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Secretary Clinton with CII leadership (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 ITC Green Centre, Gurgaon, established under the CII-led Green Building movement.

The first official visit of US Secretary of State, Hillary Rodham Clinton to India from 17-19 June 2009 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 have marked 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-U.S. Strategic Dialogue”, based on 5 pillars:

1. **Science and Technology, Health and Innovation**
2. **Strategic Dialogue on Regional as well as Global Issues**
3. **Energy and Environment, Climate change**
4. **Education and Development**
5. **Economics, Trade and Agriculture**

Minister Krishna 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 mutually beneficial initiatives that complement Indian and U.S. development, security and economic interests. While significant progress has been made, 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.

[Read the full text of US-India Joint Statement: 20 July 2009](#)

KEY FACTS

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 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 to third countries.

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

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CII AND USA: JULY EVENTS UPDATE

INTERACTIVE MEETING WITH BILL GATES, CHAIRMAN, MICROSOFT CORPORATION AND CO-CHAIR, BILL & MELINDA GATES FOUNDATION: 24 JULY: NEW DELHI



Bill Gates with young Ministers, Parliamentarians and CII leadership

CII held a breakfast meeting of Indian Ministers and young Parliamentarians with **Bill Gates** on 24 July 2009 in New Delhi. Bill Gates now dedicates most of his time to 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. 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, B&MGF's initiative in India – Avahan has been working to reduce the spread of HIV/ AIDS in India and has recently announced increasing its total commitment from \$258 million to \$338 million. Political leaders including **M M Pallam Raju**, Minister of State for Defence; **D. Purandeswari**, Minister of State for Human Resource Development; and Members of Parliament- **B J Panda**, **Madhu G. Yaskhi**, **Deepender Singh Hooda**, **Priya Dutt**, **Supriya Sule**, **Ijyaraj Singh**, **Mausam Noor** and **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, B&MGF has funded numerous vaccine development projects in India and started research labs.



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

MEETING WITH AMBASSADOR FRANK WISNER, FORMER US AMBASSADOR TO INDIA AND INTERNATIONAL AFFAIRS ADVISOR, PATTON BOGGS LLP: 14 JULY: NEW DELHI

In an interactive meet with **Amb Frank Wisner**, 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 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 United Nations, rather than US or India. Industry members had the opportunity to present 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.

CII- US EXIM BANK MOU SIGNING CEREMONY: 13 JULY: DELHI AND SEMINAR ON “INFRASTRUCTURE FINANCING”: 17 JULY: KOLKATA

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 **Diane Farrell**, Member of the Board of Directors, US EXIM Bank and **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 the Eastern Region, CII organised a Seminar on “Infrastructure Financing: Catalyzing Growth” 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 the US and Indian companies work closely together.



Diane Farrell and Chandrajit Banerjee sign the MOU as Dhruv Sawhney, Chairman, CII International Council and Kiran Pasricha, Deputy Director General, CII look on



Charles Heeter interacts with Chandrajit Banerjee, Director General, CII

ROUNDTABLE ON “FINANCIAL SERVICES: OPPORTUNITIES FOR INDIA” WITH CHARLES HEETER, MANAGING PRINCIPAL, GLOBAL PUBLIC POLICY, DELOITTE LLP AND CHAIRMAN, BUSINESS AND INDUSTRY ADVISORY COMMITTEE (BIAC) TO THE OECD: 9 JULY: NEW DELHI

CII organized a Roundtable on “Financial Services: Opportunities of India” on 9 July in New Delhi. **Charles Heeter** was joined by members of the Global Public Policy Group. **Graham Ward**, Partner, PricewaterhouseCoopers; UK Chair, Indo-UK JETCO Accountancy Task Force and Past President, International Federation of Accountants made a presentation on experience of UK companies with IFRS convergence. **Mr Balachander**, Partner, Ernst & Young remarked on Indian experiences, 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.

SESSION ON INDIAN ECONOMY – ROADMAP AHEAD – A POST BUDGET PERSPECTIVE WITH PROF ARVIND PANAGARIYA: 8 JULY: MUMBAI

CII organised a Session on Indian Economy: Roadmap Ahead – *A post budget perspective*, 8 July 2009 IN Mumbai, which 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 the industry with detailed analysis of direct and indirect tax implications. 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.



Prof Arvind Panagariya at the post-budget analysis Session



Dr Ashok Gulati addressing the Session on “Indo-US Cooperation in Agriculture”

ROUNDTABLE ON “INDO-US COOPERATION IN AGRICULTURE” WITH DR ASHOK GULATI, DIRECTOR-ASIA, IFPRI: 16 JULY: NEW DELHI

History of Indo-US cooperation in agriculture dates back 40 years when India’s Green Revolution, launched with US assistance, met major success. Building on this tradition, India and US can address new and upcoming challenges and opportunities of modern-day agriculture. In exploring such collaborative opportunities, CII organized a Session on “Indo-US Cooperation in Agriculture” on 16 July 2009 in New Delhi bringing together the best consultants, scientists and business leaders of the industry. Moderated by **Dr Ashok Gulati**, Director-Asia, International Food Policy Research Institute (IFPRI), the session saw a

brainstorming of ideas by representatives from Monsanto, Cargill India, Coca Cola, Global Agri Systems, PepsiCo, National Institute of Agriculture Marketing among various others. Based on upcoming trends in the Indian agriculture sector, strengths of the US agricultural sector and objectives of new governments in both countries, a wide canvas of opportunities can drive the Indo-US collaborative agenda in the near future, including: (1) *Raising Agricultural Productivity* (2) *Strengthening Agri Marketing Systems and Logistics* (3) *Institutional Collaboration in Science and Technology based on Research and Development*, (4) *Establishing Food Safety Standards and ensuring quality*, and (5) *Facilitating Trade in Agriculture*.

US ECONOMY WATCH

- **US Gross Domestic Product:** US Real GDP decreased at an annual rate of 1% in the second quarter of 2009, following a decrease of 6.4% in the first quarter of 2009. ([More](#))
- **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 \$26.0 billion, down from \$28.8 billion in April, revised. ([More](#))
- **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 CORPORATE WATCH

- **Anil Ambani group, Spielberg ink \$825 million production deal:** Anil Ambani’s Reliance ADA Group formalised its association with DreamWorks Studios promoted by Hollywood director Steven Spielberg and his partner Stacey Snider. Under the deal, DreamWorks will make 5-6 films a year for global audiences and is already working on films like Tintin and is also talking to Clint Eastwood for a movie. ([More](#))
- **Three biotech companies get nod to develop 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 (DGCI). ([More](#))
- **US Pharma companies eye India for growth:** US-based pharma and biotechnology companies, particularly SMEs, numbering over 4,500, are looking at India for potential partnerships—either joint venture or acquisition or offshore outsourcing or sharing of tech know-how. ([More](#))
- **Tata partners with First Book to promote literacy In Florida with donation of 1,500 high quality books:** Tata group of companies in the United States 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. ([More](#))

CII- INDIA AND USA: SECTORS OF COLLABORATION

Telemedicine, clinical trials among lucrative verticals for PE firms: CII
 New Delhi, July 13: Telemedicine, healthcare education and training, clinical trials, health insurance, contract research and manufacturing are some of the key areas in the healthcare sector that would attract private equity (PE) investments in the future, says CII report.
 As per emerging trends, private equity investment in India healthcare sector tripled from \$225 million in the first half of 2007 to \$600 million between January and June 2008. The other lucrative areas that the report identifies include emergency health services, participation in national immunisation programmes, drug and pharma development and joint health initiatives between the government and private players.
 "Health education and training have the potential to contribute an additional 3% to 5% to the GDP growth," said the report. CII study also suggests that the support from leadership of the healthcare industry would help drive the growth in the sector.

CII to lead 'buying mission' to Michigan
 New Delhi, July 19: The Confederation of Indian Industry (CII) has said that it will lead a 'buying mission' to Michigan, US, in September and October.
 The aim of the 'Buy America Mission' would be to increase a stimulus in bilateral trade and explore opportunities for import from the US, said Mr Chandrashekhar Banerjee, Director General, CII. According to the chairman, between April and India's import rose by 28% also the 'Success' of the worst effect of the global economic crisis.
 Michigan is amongst the worst recession-hit states in the US. With manufacturing making up for 30 per cent of its GDP, the state is currently facing a high unemployment rate of 14 per cent. (Data, 2009). Moreover, its biggest city, Detroit, is among the worst affected in the US. Detroit is the auto capital of the US, which houses the head offices of the three biggest auto firms, General Motors, Chrysler and Ford, all of which are going through very tough times. The buying mission is a follow-up of the recent Indian Chief Executive Officers visit to the US on June 9. Many positions of a greater economic engagement were made during the CII event led by Mr Venu Sitaraman, President, CII, and Mr Anand Sharma, Minister for Commerce and Industry.
 The chairman is also looking to establish a training institute in Michigan. This would provide primary training to American workers, retrain displaced workers and recruit them in other forms of employment. Most trained workers would get absorbed in the member companies' workforce, said CII.

U.S. cooperation in agriculture sought
 Special Correspondent
 NEW DELHI: The Confederation of Indian Industry has sought greater cooperation with the US to address new and important challenges of the modern agriculture sector. It is urging an intensive exchange of information, consultations, and business leads of industry-related the need for raising agricultural productivity, strengthening agricultural marketing, research and development, and technology-based research and development, food safety standards and quality, and increasing trade in agricultural products. It is also urging the US Secretary of State Hillary Clinton on food security, the CII called for an international cooperation in India to also encourage greater agricultural and institutional collaboration in the field of high value agriculture and agribusiness. The best practices in raising productivity through higher use of agricultural inputs, fertilizers, pesticides, herbicides, fungicides, and other inputs.

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