



Confederation of Indian Industry



BRIDGE

CONNECTING INDIA AND THE USA

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CII & USA EVENTS UPDATE: AUGUST



Ambassador Demetrios Marantis (L) takes questions from CII members. Mr Sunil Munjal (R) chaired the Session.

SESSION ON 'INDIA-US TRADE AND INVESTMENTS' WITH AMBASSADOR DEMETRIOS MARANTIS, DEPUTY USTR: 12 AUGUST: NEW DELHI

Ambassador Demetrios Marantis, Deputy US Trade Representative addressed a Session on "India-US Trade and Investments" organised by CII. The India-US relationship has been re-energised by Hillary Clinton's recent visit to India. Both countries are actively looking for ways to widen and deepen the bilateral partnership, particularly in

terms of economic engagement. Indian companies are making a tremendous impact on the US economy, having generated \$105 billion and supported over 300,000 thousand jobs from 2004 – 2007, according to an IBEF report on "Contribution of Indian Industry to the US Economy".

Amb Marantis observed that at a time of historic opportunities as well as challenges, both economies would be more resilient by strengthening their trade and investment ties. In an effort to eliminate bilateral irritants in further enhancing trade and investments, both countries hope to revitalize bilateral dialogue platforms including the CEOs Forum, Trade Policy Forum and the Private Sector Advisory Group and establish stronger synergies and linkages among the fora in providing valuable input from the private sector perspective. Building on the interaction of Amb Ron Kirk, United States Trade Representative (USTR) and Mr Anand Sharma, Minister for Commerce and Industry recently in Washington DC, Amb Marantis emphasised that collaboration between the private sectors of both countries is critical in order to take forward the dialogues. Participants at the session raised important points and identified sports, healthcare, and infrastructure as areas which could see strong bilateral cooperation in addition to education, healthcare and energy.

"India is the 17th largest trading partner of the United States but our goal is to have India move among the top 10." – Amb. Demetrios

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Following the CII Session, Amb Marantis visited Apollo Hospital in New Delhi to better understand Indian healthcare services model and explore collaborative opportunities for India and the US in the field of healthcare. Dr Prathap Reddy, Chairman, Apollo Hospitals Group, met with Amb Marantis and briefed him on Apollo's current scope and their forthcoming systems in clinical excellence, education and research. Amb Marantis explained that a healthcare services aspect had been added to the Trade Policy Forum agenda for upcoming bilateral dialogues. Interaction with Amb Marantis laid a solid framework for the upcoming visit of Amb Ron Kirk, USTR and identifying key issues and prospects of furthering the bilateral economic relationship.

INTERACTIVE MEET WITH USIBC MINI CIVIL NUCLEAR MISSION: 21 AUGUST: NEW DELHI



Meeting in progress. (LtoR): Shruti Bhatia, Director-Energy, CII; Dr R P Singh, Vice Chairman & Managing Director, Jindal Power; Mr V Raghuraman, Adviser, Jaguar Overseas; Mr Ted Jones, Director-Policy Advocacy, USIBC; Meena Mutyala, Senior Vice President, Westinghouse; Mr Shailesh Sheth, Vice President, GE - Hitachi Nuclear Energy

CII held an interactive meeting with the USIBC Mini Civic Nuclear team coordinated by Ted Jones, Director, Policy Advocacy, US India Business Council. Discussions mainly centered around facilitating the early passage of the Nuclear Liability Law in India and collaborating with the Department of Atomic Energy in India to amend the Atomic Energy Act which would facilitate private sector participation in the Nuclear Power sector. The nuclear liability law may see the light of the day in months to come while the amendment of the Atomic Energy Act, 1962 to allow private sector

participation in the civil nuclear space may take long. The enactment of Liability Law would also allow the Indian companies to export civil nuclear equipment and therefore early enactment is a win-win proposition for both ends. Members suggested the formation of a separate group within the CII – USIBC Task Force framework which would work out a detailed action plan to engage with select Indian Members of Parliament and the media.

With the Indian Prime Minister scheduled to visit US on 24 November, the meeting reinforced the need to make a concerted effort to get the Nuclear Liability Law cleared by the Indian Parliament. Also efforts regarding the Cabinet and Parliamentary approvals needed for announcement of sites for US must be secured. Although it is tough to achieve progress on both the counts, given the limited time before PM Singh's visit, nonetheless, the Task Force could undertake advocacy to address negative characterization being seen in the Indian media and help to spearhead the progress in a right direction. A policy advocacy and communication campaign should be undertaken by the Taskforce to sensitize key stakeholders, explaining the benefits it would bring to the Indian economy in general and specifically help in creation of jobs. There was robust participation from the Indian side and the meeting proved to be an excellent opportunity for both the sides to exchange perspectives on the issues concerning civil nuclear energy cooperation between both the nations.

MEETING OF THE LIFE SCIENCES WORKING GROUP UNDER HIGH TECHNOLOGY COOPERATION GROUP: 27 AUGUST: NEW DELHI

CII participated at a Public Private Meeting of the India-US High Technology Cooperation Group organized under the Biotechnology and Life Sciences Working Group. Gaitri Kumar, Joint Secretary, Ministry of External Affairs, Government of India and Ms Holly Vineyard, Deputy Assistant Secretary for Africa, Middle East and South Asia, US Department of Commerce addressed the session. Industry members discussed specific Indo-US issues relating to Medical Devices, Biotechnology and Pharmaceuticals. Interactive discussions brought forth a range of collaborative opportunities in medical devices manufacturing and setting up medical devices parks in India, establishing a partnership for safe medicines and joint research and innovative drug development. Government officials and industry representatives from both sides actively participated in the HTCG meeting.



US President Barack Obama has greeted people of India on the occasion of the country's 63rd Independence Day, saying that a vibrant and promising India has a natural friend in the United States.

"India has attained unprecedented milestones as its democracy has matured. Boasting a vast diversity of ethnicities and languages, India constitutes the largest democratic union the world has ever known," Obama said in his message.

The President said, "This vibrant and promising India has a natural friend in the United States. Our people are bound by common values and ideals, and Indian-Americans contribute to all aspects of American life."

In an unusually long message personally signed by him on August 12, Obama noted that the fate of the two countries was tied by the interconnected nature of the world and a shared vision of peace, prosperity and respect for human rights.

Highly impressed by its economic growth, Obama said economically India was forging a new path. Fulfilling the promise of internationally competitive institutes of higher education, Indian professionals are leading their nation into a new phase of growth.

"From Bangalore to Boston; Indian scientists, engineers and thinkers are generating ideas and prosperity that improve and save lives across India and the globe," Obama said

In his message, Obama echoed words of the first Indian Prime Minister Jawaharlal Nehru's historic speech "tryst with destiny," mentioned 1857 war of independence, the freedom movement under Mahatma Gandhi and the country's all-round development after independence, be it economy, science or polity.

The President said, "Indian politics have given voice to women and countless minorities, and have demonstrated that Indians stand unified in their commitment to human dignity."

Obama said he was also impressed by the country's entertainment industry as its members were marking their presence globally.

"Bollywood and Hollywood, Indians contribute to films that captivate audiences in every corner of the world," he said, adding that millions were being lifted out of poverty and were carrying the hope for a bright future as the Indian economy continued along a promising road.

"Marking Indian Independence Day, the United States and its people celebrate the realisation of the vision of Prime Minister Nehru described and the bright future it continues to portend for the people of India," Obama said.

The message sent to the Indian Government starts with reference to Pandit Nehru. "As Indians stood ready to claim their own fate on August 15, 1947, Prime Minister Nehru declared that a 'tryst with destiny,' forged years ago, would finally be fulfilled." ([Source](#))

US ECONOMY WATCH

- **US Gross Domestic Product:** Real gross domestic product -- the output of goods and services produced by labor and property located in the United States -- decreased at an annual rate of 1.0 percent in the second quarter of 2009, (that is, from the first quarter to the second quarter), according to the "second" estimate released by the Bureau of Economic Analysis. Also, profits from current production (corporate profits with inventory valuation and capital consumption adjustments) increased \$67.6 billion in the second quarter, compared with an increase of \$59.1 billion in the first quarter. ([More](#))
- **US international trade deficit in goods and services:** total June exports of \$125.8 billion and imports of \$152.8 billion resulted in a goods and services deficit of \$27.0 billion, up from \$26.0 billion in May, revised. June exports were \$2.4 billion more than May exports of \$123.4 billion. June imports were \$3.5 billion more than May imports of \$149.3 billion.
- **US International Investment Position:** The US net international investment position at yearend 2008 was - \$3,469.2 billion. The value of foreign investments in the US continued to exceed the value of US investments abroad. ([More](#))

US-INDIA BILATERAL UPDATE

- **Bilateral Aviation Safety Agreement (BASA):** India and USA are working on a Bilateral Aviation Safety Agreement (BASA), which would lead to mutual acceptance of aeronautical products/parts developed in either country. It is expected to be completed, in limited scope, by 2010. ([More](#))
- **Chandrayaan-1, NASA join hands to search for water on moon:** A joint collaboration between India's Chandrayaan-1 and NASA's Lunar Reconnaissance Orbiter, which are orbiting the moon, could turn up evidence for valuable lunar water. ([More](#))
- **Nasscom proposes new service visa to replace H-1B to end abuse:** India's software industry body Nasscom has proposed a new category of service visas for the US to replace the controversial H-1B visa, which will enable companies to send their employees to the US on work for a certain period and will not lead to immigration or permanent residency. ([More](#))

US-INDIA CORPORATE WATCH

- **Harley plans to foray in Indian market:** From the first half of next year, Indian consumers will be able to buy 12 Harley-Davidson models from the five dealerships the company plans to open in big cities across India, Anoop Prakash, the newly appointed managing director of Harley-Davidson India. ([More](#))
- **HCL expands presence in US:** HCL is investing in Next Generation Green Data Center in New Jersey, further expanding its US delivery footprints. HCL completed an acquisition of a 35,000 square foot data center from a Fortune 500 Organization in Parsippany, New Jersey. ([More](#))
- **India Inc buys 143 US companies in 2 years:** During the last two years, Indian companies acquired 143 US firms across various sectors. While 94 deals were concluded in Fiscal year 2007-08, in the following year when the economy was on the downturn, Indians bought 50 US entities on the verge of closure, saving thousands of jobs. Tata Chemicals, Wipro, Reliance Communications and First source Solutions were some of the top Indian entities that were involved in acquiring US companies. IT & ITeS, manufacturing and pharmaceuticals were the prime sectors in which most of the deals were formalised.

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