime that it has been subjected to, till date. India may also lobby to redress the End User Verification clause to be able to obtain crucial cutting edge technologies. Participants at the session included security agencies, Ministry of Defense, academia and representatives from the industry. **Ambassador Naresh Chandra**, former Indian Ambassador to the US, chaired the session. Key speakers were **Admiral James Loy**, Senior Counselor, The Cohen Group and former Deputy Secretary of Homeland Security, and **Mr. Jack Noonan**, CEO, SPSS.

INDIA BUSINESS CONFERENCE: 10 APRIL: NEW YORK

Columbia Business School recently organized the “India Business Conference” in view of the three major recent events in India that have placed the country on the world’s center stage - terror attacks in Mumbai, the Satyam accounting scandal and the splendid success of Slumdog Millionaire – and which are symbolic of the challenges and opportunities arising in India. CII supported the conference in New York, which brought to light the key business challenges that need to be overcome to produce sustained consumer driven growth in India and the potential opportunities for those involved, especially in the context of the growing Indian market braving the economic depression. The discussion panels focused on multiple issues: emerging opportunities for growth in Indian media across the world along with the investments needed to maintain the quality and integrity demanded of a global player; exploring the state and the strategic path forward for the Indian pharma industry and newer opportunities for US pharma companies in India; providing a framework for the current economic climate not as a crisis, but as an opportunity. **Professor Joseph Stiglitz**, Nobel Laureate and Columbia University Professor, and **Ambassador Frank Wisner**, Former Ambassador to India and International Affairs Advisor, Patton Boggs LLP, were among the keynote speakers.

SESSION ON 'ENERGIZING THE US-INDIA COMMERCIAL RELATIONSHIP: OPPORTUNITIES GROWING FROM THE NUCLEAR AGREEMENT': 15 APRIL: CHICAGO

Signature and ratification of the US-India Nuclear Agreement has opened up new opportunities for deeper US-India bilateral trade relations. In an attempt to explore the growing market, CII and Chicago Council of Global Affairs (CCGA), in collaboration with US India Business Council (USIBC), organized a session on "Energizing The US-India Commercial Relationship: Opportunities Growing From The Nuclear Agreement". **Ambassador Thomas Pickering**, Vice Chairman, Hills & Company and Retired Senior Vice President, International Relations, The Boeing Company, gave an overview of the US India relationship, focusing on the commercial aspect. **Mr. Scott Bayman**, Former President and CEO, General Electric India, Senior Director of Stonebridge International, LLC, and Chairman of Stonebridge – India, shed light on the benefits of the nuclear agreement. The session, which was moderated by **Mr. Marshall Bouton**, President, CCGA, emphasized the importance of utilizing the opportunities arising from the nuclear deal, especially at a time of domestic economic slowdown in the US. The session also underscored ways to address the challenges which prevent American companies from taking full advantage of the opening up of India's energy and defense sectors and gaining a share of this new market for nuclear goods and technologies.

THE G- 20 SUMMIT SIDELINES: MEETING OF PRESIDENT BARACK OBAMA AND PRIME MINISTER MANMOHAN SINGH



President Obama and Prime Minister Singh shake hands, meeting for the first time at the G- 20 Summit in London

The G-20 Summit, held in London on 2 April, formed the backdrop to the first bilateral meeting of **President Barack Obama** and **Prime Minister Manmohan Singh**. Acknowledging India as a key partner of the United States in addressing a wide range of global challenges, President Obama said, "The United States sees India as a global power and a critical partner in helping to deal with the challenges of the 21st century - everything from **climate change** to **poverty** to **trade** to **science** and **innovation**." Both leaders were among the heads of government from nations accounting for 90 percent of the world economy who, as part of the G20 summit, set forth measures to manage the **global financial crisis**. President Obama praised Prime Minister Singh's role in the proceedings, highlighting his background as an economist and former Finance Minister whose leadership has put India "along a path of extraordinary economic growth that is a marvel

for all the world." Even as the world grapples with the **economic slowdown** and **financial crisis**, Obama said, leaders must not lose sight of the challenges posed by **climate change**. India has understandable concerns that international efforts to reduce carbon dioxide emissions could hinder its efforts to extend the benefits of economic development to millions of its citizens. President Obama and Prime Minister Singh also discussed ways to expand **counterterrorism cooperation** between India and the United States. The countries share concerns about violence emanating from extremist safe havens along the Afghanistan-Pakistan border and beyond. ([More](#))

US-INDIA: BILATERAL UPDATE

- **India-US Trade (January - February)** ([More](#))

Trade	Value \$ Billion
Total trade	5.59
US's exports to India	2.18
India's exports to US	3.41
India's Trade Surplus	1.23

- **H-1B and L-1 Visa Reform Act:** Assistant Senate Majority Leader Dick Durbin (D-IL) and Senator Chuck Grassley (R-IA) have introduced legislation which would reform the H-1B and L-1 guest-worker programs to prevent their abuse and fraud and protect American workers. Indian policymakers have expressed concern over the details of this seemingly protectionist move, which is in contrast with President Obama's stand at the recent G-20 Summit. ([More](#))
- **Silicon Valley pushes for H-1B visas:** Reflecting the mood of the Silicon Valley, prominent media outlets from California have come out openly in support of the H-1B work visas and opposed increasing the "hire Americans" call in the United States. ([More](#))

- **US supports India on WTO tariff cut estimates:** A report of the WTO estimated a global tariff cut of \$150 billion through conclusion of Doha Development Round. The US has supported India's request to seek details on estimated tariff savings amount. ([More](#))
- **India asks US for climate change help:** The Indian Prime Minister's special envoy on climate change, Shyam Saran, is seeking partnership with the US to collaborate on renewable- energy, covering different technological pathways and focusing on green technologies and product development. ([More](#))
- **Maryland re-opens India office:** During a Maryland India Business Roundtable event, Maryland announced the re-opening of a foreign office in India to build on both regions' strengths in biotechnology, aerospace and defense. ([More](#))
- **US removes levy on Indian shrimp:** The US Customs & Border Protection (CBP) has fully withdrawn the customs enhanced bond requirement (EBR) imposed in 2004. The latest notification is in line with a World Trade Organization (WTO) ruling issued in favor of India and Thailand in 2008. ([More](#))
- **Microsoft ties up with HCL:** Computer giant Microsoft has signed a USD 170 million five year contract with India's HCL for outsourcing work for its online business productivity suite. HCL will provide 600 employees to support the contract and nearly 250 workers have already begun work on the project. ([More](#))
- **Sikorsky enters India:** US based Sikorsky Aircraft Corporation delivered its first commercial helicopter last week to a Mumbai based corporate signifying their formal entry in India. The company is looking at making India the hub to cater to the requirements of the South Asian market after forming a joint venture with the Tata Group to manufacture helicopter cabins in India and is hopeful of negotiating deals in the near future. ([More](#))
- **Grad school applications from India to US decline:** The council survey of US institutions, which fielded more than 400,000 applications in all, showed growth of applications from China along with the Middle East and Turkey, up 16% and 20% from 2008, respectively. But applications from India and South Korea fell 9% and 7%, respectively. ([More](#))

US ECONOMY / POLICY WATCH

- **US Gross Domestic Product:** US Real GDP decreased at an annual rate of 6.1% in the first quarter of 2009, following a decrease of 6.3% in the fourth quarter of 2008. Consumer spending grew 2.2% and personal income rose 6.2% ([More](#))
- **US international trade deficit in goods and services:** Trade deficit in February declined 28.3% to \$26.0 billion, down from \$36.2 billion in January. Exports rose 1.6% to \$126.8 billion, while imports shrank 5.1% to \$152.7 billion. ([More](#))
- **The American Clean Energy and Security Act:** Congressmen Henry Waxman (D- CA) and Edward Markey (D- MA) have introduced a climate change legislation which focuses on mandating a percentage of energy generation through renewable resources; promoting biofuels and electric vehicles; increasing energy efficiency in homes, appliances and transportation; setting greenhouse gas emission standards; creating green jobs and exporting green technologies; and for the first time, putting a cap on carbon dioxide emitted from power plants and factories in the US. ([More](#))
- **Swine Flu spreads in US:** A widespread outbreak of Swine Flu in the US could potentially pose a grave new threat to the US economy, particularly effecting tourism, food and transportation industries, and further deepen the recession in US and possibly worldwide. ([More](#))

CII USA FORTHCOMING EVENTS: MAY

- Session on "US-India Relations" with Amb. Robert D Blackwill, Senior Fellow, RAND Corporation and former US Ambassador to India, on 5 May in New Delhi, India
- Session on "Lessons of Mumbai" with Amb. Robert D Blackwill, Senior Fellow, RAND Corporation and former US Ambassador to India, on 7 May in Mumbai, India
- Panel Discussion with MIT Sloan Fellows from 17- 21 May in New Delhi, India
- Delegation and participation at BIO Convention from 18 - 21 May in Atlanta, USA

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