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Endeavours in Energy



Inside >

- Road to Copenhagen
- Made in India Show in Indonesia
- Tenth CII Marketing Summit
- Foreign Trade : The Way Forward
- IREE 2009
- Recommendations for the Farm Sector



in this issue...

- 04 The Road to Copenhagen
- 06 Made in India Show, Jakarta
- 10 Endeavours in Energy
- 18 Tenth CII Marketing Summit
- 26 Interaction on Foreign Trade Policy
- 51 Manufacturing Excellence through Global Product Development

plus...

- Yi World
- India & the World
- Regional Round Up
- And all our regular features

We welcome your feedback and suggestions. Do write to us at communique@cii.in

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The Road to Copenhagen

Many Indian companies, under the stewardship of CII, are adopting technologies, practices and approaches that will help India leapfrog to a low-carbon-economy

Climate change is at the centre stage of global discussions. While policy makers around the world are negotiating an effective post 2012 international framework to deal with climate change challenges (scheduled to conclude by the end of this year in Copenhagen), many Indian companies, under the stewardship of CII, are adopting technologies, practices and approaches that will help India leapfrog to a low-carbon-economy.

The Confederation of Indian Industry has also taken leadership in developing understanding of climate change issues among Indian businesses and devising strategies, approaches to combat climate change. Key CII activities in the climate change domain include Policy Advocacy, Consulting / Advisory, Events, Engagement

with the international community, Publications of reports and papers, and Issue-based surveys.

The CII Climate Change Council, constituting industry captains from all important sectors of the Indian economy, is the prime forum of the Confederation to formulate Indian Industry's response to climate change.

CII, through its Centres of Excellence such as the CII-Godrej Green Business Centre and the CII-ITC Centre for Excellence in Sustainable Development, provides various climate change-related services that have helped achieve several milestones from the climate change adaptation and mitigation standpoint. These services include green building services, technology incubation, water management services, energy

efficiency services, renewable energy services, environment and recycling services and sustainable development services.

The results are encouraging. Today, India has over 407 registered LEED Green Buildings with over 266 million sq feet of built-in area. Various climate change related services provided by CII lead to annual CO₂ savings of over 44,29,000 mt tons. Going forward, the Confederation is set to strengthen its climate change initiatives and partner with Indian government to facilitate the growth of the Indian economy on a low-carbon path.



At the 1st meeting of the CII Climate Change Council: K Subrahmanya, MD, Tata BP Solar; Pramod Chaudhary, CMD, Praj Industries Ltd and J N Godrej, Chairman, CII Climate Change Council and CMD, Godrej & Boyce Ltd

Made in India Show, Jakarta

CII Mission to Indonesia

Confederation of Indian Industry's 24th 'Made in India' Show in Jakarta, Indonesia, was inaugurated by Mr. Jyotiraditya Scindia, Minister of State for Commerce and Industry, India, and Mr Fahmi Idris, Minister of Industry, Indonesia, on 7 August. The inauguration ceremony was attended by more than 200 Indonesian government officials and representatives of Indonesian companies.

With participation from over 60 exhibitors, this exhibition covered various sectors like automobile, two-wheeler, auto-component, electrical machinery, power generation

equipment, oil and gas equipment and technology, iron and steel, financial services, information technology, communication, handicrafts, fashion, and costume jewellery. The first major show by an Indian organisation in Indonesia, the 'Made in India Show', Jakarta, was organized by the CII with the support of the Embassy of India and the Ministry of Commerce and Industry, Government of India.

Addressing the inaugural, Mr Scindia said "India and Indonesia share several commonalities – both countries



Rajive Kaul, Past President, CII; Fahmi Idris, Minister of Industry, Indonesia and Jyotiraditya Scindia, Minister of State for Commerce & Industry, India

are large democracies and face the challenges of global slowdown. However, both countries have risen to the challenge and are amongst the few stable and growing economies." Mr Idris said that Indonesia is currently implementing the New Investment Law that would make it a more exciting investment destination for Indian companies.

Setting a target of US\$ 20 billion for trade between the two countries over the next five years, Mr Rajive Kaul, Past President, CII, and Chairman, NICCO Corporation, in his welcome address said that the two

countries should identify certain goods and services and focus strong efforts on further increasing trade and investment.

Mr. Chandrajit Banerjee, Director General, CII, said that the exhibition in Jakarta is much larger than the earlier shows the CII has organized. Thanking the Ministers for charting out the roadmap for CII to implement, he observed that "this show is just the starting point for the several initiatives planned ahead."

Mr. Mohamad Hidayat, President of the Indonesian



Mari Elka Pangestu, Minister of Trade, Indonesia, with the CII delegation

Chamber of Commerce and Industry (KADIN) noted that 'India and Indonesia economic relations have always been strong and solid and India remains a potential and strategic partner. The trade target of US\$ 10 billion for 2010 has already been achieved well ahead of the set deadline, he declared.

The exhibition follows a rapid expansion of bilateral trade, which has grown from US\$ 4 billion in 2005 to US\$ 8 billion in 2008.

The event will contribute to the diversification and expansion of India's export to Indonesia and also create greater interest in accelerating the trend of increasing investments in Indonesia.

Coinciding with the Made in India Show, CII organised a 15-member business delegation, led by Mr Rajive Kaul, to Indonesia. The delegation represented senior business leaders from a wide cross-section of Indian industry, and made a very positive impression on the Indonesian leadership, business leaders as well as media.

The CII delegation called on Dr. Fahmi Idris, Minister of Industry; Ms Mari Elka Pangestu, Minister of Trade; Mr S. Pushpanathan, Deputy Secretary-General, ASEAN Secretariat; Mr Mohammad Hidayat, Chairman, Indonesian Chamber of Commerce & Industry (KADIN); Mr Muhammad Lutfi, Chairman, Indonesia Investment Coordinating Board (BKPM); Mr Wim Tang Kilisan, President Director, Globe Media and Mr Guritno Kusumo, Secretary General for Cooperatives, SMEs.



Vijay R Kirloskar, CMD, Kirloskar Electric Co Ltd; Steve Sondakh, Chairman International Committee on Economic Cooperation for APAC, Indonesian Chamber of Commerce & Industry; Rajive Kaul and Chandrajit Banerjee, Director General, CII

The delegation also discussed ways and means to increase the existing India-ASEAN trade of US\$ 37 billion, with senior officials from the ASEAN Secretariat.

CII also organized a seminar on 'Trade and Investment Opportunities in India: India – Indonesia the Road Ahead.' The Seminar was inaugurated by the leader of the CII delegation, Mr Rajive Kaul, and Mr Steve Sondakh, Chairman, International Committee on Economic Cooperation for APAC, Indonesian Chamber of Commerce and Industry (KADIN). The Seminar was attended by more than 100 representatives of Indonesian and Indian companies. The presentations by CII and by Indian business representatives were followed by a lively question and answer session.

CII's 'India Evening,' showcasing Indian cultural performances and cuisine, was attended by key officials from the Indonesian government, diplomatic corps and media.



CII delegation with Fahmi Idris



Jyotiraditya Scindia, Fahmi Idris, Rajive Kaul, and Chandrajit Banerjee

Endeavours in Energy



Over the past month, CII held several high-level interactions in the energy sector across the power, civil nuclear, renewable energy and oil and gas segments. This Special Feature on our Energy Endeavours captures the highlights of, and takeaways from, these initiatives, while giving our readers a fair glimpse of CII's work in the Energy Sector.

In the **Power Sector**, our initiatives included the launch of a CII report on '**Accelerating Power Sector Development**' by Mr. Sushil Kumar Shinde, Union Minister for Power. The report presents a roadmap on the issues related to power markets, tariffs, coal linkages and infrastructure development, building transmission networks, hydel power, energy efficiency and demand side management.

We interacted with the Central Electricity Regulatory Commission on issues related to investments in generation and transmission, and power markets. We also worked with government and business leaders on the key inputs required by the power sector in 12th Plan and Beyond.

Dr Farooq Abdullah, Union Minister for New and Renewable Energy, met with a very distinguished gathering of leaders in the hospitality industry in Rajasthan to discuss the maximisation of renewable energy integration in the hospitality sector. Over the coming months, CII plans to undertake more such interactions with the Minister, focusing on a sector-wise approach to accelerate renewable energy integration in the Indian economy.

The **Hydrocarbons** space witnessed high charged activity with the launch of the Government of India's NELP VIII / CBM IV bidding round, which offers 70 oil and gas and 10 coal bed methane blocks for the exploration of hydrocarbons. CII has been actively participating in the NELP-VIII/CBM-IV roadshows organised by the Ministry of Petroleum and Natural Gas to present its perception about India's business climate and investment opportunities in the hydrocarbon sector.

The **Civil Nuclear** domain witnessed discussions on India-US Civil nuclear cooperation issues with a civil nuclear delegation from the United States, coordinated by the US-India Business Council.

Accelerating Power Sector Growth

CII presents a roadmap for accelerating Power Sector growth to
Mr Sushil Kumar Shinde, Union Minister for Power

Mr S K Shinde, Union Minister for Power, was the Chief Guest at a CII roundtable session to discuss issues that are critical to power sector development and devise a strategy to accelerate development. Mr H S Brahma, Secretary, Power, was the Guest of Honor at the session held on 25 August in New Delhi.

Mr Shinde identified coal linkages, inadequate supply of machinery and unavailability of gas as the three major roadblocks to power capacity addition. He shared that his Ministry has been initiating several steps to accelerate growth of the power sector to cater to the needs of a 9% plus GDP growth rate of the country. Some of these measures include setting-up of an Advisory Group of a few past secretaries of the Power Ministry, announcement of a forward-looking hydro policy and setting-up of a monitoring mechanism for new power projects. Mr Shinde emphasized that his Ministry is confident of accomplishing the 11th plan capacity addition target of 78 GW.

The Power Minister also released a CII report on 'Accelerating Power Sector Growth' and commended CII on its pioneering work in this sector.

Mr Brahma, said that "Power for All by 2012" is not a mere political slogan. The government is firmly committed to accomplishing this goal, he said, expressing keenness to work jointly with Indian industry for the further development of power sector.



Sushil Kumar Shinde,
Union Minister for Power

The Secretary, announced the setting-up of joint CII-Members of Parliament Joint Consultative Group to resolve of the challenges faced by the sector, and accelerate its growth. He called for private sector participation in the power sector in capacity creation, project development, skills creation, and power plants equipment construction.

Mr. R.S. Sharma, Chairman, CII National Committee on Power and Chairman & Managing Director, NTPC Ltd, highlighted that the CII Power Committee roadmap presents a way

forward on issues such as power tariff, fuel linkages and associated infrastructure, hydropower, energy efficiency and demand side management, transmission and climate change

Mr. Vipul Tuli, Director, McKinsey & Company, in his theme presentation on the CII report, stressed that to meet exponentially growing power demand, India would require to scale up its effort 5 fold by 2017 and 10-fold by 2017. Distribution reforms, he said, remain a priority area. On the generation side, the deficits in base load plants as well as peaking plants need to be addressed.

Mr Anil Kumar, Additional Secretary Power; Mr H K Sharma, Chairman & Managing Director, Satluj Jal Vidyut Nigam; Dr G C Datta Roy, CEO (Power), DSCL and Mr V Raghuraman, Adviser, Jaguar Overseas, also spoke.



R S Sharma, Chairman, CII National Committee on Power, and CMD, NTPC, Harishankar Brahma, Secretary, Power and Vipul Tuli, Director, McKinsey & Company

Celebrating Akshay Urja Week

Maximizing Renewable Energy Integration in the Hospitality Sector

Understanding the importance of the hospitality industry and its heavy dependence on energy and water, CII organised an interactive session with Dr Farooq Abdullah, Union Minister for New and Renewable Energy, on **'Maximizing Renewable Energy Integration in the Hospitality Sector'** on 20 August in Jaipur. The initiative was supported by the Ministry of New and Renewable Energy (MNRE) and the Indian Renewable Energy Development Agency (IREDA).

Dr Farooq Abdullah urged the hospitality industry, which is one of the major energy and water intensive sectors, to maximize the utilisation of renewable energy sources to reduce the demand-supply gap. He also shared international examples of the benefits of renewable energy in the hospitality industry, and assured that MNRE and the State Government will proactively



Dr Farooq Abdullah,
Union Minister for New &
Renewable Energy

support increasing the sector's share of renewable energy.

In his special address, Dr Jitendra Singh, Minister for Energy, Rajasthan, requested Dr Abdullah to support Rajasthan in its drive to increase the development and deployment of renewable energy in the state. He urged hotels, hostels, colleges and buildings to participate in the endeavour.

Mr Deepak Gupta, Secretary MNRE, informed that the use of renewable energy has already been initiated. Government buildings and all upcoming new government

buildings and PSUs will be adequately equipped with energy efficient devices, he said.

Almost 50 distinguished participants from the hospitality industry in Rajasthan, including H H Gaj Singh of Jodhpur, attended the session.

Indian Power Sector: 12th Plan & Beyond

The Ministry of Power and the Central Electricity Authority in partnership with CBIP and CII, organised a two-day International Conclave on 'Key Inputs for Accelerated Development of the Indian Power Sector for the 12th Plan & Beyond' on 18-19 August in New Delhi.



Rakesh Nath, Chairperson, CEA, Bharatsinh Solanki, Union Minister of State for Power; Anil Kumar, and G B Pradhan, both Additional Secretaries, Ministry of Power

The Conclave sensitized equipment manufacturers, EPC agencies, contractors, industry associations, power utilities and training institutes about the capacity addition programme during the 12th Plan & Beyond, and discussed the key inputs required for timely execution of various generation, transmission and distribution projects in the power sector.

Coinciding with the Conclave, CII organized an Interactive Session on **'Accelerating Development in the Power Sector'** on 18 August In New Delhi.

Mr Bharatsinh Solanki, Union Minister of State for Power, stressed the need for industry and government to work in collaboration to find innovative solutions and new ideas to resolve challenges related to equipment, financing, land acquisition, environment and forest clearances etc. The private sector has a major role to play in fulfilling the national energy aspirations, he said, inviting private players to take the leadership role in mobilization and land acquisition.

Mr Anil Kumar, Additional Secretary, Ministry of Power stated that the mega power policy is being reviewed by the Ministry of Power. The revised policy, he said, would provide a level playing field to all the companies in power generation.

Mr G B Pradhan, Additional Secretary, Ministry of Power, stated that the suggestions made by the industry would be pursued to their logical conclusion.

Mr Rakesh Nath, Chairperson, Central Electricity Authority, informed that CEA had prepared the draft of National Electricity Plan for the 12th Plan which, besides catering to adequacy of Power by 2012, also considers reliability, flexibility and quality of power supply. He announced that a Task Force comprising of Ministry of Power, IEEMA, CII, and CEA, would be formed to follow-up with industry on the action required for the 12th Plan and beyond.

Private Investment in Generation & Transmission

CII organised an interactive meet with Dr Pramod Deo, Chairman, Central Electricity Regulatory Commission (CERC) to facilitate an exchange of views on the issues and challenges in the generation & transmission of power, power markets and the role of private enterprises in augmenting power capacity in India. The session on **'Regulatory Initiatives for Promoting Private Investments in Generation & Transmission'** was held on 10 August in Mumbai.

Dr Deo said that there has been a paradigm shift in the power sector since the year 2003 when the Electricity Act provided for de-licensing of electricity generation. He pointed out that though the National Power Tariff Policy requires competitive bidding, many states seek 12%-13% free power, which is not in sync with the Policy. Action from the Ministry of Power is awaited in this regard, he said. Dr Deo felt that in power distribution, the franchisee route may be more acceptable as an alternative to complete privatization.

Mr Alok Kumar, Secretary CERC, in his presentation on 'Regulatory Initiatives for Promoting Private Investment in the Generation and Transmission of Electricity,' noted that though generation has been delicensed, access to transparent markets with reasonable transmission charges is called for. He said that open access in transmission has been fully successful and non discriminatory: however, the issue of interconnection with states still needs to be addressed. The CERC had recently notified regulations

for connectivity, medium term open access and long term open access, he said.

Mr Kumar was of the view that implementing medium term open access and long term open access would facilitate flexible structuring of power market. He also informed that CERC would shortly unveil regulations related to intra day and term ahead power trading for public comments. Further, CERC, in close cooperation with the Ministry of New & Renewable Energy, is working towards finalizing the framework for Renewable Energy Certificates and Renewable Energy tariff regulations, which would be notified next month, he shared.



Alok Kumar, Secretary, CERC; Dr Pramod Deo, Chairman, CERC; Rakesh Sarin, MD, Wartsila and R K Madan, CEO, Adani Enterprises

"The role of regulatory authority is paramount in meeting the energy requirements of our nation. Focus on requirements of the urban consumer in terms of viability, reliability and economic cost is needed", said Mr Rakesh Sarin, Managing Director, Wartsila India Ltd. Mr R K Madan, CEO (Power), Adani Enterprises Ltd. commended CERC in bringing crucial changes in the power sector and making it attractive for the private investment. However, a lot needs to be done by the state regulators to meet the power shortage, he said.

NELP-VIII/CBM-IV: Road Shows

Against the backdrop of continued exploration success under NELP regime, the Ministry of Petroleum & Natural Gas has initiated the eighth round of New Exploration Licensing Policy (NELP-VIII) with an offer of 70 Oil & Gas blocks with an area of about 1,63,535 sq. km. Simultaneously 10 blocks for exploration and production of Coal Bed Methane covering an area of about 5000 sq.k m are also put on offer under CBM-IV.

To create awareness and apprise investors and concerned stakeholders about the NELP-VIII / CBM-IV bidding rounds, the Ministry organized a series of

promotional road shows across the globe, as per the following schedule:

8 August	Mumbai	8-9 September	London
20-21 August	Houston	22 September	Perth
24-25 August	Calgary	24-25 September	Brisbane

CII is participating in these roadshows to present its perception about India's business climate and investment opportunities in the hydrocarbon sector. CII will also hold a NELP-VIII / CBM-IV Meet on 30 September in New Delhi.

City Gas Distribution in the North East

City Gas Distribution (CGD) is catching up fast in Indian cities. As of now, city gas is being supplied to 30 cities and the government plans to cover 10 more cities this year. The Petroleum

& Natural Gas Regulatory Board (PNGRB) has notified a series of regulations related to CGD and has also completed public consultation in almost 60 cities.

Facilitating the PNGRB in its attempt to create awareness, CII, in collaboration with the Board, has been organising round table sessions on 'City or Local Gas Distribution Networks – Authorization' in various cities across India. So far, sessions have been held in eight cities in the North Eastern Region, with Guwahati being the venue of the most recent one, on 7 August.

Mr L Mansingh, Chairman, PNGRB spoke about providing a level playing field to all players in the natural gas city distribution business, protecting the interests of the consumer and facilitating and promoting competitive



Dr B K Das, Chairman, Assam State Council and MD, Numaligarh Refinery Ltd, L Mansingh, Chairman, PNGRB; and B S Negi, Member, PNGRB

markets. He said that CGD operation will gradually be extended to cover the transport sector as well as the high potential industrial areas.

Mr Mansingh requested CII to draw up a gas

grid in Assam after which a bidding system for City Gas Distribution (CGD) would follow. He also emphasized the need for trained manpower and skill formation in this area. CII in collaboration with ITIs in Assam could introduce new and highly specialized courses on gas welding and plumbing which is in immense domestic as well as international demand, he suggested.

Mr B S Negi, Member (Infrastructure), PNGRB, provided details on process of authorization for CGD and the relevant regulations pertaining to CGD bidding. He also briefed about the CGD status in the North East, where the main players were AGCL and TNGCL, and called for a road map on the CGD network in the North East and beyond.

Civil Nuclear Power

CII held an interactive meeting on US-India Civil Nuclear Cooperation with a delegation led by the US-India Business Council on 21 August in New Delhi.



Dr R P Singh, Vice Chairman & MD, Jindal Power; V Raghuraman, Adviser, Jaguar Overseas; Ted Jones, Director-Policy Advocacy, USIBC; Meena Mutyala, Sr VP, Westinghouse; and Shailesh Sheth, Vice President, GE - Hitachi Nuclear Energy

Members of Parliament and the media.

With the Prime Minister of India scheduled to visit the US on 24 November, the meeting reinforced the need to make a concerted effort

The discussions mainly centered around facilitating the early passage of the Nuclear Liability Law in India (which may see the light of the day in the coming months) and collaborating with the Department of Atomic Energy in India to amend the Atomic Energy Act, 1962, which would facilitate private sector participation in the Nuclear Power sector. The Liability Law would also allow Indian companies to export civil nuclear equipment and therefore early enactment is a win-win proposition for both sides.

Members suggested the formation of a separate group within the CII – USIBC Task Force framework to work out a detailed action plan to engage with select Indian

to get the Nuclear Liability Law cleared by the Indian Parliament. Also, efforts regarding the Cabinet and Parliamentary approvals needed for the announcement of sites for the US must be secured.

Members agreed that a policy advocacy and communication campaign should be undertaken by the Task Force to sensitize key stakeholders, explaining the benefits it would bring to the Indian economy in general and specifically in job creation. The meeting gave both sides an excellent opportunity to exchange perspectives on the civil nuclear energy cooperation between India and the United States. ■



“India has buffered itself quite well against the global economic tsunami ... and is now a force to reckon with, a nation whose voice is heard in every forum,” declared Mr Jyotiraditya Scindia, Minister of State for Commerce and Industry, in his keynote address at the Tenth CII Annual Marketing Summit.



Suhel Seth, Summit Chairman & Managing Partner, Counselage India, Jyotiraditya Scindia, Minister of State for Commerce & Industry, and Sunil Kant Munjal, Past President, CII & Chairman, Hero Corporate Service Ltd

India’s emergence on the global map as a strong, resilient economy that has weathered the global financial crisis well offers great potential to marketers, said Mr Scindia. He attributed India’s strong performance partly to the domestic nature of our economy, the strong banking system and the various monetary and fiscal policies pursued by the government to boost the economy.

The Minister added that “India may well be pioneering the next wave of global growth.” This strength, the Minister stated, arises from the relentless pursuit of development of the economy and the people: “We have developed a very unique model of inclusive economic growth,” he said.

The Summit, held in New Delhi on 18-19 August, which

saw representation from more than 350 delegates from across industry, and examined the impact strategy for the Indian market, while providing expert insight and practical strategies for Indian firms to sustain growth in an economically straitened

environment. CII, in partnership with its knowledge partner for the event, Evalueserve, contributed the theme essay for the Summit. ‘Changing with the times, emergence of digital media’.

Welcoming participants at the Summit, Mr Suhel Seth, Summit Chairman & Managing Partner, Counselage India, said the CII Marketing Summit has become a ‘watershed’ in terms of cerebral inputs. He emphasised the role of marketing by saying that “Marketing is at the touchstone of everything around us. It is an investment and not an expenditure.”

Mr Chandrajit Banerjee, Director General, CII, said that Minister Scindia represented a “strong, futuristic brand of India.”

The CII Marketing Summit, which has a tradition of enabling candid debate and discussion between

speakers and delegates, probed several issues critical to the market in the presence of some of the most authoritative minds in the field. Speakers presented their views on a range of topics such as 'The Economics of the market', 'Galvanising sales forces and marketing channels: are we equipped?' and 'Digitising the market,' to name a few. With their vast experience in the domestic as well as international markets, they discussed India's strengths as well as the opportunities and challenges it faced.

Dr Ajit Ranade, Chief Economist, Aditya Birla Group, said that, for India, the structural determinants – strong demographics, openness of the economy, increasing per capita income - are still in place and are expected to be robust for a long time. Dispelling the notion that the recent economic downturn has cast a long shadow on the market and the consumer, Dr Ranade projected a positive outlook for the Indian economy and the consumer, owing to growing urbanisation levels (currently at 33 per cent), the government's thrust on providing welfare and social security benefits to the people and a retail revolution that is providing access to loans to youngsters to transform tomorrow's income to today.

Commenting on why India seems to have survived the meltdown better than most countries, Ms. Rama Bijapurkar, independent Market Strategy Consultant,

and one of India's most celebrated marketing minds said: "There are mini Indias within India and these are increasing in number. I think this is a key reason why we survived better than others."

Similar optimistic thoughts were expressed by Mr Partha Rakshit, Managing Director – South Asia, The Nielsen Company, who said that even in the backdrop of recessionary tendencies being witnessed by the global economy, "consumer confidence is increasing and fairly substantially in India." In fact, "Economic slowdowns are an opportunity to re-invent and re-energize brand supremacy," said Mr Sanjeev Goyle, Senior Vice President - Marketing, Mahindra & Mahindra-Farm & Equipment.

Other speakers at the Summit included Prof Piyush Kumar Sinha of IIM, Ahmedabad, Ms Anisha Motwani, Executive Vice President, Marketing, & Chief Marketing Officer - New Markets SBU, Max New York Life Insurance; Mr V Ramachandran, Marketing Head, LG Electronics; Ms Suparna Mitra, Global Marketing Head, Titan Industries; Mr Parminder Singh, Business Head, Google India; Mr Anil Srinivas, Head — SMB Marketing, Dell India; Ms Amanda Manchia, Group Marketing Director, Coca-Cola, Eurasia Africa Group; and Mr Jacob Mathew, Co-founder, idiom Design and Consulting.

Emergence of Digital Media

Digital media has emerged more as a tool to listen to the customer than a tool to talk to them, finds a CII-Evalueserve Joint Paper. Communiqué presents the key findings of this Paper, which was the Theme Essay at the Tenth CII Annual Marketing Summit.

Digital media is fast replacing traditional media (including outdoor, print and television) as an effective medium for advertising. The primary factors driving this shift are the rapid evolution of digital media and changing consumer preferences. The Internet has brought in a sea change in advertising, as has mobile technology, with the launch of multimedia mobile handsets, the increase in subscriber base, low operating costs and the boom in mobile data services. There has also been a transition in consumer

preferences, as customers seek to personalise the kind of information they receive, its frequency and the channels.

Digital media allows marketers to engage the customers more efficiently. Understanding of people engagement, Internet behaviour, product display, brand reputation, customer expectations and customer engagement, have in fact become clearer with digital media. The benefits of digital media for advertisers include:

Pull vs. Push: Digital media generates a higher return on investment (ROI) than traditional media as it uses a pull method as compared with traditional media's push method. Also, online advertising is driven by consumers—unlike in traditional media, consumers choose what they want to see.

Cost Effective: Advertising campaigns become more targeted and less expensive

Round-the-Clock Reach: The advancement in technology and easy availability of web access over the mobile phone helps to target audiences across the globe irrespective of time.

Greater Measurability: Digital media enables the measurement of the effectiveness of advertising campaigns through metrics such as CPA (cost per action), CPM (cost per thousand), CPV (cost per visitor or cost per view), view through rate etc. It also offers instant sales over the web, is direct to customer and enables pricing flexibility.

Advertisers are increasingly realising the benefits of digital media in the advertising mix. Banks, insurance service providers, and travel and Internet businesses, which place a lot of emphasis on ROI, are spending heavily on the Internet.

Forms of Advertising

Search Engine Marketing (SEM) increases the visibility of a website on search engine result pages. Based on the search criteria or the keywords used by the consumer, the advertisers rank their pages and bid for the consumer's business. It helps to direct more visitors from search engines to the marketing web. This form of marketing can be implemented both on the Internet and mobile.

Search-based advertising can be implemented through

- **Search Engine Optimisation:** This helps improve the ranking of relevant keywords in search results. It is done by improving the website structure, content and relevant back link count.

- **Paid Placement Strategies or Pay per Click:** Using sponsored search engine listings to drive traffic to a website.

This assumes importance for businesses selling goods and services online, non-profit organisations, universities, governments and political parties looking to promote their ideas or campaigns.

SEM helps to

- build the brand
- generate sales lead
- enhance reputation and relations with investors
- generate media coverage
- drive web traffic to physical business locations
- cut costs

Search engine advertising is growing at the rate of 100 per cent annually and forms a major part of the marketing mix in India. The increasing convergence of the Web and mobile is set to drive the growth of search-based marketing in the country.

Social Network Marketing

Social media advertising uses online social networks or communities sharing interests and activities to increase the Web presence of a business.

Most social networks are Internet based. Advertising on social networks can be:

- Direct
- Self-serve advertising through internal ad networks
- Advertisement serving on social network applications
- E-mail

Some websites also provide advertisers with an option to create profiles to increase their visibility and reach customers.

Social networking enables small business owners, professionals and brands to connect with specific user groups. Businesses, including publishers and developers of social network applications, can monetise their applications.

A large number of social networking sites are in operation today. Of them, MySpace and Facebook are the most widely used in North America; Bebo and Hi5 in Europe; and Friendster and Orkut in Asia.

Impacted by the global economic crisis, social network spending in the US, accounting for about 55 per cent of the global spend, is expected to witness lower growth (10 per cent in 2009 versus 33 per cent in 2008). Moreover, the unique ad formats meant for

social networking environments are yet to generate significant revenues.

However, once the economic situation revives, the spend on social networks globally is estimated to go up 17 per cent from US\$ 2 billion in 2008 to US\$ 2.4 billion in 2009. Markets outside the US are expected to witness faster growth.

Mobile Advertising

Mobile advertising is the placement of advertisements on mobile devices. The mobile advertising industry is in its nascent stages of development, with significant growth expected over the next few years.

An advertisement over the mobile phone can be categorised into message, search and display advertising.

- Mobile message advertising is the leading form of mobile advertising, primarily used to promote mobile games, ring tones, events and regional specials.
- Mobile search advertising is used by the customers to search for products and services.
- Mobile display advertising targets display advertisements comprising picture, video streams etc. at the customer.

Benefits

- Greater accuracy in direct marketing and detailed tracking as compared to advertising on the Internet
- Businesses can reach potential consumers irrespective of location and time.
- Marketers have now become aggressive in their use of mobile phones for advertising as these wireless devices have a wider reach than traditional forms of media (and mobile phones have higher penetration than PCs). Consumers develop a one-on-one relationship with their mobile phones
- Mobile services are becoming highly personalised.
- Consumers are increasingly using phones for more than just making calls.
- The usage is driven by content (games, sports scores, maps, etc.).
- Enhanced mobile technology, including better screen quality, has increased the demand for rich media
- Improved mobile networks have enhanced the usability of mobile data.

The emergence of smart phones and mobile broadband (3G) networks is expected to play an important role in the transformation of marketing strategies.

Digital Marketing Models

Digital marketing uses a combination of older techniques such as e-mail-based marketing and newer techniques such as user generated content (UGC) and blogging.

E-Commerce

E-commerce deals with transactions over the Internet. It is growing because it offers

- Reduction in communications costs
- Reduction in technological infrastructure cost
- Faster and more economic electronic transactions with suppliers
- Lower global information sharing and advertising costs
- Less expensive customer service alternatives
- Mass customisation
- Faster processing of transactions with customers having greater control.

Online Publishing

Online publishing is the dissemination of digital information over the Internet in the form of newsletters, online magazines, etc. The benefits are:

- Low-cost universal access
- Direct access to customers
- No constraint of time and place
- Ease of distribution
- Measurability

E-mail Marketing

E-mail marketing, using electronic mail to communicate with customers, has proved to be effective because it enables tracking and analysis of communication with the customer, is less expensive than direct mail or newsletters, and needs less design time.

E-mail marketing helps to:

- Achieve targeted and relevant communication.
- Generate sales and acquire new customers at a lower cost.
- Push the message to potential customers.
- Improve awareness and strengthen brand value.
- Build relationship with existing clients.
- Build database management.

User Generated Content

User generated content or consumer-generated media (CGM) is content developed and uploaded on the Internet by the users or non-media professionals. It includes material such as video (as uploaded on YouTube), songs, etc.

High-speed Internet access and search technology have made UGC one of the fastest growing forms of content on the Internet.

Blogging

A Blog or weblog is a website managed mostly by individuals providing information to visitors. It comprises personal comments, regular updates on information, links to other websites, etc. Blogs invite audiences interested in common topics for discussion.

A blog helps generate traffic to a website, facilitates personal interaction with the visitors and generates sales. A proper mix of marketing and information on the blog is a must to maintain its credibility. A blog generates sales by placing banner advertisements that are in line with its theme.

Blogs also offer the following benefits to the marketers:

- Interactive communication with, and feedback from, the visitors.
- Low-cost self-publishing.
- Easy sharing of news and information with the visitors.
- Customer and partner development.
- Strengthening of brand value.

Affiliate Marketing

Affiliate marketing helps provide publicity to products or services. Here, the affiliate directs viewers visiting its website to the website of the advertiser through hyperlinks. The redirection results in purchases for the advertising website and commissions for the affiliate website.

Websites and services based on Web 2.0 such as blogging and online communities have made affiliate marketing more attractive.

Joint Venture Marketing

Joint Venture Marketing combines the marketing efforts of various Internet marketers. Some forms of joint venture marketing are:

- Sharing of mailing lists
- Trading content by publishing articles on each other's websites.
- Using blogs or podcasts to share business ideas and information.
- Offering public speaking events and seminars.
- Social networking sites that pop up, allow users to go in, set up a blog, upload videos or pictures and offer links.
- Setting up affiliates on website.

Camouflage Marketing

This form of online marketing helps to leverage the benefits of offline marketing. It enables the buyers to choose the websites they prefer to visit based on the information they get offline.

It targets an entirely different set of customers, who reveal their preferences while they are offline. It leverages the fact that customers also see URLs while checking their mail, watching TV, reading magazines or listening to the radio.

A mix of camouflage and joint venture marketing provides many benefits:

- Attracts prospects and leads to the website.
- Becomes more effective (since it is camouflaged).
- Costs little or nothing (since it is a joint venture).

Advertising Media Mix

The Internet's effectiveness as an advertising medium is evident from its increasing share in the advertisement expenditure – newspapers, in particular, are gradually losing share to the Internet. Internet advertising is estimated to account for 15.6 per cent of global advertisement expenditure in 2011.

- Television is expected to maintain its position as the major advertising medium, performing well even amid the global economic slowdown. This is a result of increased television viewership during a slowdown, at a lower per hour price to the consumer.
- The news channels' foray into online news has led to a decline in the share of print media.

Mobile advertising

Globally, spending on mobile advertisement forms a small part of the overall spend (US\$ 4.6 billion in 2008 as compared with US \$ 485.6 billion spent on advertisements excluding mobile as a medium). But as mobile marketing and advertising evolves, the global spending on mobile advertising is estimated to reach US \$ 19 billion in 2012.

Text-based messaging is expected to dominate the mobile advertising market, followed by search and display services. Location-based advertising is expected to cut across all formats. Technological developments have led to the emergence of innovative mobile marketing activities including ad-supported or sponsored multimedia tools and idle screen mobile advertising. However, these categories are in their early stages of development.

Trends in Mobile Advertising

- Publishers are focusing on mobile-native content development.
- Payments through mobile are expected to drive the market
- Mobile phones are increasingly being recognised as a separate line item by brands and agencies.
- The usage of mobile search is increasing.
- Flat-rate data plans have been introduced by various mobile operators.
- Launch of advanced products such as Apple's iPhone and Google's Android operating system for mobile handsets.

Indian Online Advertising

The Indian advertising industry is evolving. The survey finds that marketers give more weight to targeting (type of people), reach (number of people) and cost while deciding on a media channel.

The emergence of new online portals, and increase in the number of Internet and mobile users has enabled marketers to send targeted advertisements to a larger number of customers.

Digital media is being perceived as an easy, cost effective way to connect with the consumer.

Factors Driving Digital Marketing in India Growing Internet and Mobile User Base

Internet penetration in India has been increasing over the years, and growing usage is expected to drive advertisers online. E-mail is increasingly becoming a mass market media channel for office workers and professionals, as more and more Indian consumers engage in communication, social networking, e-commerce activities, etc. over the Internet to save time and money.

Mobile phone penetration has grown at a compound annual growth rate (CAGR) of 87 per cent from March 2001 to March 2008, while fixed line penetration has grown at a CAGR of 2.5 per cent. In March 2008, mobile phones formed 87 per cent of all telephone subscriptions in India. Further, it is believed that the launch of advanced technologies and devices such as 3G and iPhone will drive the mobile advertising market.

Mobile penetration in rural areas has enabled advertisers to plan specific and targeted advertisement plans for the rural population.

While mobile usage is high in India, the mobile and the Web are not expected to converge before late 2010.

More Time Spent on the Internet

The frequency and time spent by Indian consumers on the Internet have gone up, reducing the time spent on traditional media. The working segment of the population is more exposed to the Internet and accesses it daily or several times a week. Access to the Internet through cyber cafes is also witnessing an uptrend. Similar to the trend witnessed in mobile phones, the Internet would gradually become a one-stop destination for customers, who are already using it for not just accessing information but also for bill payments and social networking.

Media Consumption Habits of Consumers

Consumer preferences have changed over the last few years. The number of Internet users who click on an online advertisement has increased from 56 per cent in 2006 to 80 per cent in 2007. In fact, today, Indian consumers using banking services, for example, are keen to shift to institutions that provide phone banking or online banking facilities.

Targeted Advertising

The Internet enables advertisers to customise their advertisements for specific target audiences. Most advertisements over traditional media are not customised to the interests of a particular user.

Cost Effective

Advertising on the Internet is less expensive.

Rising E-Commerce Trend

Rising e-commerce has been further driven by the increasing reach of digital media, which also facilitates immediate sale. The impact of advertisements on sale is highest for the hotels, tours and packages segment, followed by financial services and the IT sector.

Contribution by Industry

Banking, financial services and insurance, online publishing and IT enabled services jointly account for over 60 per cent of the online advertising space. The share of the education sector grew the most, i.e., from 4 per cent in 2007–08 to 7 per cent in 2008–09.

More Indian firms are opting for Internet-based advertisements, with ICICI Bank and Citibank being the major spenders. Further, matrimonial portals also offer affiliate marketing features.

Challenges for Digital Media

Uncertainty Associated with Digital Media

Many advertisers are still not comfortable with the use of digital media and its importance as a critical component

of their advertising media mix, basically because of lack of awareness and knowledge about the potential of this media.

Growth has come mainly from the financial and ITES sectors. FMCG and consumer durables, two of the largest and fastest-growing sectors in India, do not allocate a significant part of their advertising budgets towards digital media. Leading advertising agencies point out that a client spending about Rs 2.5 million on a TV commercial is reluctant to invest even Rs 0.1 million on online creatives !

Lack of customer data records is one of the primary reasons for such reluctance. Unlike the TAM (Television Audience Measurement) in television and Indian Readership Survey (IRS)/National Readership Study (NRS) in print, the online advertising industry has no third-party reporting body. Therefore, advertisers are unable to estimate the market and access customer data on a real-time basis.

Inadequate Infrastructure

Inadequate or under-developed Internet infrastructure has acted as a dampener in the growth and acceptability of online advertising in India. Although broadband penetration has been growing fast over the last few years, it is still too small to displace traditional advertisement media such as TV and print.

For both the Internet and mobile, bandwidth remains a challenge for tapping their true potential. Besides, penetration is also low among women and teenagers (key influencers in the decision-making process).

Limited Geo-Targeting

Most content over the Internet is available in English, creating a barrier for those not comfortable with English. Given the highly unorganised structure of the Indian retail industry, it is critical to develop content keeping in mind the geographic diversity and industry structure.

Spam

Some advertisers use un-targeted advertisements and in the process, spam users' inboxes. This could lead to a negative perceptions, and customers may start ignoring such advertisements irrespective of their relevance.

High Cost and Low Innovation

Multiple clicks and limited content searches due to low surfing speed of the current GSM and CDMA networks have prevented customers from using mobile phones to access data. Further, the delay in 3G spectrum auction in the country has also affected growth in this market.

Internet usage on mobile phones has also not picked up as much as was expected. The high cost and complexity associated with value added services (VAS) has affected the adoption of new technologies.

The CII - Evalueserve Study tried to understand the current satisfaction levels of the Indian audience with respect to Internet and mobile usage.

Only respondents who have used either 'mobile' or 'the Internet' for advertising, were asked to give ratings. To get a better understanding, an open-ended question was asked. Respondents were asked to share their satisfaction experience — specifically the key factors that they felt made a particular media a success or a failure.

Overall, respondents showed indifference on satisfaction scores with both the media.

Future Trends in Digital Advertising in India

Apart from the survey results, the future trends expected in the usage of digital media in advertising are:

Infrastructure

As Internet and broadband penetration in India grows, advertisers will need to include digital media in their advertising mix to remain relevant and effective. The growing adoption of technology in the education system is also expected to lead to an increase in Web usage.

Sectors

Apart from the Banking and Financial Services and ITES sectors that are currently driving growth in online advertising, Education has emerged as one of the fastest growing sectors, with a y-o-y growth of 130 per cent in 2008–09 in the overall advertising spend.

Technological Advancements

Technological advancements, including rich media, 3G networks and advanced mobile handsets, are expected to lead to a convergence of mobile and web applications. Interactive advertisements will witness high growth, as they provide two-way real-time communication between the advertiser and the consumer.

UGC and Social Networking

With social networking on the rise in India, advertisers would seek to use this platform to reach out to consumers, both over the Web and the mobile.

Government committed to reduce Transaction Costs for Exporters: Anand Sharma

The new Foreign Trade Policy (2009-14), attempts to diversify India's export products and markets, said Mr. Anand Sharma, Union Minister for Commerce & Industry, at an **Interactive Session on the Foreign Trade Policy**, organised by the CII on 28 August in New Delhi.

The expansion of the Market Linked Focus Products Scheme (MLFPS) to 13 new markets and 1700 products is the highlight of the new policy, declared Mr. Sharma. He also expressed hope that the new policy would help exporters tide over the current slowdown.

The Minister was of the view that at a time when traditional markets for Indian exporters are in recession, it is important to engage with other countries and diversify exports. At the time of crisis, it may be convenient to turn protectionist, however this may not be the right choice, as it carries the risk of deepening the recession, he said.

Mr Sharma highlighted that the Government is determined to reduce transaction costs for Indian exporters. The current policy has already reduced the application fees for exporters and the government will work to simplify export policies and procedures.

Mr. Chandrajit Banerjee, Director General, CII, in his welcome address, complimented Mr. Sharma for unveiling a "realistic, transparent, innovative and achievable Foreign Trade Policy".

Dr. Rahul Khullar, Commerce Secretary, Union Ministry



Sunil Kant Munjal, Past President, CII, and Chairman, Hero Corporate Service Ltd, greets Anand Sharma, Union Minister of Commerce & Industry, India. Also seen: Chandrajit Banerjee, Director General, CII, (left) and Sanjay Budhia, Chairman, CII National Committee on Trade, and MD, Patton International Ltd

of Commerce and Industry, said the new Foreign Trade Policy is realistic and not over-ambitious. Diversification of Indian exports was the overall theme of the policy, he added.

Mr. Sunil Kant Munjal, Past President, CII, and Chairman, Hero Corporate Service Ltd, expressed the need for establishing an overarching umbrella organisation to promote trade and investment in India. He said the simplification of process and procedures in the policy was timely and added that industry will work closely with the Government to achieve targets set in the policy.

Mr. Sanjay Budhia, Chairman, CII National Committee on Trade, and Managing Director, Patton International Ltd thanked Mr. Sharma for coming out with an ambitious and long-term vision in the Foreign Trade Policy.



Chandrajit Banerjee, Sunil Kant Munjal, Anand Sharma, Dr. Rahul Khullar, Commerce Secretary, Ministry of Commerce & Industry, and Sanjay Budhia

WTO Chief hopeful of concluding DDA Agenda

Senior official negotiations to successfully conclude the eight year old Doha Development Agenda (DDA) of the World Trade Organization (WTO) restarted in Geneva from 14 September. The informal mini-Ministerial meeting on 3-4 September in New Delhi ended with a strong resolve by the WTO membership to successfully conclude the beleaguered DDA negotiations by 2010, said Mr. Pascal Lamy, Director General, WTO at an interactive session with CII members on 4 September in New Delhi.



Hari S Bhartia, Vice President, CII, and Co-chairman and MD, Jubilant Organosys Ltd, Pascal Lamy, Director General, WTO and Chandrajit Banerjee, Director General, CII

Mr Lamy termed the discussions held during the New Delhi consultations as positive, welcome and successful, and expressed hope that the ensuing discussions in Geneva would see active engagement by WTO member countries, which has been missing since the July 2008 mini-Ministerial collapse.

Mr. Lamy said a successful Doha deal could be the best insurance against the protectionist tendencies of countries and it would lead to “fairer and more open markets” for both developed and developing countries. The present economic crisis has shown us the huge “systematic value” of WTO disciplines and it is important to further strengthen these disciplines by concluding the Doha deal, he observed.

Recent months have seen urgency among member countries to conclude the Doha Round. “There is a strong political push for a successful Doha conclusion,” said Mr. Lamy. However there still remain areas where tough negotiations would be required.

Participation in sectoral tariff elimination under the NAMA negotiations would be on a voluntary basis, he assured. “Sectorals are voluntary and nobody can change this mandate.” He however added that for the deal to be concluded, countries would have to choose some tariff lines where tariff reductions will be higher than the formula cuts, while in some other sectors it could be lower.

CII has strong reservations against sectoral tariff elimination as it may create a serious threat for

Indian industry, especially SMEs, which are also large employment generators in the country.

On services negotiations, Mr. Lamy said there is room for acceleration: “Quite a large number of member countries want to accelerate introduction of offers on services negotiations.” Services negotiations have not kept pace with other areas of negotiations, because of the decision on sequencing by Trade Ministers during the Hong Kong Ministerial meeting in 2005 that offers on services would come only after finalization of modalities in agriculture and NAMA, explained Mr. Lamy. Services trade liberalization is of particular interest for Indian industry, especially Mode I and Mode IV.

Mr. Hari S Bhartia, Vice President, CII, and Co-chairman and Managing Director, Jubilant Organosys Ltd, in his welcome address, conveyed Indian industry’s commitment for an early and substance driven conclusion to the Doha Development Agenda. He said CII is averse to sectoral tariff elimination in NAMA negotiations as it would put sensitive industrial sectors in India at risk. “70% of our membership is from small and medium sector enterprises, which may be at risk due to sectoral tariff elimination,” noted Mr. Bhartia. He also called for greater focus on services negotiations, which account for 70% of world GDP.

Mr. Chandrajit Banerjee, Director General, CII, expressed hope for an early Doha conclusion in his closing remarks. CII has been working with the Government of India and counterpart organisations in other countries to facilitate an early Doha deal, he said.

Towards Successful Doha Conclusion

Significant political will exists among WTO negotiators to conclude the eight-year-old Doha Development Agenda (DDA) of the World Trade Organisation by end 2010, said Mr. Simon Crean, Minister of Trade, Australia at the session on **WTO Negotiations: What do we need to conclude the Doha deal?** on 2 September in New Delhi.



Nelson Fernandez, Vice Minister of Foreign Affairs, Uruguay, Simon Crean, Minister of Trade, Australia, and Dhruv M Sawhney, Past President, CII, and CMD, Triveni Engineering & Industries Ltd

Mr Crean said the informal WTO Ministerial meeting on 3 - 4 September in New Delhi reflected the reinforced commitment of India to conclude the Round.

Mr. Nelson Fernandez, Vice Minister of Foreign Affairs, Uruguay, urged countries to continue to resist protectionist tendencies. He said the WTO member countries must continue to engage and not allow the negotiations to collapse. He also felt the New Delhi Ministerial meeting was timely and important for a successful Doha conclusion.

Mr. Crean felt that the new found commitment of WTO member countries to conclude the deal is due to the realisation that trade can provide significant stimulus to sagging economies. "Historically, world trade has grown three times faster than the world output and that multiple has increased whenever trade agreements are concluded," he added.

A successful conclusion of the Round will require some give and take from all sides. Negotiations on NAMA or industrial goods, "cannot be concluded until we have some accommodation by India on Sectorals," said Mr. Crean. Several sectors have been identified in the negotiations and the NAMA framework requires the commitment by members to participate in

sectoral negotiations in good faith, he added.

The Australian Minister expressed the need to supplement multilateral negotiations with bilateral and regional negotiations at WTO. On the bilateral front, he identified energy and energy security; food and food security and education as potential areas of cooperation between India and Australia. He

said the feasibility study of the India – Australia FTA is expected to be released next month. Mr. Crean also mooted the idea of having a larger East Asian economic grouping comprising of ASEAN and the six countries of India, Australia, New Zealand, China, Japan and South Korea.

Mr. Dhruv M Sawhney, Past President, CII, and Chairman & Managing Director, Triveni Engineering & Industries Ltd, in his opening remarks, said Indian industry fully supports government's endeavour to successfully conclude the Doha Round. He also expressed the need for WTO members to show more ambition in Services negotiations, which account for 70% of world GDP. Pointing out that India is not import resistant, he said that India's trade deficit of US\$ 87 billion supports this claim.

Trade Liberalization - The Way Forward

India has unveiled its Foreign Trade Policy at a time when the entire world is grappling with an unprecedented economic slowdown. Countries across the world have been affected in varying degrees and all major economic indicators, especially trade, have taken a hit. The WTO estimates project a grim forecast that global trade is likely to decline by 9% in volume terms and the IMF estimates project a decline of over 11% in 2009.

Though India's GDP growth has not been affected to the same extent as other economies, our exports

have suffered a decline in the last 10 months due to a contraction in demand in our traditional markets.

The declining demand in the developed world requires strategies and policy measures to catalyze the growth of exports. Considering this, the Ministry of Commerce has aptly followed a mix of policy measures including fiscal incentives, institutional changes, procedural rationalization, and enhanced market access across the world and diversification of export markets in its 2009-14 Foreign Trade Policy.

Following cues from the current global crisis, it has become especially important to diversify the trade basket of the country both in terms of currencies and regions so that a crisis in one part does not affect the entire trade basket of India. Aiming at diversification of exports, the policy has particularly focused on trades beyond the Europe and United States in the face of the economic crisis in these key destinations. The policy ensures that the exporting sectors not only sustain themselves in these difficult times, but also take the economy back on higher growth trajectory.

Forging Partnerships

Although economic indicators in the last few weeks have positively surprised everyone, raising hopes that the worst may be behind us, the recovery process is still fragile and at nascent stages. In such a scenario, protectionist measures will delay the economic recovery and prolong recession. Thus it is imperative to break barriers and not to erect new ones.

Contrary to the growing tendency of protectionism amongst the countries of the West, India's endeavour is to deepen its trade engagements with the major economic groupings of the world. In the space of two weeks, India has signed two economic agreements, a broad-based trade, services and investment pact with South Korea and a free trade agreement with the ASEAN group of ten countries. The signing of these two agreements signals India's firm commitment to its 'Look East' policy of building upon its historical links with the countries of the Southeast Asian region and further deepening and widening this partnership.

Also, what is important about the two pacts is not so much what they immediately signal but what they portend. In the case of South Korea, India can have a great comparative advantage in the services sector. There is a market in South Korea for Indian software engineers and management consultants. ASEAN on the other hand can, be made into a destination for skill-intensive Indian manufacturing. Indian exporters of machinery and machine parts, steel and steel products, auto components, chemicals and synthetic textiles would gain additional market access as a result of tariff liberalization by ASEAN. Indian manufacturers would also be able to source products at competitive prices from the ASEAN countries.

The successful ratification of the two agreements precedes India's renewed engagement in the Doha Development Round. According to an estimate by the Peterson Institute for International Economics, a successful Doha deal could boost the global economy

by \$300-700 billion a year. Establishing a rule based, fair and equitable global multilateral trading regime which has development as its core objective will thus benefit the entire world economy.

Highlights of the Foreign Trade Policy

- The objective is to achieve an export growth of 15% till 2011 with an annual export target of US\$ 200 billion by March 2011 and 25% per annum in the remaining three years i.e. up to 2014.
- The long term policy objective is to double India's share in global trade by 2020.
- 26 new markets have been added under the Focus Market Scheme (FMS). These include 16 new markets in Latin America and 10 in Asia-Oceania. The incentive available under the FMS has been raised from 2.5% to 3.0%.
- Higher allocation for Market Development Assistance (MDA) and Market Access Initiative (MAI) schemes.
- Market Linked Focus Product Scheme (MLFPS) has been greatly expanded by inclusion of products classified under as many as 153 ITC (HS) Codes at 4 digit level.
- To aid technological upgradation of the export sector, EPCG Scheme at Zero Duty has been introduced.
- To impart stability to the Policy regime, Duty Entitlement Passbook (DEPB) Scheme has been extended beyond 31-12- 2009 till 31.12.2010.
- Interest subvention of 2% for pre-shipment credit for 7 specified sectors has been extended till 31.3.2010 in Budget 2009-10.
- Income Tax exemption to 100% EOUs and to STPI units under Section 10B and 10A of the Income Tax Act has been extended for the financial year 2010-11 in Budget 2009-10.
- The adjustment assistance scheme initiated in December 2008 to provide enhanced ECGC cover at 95% to adversely affected sectors, is continued till March 2010.
- No fee shall now be charged for grant of incentives under the Schemes in Chapter 3 of the FTP. Further, for all other 18 authorisations/ licence applications, maximum applicable fee is reduced to Rs. 100,000 from the existing Rs 1,50,000 (for manual applications) and Rs. 50,000 from the existing Rs.75,000 (for EDI applications).

Wealth Creation in the Farm Sector



Gokul Patnaik, Chairman, Global AgriSystems Ltd, Dr Ashok Gulati, Director in Asia, IFPRI, Salil Singhal, Chairman & MD, PI Industries Ltd, Rakesh Bharti Mittal, Chairman, CII National Council on Agriculture, Sharad Pawar, Union Minister for Agriculture, India, T Nanda Kumar, Secretary (Agriculture), India, Hardeep Singh, Chairman, Amalgamated Plantations P Ltd and Vivek Bharti, Executive Director, Pepsico India Holdings Ltd

A Confederation of Indian Industry delegation, led by Mr. Rakesh Bharti Mittal, Chairman CII National Council on Agriculture, submitted a 10 point agenda for policy intervention for raising farm incomes to Mr. Sharad Pawar, Union Minister of Agriculture, on 31 August, in New Delhi. Mr. T Nanda Kumar, Secretary, Agriculture, was also present at the interaction.

The delegation included Dr. Ashok Gulati, Director in Asia, IFPRI; Mr. Salil Singhal, Chairman and Managing Director, PI Industries Ltd; Mr. Gokul Patnaik, Chairman, Global Agrisystem Ltd; Mr. Hardeep Singh Chairman, Amalgamated Plantations P Ltd, and Mr. Vivek Bharati, Executive Director (Agriculture), Pepsico India Holdings Ltd.

Mr Mittal apprised the Minister that CII has identified agriculture as a main focus area, not only because of its overriding importance to the national economy, but also because it is amply evident that future industrial and service sector growth shall largely depend on rural demand emanating from a greater purchasing power in the hands of the farm sector. CII proposed a 10 point agenda focusing on innovative policy intervention



by the Government aimed at encouraging private sector engagement in the entire agricultural value chain. The ultimate objective is to ensure that the fruits of development reach the lowest stake holders, the marginal and landless farmers.

The ten point policy intervention suggested by CII:

1. Raise productivity by strengthening the input side i.e. seeds, fertilizers, pesticides, water management, extension as well as farm mechanization.
2. Link agriculture to markets and create an enabling regulatory environment by uniform implementation of the APMC Act, creation of a single market for agriculture produce and commodities, upgrading existing infrastructure, Abolition of Essential Commodities Act, etc.
3. Supply chain management by promoting private sector involvement, like investments in cold chain, warehouses etc., encouraging FDI in retail.
4. Facilitate private sector investment in agriculture and agri-focused infrastructure. The Government needs to play the role of a facilitator and the private sector will

respond to the demand patterns.

5. Fiscal incentives to the private sector by proper agricultural knowledge transfer and creating a land market.

6. Land consolidation for agriculture, for which CII has proposed a Model Land Leasing Act.

7. Food security for long-term competitiveness. An urgent need is to revamp the MSP policy and make it more market-oriented. The objective of food security should be re-engineered by a different food pricing regime than by the MSP.

8. Goods Service Tax (GST): 0% for primary agri products and up to 4% for processed food.

9. Increasing Agri Exports.

10. Dairy-related policy will include prioritizing strategies for long-term competitiveness. This can be done by infrastructure development, removing trade barriers and involving private sector investment.

These measures would enormously benefit the farmers in the country and set the ground for achieving another green revolution through enhancing private sector engagement in the agri value chain.

Model Land Leasing Act

A CII team, led by Mr. Rakesh Bharti Mittal, Chairman CII National Council on Agriculture submitted a 'Model Land Leasing Act' to Dr C P Joshi, Union Minister for Rural Development, on 3 September in New Delhi. The Model Act aims at enabling the private sector, involved in Agriculture, to access and use larger land areas which is extremely critical for achieving economies of scale in agriculture by application of modern technologies on farms.



Dr C P Joshi, Union Minister for Rural Development, India, with Salil Singhal, Chairman, CII National Committee on Agri Inputs and CMD, PI Industries Ltd (left) and Rakesh Bharti Mittal, Chairman, CII National Council on Agriculture and Vice Chairman, Bharti Enterprises Ltd

Government on lines with the APMC Model Act.

- Legalize land leasing in all areas within existing ceiling limits
- State Governments to officially allow land lease in their respective states, and land lease should be allowed for longer tenure without alienating the ownership rights of farmers.
- This can improve availability of land in lease market and also accessibility of land.

With the growth of the nuclear family structure and the prevailing land inheritance practice, coupled with the increasing demand for land under non-agricultural operations, the land holding size in Indian agriculture has declined progressively. This has led to the universalisation of subsistence and marginal farming in Indian Agriculture, harming the scale operations, crop diversification and the scope of aggregation of farm produce. Hence, CII felt the need to facilitate the formulation of an appropriate land policy and land use system that could **accelerate the pace of agricultural development, reduce poverty and scale up operations**. With this view, CII has proposed the following recommendations in the Model Land Leasing Act:

- The Act to be introduced in system by the Central

- Allow automatic resumption of land after the agreed lease period, unless renewed by the farmers.
- Study on legal restrictions on land leasing in various States
- Review, simplify and liberalize land-leasing laws to promote agricultural efficiency and equity
- Benefit farmers to consolidate land by long tenure lease from small/ marginal farmers

The beneficiaries of the Act will be farmers, rural women, and the government (crop diversification programmes) as well as the private sector. This will result in raising farm incomes by providing **dual benefits for farmers** who can earn rental income from the leased land and also can be employed and earn wages. This will increase liquidity in the economy and provide a momentum for growth. ■

Opportunities in Internal Security Management

There are significant opportunities for private industry to partner in the homeland security and sub conventional warfare space, said Mr M M Pallam Raju, Minister of State for Defence. The Minister was delivering the inaugural address at a seminar on 'Emerging Technologies in Sub Conventional Warfare and Homeland Security' jointly organised by CII and the Centre for Land Warfare Studies in New Delhi on 20-21 August.

Mr Raju said that the internal security situation in the country has a bearing upon the investments, industry and employment and indicators of human development. Lately, the government has taken initiatives to strengthen the internal security apparatus. New centres for rapid response are being set up in key cities all over the country. In order to raise the economic growth of the country, India must provide peace and mental security to investors so that they are confident about bringing in much needed



MM Pallam Raju, Union Minister of State for Defence, and Lt Gen Jasbir Singh AVSM, VSM, DG Infantry

capital. The Government has stated its intention to source defence equipment indigenously up to the extent of 70 percent, he added,

Lt Gen Jasbir Singh, DG Infantry, highlighted the urgent need to reshape the capabilities of the security forces. He added that the non-conventional and conventional capabilities of the security forces have to be balanced. Noting that the Indian Army has been deployed in various regions of the country to tackle threats there, he pointed out that the Indian armed and security forces are considered masters in the field of counter insurgency the world over.

Mr. Sunil Kant Munjal, Past President, CII, and Chairman, Hero Corporate Service, said that the Defence sector is on the threshold of change. Industry is happy to see the positive and forward-looking changes. Observing that offsets offer a huge opportunity for Indian industry, he said the challenge is to convert these opportunities into inclusive growth of the country. ■



Confederation of Indian Industry



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Enhancing Consumer Experience

3rd CII Health Insurance Summit



A report prepared by three CII Working Groups: Payor and Provider Group, Data and Technology Standards Group, and Communication and Awareness Group, was released at the 3rd Health Insurance Summit in New Delhi on 31 August, in the presence of 450 plus delegates. The recommendations of the working groups were well received by the delegates as well as by the august gathering of insurance and healthcare industry stalwarts. The various sessions saw discussions on these recommendations in the light of the issues faced by healthcare in general, and health insurance in particular in India.

In the inaugural session, Mr. A Vaidheesh, Chairman, CII Health Insurance Summit, and Managing Director, Johnson & Johnson Medical,

highlighted the importance of consumer awareness and confidence as a core issue for sustainable and long term growth of health insurance sector.

The Guest of Honour, Mr. J Harinarayan, Chairman IRDA, said that insurance companies need to work on the database of hospitals and the standardisation of hospitalisation processes and also towards integration of billing systems. He said that Health Insurance needs to be simplified to make it more attractive for the consumer. Consumer confidence would be built through effective claims management, he added.

Mr. B.K. Chaturvedi, Member, Planning Commission, who was the Chief Guest, said that as 70% of expenditure on health is from private pockets, with a majority from the rural areas, there is a need to expand health care mechanisms to rural and semi-urban areas. He said that investment in the two social sectors, health and

education, is the focus of the Planning Commission's 11th plan and assured that policy implications of the working groups' recommendations would be considered by the Planning Commission.

Mr. Malvinder Mohan Singh, Chairman CII National Task Force on Health Insurance, and Group Chairman, Fortis Healthcare, and Religare Enterprise, said that

Healthcare has to make a transition from curative to preventive care over the next few years.

Ms. Shobana Kamineni, Executive Director, Apollo Hospitals Group, and whole-time Director, Apollo DKV Health Insurance, wanted more focus on enhancing consumer experience in health insurance. Mr. V Vaidyanathan, CEO & MD, ICICI Prudential, suggested that initiatives like tax

incentives, etc. could be introduced to increase the growth and penetration of health insurance.

The three working groups disseminated the working group report in the First Session. The objective of the Payor and Providers Group was to standardize claim forms and to simplify terminology, said Mr. Girish Rao, Managing Director, Swiss Re Healthcare Services, who led this Group. The outputs of this Group were the Standard Definitions/ Glossary of Terms document, Standard Pre-authorization Form and Standard Claim Form, Customer Information Sheet and an Underwriting training capacity development initiative.

Dr. DVS Sastry, Director General (R & D), IRDA, who headed the Data and Technology Standards Group, talked about the need to ensure that network hospitals of health insurers have unique identification numbers. He recommended incentivizing electronic submission



A Vaidheesh, Chairman, CII Health Insurance Summit, and MD, Johnson & Johnson Medical, Malvinder Mohan Singh, Chairman CII National Task Force on Health Insurance, and Group Chairman, Fortis Healthcare and J Harinarayan, Chairman IRDA

of data. He said that improvement in TPA technology was an important objective of the working group, and to this effect they had prepared the Information Security Checklist for entities handling health insurance. Standard Hospital Master and Unique Hospital ID and Hospital empanelment data elements were the other outputs of this working group.

Mr. Kartik Jain, Head - Marketing, ICICI Lombard, Head of the Communication and Awareness Group, said his group's focus was on driving customer satisfaction in urban areas. A paper identifying the various customer segments, key messages and recommendations for each segment, and another paper detailing the approach to reaching out to the uninsured along with the Health Insurance buyer's guide were the output documents of this group.

In the panel discussion which followed, Mr. SL Mohan, Secretary General, GI Council, observed that the efforts of the three working groups would help address the main issues faced by the health insurance industry, i.e. growth with heavy loss ratios, consumer complaints and lack of clarity. Mr. SB Mathur, Secretary General, LI Council, noted that co-ordination between all the stakeholders was important. Dr. Somil Nagpal, Special Officer-Health, IRDA, observed that while health insurance is classified as non-life, both life and non-life players are involved in transacting health insurance. In all, 30 companies have around 300 products in the market, which is growing rapidly. In the audience interaction which followed, some key issues which emerged were the need to include the treatment outside the hospital under coverage, coverage of newborn baby health and affordable health insurance for senior citizens.

Chairing the session on 'Building awareness and confidence in Health Insurance,' Mr. Gurcharan Das, renowned author and management guru, stressed the need to tackle the financial as well as emotional trauma caused by sickness in the family, the burden of which is felt the most by the underprivileged. He praised the Rashtriya Swasthya Bima Yojna (RSBY) as an excellent attempt by the government to provide much needed healthcare and financial relieve to the poor.

Mr. Anil Swarup, Director General, Ministry of Labour and Employment, explained the working of RSBY, which has changed the perception of Health Insurance and Healthcare in India. He attributed the success of the scheme to the smart cards issued to the enrollees, which come preloaded with a credit of Rs. 30,000 towards medical expenses, making all transactions cashless,

requiring no paperwork, and using Unique Identification Numbers to identify all hospitals and prevent fraudulent claims.

During the panel discussion, Mr. Soumitra Sen, President, Mudra Health and Lifestyle, Mr. Roger C B Pereira, Chief Executive Officer and Managing Director, Edelman, and Dr. Narottam Puri, President, Medical Strategy and Quality, Fortis Healthcare, called for repositioning and rebranding of health insurance by tapping into the savings culture of the country and bringing in the human touch in health care delivery.

A key session at the Summit, chaired by Mr. Richard Kipp, Managing Director, Milliman India, focused on designing health insurance products to fulfill customer expectations. While Mr. Ramadoss, Chairman and Managing Director, Oriental Insurance Company Ltd., talked about the evolution of Health Insurance products in India and the peculiarities of the Indian Market, Dr. Somil Nagpal mentioned that the Indian consumer can look forward to niche health insurance products such as micro insurance, senior citizen products, outpatient products, etc.

Mr. GC Chaturvedi, Additional Secretary, Union Ministry of Finance, focused on reengineering the distribution function. Mr. Bhargav Dasgupta, Managing Director and Chief Executive Officer, ICICI Lombard, emphasized on tapping the network of family physicians, chemists and FMCG channels for distribution of health insurance. He highlighted the importance of training to prevent miss selling and transparency and simplicity of disclosure norms to build trust. Mr. Ritesh Kumar, Managing Director and Chief Executive Officer, HDFC ERGO, spoke about using the web and mobile phones along with the network of rural co-operative banks to reach the rural non-poor, who constitute about 40% of the rural population. Mr. Sanjeev Bajaj, Managing Director, Bajaj Capital, stressed the need to come up with health insurance products which provide long term benefits and wellness incentives, so that they can be marketed as a part of an individual's personal investment portfolio. The need for simple products which could be sold over the counter was also discussed.

The last session on the 'Way Forward' discussed about public and private partnership in administering health care and health insurance. Mr. Vaideesh concluded by saying that the working groups would continue their efforts by involving consumers in the future. As a step in this direction, a response form, seeking audience feedback for future directions of the working groups was distributed amongst the delegates. ■

Valuations

The Emerging Road Map for India



Every asset, financial as well as real, has a value. Valuation is generally carried out for Business, Tangible assets such as Property, Plant and Equipment (PPE) and Inventories, and Intangible assets such as brand, etc.

The world over, valuation is recognized as a distinct profession which plays an important role in evaluating the value of real estate, based on scientific and well articulated norms and practices. **Credible valuation helps create a transparent and fair real estate market and also induces confidence among investors.**

The need to develop and nurture fair, transparent and internationally benchmarked valuation practices in India is gaining momentum. The Valuation Professionals of India Bill is an initiative by the Ministry of Corporate Affairs to benchmark the valuation profession in India with international best practices.

The key to successfully investing in and managing these assets lies in not only understanding what the value is but also the sources of the value.

A National Conference on **'Valuations: The Emerging Road Map for India'** highlighted the need to develop effective Valuation Standards and build a world class valuation profession in India. The conference was jointly organised by the Royal Institution of Chartered Surveyors (RICS) and CII in New Delhi on 27 August.

"A distinct valuation discipline is emerging in India that needs to be taught properly with a structured knowledge

input. This discipline needs to develop its own professional code of conduct and standards to achieve a certain level of proficiency. Therefore, it is necessary to have standards pertaining to the International Valuation Standards (IVS) and International Financial Reporting Systems (IFRS) to measure quality," stated Mr. Jitesh Khosla, OSD, Indian Institute of Corporate Affairs and former Joint Secretary, Union Ministry of Corporate Affairs.

Mr. Sachin Sandhir, Managing Director & Country Head, RICS, explained that the conference was an endeavour to spread awareness on what's happening in valuations across the globe and also ascertain imperatives for our country. Even as the developed countries indulge in a more sophisticated and complicated debate surrounding market value and fair value, India has its unique issues to focus on while being aware of the happenings in the international arena, he observed.

Mr. Anshuman Magazine, Past Chairman, CII National Committee on Real Estate & Housing and Chairman & Managing Director, CB Richard Ellis South Asia Private Ltd said that in a globalized economy, valuations help investors determine where to put in money. It is necessary to make valuation practices more robust to instil investor confidence in the system, and drive capital investments to India.

Professional valuations are vital to a healthy property market and a stable economy, forming the basis of performance analysis, financing decisions, transactional or development advice, dispute resolution, taxation and various statutory applications. The recent turbulence in global financial and property markets has turned the spotlight on valuers, valuation standards and methodology. This warrants that efforts be made



Anshuman Magazine, Past Chairman, CII National Committee on Real Estate & Housing and CMD, CBRE, South Asia Private Ltd, Jitesh Khosla, OSD, Indian Institute of Corporate Affairs and Former Jt Secretary, Ministry of Corporate Affairs, Harshavardhan Neotia, Chairman, CII National Committee on Real Estate & Housing, and MD, Bengal Ambuja Housing Development Ltd, and Robert Peto, MA, FRICS, President Elect - RICS and Vice Chairman - Capital Markets, DTZ

to encourage the harmonization of standards and valuation qualifications across India.

In an increasingly demanding market it is essential that valuations are presented to clients in a clear and unambiguous manner, thereby instilling trust and confidence. Robust practice standards form the basis of accurate and consistent valuations. While the need for a uniform valuation standard has been increasingly felt by key stakeholders, until now, there has been none available for adoption by the industry.

An improved regulatory framework for valuation in India will raise professional standards, improve confidence of investors and help secure the accurate valuations

that underpin most economic activity. Furthermore, all members involved in the valuation of commercial and residential property and specialist areas will have their competence monitored on a continuing basis to satisfy clients.

A promising start has already been made in this direction with the RICS Red Book. The book, providing an implementation or practice framework for the application of IVS globally, ensuring that valuers follow consistent methodologies throughout the world, has now been launched in India. Valuations Standards prescribed in 'RICS Red Book' are considered the Gold Standards for property valuation worldwide. ■

CII Delegation Visits the Delhi International Airport



The Indira Gandhi International Airport at Delhi is India's gateway to the world. A CII delegation led by Mr V K Mathur, former Chairman, AAI, and Mr Gurpal Singh, Deputy Director General, CII, participated in an impressive presentation on the IGI Airport on 7 August. Senior personnel from GMR shared their vision for an airport that will be on par with, or better than its top international counterparts.

Mr PS Nair, Chief Executive Officer, GMR, stated that the company saw the airport as a national asset. A dedicated team was working to ensure that the airport would be ready in time for the 2010 Commonwealth Games. At present, international hubs for India are located outside the country, in Dubai and Singapore. It is important that we provide international hubs within the country, he said.

Sharing details about capacity enhancement and improvements in Terminals 1 and 2, the presentation focused on the quantum leap that will be visible in Terminal 3. Equipped to serve 34 million passengers per annum, Terminal 3 will have 75 aerobridges, 168 check in counters, 90 travelators for intra-terminal

transport. Terminal 3 will also provide connectivity to the city with a high-speed, dedicated rail link from the city centre to the airport with check-in facilities at the city centre. There will be an 8-lane approach road to the terminal with multi-level car parking for more than 4000 cars. This terminal also envisages hotels, restaurants and slumber and shower facilities catering to varied budgets in addition to both shopping and recreation facilities.

A innovative concept catering specifically to India is the 'contact zone' designed to satisfy the Indian desire to see off and receive travellers. In addition, airport lounges have been designed to allow light but shut out heat, to enhance passenger satisfaction.

A site visit to Terminal 3, built in record time, gave the CII team an understanding of the actual dimensions of its gigantic proportions and scale.

Mr VK Mathur, Chairman and Managing Director, Imapex, appreciated that the building of a new terminal posed a great challenge. There was a need for discontinuity with the past, as both passenger traffic as well as passenger expectations had grown exponentially, he said. ■

8th IREE 2009 India's Largest Railway Show

The 8th edition of the International Railway Equipment Exhibition (IREE) 2009 and conference was inaugurated jointly by Dr. Sam Pitroda, Mr. Praveen Kumar, Member (Mechanical) and Mr. Rakesh Chopra Member (Engineering) Railway Board on 24 August in New Delhi. This year's IREE 2009, held from 24 -26 August at



Rakesh Chopra, Member (Engineering) Railway Board, Dr. Sam Pitroda, Chairman, National Knowledge Commission, Praveen Kumar, Member (Mechanical), Railway Board, and Rajive Kaul, Past President, CII, and Chairman, CII Trade Fair Council

the sprawling Pragati Maidan, received an overwhelming response from both domestic and international participants. Over 150 exhibitors from 12 countries - Austria, Australia, China, France, Germany, India, Israel, Spain Switzerland, Poland, United Kingdom and United States of America, participated in India's largest railway show. Spread across an area of more than 8000 sqm, the event showcased the latest technologies and products that will support the modernization plan of the Indian Railways in the coming years.

The Indian Railways pavilion at IREE 2009 included display and active participation from 17 units of Indian Railways and its associates. The Indian Railways this time specially focussed on railway equipment manufacturers, electrification and overhead line equipment, energy conservation, locomotives and rolling stock, maintenance and service equipment, mass rapid transport systems, station equipment & passenger information system, track laying and maintenance equipment, traffic management systems etc.



New Initiatives

Keeping in view the current concerns on security, and the focus of Indian Railways on this area, for the first time the 8th edition of IREE featured a Safety and Security pavilion. The participation at the pavilion included displays by over 15 companies of special security equipments and technologies for railway stations and the entire rail system, including the trains.

IREE Enterprise 2009, another first-time initiative, was a concurrent pavilion showcasing new technologies and systems developed by Indian Small & Medium Enterprises in the Railway Sector. IREE Enterprise 2009 drew participation from over 30 companies.

Conference

A one day International Railway Conference on 'Development of Indian Railways: Opportunities and Challenges' was held concurrently with the IREE 2009 on 24 August. Experts and prominent speakers from industry, government and academia, both from India and overseas, discussed a broad array of topics including the Railway's vision in new initiatives, adopting state-of-the-art technology in rolling stock, security and disaster management issues, and development and infrastructure of track and track-side equipment.

An interactive session was organised between the Railway Protection Force (RPF), Asian Professional and Security Association (APSA) and (FSAI) Fire and Safety Association of India (FSAI) and select industry members to discuss the Indian Railways' current practices and future requirements.

The exhibition attracted 12,132 business visitors from the industry. IREE 2009 proved a perfect platform to showcase state-of-the-art technology for the Indian Railways. ■

CII MSME team meets Prime Minister

At a meeting of the representatives of industry associations with Dr Manmohan Singh, Prime Minister of India, in New Delhi, on 26 August, CII highlighted the need to facilitate credit availability for the MSMEs. CII also suggested providing procurement incentives, enhanced depreciation on IT products, establishment of an SME exchange, simplification of labour laws and the creation of a uniform credit rating format and processes for MSMEs. Mr Dinesh Rai, Secretary, Ministry of MSME, and Mr Ashok Chawla, Finance Secretary, Ministry of Finance, were also present at the meeting. CII highlighted the need to provide tax benefits to companies that source from MSMEs, and adhere to the payment schedule, as per the terms of the contract agreed upon with their vendors. This would ensure the growth progression and upgradation of the vendors, in line with the requirements of the vendee and also help to address the issue of payments (delayed), throughout the supply chain.

To improve IT consumption in SMEs, CII recommended that the Government considers according 100% depreciation, once in a block of three financial years, for an annual investment in IT equipment and software up to Rs 25 lakhs, to MSMEs. This would significantly lower the tax burden on high-tech investment, and induce large scale corporate buying of computers, which will raise labour productivity, increase economic growth and give a big boost to MSMEs.

Another area, according to CII, that requires the Prime Minister's intervention, is the establishment of an SME Exchange. This would ensure product innovation and, without compromising on risk management, would reduce credit requirements. Towards this, SEBI will have to devise separate standards of disclosure and compliance requirements to minimize the cost of listing and compliance, for facilitating the MSME listings.



CII urged that the recommendations made by the Working Group on Labour Laws of the Planning Commission and referred to in the Report of the 2nd National Labour Commission be discussed with Industry, and the various labour regulations be suitably amended.

In an attempt to facilitate and streamline the availability of credit/finance for MSMEs, CII recommended that RBI could constitute a group along with the Indian Banks Association and the credit rating agencies to work out a uniform credit

rating format and processes to bring transparency and speed to the credit appraisal procedure. At present, while certain credit rating companies do undertake this activity, the problem does not get resolved because individual bankers undertake credit rating based on their own formats and internal risk assessment processes.

Mr Salil Singhal, Chairman, CII National MSME Council observed that though it appears that the worst of the crisis period is over, a complete turnaround is not within sight yet for most of the industry. The difficulty is particularly acute for companies and units which have large export dependence. He said that these CII recommendations for MSMEs have been tailor-made, keeping in view the nascent stage in the economic recovery and the drought conditions affecting large parts of the country.

Commenting on the significant contribution of MSMEs to the Indian economy, Mr Chandrajit Banerjee, Director General, CII, observed that this has been a tough year for Indian MSMEs, because of the domestic economic slowdown as well as subdued export demand. However, despite these difficult conditions, the MSME sector has demonstrated its resilience, he said, while benefiting from the various measures that have been announced in the last nine months as part of the Government's stimulus packages. ■

Growth on Track: 'State of The Economy' Report

CII's 'State of the Economy' Report for July 2009 has raised GDP growth projections for the current fiscal from 6.1 - 6.5 percent to 6.5 - 7.0 percent. This is based on estimates for sectoral growth rates of 1.0 - 2.0 percent for agriculture, 6.0 - 6.5 percent in industry and 8.4 - 8.7 percent in services. CII has based this outlook on the response of the economy to the massive fiscal and monetary stimulus provided over the last year, since the global recession began to be felt on Indian shores.

The Central Statistical Organisation brought out its first quarter estimates of GDP in the last week of August. According to the figures released by CSO, GDP at factor cost at constant prices expanded by 6.1 percent in April-June 2009-10 as compared to the same quarter the previous year. This was in line with the estimates provided by most analysts. The figure reinforced the belief that the Indian economy may have bottomed out in the current recession phase, and may be headed on the incline.

Quarterly estimate of GDP at Factor Cost in Q1 2009-10

percent change

Industry	April-June 2008-09	April-June 2009-10
Agriculture, forestry and fishing	3.0	2.4
Mining and quarrying	4.6	7.9
Manufacturing	5.5	3.4
Electricity, gas and water supply	2.7	6.2
Construction	8.4	7.1
Trade, hotels, transport and communications	13.0	8.1
Financing, real estate and business services	6.9	8.1
Community, social and personal services	8.2	6.8
GDP at Factor cost	7.8	6.1

Source: CSO

Deceleration in manufacturing continued in Q1 of the current year, maintaining downward pressure since double-digit growth rate two years ago, although it has revived from negative territory in the last quarter of 2008-09. Downward trend was evident also in the trade, hotels, transport and communications group, which is dependent on external environment. The community, social and personal services group slowed down on account of lower government expenditures. The upward trend in key sectors such as mining and quarrying and electricity, gas and water supply was heartening.

The SoE report states that although global stimulus measures may help recovery, the process is likely to be both weak and fragile for some time, with long-lasting negative economic and social consequences. Quoting IMF figures, it points out that developed economies will not show sustained pickup until the second half of 2010. However, signs of stability are visible in stock markets, corporate results, and consumer demand. Conditions in the financial sector have improved as well. The task of economic recovery will require short term measures that are consistent with long term objectives, asserts the SoE report.

On the domestic front, industry and services sectors were both affected by adverse external shocks. This reflected deceleration in private consumption expenditure and investment. However, government final consumption expenditure grew sharply in the second half of 2008-09.

In the **agriculture** sector, the SoE believes that growth in the current fiscal may get hampered due to delayed South-West monsoons, which can adversely affect kharif crop production. As per the Economic Survey, in 2002, when monsoon rainfall was 81% of long-period average, food grain production fell by 18%. Area under rice crop has fallen this year, pointing to possible dip in production for the coming year. Since monsoons have more or less been normal for the past five years, the structural change in the economy since 2001 makes it difficult to

predict the final outcome on the economy of drought conditions. Although the contribution of agriculture to GDP has declined to 17%, the high proportion of population in rural India dependent on the sector could lead to domino effects on industry and services.

Coming to the **industrial sector**, all sub-sectors such as manufacturing, mining and electricity, registered strong growth in June 2009. Capital goods production rebounded after 3 consecutive months of negative growth, while consumer durables rose by a strong 15.5%. Basic and intermediate goods also exhibited substantial growth over June 2008. The SoE felt that strong growth in automobile sector of 9.5% is indicative of recovery in the economy. In the infrastructure area, cement and coal have recorded double-digit growth, but crude oil and petroleum fell into negative territory in the first quarter.

The **service sector** moderated somewhat in 2008-09, despite enhanced contribution arising from the Sixth Pay Commission payout. All leading indicators for Q1 2009-10 also point to slower growth in respect of foreign tourist arrivals, cargo at airports and ports, and passengers. Only new cell phone connections registered sharp growth in Q1 2009-10. The growth rate of net bank credit to government expanded while bank credit to the commercial sector grew at a slower pace of 16 percent over 23.8 percent the previous year. The massive borrowing of Government is also leading to hardening of bond yields.

Inflation dropped into negative territory due to a high base effect coupled with a sharp fall in oil and other commodities. However, WPI inflation of primary articles remained above RBI's comfort level at 5.4% at end of June 2009. Moreover, CPI remains high due to food items. Thus, in its first quarter review, RBI kept unchanged the repo and reverse repo rates and the cash reserve ratio. However, it will continue to have an accommodative monetary stance until recovery is more strongly entrenched. Outlining challenges ahead, RBI mentioned balancing ample liquidity with inflationary pressures, managing Government borrowing programme, spurring private investment, and fiscal consolidation.

Central government finances have been affected by the slowing economy, stresses the SoE report. In 2008-09, total receipts declined by 5.9% while total expenditure went up by 23.7%, pushing fiscal deficit to 6.2%. The Government has decided to borrow two-thirds of its requirements by September 2009, which is expected to reduce pressure on liquidity when private sector credit picks up in the latter half of the fiscal. In tax collection,

corporate tax growth was 10.8% as compared to 33.7% the previous year. Direct taxes have remained static in Q1, against a growth of over 45% the previous year, while indirect taxes fell by 27%.

The SoE asserts that **divestment** can be one of the routes to bridge the gap of expenditure over revenue. Calculations show that Government could mobilise as much as Rs 81,669 crores by offloading stakes in excess of 75% in 7 listed PSUs in which its share is over 90%. The SoE states that disinvestment will be positive for the equity markets and the economy and will attract foreign as well as domestic capital. PSUs can raise competitiveness with capital infusion. Disinvestment could also reduce possibility of crowding out of private borrowers, given the Government's large borrowing requirements.

In the **external sector**, while exports grew by over 31% in H1 of the last fiscal, they plummeted to almost 20% negative growth in H2, and further contracted by over 30% in Q1 of this year. Although exports to USA and China fell sharply, exports to UAE, Singapore and Netherlands grew at healthy rates. The top five markets account for 36.4 percent of exports. Crude and petroleum products remained the top export group followed by gems and jewellery, transport equipment, machinery and instruments, and pharma and chemicals.

Import growth also slowed down in 2008-09, and declined by over 35 percent in Q1 2009-10. Imports from WANA continue to dominate due to energy dependence, while China remains India's biggest supplier of goods. POL dominates imports with a third share, while electronic goods, machinery, gold and precious stones are the other top five import categories.

High net inflows of services trade and transfers offset some of the high current account deficit, which came in at -\$29.8 in 2008-09. The positive capital account balance of \$108 billion in 2007-08 fell to a mere \$9 billion in 2008-09 as external commercial borrowing declined sharply and portfolio investments suffered panic withdrawals.

Corporate performance for the June quarter for 515 companies revealed that net sales growth has slowed down while net profit growth has improved. This was due to decline in cost of raw material and power and moderation in growth of interest expenses. Net sales shrank in the manufacturing sector but grew strongly in the services sector. Net profit margin of the corporate sector improved in the last two quarters. ■

CII's State of the Economy report is a quarterly publication and is available on subscription. For more details contact: tanvi.garg@cii.in



LM THAPAR Centre for Competitiveness for SMEs

Launch of Munjal Showa Cluster III

Inspired by the successful closure of Munjal Showa Vendor Cluster I and II, and the launch of the on-going Advance Cluster, new companies joined together to form the Munjal Showa Cluster III. At the formal kick off on 6 August, Mr Yogesh Munjal, Managing Director, Munjal Showa Ltd, and Chairman, CII Clusters for Competitiveness, listed the benefits accrued by companies which had participated in the programme. He advised implementation of the trainings from day one of the programme. With this, CII and its strategic partners have formed 154 clusters across the country, benefiting more than 1239 companies.



Mahindra Supplier Cluster

In order to increase the competitiveness of its suppliers, Mahindra & Mahindra announced the 'Mahindra - CII Cluster Programme.' An awareness programme was held for M & M suppliers at Kolhapur on 20 August. The CEOs of 17 companies, with their senior officers from Kolhapur, Sangli and Belgaon, attended the programme.

Cost Reduction Strategies

The CII-LM Thapar Centre for Competitiveness organised a training programme on Cost Reduction Strategies in Manufacturing for SMEs via the Toyota Production System on 12 August in Pune. The programme stressed that a key strategy to improve the bottomline and stay ahead at all times is reducing the cost of production without compromising on the quality of the product. The Toyota Production System helps in achieving this goal in an effective manner. The key concepts of this system were discussed at the programme.

Theory of Constraints

Since the early 1980s, the applications of the Theory of Constraints (TOC) have generated good results for



Training Session on Theory of Constraints

thousands of companies—from small family concerns to Fortune 500 companies, highly customized made-to-order manufacturers to standard make-to-stock ones, multi-project firms and organisations with complicated distribution networks.

Founded by Dr Eliyahu Goldratt, author of The Goal and inventor of TOC, Goldratt Consulting is a global company which helps organisations achieve improvements through the use of TOC.

Goldratt Consulting in association with the CII-LM Thapar Centre for Competitiveness for SMEs offered a programme specially designed for SMEs on 21-22 August in New Delhi. The aim was to equip SMEs to rapidly achieve significant and sustainable results such as

- Increase on-time performance to above 90%
- Shrink manufacturing lead times by 50%
- Get 20-50% more capacity from existing resources
- Reduce inventory levels significantly
- Reduce overall cost of operation
- Maintain operational excellence

Energy Management for SMEs

At a programme on 'Energy Management- Best Practices - Enhancing Competitiveness for Small and Medium Enterprises' on 25 August in New Delhi, technical experts from industry (Jindal, Mawana Sugar and IBS) shared the latest energy saving ideas along with details about prevalent energy saving equipment. The unique delivery point of the workshop was the self energy auditing techniques that were imparted through case studies.

Finance for non- finance Executives

A workshop on 'Finance for Non-Finance Executives' on 26 August in Gurgaon helped managers understand the financial system of a company. The course provided basic knowledge in accounting and corporate finance to skill the participants in using financial data for decision-making. The topics included How to read and interpret a Balance Sheet, Ratio Analysis of Financial Statements, Break Even Point Analysis and Capital Budgeting. The workshop concluded with an interactive session on the Emerging Issues and Challenges in Finance.

Leadership Challenges

'Leadership Challenges facing the industry for Rapid Growth in Changing Paradigms' was an interactive workshop held on 31 July in Noida. The workshop discussed the key factors in building innovative leadership and coordinating teamwork to create winners in the present competitive environment. ■

CII Sohrabji Godrej Green Business Centre, Hyderabad

Promoting Green Buildings

Bangalore: An interactive session on the Green Building movement with government, industry and professionals was held on 8 August. The day was marked by a panel discussion on the role of various stakeholders in advancing the green building movement in India.



Session on Green Buildings in Bangalore

Dehradun: To promote Green Building concepts at the state and regional levels, the Indian Green Building Council (IGBC) organised an awareness programme on Green Buildings on 12 August.

The one-day session focussed on the growth of the Green Building movement in India, architect perspective of LEED (Leadership in Energy and Environmental Design) rated buildings and experience sharing on Green Buildings.

Mission on Sustainable Growth in Dehradun

The Mission on Sustainable Growth (MSG) initiative was launched at the CEO's Meet on MSG in Dehradun on 12 August. The Mission promotes and champions the conservation of natural resources in Indian Industry without compromising on high and accelerated growth.

Mr V K Dhawan, Past Chairman, CII Uttarakhand State Council, and Managing Director, NOV Sara India Pvt.



Launch of the Mission on Sustainable Growth in Dehradun

Ltd described the Mission and the CII – Code for Ecologically Sustainable Business Growth and later invited industry leaders to sign this voluntary code. Twenty-one companies signed the CII Code.

Similar CEOs Meets have earlier been held in Mumbai, Chennai, Kolkata, Delhi, Bengaluru, Hyderabad, Kochi, Pune, Ahmedabad, Madurai, Coimbatore, Goa and Bhubaneswar. So far, 348 companies in India have expressed their commitment to the CII-Code for Ecologically Sustainable Business Growth.

Material Cost Management

The CII Total Cost Management Division organised a one-day Seminar on Material Cost Management on 12 August in Chennai.

In his special address at the inaugural session, Mr M Sundaram, Executive Director - Corporate Planning, Super Auto Forge Ltd, said that one positive point emerging from the global meltdown is that companies are now keeping a close watch on cost. While consumers want double the quality, triple the service, half the price and zero the cost, the management wants to improve the bottomline, he noted. Mr Sundaram felt that total economics has to be the criteria, not merely cheap cost.

Australian Minister visits GBC

Mr Peter Linford, Australian Minister Commercial (Senior Trade Commissioner - South Asia) and Mr Aminur Rahman, Australian Consul General - South India, visited the CII Sohrabji Godrej Green Business Centre, the first 'Platinum' rated building outside USA, in Hyderabad, on 19 August. They appreciated the energy efficient, eco-friendly and sustainable features of the building. The visitors were also briefed on the activities and initiatives of the Centre.

Training programme on Water Management

A training programme on water management: 'Beyond the fence line' was organised on 21 August at the CII Sohrabji Godrej Green Business Centre in Hyderabad.

This programme covered the latest trends, techniques and the best practices in Water Management, to equip the participants to develop water and watershed projects in the partnership mode.

13th Kaizen Conference

Rs 50 crores worth savings discussed in just 2 days!

The TPM Club India organized the 13th Kaizen Conference in Pune on 10-11 August with the focus on 'Cost Reduction and Manufacturing Optimisation Techniques' to support industry in the present challenging economic scenario.

Twenty successfully implemented kaizens were presented on Cost Reduction, which had resulted in great savings for the companies. The most significant achievement was "how even the operators could contribute" along with others in the company. The topics covered had great relevance to energy, material and tool cost reduction.

On Manufacturing optimization, 18 companies competed on topics such as Easy to adjust, Elimination of minor stoppages, Defect reduction, Easy to inspect, etc, with direct contribution from the operators, and Changes in set up time, Low cost automation and Layout changes, which were contributed by the managers.

Major changes which could significantly contribute to cost reduction or manufacturing optimization techniques were also discussed. There were 10 presentations covering Lead Time Reduction, Equipment-related

Design Changes and New Technology Introduction / Process Modification.

In all, 48 Kaizens were presented over the two days with the participation of around 180 delegates from 110 companies. The selection of the best kaizens was done by the participants, selected jury members from the industry and counsellors of the TPM Club India. The competition was tough and a very narrow gap differentiated the winners.

Mr Ram Deshpande, Country Head, Vishay Components India Pvt Ltd and Mr Anil Parasharami, DGM, BE Division, Tata Motors Ltd, gave away the trophies to the winners.

The highlight of the event was that Brakes India Ltd, Brakes Division, Sholingur, were declared winners for a record 9th consecutive time! They have won the trophy in all the Kaizen conferences they have competed in so far. ■

For more details please contact: rajesh.parim@cii.in
jayashree.das@cii.in at the CII Institute of Quality

The winners in different categories

Category	Company	Topic
Operators	Mahindra & Mahindra Ltd, Nashik	Defect Reduction
	Visaka Industries Ltd	Easy to Adjust/ Adjustment Elimination
Managers	Sundram Fasteners Ltd, Krishnapuram	Energy Loss Reduction
	TVS Motor Co Ltd, Mysore	Low Cost Automation
Senior Managers	Brakes India Ltd (Brakes Division), Sholingur	New Technology Introduction / Process Modification



The Kaizen Conference winners

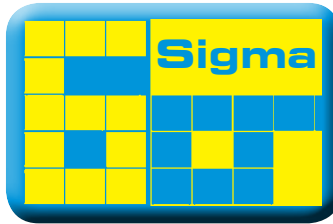
Kaizens presented at the Conference

Key Indicators	Productivity	OEE	Set-up time	Defect	MTBF	MTTR	Energy Cost Saved (Rs.)
Result	3% - 200 %	10% -24%	90%	100% - 50%	3hrs to 8760 hrs	15 hrs to 15 min.	Rs. 1.21 Crore

Key Indicators	Inventory Saved(Rs.)	Lead Time	M/c Breakdown	Maint. Cost Saving	Capital Cost Saving	Total Annual Saving(Cummulative)
Result	Rs. 10 Crore	50%	40% - 90%	Upto Rs. 85000	Rs. 35 Lac	Rs. 32.6 Crore

3rd CII National Conference & Competition on

Automotive Components Manufacturing firm Brakes India and private insurance major Max New York Life bagged the CII Institute of Quality's coveted Six Sigma award this year. By applying improvement tools, both companies were able to streamline various processes and bring about drastic changes both internally and at the customer-end.



This year, 22 top organisations like TCS, Infosys, ICICI, HSBC, and Sundram Fasteners, among others, vied for the coveted trophy awarded annually by CII-IQ. There were originally 46 entries, of which only 22 were selected for the competition broadly categorized under three segments –Bulk Materials

and Utilities, Transactional Process and Discrete Manufacturing. Each organisation made a presentation showcasing how the Six Sigma tools were applied to bring about visible changes in the re-engineering processes, ultimately not only reducing variations, but also presenting out zero-defect products or services to the end-customers.

and Utilities, Transactional Process and Discrete Manufacturing. Each organisation made a presentation showcasing how the Six Sigma tools were applied to bring about visible changes in the re-engineering processes, ultimately not only reducing variations, but also presenting out zero-defect products or services to the end-customers.

Inaugurating the two-day conference, Mr K V Rama Mohan, Group Head, IMS and BPO, Infosys Technologies Ltd. spoke of the “immediate need to standardize the Six Sigma concept to apply the tools more effectively.” Since different companies interpret the Six Sigma concept in different ways, he called upon agencies and institutes like CII-IQ to bring in a standardized format



Winning teams from Max New York Life Insurance (left) and Brakes India (right)

so that the element of confusion and vagueness in applying this concept is completely eliminated. A note of caution was also sounded by Mr Amitabh Saxena, Chief Executive Officer, Anexas, over the use of Six Sigma as a concurrent tool to bring in changes. He said that once Six Sigma is rolled out, no other quality tool like TMP, TQM or Lean should be engaged concurrently, as it tends to hamper the end result.

The jury had a tough time selecting the winners from several hot contenders. Five broad selection criteria were set: effective use of tools, culture of Six Sigma across the company, benefits accrued, innovations, and the presentations to the jury. While Brakes India was awarded in the Discrete Manufacturing segment and Max New York Life in Transaction category, the jury felt that no company met their criteria for top honours in the Bulk Materials section.

Six Sigma is a quality tool which primarily aims at reducing variations and streamlining various processes to achieve a product or service that is high on quality and satisfies the end-customer. Mr P Girish, Principal Counsellor and Head, CII-IQ, said every company must ingrain the element of quality in every process that they initiate. He said, “at this hour, only business excellence will facilitate companies to quickly overcome the recession. This will help in pruning costs thereby improving bottomline and the quality of products and services.”

Presenting the awards, Mr M Lakshminarayan, Chairman & Managing Director, Harman International, and Deputy

Chairman, CII-IQ, said that over the next five years, India is all set to witness dramatic and radical change as many companies have already put quality tools in place. He advised India Inc. to apply quality tools “at the point of design itself, which automatically will produce quality products or services.”

Participating Companies	
Amararaja Batteries	Kirloskar Oils Engines
Behr India Ltd	Larsen & Toubro Ltd
Brakes India Ltd	Max New York Life
Carborundum Universal Ltd	Saint Gobian Crystals
Grasim	Sundram Fasteners
Harihar Polyfibres	Sutherland Global Services
Hospet Steels Ltd	TCS
HSBC	TAFE
ICICI Bank	Wheels India
ICICI Prudential	Wipro
Infosys BPO	

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Design Innovation is the Key to New Product Development



“Driving growth in exports requires design innovation to create outstanding products” said Prof Lord Kumar Bhattacharyya, Director and Founder, Warwick Manufacturing Group, UK, at the CEOs Roundtable on **Transforming India into a Manufacturing Centre of Excellence through Global Product Development** organised by CII in New Delhi on 20 August. The Roundtable was held in Bangalore too, on the following day.

Prof Lord Bhattacharyya said that there are very few globally known products of Indian origin, owing to lack of design and innovation investments by the Indian manufacturing sector. He said that globally, regulatory and legislative measures by governments were leading to huge investments in design innovation by companies worldwide. Prof Lord Bhattacharyya strongly urged both industry and academia in India to jointly seek adequate fiscal incentives from the Government to encourage industry’s investment in design innovation and new product development.

Dr Barry F. Cohen, Executive Vice President, Parametric Technology Corporation, said that design and innovation are fundamentally linked. Successful companies capitalise through continuous innovation in a rapid pace to gain first mover advantage. Dr. Cohen emphasised the profound implication of knowledge management and web-based social networking services on product development. Market leadership is a function of continuously capturing new sources of innovation, he said.

Mr Venu Srinivasan, President, CII, said that India should utilise its demographic dividend to create a competitive advantage for the manufacturing sector. A focus on manufacturing will also impact the services sector, Mr. Srinivasan said, emphasising the importance of vocational

training to produce a skilled workforce. Given our excellent human resource capabilities, we need to examine the opportunities for us in amalgamating manufacturing talents with India’s considerable talents in design, science and technology, innovation, and engineering, he felt.

Mr. Srinivasan said that Indian industry has welcomed the weighted tax deductions for R&D for manufacturing companies by the Government of India, which will go a long way in raising R&D spending by the Industry.

Interacting with CEOs at the Session in Bangalore, Prof Lord Kumar Bhattacharyya said that while India needs to invest in creating a manufacturing skill base, the Government needs to announce some bold fiscal measures. He said that China has a fiscal policy that helps Chinese firms earn profits. Adding to this, Mr. Venu Srinivasan spoke of how China’s manufacturing growth story stems from its investment in quality education.

The roundtables in both cities were an important milestone to draw the attention of industry leaders to the importance of design innovation, which calls for a coordinated action from all stakeholders. CII would now draw up an action plan to make the Indian manufacturing sector global through excellence in Design Innovation and New Product Development.



Prof Lord Kumar Bhattacharyya, Director & Founder, Warwick Manufacturing Group, UK, Venu Srinivasan, President, CII, and Chandrajit Banerjee, Director General, CII



Dr Barry F Cohen, Executive Vice President, PTC, Sudhakar Rao, Chief Secretary, Karnataka, Venu Srinivasan, Prof Lord Kumar Bhattacharyya, and Vikram Kirloskar, Chairman, CII National Committee on Design, and Vice Chairman, Toyota Kirloskar Motors Pvt Ltd

3rd international Conference on Combating Counterfeiting & Piracy Building a strong IP regime in India



Dominic Keating, First Secretary, US Embassy, New Delhi, Raman Nanda, President, Bilcare Technologies, Ajay Shankar, Secretary, DIPP, N K Sabharwal, Deputy Director General, WIPO, Prabudhha Ganguli, CEO, Vision-IPR and Jack Chang, Chairman, QBPC

IP Protection and enforcement is an extremely important element of a country's social and economic development. Strong Intellectual Property Rights (IPR) are one of the essential ingredients of a vibrant economy. Across the board, from patents to trademarks, and copyrights, Intellectual Property (IP) is the lynchpin in the success of any Industry. Violation or theft of IPR is Counterfeiting & Piracy.

Counterfeiting and Piracy is one of the fastest growing economic crimes in the world today. **Counterfeiting** is the practice of producing goods, often of inferior quality, and selling them under a brand name without the brand owner's authorization. Generally, counterfeit goods are sold under a mark that is identical to or substantially indistinguishable from a mark that is registered for the same goods, without the approval of the trademark owner. Counterfeiting should be distinguished from trademark infringement or passing off, which involves the use of confusingly similar indices. Counterfeiting is most prevalent in developing countries with a strong manufacturing capability, including China and Brazil, although counterfeit goods are produced and sold around the globe.

Depending upon the nature of the product being counterfeited, there can be serious health and safety concerns, as, for example, in the case of counterfeit baby formula, drugs, car parts, or electronic goods. Needless to say, counterfeiting damages the trademark owners' goodwill and detracts from their profits; in addition, it harms retailers selling legitimate products,

resulting in missed growth opportunities and actual job losses. Counterfeiting also deprives national economies of customs duties and tax revenues. Consumer confidence and the value of branding suffer when purchasers discover that the product they bought, believing it to be a recognized brand, is, in fact, not authentic.

Piracy is the unauthorized duplication of an original recording for commercial gain without the consent of the rights owner. The packaging of pirate copies is different from the original. Pirate copies are often compilations, such as the 'greatest hits' of a specific artist, or a collection of a specific genre, such as dance tracks. In other words Piracy is a theft of intellectual property. The impact of Piracy:

- Rights holders experience lower sales volume and prices; damaged brand value and reputation; lower royalties; less incentive to invest in new products
- The music industry is disproportionately affected by piracy because its products are easy to pirate and distribute
- Governments get lower tax revenues, corruption rises
- Besides economic loss, piracy also adversely affects the creative potential of a society as it denies creative people their legitimate dues.

CII's 3rd International Conference on Counterfeiting & Piracy on 19- 20 August in New Delhi, kicked off with participation of key drivers of the various pillars of the IP regime at the highest level.

Addressing the inaugural session, Mr Ajay Shankar, Secretary, Directorate of Industrial Policy and Promotion (DIPP) spoke about the critical role of CII, as a representative of Indian industry, in the development of a strong IP Regime. The basic business culture of using IP for economic success is evolving into creation of IP within the country, he said, noting that the growing concern of both producers and consumers about the threat of counterfeiting and piracy augurs well for addressing the causes of this threat.

Mr. Narendra Sabharwal, Deputy Director General, World Intellectual Property Rights Organisation (WIPO) said that a viable intellectual property system is critical to the functioning of any market economy, particularly a knowledge based economy like India. He pointed out that every year counterfeited and pirated products lead to a loss of US\$ 200 billion in international trade. Today, counterfeited products extend beyond luxury goods to food, drugs, toys and car parts, which have direct impact on health and safety, he said. He spoke about the redefinition of a new strategic goal of WIPO: 'International Cooperation on Building Respect for IP.'

Mr. Dominic Keating, First Secretary, US Embassy in Delhi said that the US Government has identified IP as one of the focus areas of cooperation in bilateral agreements across nations. As part of these agreements, the US will provide technical assistance, technology and capacity development of human resource in India.

A report on 'Anti-Counterfeiting Packaging Technologies'

authored by Dr. Rajiv Dhar, Director & CEO, Institute of Packaging Technology, was released during the inaugural session.

Mr. Jack Chang, Chairman, Quality Brand Protection Committee of China (QBPC), described the initiatives taken by QBPC. India and China lead in the supply of counterfeited products, he said, calling for collaboration between the two nations to fight this menace.

Representing Indian industry Mr. Raman Nanda, President, Bilcare Technologies, emphasized the importance of empowering consumers through awareness campaign and information services.

Dr. Pradudhha Ganguli, CEO, Vision IPR, spoke about CII's contribution in the formulation and implementation of IP policies.

The CII National Committee of Intellectual Property Owners has been in the forefront for capacity building, policy interventions and service facilitation to strengthen the Indian IP regime. A WEF report (2008-09), ranked India 50 in the Global Competitiveness Index, with a score of 3.7/7.0 in IP Protection & Anti Counterfeiting measures. Keeping this in view, CII has forged alliances with national and international IP protection and enforcement authorities to combat the menace of Counterfeiting & Piracy.

The event brought together delegates from countries across the world who stressed on the need for public private partnership to help in fighting the rising global trade in counterfeit and pirated goods.

Five Steps to Technology Upgradation

Modernization and technological up-gradation of both the process of manufacture and corresponding plant and machinery will help MSME enterprises reduce the cost of production and remain price competitive at a time when cheaper products are easily available in the global market.

The CII Andhra Pradesh Technology Development & Promotion Centre (APTDC), with the support of the Commissioner of Industries, Andhra Pradesh, is facilitating technology up-gradation in certain identified sectors. This comprehensive Study & Capacity Building Approach, which encompasses five critical steps, was formally launched by Dr. Ramesh, Commissioner of Industries, AP, and Member, APTDC Governing Body, at an interactive session on 3 August in Hyderabad.

APTDC will conduct an intensive audit of the company, assess the technology/product/process for up-gradation, provide a network of experts in the area of technology

to the company and offer financial support for providing technical expertise during the technology upgradation.



7th Corporate ART Centre on HIV / AIDS

The 7th Corporate Anti – Retroviral Treatment (ART) Centre, being supported by Larsen & Toubro Ltd, became operational on 25 August in Mumbai.

This is a part of CII's national initiative of advocating and facilitating setting up of Corporate ART Centres in the six high prevalence states under the aegis of the Global Fund Round 4 – 'Access to Care and Treatment Project.

The centres set up by corporates under this initiative are unique models of Public Private Partnership (PPP). The corporates help in providing infrastructure; human resources; basic laboratory equipment; testing and counseling. CII helps in providing information on setting-up ART centres; hand-holds the company at every step to set up the centre; facilitates discussions with other stakeholders; facilitates training of human resources; coordinates with NACO/SACS for drugs, test kits and other material, and assists in setting up the MIS for reporting etc.

This ART Centre is part of the already existing L&T Community Health Centre situated in the heart of Mumbai, i.e. Andheri. It would provide quality testing, counseling and treatment services for HIV/AIDS to the community. The centre is a NACO designated ART Centre.

The other 6 ART centres supported by corporates are:

- ACC ART Centre supported by ACC in Wadi, Gulbarga District, Karnataka



- ACTFID-ART Centre supported by ACC in partnership with Christian Medical College, in Vellore, Kerala
- BILT ART Centre, supported by Ballarpur Industries, in Chandrapur, Maharashtra
- Reliance ART Centre, supported by Reliance Industries, in Patalganga, Raigad District, Maharashtra
- Bajaj YCMH ART Centre supported by Bajaj Auto, in Pune, Maharashtra
- Godrej ART Centre supported by Godrej & Boyce, in Mumbai, Maharashtra

Wasteland Development

CII – Andhra Pradesh Technology Development & Promotion Centre (APTDC) has facilitated plantation of bamboo in 25 acre of waste lands in Kodumuru Village in the Khammam District of Andhra Pradesh.

The area has alkaline soil, which is stony and does not bear even bushes. It has not been cultivated for decades.

Various parameters of the soil would be tested at yearly intervals to validate and document the efficacy of bamboo and bamboo leaf in changing the soil parameters over



3 to 5 years. Incidentally, all the surrounding lands are fertile and monsoon dependent.

Improvement in this alkaline soil and any increase in the groundwater table would benefit the farmers. This model could offer a cost effective and feasible means of waste land development.

APTDC is executing this five year project, in association with IIT Delhi, supported by the Union Ministry of Rural Development.



Nation

Yi organized the pre-launch of its Vizag chapter coinciding with a session on 'Union Budget – Impact on Industry' on 7 August. Mr. Nirav Modi, Chairman, Young Indians, Hyderabad, made a presentation on Yi and shared the various initiatives and platforms of Yi.

As a precursor to the launch of its newest chapter at Raipur, Yi organised a Yi road show at Raipur, Chattisgarh on 8 August. The roadshow was attended by 27 delegates who evinced interest in joining the Yi family. Ms. Bhairavi Jani, Vice Chairman, Yi National and Mr Shauryaveer Himatsingka, Chair, Yi Kolkata, spoke about the organisation.



Bhairavi Jani, Vice Chairman, Yi National; Shauryaveer Himatsingka, Chair, Yi Kolkata and Ajit Varwandkar, MD, F S Management India Pvt. Ltd



Blood donation camp at the School of Petroleum Management

Chennai

7 August: Yi members visited the Integral Coach Factory, built in 1955, to learn about the facilities, infrastructure and technical know-how that goes into the manufacturing of sophisticated modern coaches.

29 August: Members got together for a game of cricket at the YMCA grounds.

Coimbatore



Dr APJ Abdul Kalam at a Yi event in Coimbatore

CII and Yi came together to organize 'DREAM Coimbatore' – a prelude to CII's District Development Conference scheduled for 30 – 31 October. The Dream Coimbatore project intends to engage different sections of society through a painting competition, essay writing competition, short film contest and photography contest. CII - Yi would print around 3000 posters and send them to many associations, schools, colleges, members of CII and Yi, retail outlets etc. The poster was formally released by Dr A P J Abdul Kalam, former

Chapters

Ahmedabad

1 August: A 35-member Manufacturing Excellence mission visited the Coca Cola plant at Goblej village near Ahmedabad, to understand the leadership, teamwork and sustainability aspects of Coca Cola India.



Yi members at the Coca-Cola factory in Goblej village

4 August: Yi Ahmedabad's Net at the School of Petroleum Management and School of Petroleum Technology organized a blood donation camp in Gandhinagar. Over 215 students donated blood in the camp.

President of India, in Coimbatore on 13 August. Dr Kalam signed a small plaque on the stage wishing this event good luck and had a short closed door meeting with select CII and Yi members.

Delhi

3 August: Learning sessions were held for the Yi Net student members of the ILLM Institute for Higher Learning, New Delhi and the Management Development Institute, Gurgaon. Dr Rahul Mirchandani, National Chairman, Yi, and Executive Director, Aries Agro Ltd deliberated upon the various aspects of marketing and explained the relevance of innovation in the area of marketing strategy. More than 200 students attended the sessions.

29 August: At a session on 'How to Grow Your Own Fresh Air,' Mr. Kamal Meattle, Chief Executive Officer, Paharpur Business Centre & Software Technology Incubator Park, gave a strong presentation on energy conservation, touching upon water scarcity and global warming too.

On the same day, at a session on 'Leadership: Effectiveness to Greatness,' Mr Lavleen Raheja, Chairman & Chief Executive Officer, Franklin Covey-India & South Asia, made a presentation on effective leadership skills.

Guwahati



Bhairavi Jani, Vice Chairman, Yi National, with students of Deepjyoti School, Guwahati

August 21: Ms Bhairavi Jani, National Vice Chair, Yi, interacted with students from Maria's Public School, Faculty Higher Secondary School and Sanskriti in a session on 'Igniting Young Minds'. Yi Guwahati signed an MoU with Sarala Birla Gyan Jyoti to start a Students Net in their school.

On the same day, Mr Abhijit Barooah, Immediate Past Chairman, CII Assam, chaired an interaction on

'Empowering Youth through Skill Development'. The panelists included Ms Bhairavi Jani, Mr Toby Burton, Global Education Head, CISCO Systems and Dr Ganesh Natarajan, Immediate Past Chairman, NASSCOM and Vice Chairman and Chief Executive Officer, Zensar Technologies.

Mumbai

22 August: Around 20 new members attended an induction meet to understand the verticals of the Yi fraternity.

On the same day, prominent psychiatrist Mr Hozefa Bhinderwala addressed a seminar on stress management. He described various techniques and relaxation exercises that can be done while at work, sitting at one's desk.



Hozefa Bhinderwala

Pune

31 July: Yi Pune, in association with India Co ventures Ltd, organised a showcase event 'inGreen Opportunities' bringing together Investors, entrepreneurs, ideas and technologies to drive effective synergies and capture the most valuable, meaningful technologies together with the people that run them. The vision is to enable companies with under-utilized assets that are waiting for an impetus to grow exponentially via infusion of capital. The event was very well attended by more than 50 members.

20 August: Yi PCC LABS successfully completed its 11th batch of LABS (Livelihood Advancement Business School) with a valedictory session featuring a skit in English on Global Warming.



Valedictory Session of the 11th batch of the Yi PCC LABS in Pune

Puducherry

31 July: A learning event, 'Seeking opportunities in adversities – A challenge for leadership' was addressed by Mr B Ramaswamy, President, Business Development, Southern India, Feedback Ventures P Ltd.



Interactive Session with Heads of Missions



Chandrajit Banerjee, Director General, CII, Dhruv Sawhney, CMD, Triveni Engineering & Industries Ltd, R S Pawar, Chairman, NIIT, Tarun Das, Chief Mentor, CII, and A K Pandey, Additional Secretary, Policy Planning and Research, MEA

CII hosted an Interactive session over dinner for over 85 Indian Heads of Missions and senior members of Industry in New Delhi on 26 August.

The evening started with welcome remarks by CII Director General Mr. Chandrajit Banerjee. In his keynote address, Mr R S Pawar, Chairman & Managing Director, NIIT Ltd. touched upon India's position in the globe from an economic perspective, followed by industry's experience and response to the global economic crisis. The India brand, he said, has become a global phenomenon. Highlighting that India's software exports were the chief contributor to the massive turnaround in perceptions about the country, he said that India's software services exports are about \$47 billion, the largest from any country by far.

The global mindset change about India, said Mr Pawar, derives also from the rapid rise of India's high technology engineering manufactures, and from the movement of Indian professionals all over the world. At the same time, India's high growth rates in recent years have made it an attractive market for overseas goods.

While India figures low on global trade in electronics, machinery and auto parts, it is heartening to note that

these are among our fastest-growing exports. India also has visible strengths in chemicals, pharmaceuticals and apparel. With a little extra effort and encouragement, we could expand our exports in these top traded global items, he felt.

Mr. Dhruv Sawhney, Chairman CII International Council, and Chairman & Managing Director, Triveni Engineering and Industries also addressed the audience. Mr Tarun Das, Chief Mentor, CII, conducted the Q & A session. Mr A K Pandey, Additional Secretary, Policy Planning & Research, Ministry of External Affairs, made the closing remarks.

The interaction was widely appreciated by the Heads of Missions, several of whom sent in letters of appreciation to CII. They included Mr Dinesh K Jain Ambassador of India to Mexico, Mr Ranjan Mathai, Ambassador of India to France, Ms Sujata Singh, High Commissioner of India to Spain, and Mr R Viswanathan, Ambassador of India to Argentina, Uruguay and Paraguay, among others.

The interactive session was a unique opportunity to renew old contacts and meet new Heads of Missions with whom CII looks forward to working with in the future.



Africa

Kenya

A 16 member CII business delegation visited Kenya on 6-7 August. The delegation led by Mr. Rajenderan, Chief Operating Officer, NIIT, and Member, CII Africa Committee, called on relevant ministries and chamber of commerce during their 2-day visit to Kenya.

A luncheon interaction organized by the Industrial Development Bank, Kenya presented an opportunity to both Kenyan and the visiting Indian industry leaders to interact and explore business opportunities.

Nigeria

A 25-member CII mission from India, led by Mr. P Rajendran, CII Africa Committee Member, and Chief Operating Officer, NIIT, traveled to Nigeria for the 11th CII-Exim Bank Regional Conclave on India Africa Project Partnership 2009, held on 3-4 August in Lagos. The Indian companies represented sectors such as IT, Education, Energy and Power, Water, Agriculture and Food Processing, Engineering Projects, Infrastructure, Construction, Pharmaceuticals, Automobile, Telecommunication and many other sectors.

More than 150 delegates from Nigeria and ECOWAS countries like Togo, Cameroon, Cote d'Ivoire and Benin participated in the Conclave on India Africa Project Partnership 2009, with their business delegations. The CII delegates had one to one meetings with delegates from the West African countries.



Mahesh Sachdev, High Commissioner of India, Chief Ekaette, Minister of Niger Delta Affairs, Nigeria, and P. Rajenderan, Member, CII Africa Committee, and COO NIIT

The presence of Mr Jyotiraditya Scindia, Minister of State of Commerce & Industry, India, and the Minister of Niger Delta Affairs highlighted the importance and relevance of the Regional Conclaves organised in Africa.

The Conclave gave the CII members a platform to access opportunities and discuss focused and probable projects with the concerned authorities.

After participation in the Conclave, the CII business delegation visited Kenya.

South Africa

Coinciding with the maiden visit of Mr. Anand Sharma, Union Minister of Commerce & Trade, India, to South Africa from 20 -25 August, CII organized an interactive session with him for the India Business Forum on 21 August, in Johannesburg.



Atul Gupta, Vice Chairman, IBF-SA; Rajiv Bhatia, High Commissioner of India & Chief Patron, IBF-SA; Anand Sharma, Union Minister for Commerce & Industry, India, Raman Dhawan, Chairman, IBF-SA, and Navdeep Suri, Consul General of India, Johannesburg

Addressing the Forum, Mr Sharma stressed on the need for good business ethics. He urged the Forum members to provide what is needed most in developing countries, specifically healthcare, skills, job creation and wealth creation that benefits the people.

He assured the Forum that his focus would be on strengthening systems that provide for an enabling environment for trade and investment between the two countries.

Mr. Raman Dhawan, Chairman, IBF South Africa, said CII- IBF would work towards strengthening 'Brand India' and would look toward the Minister to continue 'batting' for Indian industry in Africa.

The CII- IBF members took this opportunity to bid farewell to Mr. Rajiv Bhatia, High Commissioner of India, and Chief Patron of IBF-SA, and Mr. Navdeep Suri, Consul General of India in South Africa, who has been a pillar of strength to the institution since its inception.

Asia

China

Economic Indicators for July 2009

Exports:	US \$105.42 bn, up 10.4% from June
Imports:	US \$94.79 bn, up 8.7% from June
CPI:	Dropped 1.8% in July, from a year earlier
PMI:	53.3, up from 53.2 in June.
PPI:	Down 8.2% in July, y- on- y
Power output:	Up 4.8% in July from a year earlier
Industrial output:	Up 10.8% in July from a year earlier
Retail sales:	Up 15.2% in July y-on-y
FDI:	Dropped 35.7% y-on-y to US \$5.36 billion

China Largest Exporter

According to a WTO report, China has, for the first time, become the largest exporter, surpassing Germany, in the first half of this year. China exported goods worth \$521.7 billion compared to \$521.6 billion exports by Germany.

US Debt Holdings Off-loaded

According to data published by the US Treasury Department in August, by the end of June, China's holdings of US Treasury Bonds totaled US \$776.4 billion, down 3.13% from the country's T-bonds holdings in May.

Overseas Direct Investment

In 2008, China's Overseas Direct Investment (ODI) nearly doubled to \$52.2 billion from \$26.5 billion in 2007. If the trend of the first seven months of this year is any indication, China's ODI just in Australia in 2009 will equal its global outward FDI in 2008! China's ODI is increasing due to its need to secure natural resources, acquisition of global brands by Chinese enterprises, diversification by large state-owned organisations, and movement of some manufacturing companies to cheaper overseas locations.

China - ASEAN Free-Trade Area

The China-ASEAN (Association of Southeast Asian nations) Free Trade Area is likely to be completely operative in 2010 as scheduled. By then, more than 90% of products traded between China and ASEAN nations would enjoy zero tariff treatment, and the Pan Beibu Gulf rim will become an area of vigorous economic and trade cooperation between China and ASEAN. China and ASEAN also signed a new Investment Agreement on 15 August.

Iron Ore Imports

Iron ore imports across China saw the year's biggest increase in July, with an estimated 56.5 million tons of imported iron ore being received at China's ports.

India - China Border Talks

The 13th China-India Boundary Talks were held on 7-8 August in New Delhi. The Special Representatives of both nations, Mr Dai Bingguo, State Councillor, China and Mr M.K. Narayanan, National Security Advisor to the Prime Minister, India exchanged in-depth views about relevant issues in a frank and friendly atmosphere. Both sides agreed to press ahead with the framework negotiations in accordance with the agreed political parameters and guiding principles to seek for a fair and reasonable solution acceptable to both countries.

Fake Drugs

China has admitted that its pharmaceutical companies were involved in shipping fake drugs labeled 'Made in India' to Nigeria. This was upon the Indian trade mission's intervention. China has promised to take action against its pharmaceutical companies involved in the shipping of fake drugs.

No Expansion Projects in Steel Industry

China has decided not to approve any additional expansion-related projects in the iron and steel industry over the next three years, as the government pledges to eliminate outdated capacity in the steel industry.

Coal Reserves

China's National Development and Reform Commission has commissioned China Shenhua Energy Co., the nation's largest coal producer, to build 10 storage facilities for coal across the country.

Beijing Millionaires

According to the latest Hurun Report on China's wealthiest people, Beijing has the largest number of wealthy people in China: 143,000 multimillionaires and 8,800 billionaires.

Labour Shortage

Although China's employment situation is still grave, a shortfall in labour resources has cropped up in some coastal regions like Dongguan (Guangdong) and Wenzhou (Zhejiang) as both the domestic and world economy are making positive changes. Chinese SMEs in these areas have started receiving fresh orders.

Japan

Historic win for Democratic Party of Japan

The Democratic Party of Japan (DPJ) registered a historic win securing 308 seats out of a total of 480

in the election held for the Japanese Lower House of Parliament. The ruling Liberal Democratic Party of Japan (LDP) won only 119 seats. It is only the second time that LDP has been pushed out of power since it was formed.

Economic Growth

Japan's GDP achieved the first growth in five quarters, up by an annualized 3.7% in real terms in the April-June quarter, indicating that the nation is now emerging from its worst post-war slump. The expansion, as measured by GDP, corresponds to a 0.9 percent rise from the previous quarter.

Trade with China

China became Japan's biggest trading partner in both exports and imports in the first six months this year. In the January-June period, trade with China accounted for 20.4% of Japan's total trade volume.

Foreign Reserves Rise

In July 2009, Japan's foreign exchange reserves showed an increase of US \$3.48 billion from June.

Machinery Orders Jump

Japan's core private-sector machinery orders jumped 9.7% month-on-month in June. The stronger-than-expected hike was attributed to strong results in the steel and non-ferrous metal sectors.

Trade Surplus Shrinks

Japan's trade surplus shrank 99.7% in the first half of 2009 from a year ago. In June, Japan posted a trade surplus of 508 billion yen, marking the first rise in 20 months from year-earlier levels. It was Japan's fifth straight monthly surplus.

Current Account Surplus Rockets

Japan's current account surplus in June expanded for the first time in 16 months, soaring by 144.4% year-on-year to US\$11.86 billion in June. A steep fall in imports was a key factor behind the surge. Trade surplus in goods and services rose for the first time in 13 months.

South Korea

Stabilizing the Economy

The South Korean government poured US \$148.8 billion of its annual budget during the first seven months of this year to help stabilize the economy. 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 first quarter. Exports marked the steepest growth since 2003. Korea is recovering fast from the global economic crisis. Rising stock prices and a stable foreign exchange rate of the won reflect the pace of recovery well. The country's forex reserves also increased for the fifth consecutive month.

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.

Telecom Equipment Exports

South Korea was ranked as the world's top exporter of telecommunication equipment among member countries of the Organization for Economic Cooperation and Development (OECD). According to the OECD report, South Korea's telecom equipment exports posted US \$29.8 billion, largest among the 30 member nations.

South East Asia

ASEAN

- The ASEAN-India Trade in Goods Agreement (TIG) which was concluded on 13 August paves the way for the creation of one of the world's largest free trade areas (FTA) – a market of 1.8 billion people with a combined GDP of US \$2.75 trillion. The ASEAN-India FTA (AIFTA) will see tariff liberalisation of over 90% of products traded between the two regions. The TIG, which forms the first substantive pillar of the AIFTA, comes into force on 1 January 2010.
- India is currently ASEAN's 7th largest trading partner. In 2008, bilateral trade reached US \$ 47.4 billion, and leaders of India and ASEAN have set a target of US \$ 50 billion by 2010. Formal negotiations on liberalising

services and investment are set to commence in October.

- The ASEAN-China Investment Agreement was also signed on 13 August. The establishment of the ASEAN-China FTA will be complete when the investment enters into force in February 2010.

Cambodia

- The US government will provide technical assistance to support Cambodia's public management reform programme and efforts to improve fiscal controls and promote greater transparency in financial transactions.
- Cambodia launched its national carrier Cambodia Angkor Air in July. The Cambodia – Vietnam joint

venture, of which the latter holds 49%, currently operates domestic flights from Cambodia's capital of Phnom Penh to Siem Reap, and to the coastal tourist town of Sihanoukville.

Indonesia

- Indonesia's GDP expanded 4% y-o-y in Q2 2009 from 4.4% in the previous quarter. Economists say the growth stemmed from resilient domestic demand.
- Indonesia's manufacturing registered its slowest growth since the start of the economic slowdown.
- Bank Indonesia lowered its reference rate and signaled that further cuts may be unwarranted as inflation is expected to accelerate with rising domestic demand and higher global commodity prices.
- Indonesia's growth this year is expected to be at the 'upper end' of a forecast range of 3.5% to 4%. Lower borrowing costs are helping buoy Indonesia's economy, which expanded 4.4% in Q1 from a year earlier. The Government expects the country's economy to grow 5% or more in 2010 and 'even faster' in subsequent years.
- Indonesia mulls a proposed presidential decree that would oblige foreign-controlled mining firms to divest at least 20% of shares to government or domestic investors after 5 years of operation.
- The Indonesia Stock Exchange says foreign-owned natural resources firms would find it easier to meet divestment requirements via listing on the local exchange. The Exchange is looking to double market capitalisation to 3,000 trillion rupiah through such listings. Total investment in Indonesia fell to \$7.3 billion in the first half of this year. Though investment rose 27% from H2 2008, it was 35% less than in H1 2008. FDI fell 48% y-o-y despite a rise in the number of projects registered. Domestic investment doubled.
- Indonesia has set up its 20th Trade Promotion Centre in Chennai. The Centre, purposed to address queries relating to trade and tourism, was inaugurated by the Indonesian ambassador to India, Mr Andi M. Ghalib on 4 August. Mr. Ghalib said trade between India and Indonesia had grown from \$8.7 billion in 2007-2008 to over \$10 billion in 2008-2009 in spite of the global economic slowdown.
- Indonesian national carrier Garuda Airlines may revive plans to connect Chennai and Medan with a direct flight after the global economy recovers. The service was to have commenced in June last year – if not for the recession.
- Tata Motors Ltd is conducting a feasibility study to market its cars in Indonesia. Society of Indian Automobile Manufacturers says several Indian car manufacturers

are keen on Indonesia, where domestic car sales are expected to reach 450,000 units this year.

- National Aluminium Co. Ltd will delay construction of its aluminium smelter in Indonesia until its coal supply requirements are ensured. The \$4 billion project was expected to commence construction in 2010.
- BEML Ltd will set up a marketing office, spare part depot and product services centre in Balikpapan in East Kalimantan province to support its business expansion in Indonesia.
- The GMR Group has acquired a 100% stake in Indonesian coal mine, PT BSL, for approximately \$80 million to help fuel its expanding energy projects for the next 25 years.
- Indian state-run power producer NTPC has appointed Macquarie as a consultant for acquiring coal mines in Indonesia.
- Indian firm JSW Energy is completing due diligence for a 50-million tonne coal linkage in Indonesia to secure coal supplies for its forthcoming power projects at Ratnagiri and Vijaynagar, Karnataka.
- Coal & Oil Group, which supplies coal in India and Pakistan, anticipates India's coal imports will more than double to 100 million tonnes by 2012 – a figure it says is about 40% of Indonesia's estimated coal production for this year.

Laos

- The Lao economy grew 7.1% in the first half of this year despite the global economic downturn, the Lao newspaper Vientiane Times reported. The government has set a GDP growth target of 7.5% for this year.
- India's Aman Resorts (acquired by DLF in 2007) announced the opening of Amantaka in Luang Prabang (the former royal capital of Laos). The 24-suite resort incorporates 15 French-colonial-style buildings that were once part of the city's old provincial hospital.
- Laos has approved an amendment to its investment law to allow foreign investors who invest more than 2.5 billion Kip in Laos to lease lands for 99 years, as well as to buy and sell buildings in Laos.

Malaysia

- Malaysia's economy fell at a slower pace of 3.9% y-o-y in Q2 2009, derived from higher public spending, though weak external demand continued to hamper growth for manufactured goods. Still, Q2's manufacturing contraction narrowed to minus 14.5% from minus 17.9%.
- Malaysia's international reserves stood at \$91.4 billion in August compared to \$91.2 billion in July.

- Malaysia's biotechnology sector is projected to register an average annual revenue growth of 15%, according to Frost & Sullivan in the Human Capital Development Report 2009. The global research firm expects the healthcare sector to record the highest growth with compound annual growth rate (CAGR) of 20 %. The agriculture sector is expected to achieve a 15 % annual revenue growth, followed by the industrial sector with a 10% annual revenue growth.
- The IMF warns that Malaysia's budget deficit will continue to balloon unless it implements the Goods and Services Tax (GST) and remove subsidies.
- Malaysia's Qualitas Medical Group Ltd has acquired a 40% stake in specialist dental care chain, V V Dentistree India P Ltd, for Rs 20 million. The group already operates a clinic with diagnostic facilities in the country.
- Malaysia's Proton Holdings has marked India as a major target market to launch its passenger cars, but did not indicate any time frame for the India entry.
- Pay-TV provider, Astro All Asia Networks PLC, is buying an additional 13.02% stake in South Asia FM Ltd which runs the Red FM radio stations in India to tap into the country's growing radio advertising market. This will bring its shareholding to 20%. The company is looking forward to 'positive developments' on the Indian radio landscape, including the relaxation of radio licensing requirements, higher FDI limits and ownership of multiple frequencies and radio stations.

Myanmar

- Myanmar's Ministry of National Planning and Development statistics showed foreign investment into the country swelled 6 fold to \$984.9 million in the fiscal year ending March 2009. China accounted for 87% of the total foreign investment. Sectors like mining, oil and gas and hotels and tourism received new investments, though there were no takers for the manufacturing, fishing, transport, or power sectors. Cumulative foreign investments into Myanmar, since the opening of its doors to neighbours in 1988, are estimated at \$15 billion.
- A 15-member delegation from Myanmar visited the Central Institute of Freshwater Aquaculture in Bhubaneswar, Orissa and Kolleru Lake, Andhra Pradesh, to study India's aquaculture development.

Philippines

- The Filipino economy grew a seasonally adjusted 2.4% (q-o-q) in Q2 2009 to reverse a revised 2.1% drop posted in the first quarter. The government believes its resiliency plan which included huge spending on road construction and repairs works and cash handouts to more than 700,000 poor households, helped to

resuscitate the domestic economy. Y-o-y, the economy grew faster than the government's forecast.

- Economists say revenue shortfalls and a yawning budget deficit could however undermine any economic recovery next year as the government may find it more costly to borrow money to sustain spending for infrastructure and social programmes. Government revenues were down while state spending grew.
- The Asian Development Bank (ADB) has approved a \$500 million short term loan to help close the Philippine government's budget financing gap for this year and support its 2009 budget expenditure programme..
- Moody's Investors Service upgraded its Philippine credit rating for the first time in 12 years, citing 'stability in the financial system and rising currency reserves. The rating was raised to Ba3 in July, on par with Indonesia, Turkey and Uruguay.
- The Philippines is targetting \$800 million to \$1 billion in investments this year.

Singapore

- Singapore's GDP expanded 20.7% q-o-q on a seasonally adjusted basis in Q2 2009, compared to the 12.2% contraction in Q1 2009. The manufacturing sector saw output soar 49.5% from -18.5% in the last quarter, largely contributed by the biomedical manufacturing cluster. Except for hotels and restaurants, all other services producing sectors registered growth.
- Singapore has raised its 2009 growth forecast after a less severe contraction in the first half of 2009. It now expects the economy to contract by 4% - 6% instead of the 6% - 9% predicted in April. The economy, however, is still expected to register a contraction of 3.7%, on year.
- Singapore is studying a minority buy-out rights regime to enhance minority shareholders' rights. Its Companies Act review committee is also looking at ways to facilitate institutional investors.
- Singapore topped the Asian region (sans Japan) in the latest corporate governance report by UBS and US-based Governance Metrics International with an average rating of 5.1 on a scale of 1-10. Thailand and India took second and third placings with scores of 4.7 and 4.5 respectively.

Keppel Corp (Singapore), Genting (Malaysia), Infosys (India) and Siam Commercial Bank (Thailand) were listed among UBS' regional top 10 corporate governance picks.

- Singapore rose to 18th position in a ranking of the world's most expensive retail locations at end Q1 2009 from 19th position at end 2008, according to CB Richard Ellis' latest Global Retail Market View. It emerged 11th in the ranking of the top 15 Global Retail Cities and is

currently the only Southeast Asian city to have made the rankings.

- Mr Ashwini Kumar Choubey, Bihar's Minister for Public Health and Engineering, announced that engineers from Singapore's Public Utilities Board would visit Bihar to suggest improvements to the supply of potable water in the state.
- The Monetary Authority of Singapore said the global economic crisis has pared 80% of profits gained in the previous 2 years. The central bank announced a net loss of S\$9.2 billion in the last financial year ending March 2009.
- Singapore's Manpower ministry has recalibrated its point allocation system for issuance of S-Passes (for semi-skilled foreigners who earned a fixed minimum salary of S\$1,800) to encourage businesses to employ better qualified foreign employees.
- Punj Lloyd is looking at listing its Singapore-based subsidiary Sembawang Engineers & Constructors to fund its backlog of orders. Mr Atul Punj, Chairman, said the company would consider private equity infusion and strategic financial partners as well.
- Changi Airports International will acquire 26% in Bengal Aerotrpolis Projects Ltd. The initial investment of \$20 million could be raised to \$100 million, depending on how the project unfurls.
- Gujarat Vittal Innovation City (GVIC) is in advanced discussions with the Singapore government and other aviation firms to set up maintenance, repair and overhauling (MRO) facilities. The MRO facilities will be a part of the aerospace and avionics sub-conclave in GVIC's 2,500-acre SEZ.
- IFCI Infrastructure Development has inked an agreement with Singapore's Frasers Hospitality to manage its 90-unit serviced apartments property, Fraser Suites, for 10 years. Frasers has lined up to manage 600 units in separate developments in Chennai, Bangalore and Gurgaon scheduled to open in India over the next 3 years.
- Singapore's Hyflux and the Japan Bank for International Cooperation (JBIC) have signed a MoU for global collaboration on water projects in Asia (including China and India) and MENA (Middle East & North Africa).
- Essel Propack is speculated to be putting its medical devices business in the US and Singapore on the block, as part of its plan to divest its non-core businesses to meet capex requirements.
- Wipro's FMCG arm, Wipro Consumer Care and Lighting, is expanding its go-to-market strategy and re-energising the portfolio of Singapore-based Unza (which it acquired for \$246 million) to enlarge its base

in high-growth markets in east and west Africa. Unza is the third largest player in personal care in Vietnam and Malaysia.

- Singapore's United Overseas Bank's fund management arm has formed an alliance with UTI International (Singapore) - a unit of India's UTI Asset Management - to jointly launch and distribute mutual funds.
- Bharti Airtel Ltd unveiled in Singapore in August its Global Wholesale Service Portfolio which enables the global carrier community in 50 countries access to Bharti Airtel's services to and from any part of the globe.
- Chennai-based Zylog Systems is in the final stages of acquiring a Singapore firm offering solutions for e-governance and public utility services.

Thailand

- Thailand's recession eased last quarter on government spending and improving export orders. GDP fell 4.9% (y-o-y) in Q2 2009 after contracting 7.1% in Q1.
- Manufacturing resumed growth but agricultural production fell and activity in the services sector was flat.
- Private spending rose as the government rolled out an economic stimulus plan including cash handouts to low income workers.
- The economy is expected to shrink 3% - 3.5% this year compared with 2008.
- The Thai Cabinet approved a revised 1.06 trillion-baht, 3-year investment programme to lift the economy. The spending plan, involving transportation, logistics, health and education projects, is in addition to a 116.7 billion-baht stimulus package implemented in the first half of 2009.
- Thailand's CPI declined 1% y-o-y in August, compared with a 4.4% fall in the previous month.
- Thailand's manufacturing industry witnessed its smallest contraction in June since November last year.
- The Thai government has rejected Joint Foreign Chambers of Commerce in Thailand call to remove Article 21 in the Foreign Business Act (FBA), to bolster foreign investment in the services sector.
- Thailand's largest steel bar maker, Tata Steel (Thailand), plans to operate a new mini blast furnace in Chonburi from August, with an annual production capacity to of 500,000 tonnes.
- Thailand's Central Marketing Group is seeking a distributor or JV partner with strong retail experience in India to market its S'fare mens' apparel. The company recently signed a licensing agreement with the Cotton Council International to use its 100-per-cent cotton fibre and Cotton USA label to boost the credibility of the S'fare brand.
- Thailand's biggest listed electronics firm, Delta

Electronics (Thailand) PCL, is planning to build a fourth Indian assembly plant, adding to those currently located in Gurgaon, Pondicherry and Rudrapur (Uttarakhand).

- Absolute Hotel Services, a Thailand-based hospitality chain, is concluding deals for eight hotels in India. The company recently also signed a consultancy-cum-management contract with Mumbai-based KBJ Group to manage the latter's first five-star hotel in Varanasi.
- Mr Anand Sharma, India's Commerce & Industry Minister, told the Bangkok Post that the TIG agreement between India and ASEAN should pave way for the Thailand-India FTA, which now covers only 82 items under an early-harvest scheme. Minister Sharma also met Prime Minister Abhisit Vejjajiva who shared keenness to drive trade between the 2 countries beyond \$10 billion next year.

Vietnam

- GDP in Q2 2009 quickened to 4.5% y-o-y from 3.1% in Q1 2009, fuelled by the growth of the industry and services sectors.
- The World Bank forecasts GDP growth of 5.5% in 2009, faster than the 4.5 percent projected by the ADB, and the government's target of 'around 5%'.
- Vietnam's CPI edged up 0.24% in August against July and 1.97% when compared to the same period last year. Nine out of 10 staple commodities experienced price increases with postal and transport services seeing the highest rise due to rising oil prices, followed by housing and construction materials.
- Vietnam's Foreign Investment Agency

recorded FDI of \$10.1 billion in the first 7 months this year and said the country would meet its goal of \$20 billion FDI in 2009. Taiwan is the largest investor.

Events

- 3 August, Singapore: Mr Tarun Das, Chief Mentor, CII, during his visit to Singapore, met with Mr Ravi Menon, Second Permanent Secretary, Ministry of Trade and Industry, Mr Tharman Shanmugaratnam, Minister for Education, and Second Minister for Finance, Mr George Yeo, Minister for Foreign Affairs, and Mr Vikram Khanna, Associate Editor, Business Times.
- 4 August, New Delhi: Dinner with Mr S Iswaran, Senior Minister of State for Trade & Industry and Education, Singapore
- 6-8 August, Indonesia: CII Mission to Indonesia
- 7-10 August, Jakarta: Made in India Show in Indonesia
- 22- 25 August, Singapore: CII Core Group visit to Singapore
- 27 August, Singapore: JETRO-IE-CII: DMIC seminar in Singapore.



Tsewang Namgyal, Acting High Commissioner of India (Singapore); Venu Srinivasan, President, CII, & Chairman, TVS Motor Company Ltd; N Kumar, Past President, CII, & Vice Chairman, Sanmar Group; Goh Chok Tong; Neerja Bhatia, Director & Head (SE Asia Region), CII; Syamal Gupta, Chairman, Tata International; R S Ramasubramaniam, Vice Chairman, Feedback Ventures; and Tarun Das, Chief Mentor, CII.

Europe

France

Economy

The French economy, to general surprise and against expectations, grew by 0.3% in Q2, thus technically ending the French recession, though the number of jobless went up slightly.

Recovery is at best fragile: many experts feel that free fall may have finally been broken, but the road to economic stabilisation is still 'bumpy.' Some suggest that while Q4 may also show moderate growth, the outlook for 2010 remains uncertain. Most worry that even when recovery finally kicks in, it may be a jobless, slow growth; the days of 'business as usual' are over and rules of economic governance will have to be reframed.

President Sarkozy swiftly seized the opportunity provided by BNP Paribas's move to provide for €1bn in staff bonuses by doing just that. French bankers had to agree to a ceiling on bonuses and a new code of transparency and disclosure. With support from Chancellor Merkel, he will push the next G20 meeting to follow the French lead. France and Germany will also intensify their battle against banking secrecy following the US victory against the Swiss government and UBS on this issue.

Business & Industry

Exports of wines and spirits declined by 25% in Q1, with champagne suffering the most (45%).

The Banking sector continued to do well, with Crédit

Agricole, the third largest French bank declaring better than expected net profit.

Suez Environment made a loss of €393 m while SNCF, the French Railway, for the first time since 2003, made a loss of € 635m, its costly freight operations contributing 65% to that figure.

India

Ambassador Mathai attended the CII dinner for visiting Heads of Missions attending their annual conference in New Delhi.

Germany

Economy

The economy in Germany is gaining traction. The IFO Institute reported that its business climate index had risen strongly in August to 90.5 points from 87.3 points. The German composite index, covering manufacturing and services, also rose. In Q2, the German GNP grew 0.3 %, and it is assumed that Q3 would also show growth.

German manufacturing exports indicated that the country's industrial sector is well positioned to benefit from recent improvements in global economics.

The inflation rate was 0.0 % in August.

However politicians warned people against complacency that the crisis was over, as the country still faces mass unemployment.

Business

Automotive

GM is still delaying its decision about the future of Opel. The Chancellor is supporting Magna's joint bid for Opel. A final decision is expected after the German election.

Other Industries

The steel industry in July reported an improvement in production, the highest in this year. However, ThyssenKrupp, Germany's biggest steelmaker, announced a pre-tax loss of € 772m and launched a programme to cut more than € 1bn of costs and revamp its structure to become leaner.

Turnover and real production of the German electrical and electronic industry fell 29 % and 26 % respectively.

Deutsche Telekom reported a 32 % rise in Q2 net profit due to cost cutting in its US, UK and Polish operations.

Banks

Commerzbank revealed more losses after its problematic takeover of Dresdner Bank. The bank needed more than € 18bn of government support to manage the financial crisis and is now 25 % state owned. The net loss of € 746m in Q2 was higher than analysts expected.

Special Activity

CII organised a Manufacturing Technology Mission from 8 – 11th September to Germany

SAARC

Bhutan

A 13-member CII Mission, led by Mr R K Poddar, Co-chairman, CII - BCCI Joint Task Force and Managing Director, Mayur Leather Products Ltd, visited Bhutan from 17-19 August to further strengthen India – Bhutan economic relations and explore new avenues for engagement with Bhutanese companies.

The Mission programme kicked off with a briefing meeting with Mr Pavan Kumar Varma, Ambassador of



R K Poddar, CII Mission Leader presenting a memento to Jigmi Y Thinley, Prime Minister, Bhutan

India in Bhutan. The CII team called on Mr Jigmi Y Thinley, Prime Minister of Bhutan, Mr Khandu Wangchuk, Minister of Economic Affairs, Mr Ugyen Tshering, Minister of Foreign Affairs, and Mr Prema Gyamtsho, Minister of Agriculture.

Mr Thinley assured the visitors that Bhutan would continue to work closely with India. Bhutan welcomes Indian industry and is looking at a sustainable relationship and complementarities to address the issue of unemployment, which is an area of concern for the country, he said. Bhutan is also looking at the possibility of setting up one or two Special Economic Zones and a dry port, he added,

Bhutan, in its Gross Natural Happiness index, gives attention to culture, environment, good governance and economic development. Environment is a major factor in Bhutan. At present, there is a forest cover of 72%, though their constitution requires them to maintain just 60%.

Mr Wangchuk pointed out that if India was prosperous, all countries in the region would benefit. Bhutan needs foreign investment and therefore instead of a negative list they are preparing a positive list, he said, adding that the new FDI policy is likely to be announced shortly.

The policy would promote sectors such as education, healthcare, IT, tourism etc. They are keen on low volume high-end tourism. However, this is not applicable in the case of tourists from India, he said.

Mr Gyamtsho said Bhutan is looking at the Indian market for horticulture products such as apples and oranges. There are many opportunities for setting up food processing industries, cold storages, dairy plants, and poultry in Bhutan. They are looking at investments from India in agriculture where 100% FDI is allowed. He also welcomed Indian technical know how in agriculture.

The CII Mission also met with the Bhutan Chambers of Commerce and Industry (BCCI) and held one to one business meetings with Bhutanese businessmen.

Nepal

Mr. Madhav Kumar Nepal, Prime Minister of Nepal, urged Indian industry to shed its perceived fear of insecurity and park their surpluses in Nepal, which would shortly unveil its security plans to protect foreign investments with 100% profit repatriation without any taxation.

Addressing a business meeting on 19 August in New Delhi, Mr. Nepal said opportunities abounded in the hydro, tourism, services including banking & finance, roads, ports, civil aviation, transportation & logistics, energy, light engineering, manufacturing, and IT sectors. either for 100% subsidiaries or joint ventures with Nepalese industries.

He assured that India and Nepal would strive to avoid double taxation and remove barriers to trade.

Mr. Subodh Bhargava, Past President, CII, said that although many barriers have been removed for smooth facilitation of trade between India and Nepal, a lot more needs to be done. He suggested that Nepalese industry should work towards competitiveness, efficiency and global quality standards. He asked for the right



Subodh Bhargava, Past President, CII, with Madhav Kumar Nepal, Prime Minister of Nepal, in New Delhi

environment for investments; investment-friendly policies, non-discrimination against foreign firms, fast decision – making, rule of law, restrictions on strikes and hartals and bi-partite agreements.

CII also organised an exclusive round table discussion with Mr Madhav Kumar Nepal and the accompanying ministerial and business delegation in Mumbai on 21 August.

Mr Syamal Gupta, Chairman, Tata International Ltd, who chaired this meeting, announced that CII and the Federation of Nepalese Chambers of Commerce and Industry (FNCCI) have identified new areas for future cooperation such as energy audit and energy conservation, medium and small industry development and promoting new entrepreneurs.

Mr Arun Chaudhary, President, Nepal - India Chamber of Commerce and Industry highlighted the investment opportunities in Nepal and said that the situation is not as bad as it is projected.

The Prime Minister of Nepal said his government has already framed the structure for a Board of Investment, which would facilitate foreign investments. The Joint Task Force set up by CII and FNCCI has come up with practical recommendations to promote economic cooperation in various areas, he added.

United Kingdom

IBF - UK Meets Mr Ajay Shankar



In an hour packed with intense discussions, the India Business Forum-UK met with Mr Ajay Shankar,

Secretary, Industry, India, on 10 August in London, to understand the latest policy decisions and the working of India's Ministry of Industry.



Asoke Mukerji, Acting High Commissioner of India to the UK; Ajay Shankar, Secretary, Industry, India; Jonathan Morris, Partner, BLP Law; S R Sharma, CEO, Punjab National Bank UK, and N K Madan, MD, IIFC, UK

Mr Shankar said that from 2003-2007, India's growth surprised everyone, including itself. Even in 2008-2009, India still managed to grow at 6.7%, he said. Today India gets US\$ 2 Bn FDI per month as against 2 Bn FDI annually in 2002. That is a quantum leap. Citing an example, Mr Shankar said that Toyota has closed all expansion plans except in India. India remains an attractive FDI destination, he stressed.

Yes, due to the global downturn, Indian exports have also been affected, though not as seriously as the rest of the world, he conceded, pointing out that exports are still growing at 20-22 % in the car exports sector.

Addressing the questions raised by the heads of Indian companies in the UK, Mr Shankar said that India today is far more confident and optimistic about future. The government's domestic stimulus package was well received by Indian industry and has shown results, with many corporates registering profits.

Discussing the importance of PPP in the development of infrastructure and services, Mr Shankar spoke about two new initiatives of the Government of India : The National Rural Health Initiative, and the National Skills Development Council. The latter is a PPP of the Government and the private sector, with CII being given the responsibility of running the initiative.

Mr Shankar said the UK is one of India's strongest economic partners and will continue to remain so. Indian Investment in the UK is large and growing and the Indian government would like to see it grow further and play a larger role in the UK as well as the EU, said the Secretary.

The session was chaired by Mr Asoke Mukherji, Acting High Commissioner of India.

At the UK-India Business Council

As part of the day-long programme organised by CII, Mr Ajay Shankar met with the Board members of the UK-India Business Council (UKIBC) to discuss India-UK investment opportunities.

Mr Shankar presented a comprehensive overview of the investment opportunities available in the backdrop of the growing needs of the Indian economy. The discussions covered opportunities in infrastructure including healthcare infrastructure, and the agri sector, including retail supply



M P Gavai, Minister Political, High Commission of India, UK; Anwar Hasan, Director Tata Ltd; Suresh Kalmadi, Chairman, Organising Committee Commonwealth Games 2010; Mike Fennell, President, Commonwealth Games Federation; Sharon Bamford, CEO, UKIBC and Andy Scott, Director International and UK Operations, Confederation of British Industry

chain management systems, where the UK can play a large role. It was pointed out that the UK has expertise in the financial sector, education and retail supply chain management as well as PPP models, which India can take advantage of.

The meeting was chaired by Mrs Sharon Bamford, Chief Executive Officer, UKIBC.

Launch of the Business Club India

The Business Club India was launched in London on 19 August, at an interactive session with Mr. Suresh Kalmadi, Chairman, Organising Committee Commonwealth Games 2010. The meeting was attended by key business associations of UK and CEOs of important British and Indian companies. The interactive session was followed by a press conference.

Mr Kalmadi presented the various opportunities for Business to invest in during the Games and for the preparation of the Games. He also invited the business community in UK to participate in the Baton Relay in London, scheduled to take place in October 2009.

A detailed presentation was made by Mr T S Darbari, Joint Director General, Organising Committee, XIX Commonwealth Games, 2010. The session was chaired by Mr Anwar Hasan, Member CII-IBF-UK and Director, Tata Ltd. Mr Mike Fennell, President, Commonwealth Games Federation; Ms Sharon Bamford, CEO, UKIBC, and Mr Andy Scott, Director International and UK Operations, Confederation of British Industry, Mr M P Gavai, Minister Political, High Commission of India , and Ms Ruchira Kamboj, Deputy Head, Office of the Secretary General, Commonwealth Secretariat, also addressed the session.

Key business associations of UK including CBI, UKIBC and CBC; members of CII-IBF-UK; officials of the Commonwealth Secretariat and the Indian High Commission, companies having an interest in sporting events; sponsors of sporting events and service providers, among others, participated in the session.

United States of America

Session on 'India-US Trade and Investments'



Amb Demetrios Marantis, ----- and Sunil Kant Munjal, Past President, CII, and Chairman, Hero Mindmine

Ambassador Demetrios Marantis, Deputy US Trade Representative addressed a Session on 'India-US Trade and Investments' organised by CII on 12 August in New Delhi. The India-US relationship has been re-energised by Ms 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 US \$105 billion and supported over 300,000 thousand jobs from 2004 – 2007, according to a recent IBEF report on 'Contribution of Indian Industry to the US Economy.'

Amb Marantis observed that both economies would become 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.

Building on the interaction of Amb Ron Kirk, United States Trade Representative (USTR) and Mr Anand Sharma, Minister for Commerce and Industry, India, recently in Washington DC, Amb Marantis emphasised that collaboration between the private sectors of both countries is critical to take forward the dialogue. Participants at the session identified sports, healthcare, and infrastructure as areas which could see strong bilateral cooperation in addition to education, healthcare and energy.

Post the session, Amb Marantis visited Apollo Hospital in New Delhi to better understand the 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, briefed Amb Marantis 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. The interaction with Amb Marantis laid a solid framework

for the upcoming visit of Amb Ron Kirk, USTR, by identifying key issues and prospects to further the bilateral economic relationship.

Life Sciences Working Group Meeting

CII participated in a Public Private Meeting of the India-US High Technology Cooperation Group organised under the Biotechnology and Life Sciences Working Group. Ms Gaitri Kumar, Joint Secretary, Ministry of External Affairs, 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.

President Obama greets India on its Independence Day

US President Barack Obama has greeted the people of India on 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," Mr 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, and sent to the Indian government President 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.

Mr 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," he said

The US President echoed the words of the Mr Jawaharlal Nehru's historic 'tryst with destiny,' speech, mentioned the 1857 war of independence, the freedom movement under Mahatma Gandhi and the country's all-round development after independence.

The US 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."

He was also impressed by the country's entertainment industry. "In 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 Prime Minister Nehru described and the bright future it continues to portend for the people of India," Mr Obama said.

US Economy Watch

- US Gross Domestic Product: Real GDP, the output of goods and services produced by labor and property located in the United States — decreased at an annual rate of 1 percent in Q2 2009. Also, profits from current production increased \$67.6 billion in Q2 versus with an increase of \$59.1 billion in the first quarter.
- US international trade deficit: June exports and imports resulted in a goods and services deficit of \$27 billion, up from \$26 billion in May, revised. Both exports and imports were more than in May.
- US International Investment: 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.

Bilateral Update

- Bilateral Aviation Safety Agreement: India and USA are working on a Bilateral Aviation Safety Agreement 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.
- Replacement for H-1B proposed: 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.

Corporate Watch

- Harley plans foray: 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.
- HCL expands US presence: HCL is investing in the 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.
- India Inc buys 143 US companies: During the last two years, Indian companies acquired 143 US firms across various sectors. While 94 deals were concluded in 2007-08, even 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 buyers in sectors such as IT & ITeS, manufacturing and pharmaceuticals.

East

Chhattisgarh

Powering Chhattisgarh

22 August; Raipur



Conference on 'Powering Chhattisgarh'

The conference on 'Powering Chhattisgarh' was inaugurated by Mr P Joy Oommen, Chief Secretary, Chhattisgarh. Mr Aman Kumar Singh, Special Secretary, Energy, Chhattisgarh, and Mr Manoj Dey, Chairman, CSERC also participated in the conference.

Jharkhand

Enhancing Effectiveness at Work & Beyond

6 August; Jamshedpur

'Enhancing Effectiveness at Work and Beyond' was an intensive workshop in Self Development with a view to expand people's potential for personal and organizational effectiveness. Prof Durga Dutt Pathak, an Alumni of XLRI, with working experience at Tata Steel for over three decades was the faculty for this workshop.

Water Management

17 August; Jamshedpur

Industry is a major consumer of water (about 8%) second only to agriculture. With industrial water consumption s estimated to double in the next two decades, CII Jharkhand organised a training programme on Water Management and Waste Water Treatment.

Food Processing Policy of Bihar

30 August; Ranchi

The Government of Bihar has recently launched its Food Processing Policy. To invite investors and entrepreneurs to explore agri-business opportunities in this sector in Bihar, a road show was organised in Ranchi.



At the Road Show on Food Processing Policy of Bihar

Orissa

ISO 9001: 2008 Internal Auditor Training

6 – 7 August; Bhubaneswar

A training programme on ISO 9001:2008 Internal Auditor Training was held to enable the participants to understand the ISO 9001:2008 requirements and build knowledge and skills for conducting a QMS audit.

Environment, Safety & Health Award

7 August; Bhubaneswar



ESH award- winning team of OPGC

Orissa Power Generation Company was declared the winner at the 5th state-level competition on 'Best Practices in Environment, Safety & Health'.

Municipal Solid Waste Management

20 August; Bhubaneswar

The CII – ITC Centre of Excellence in Sustainable Development, in collaboration with the Ministry of Environment and Forests, organised an interactive session on Municipal Solid Waste Management –

Finding Opportunities from Waste. The session was held to increase awareness on the issues, challenges and opportunities in municipal solid waste management, and to identify suitable options in terms of both technology and financing for municipal solid waste management.

Interaction with Secretary, Industries

21 August; Bhubaneswar

An interactive session with Mr. S Garg, Secretary, Industries, Orissa, invited suggestions for the adoption of ITIs, and the establishment of ICTs. The session was also attended by Mr. V V Yadav, Director, Technical Industries, Orissa.

Hazardous Waste Rules



Dr Saroj, Director, Union Ministry of Environment & Forests

21 August; Bhubaneswar

The CII – ITC Centre of Excellence for Sustainable Development, in collaboration with the Ministry of Environment and Forests, conducted a workshop to clarify and increase understanding of the Hazardous Waste Rules 2008, and their impact on businesses.

Power Mart

27 August; Balasore

Mr. Manish Verma, Collector & District Magistrate, Balasore, was the Chief Guest a seminar on 'Power Mart'.

West Bengal

Green Building Mission

1 August; Siliguri

CII North Bengal Zonal Council in association with the Indian Green Building Council organized the Green Building Mission – Defining the way forward. The session was attended by participants from West Bengal, Sikkim and Bhutan.

ICT East 2009

5 – 6 August; Kolkata

Dr. Debesh Das, Minister, IT, West Bengal, was the Chief Guest at ICT East 2009. Mr Siddharth, Principal Secretary, IT, West Bengal, and Dr. Ganesh Natarajan, Chairman, CII National IT/ITES/ E-Commerce Committee, and Vice Chairman & CEO, Zensar Technologies, were also present.

The Minister released a CII Discussion Paper titled 'West Bengal ICT Sector – Current Status and Way Forward.'



ICT East 2009 in Kolkata

Supply Chain Management

6 August; Kharagpur

CII Haldia Zonal Office organised a workshop on Supply Chain Management to provide a detail understanding of the subject especially in manufacturing, services, etc and to improve the overall performance of industry.

Trade with Thailand

17 August; Kolkata



Manop Mekprayoonthong, Consul General, Royal Thai Consulate General, Kiat Sittheeamorn, President, Thailand Trade Representative, Kurush Grant, Deputy Chairman, CII (ER) and Dr Saugat Mukherjee, Regional Director, CII (ER)

CII Eastern Region organised an interactive session with Mr. Kiat Sittheeamorn, President, Thailand Trade Representative, who is equal in status to the Deputy Prime Minister of Thailand. Mr Manop Mekprayoonthong, Consul General, Royal Thai Consulate General and Mr Kurush N Grant, Deputy Chairman, CII Eastern Region also addressed the gathering.

Opportunities with Denmark

19 August; Kolkata

India's bilateral trade with Denmark accumulates to approximately US \$ 1.2 billion. An interactive session with Mr Peter Sand, Commercial Counsellor, Head of Commercial Department, Embassy of Denmark, New

Delhi, India, explored the potential business opportunities of India with Denmark.

CII – IIFT Symposium on Trade & Logistics

26 August; Kolkata

CII, in association with Indian Institute of Foreign Trade (IIFT), organized a National Symposium on Trade & Logistics. The symposium had sessions on the bullion market, the potential of realty in the target of 5% share in world trade by 2020 and the innovations required in supply chain and logistics to propel India onto the global map.

Prevention of Swine Flu

27 August; Kolkata

According to WHO, the full pathogenic potential of Swine Flu is yet to unfold. Since awareness is the most effective antidote for this highly contagious illness, a session on 'Prevention of Swine Flu in home and workplace' was held in Kolkata.

Deciphering the New Direct Tax Code

27 August; Kolkata

The Government of India released the Direct Tax Code Bill and the Discussion Paper on the Bill on 12 August.



A J Majumdar, Advisor, Tax Policy Advisory Group, and Ajit Krishnan, Partner - Tax & Regulatory Services, Ernst & Young India

CII Eastern Region, in association with Ernst & Young, organized a seminar to evaluate the implications of the proposed Direct Tax Code.

HR Best Practices Mission

28 August; Kolkata

An HR Best Practices MSME Mission visited Wipro Infotech Ltd. To update the HR executives of these companies on the Best Practices followed by Wipro, and provide mentoring to them on the HR function and its importance in an organisation.

North

Chandigarh

Opportunities with Nordic Markets

4 August; Chandigarh

At a business seminar on 'Opportunities with Nordic Markets' Mr Morten Deudahl, Director – Business Development, Copenhagen Capacity, made a lucid presentation on Copenhagen - Gateway to Scandinavia and Northern Europe. Scandinavia is an attractive market and one of the wealthiest regions in the world, with an easy and flexible environment, labour flexibility, high team performance and cross-functional orientation, making it easy to establish business there, he said.

WAH ! Chandigarh

13 August; Chandigarh



Convention on Wah! Chandigarh

A 3 month long campaign celebrating the spirit of Chandigarh, a joint initiative of CII and UT Administration, kicked off on a high note with the 'Convention on WAH! Chandigarh' receiving a huge response among the citizens of Chandigarh. Gen (Retd) Dr S F Rodrigues, PVSM, VSM, Governor, Punjab & Administrator, U.T. Chandigarh, delivered the special address during the special plenary on 'Making Chandigarh the Civic Capital of India.'

Gen. Rodrigues honoured three eminent citizens for their contribution to Chandigarh: Mr Nek Chand, Creator of the Rock Garden, Mr D.P. Azad, eminent Cricket Coach and Mr Jaspal Bhatti, Satirist and Actor.

Mr Harpal Singh, Chairman CII Northern Region said, "Chandigarh has always been a nurturing, tolerant and vibrant city and the credit for this goes to the education sector. Now the city must move forward and be a 'Go Giver,' reaching out to those not so privileged.

Haryana

Water Management

A training programme on Water Management highlighted the importance of industrial water management, water audit, zero water discharge and promotion of water efficient devices.

Punjab

Interaction with Manish Tewari, MP

8 August: Ludhiana

At an interaction with CII members, Mr Manish Tewari, Member of Parliament from Ludhiana outlined his priorities and plans for Punjab and promised full support to CII's initiatives such as traffic management, urban & industrial infrastructure, etc. He also launched the posters of the CII-Punjab AIDS Control Society's HIV/AIDS Helpline.

QC Preliminaries Competition

24 August: Ludhiana

Thirteen teams from various industries in the Northern Region participated in the 22nd Preliminaries Quality Circle Competition in Ludhiana. The winning teams were from Bharat Electronics Ltd, Kotdwara, Secure Meters Ltd, Bated, and Motherson Sumi Systems Ltd, Gurgaon.

Western UP

Tree Planting Initiative

8 August, Noida

CII and Steria, in association with WWF, organized a tree plantation drive at Kanya Inter College Bhangel, Noida. The programme introduced the 'Adopt a tree initiative' where a person does not merely plant a tree and abandon it, but takes care of it till it is fully grown. Over 75 students from the college and volunteers from CII, Steria and WWF participated in the Drive.

Water Management

11 August: Noida

To create awareness on water conservation in all establishments using water, including industries, commercial buildings and domestic users, a training programme covered the latest trends, techniques and the best practices in Water Management and equipped the participants to adopt water conservation measures in their industry.

Uttarakhand

CII Meets Chief Minister

7 August: Dehradun

A CII delegation called on Dr Ramesh Pokhriyal Nishank, Chief Minister of Uttarakhand, to apprise him of CII's activities for the coming year, and seek his views and guidance on how CII could contribute better to the overall development of the State. The delegation was led by Mr Rakesh Oberai, Chairman CII Uttarakhand State Council.



Dr Ramesh Pokhriyal Nishank, Chief Minister, Uttarakhand, with Rakesh Oberai, Chairman CII Uttarakhand State Council

Mr Oberai also led a delegation to meet Mr Madan Kaushik, Minister Tourism, Uttarakhand, on 6 August. The Minister appreciated CII's work in the state and emphasized on the need to generate self employment by imparting skill based training to the local youth.

Initiatives

EduSummit'09

27 August: Chandigarh



At EduSummit'09

Eminent academicians, policy makers and corporate leaders called for empowerment, innovative thinking and multi stake-holder partnerships as critical enablers for a paradigm shift in Indian Education. Participating in Edusummit' 09, organised by CII in association with Panjab University, they underlined the need for a multi-pronged approach to address the issues confronting the system in an integrated manner.

Prof Yash Pal, Chairman, Committee on Renovation and Rejuvenation of Indian Higher Education, Union Ministry of HRD, delivered a passionate keynote address to "empower the universities and create an unfettered environment for the youth to grow, innovate and think

differently.” He also elaborated on the recommendations to the National Commission for Higher Education and Research Committee Report.

Prof R C Sobti, Conference Chairman and Vice Chancellor, Panjab University, made some radical recommendations to improve the education system.

Nanhi Chhaan Project

Chandigarh: 27 August

Under the aegis of Nanhi Chhaan Project, the CII-Yi Nanhi Chhaan Scholarships will benefit deserving underprivileged girls of Std IX for the year 2009-10. To start with, CII will support 20 under-privileged girls studying in Government schools by way of this scholarship for the year 2009-10. Needless to say, the sponsorship would continue for next year as well.

To mark the launch of the Project, saplings were planted

in the CII premises by differently-abled girls. Saplings were also distributed to the principals/representatives of over 25 schools present on the occasion for plantation in their premises.

Indian Investment in Ireland

17 August: Chandigarh

Mr Kenneth Thompson, Ambassador of Ireland to India, invited business investment partnership with Ireland at an interaction with CII members. Ireland provides an enabling environment for Indian business and is a good gateway to enter European industry, he added.

Ms Minakshi Batra, Director-India, IDA Ireland, explained that IDA is a primary government agency with responsibility for the promotion of foreign direct investment into Ireland.

South

Suminfra 2009

6 – 7 August: Chennai



Suminfra 2009, Chennai

The 7th edition of Suminfra 2009, supported by the Government of Tamil Nadu, unveiled opportunities for industry in infrastructure development in the Southern Region. The conference highlighted the risk perceptions and concerns of industry which need to be addressed; helped financial institutions understand critical issues related to Infrastructure projects and showcased private sector experiences with PPPs in Infrastructure.

SME Cluster – II Kick-Off

20 August: Puducherry

The kick-off was held to improve the internal competitiveness of cluster members in Puducherry. The participants were also given training on 5S.



R Varadaraj, COO
Rajshree Sugars and
Chemicals Pvt Ltd

COO Speak Series

22 August: Coimbatore

The COO Speak series for the year began with a talk by Mr. R Varadaraj, COO, Rajshree Sugars and Chemicals Pvt. Ltd on Climate Change and Carbon Credits. Mr Varadaraj also highlighted the concept

of Clean Development Mechanism. The session included an interactive round with students who were eager to know about career opportunities in environment management.

Green Brigade Advocacy

25 August: Chennai



Mayor M Subramaniam releasing the series of Conservation posters

The Green Brigade initiative was launched at Loyola College to involve the student community and young professionals in conserving natural resources. Posters on conserving energy, land, water and reducing air and noise pollution were released.

New Direct Tax Code

26 August: Chennai

The session was organized in partnership with Ernst & Young to create awareness on the various aspects of the new Direct Tax Code, its implications on the economy, industry and the individual, and to seek experts' opinion on issues affecting the corporate sector.

The three technical sessions discussed Business and

Corporate Taxation, Withholding Tax and Non-Resident Taxation, Financial Services and Personal Tax.

Utilization of Ground Water Resources

26 August: Hyderabad

28 August: Chennai

Organised in cooperation with Central Ground Water Authority and the Central Ground Water Board, the workshops sensitized industry on sustainable regulation and management of ground water resources. Best practices in water management were shared by Coca Cola and Ford India.

Webinars

To update membership with the latest tools and techniques on industrial competitiveness, information about various policy initiatives, information about emerging markets for business development, etc, CII Southern Region launched an online platform for membership engagement, conducting a series of webinars on relevant topics. Webinars are web-cast live from the Regional Headquarters to be viewed live via the Internet by participants across the Region.

Eight sessions have been organised so far, covering topics such as Total Cost Management, Climate Change & Carbon Credit, Labour Legislations, Union Budget 2009-10: An Analysis, Defence Offset Policy: Opportunities for Indian Industry, Business Excellence, HR Excellence, and H1N1 (Swine Flu).

More than 200 members across the region have benefited from these webinars.

Andhra Pradesh

MAN'EXE 2009

5 August: Hyderabad



At Man'exe 2009 in Hyderabad

With the theme of 'Business Growth Strategies in the Economic Downturn', the conference focused on an innovative response to the dominant concern; perspective of the financial sector in facing the downturn and HR interventions during the downturn.

Mr Kanna Lakshmi Narayana, Minister for Major Industries, Andhra Pradesh, and Dr P V Ramesh, Commissioner of Industries, Andhra Pradesh, addressed the conference.

Ties with Indonesia

13 August: Hyderabad



Visit of Andi Ghalib, Ambassador of Indonesia

During his visit to Hyderabad, Mr Andi Ghalib, Ambassador of Indonesia, met Mr Y Harish Chandra Prasad, Chairman, CII Andhra Pradesh, to understand and explore the investment opportunities in Andhra Pradesh and formulate a plan to deepen India-Indonesia commercial ties. Mr. Prasad also briefed the Ambassador about CII and its activities.

Karnataka

Interaction on Service Tax

20 August: Bangalore

Mr Subhash Chander, Chief Commissioner of Excise, Bangalore Zone, addressed members' queries on Service Tax at an interactive session.

Achieving Business Growth for SMEs

26-27 August: Bangalore

The workshop aimed to help SMEs achieve growth by developing the optimal marketing, customer orientation and product and price mix. The topics covered were Diversification and Scanning of Environment, Marketing for SMEs, Concept of Working Capital and Basics of Costing, Pricing Strategy, Product Mix for Maximum Contribution, Balance Sheet Analysis and Funds Flow & Ratio Analysis.

Urban Governance & Women Empowerment

28 August: Bangalore

The Women Business Leaders Forum organised an interactive session to address issues of infrastructure such as security, roads and transportation, electronic and virtual working options etc. Ms Abi Sekimitsu, Editor, Reuters, Bangalore, moderated the session.

Session for Corporate Volunteers

27 August: Bangalore

This session aimed at training key managers in organizations to drive corporate volunteering amongst their colleagues through understanding the tasks and challenges that NGOs face. The session was organised with the support of iVolunteer.

Session on Disability Issues

28 August: Bangalore

An interactive session with management students of the Xavier School of Management and Entrepreneurship (XIME) sensitized them to the disability aspect of diversity that has still not found its way into the management education curriculum. Speakers from Enable India and MphasiS shared the practices adopted by their companies and emphasized that the disabled should be recognized like other candidates without attaching 'special' expectations to them.

Kerala

Interactive Session on Flanders

3 August: Kochi

The session was organized to explore the possibilities of doing business with Belgium.

International Financial Reporting Standards

26 August: Kochi



Seminar on International Financial Reporting Standards in Kochi

The seminar, with Ernst & Young as the Knowledge Partner, helped to increase awareness on this important development while guiding industry on the steps involved in the adoption of IFRS, the impact of IFRS on businesses and other related aspects.

Cost Reduction by Kobetsu Kaizen

26 August: Kochi

The seminar presented a correct understanding of what is loss, the 16 types of losses under TPM, and explained a structured approach for eliminating / minimizing cost related losses by using the loss-cost tree. It also covered the methodology for calculating Overall Equipment Efficiency (OEE).

Puducherry

Globalization of Grass Root Enterprises

21 August: Puducherry

The session was conducted to explore innovative approaches and new business models for linking domestic and international consumer markets with

rural enterprises and communities. Mr T C Venkat Subramanian, Chairman and Managing Director, Export-Import Bank of India was the chief guest. The session also included sharing of best practices.

FinExe 2009

27 August: Puducherry

The programme focused on MSME financing to enhance the participants' capabilities in providing better consultancy and mentoring services. Senior officials from Bank of India, SIDBI, Indian Bank, Bank of India, MSME Development Institute, ECGC, DGFT, CRISIL, PIPDIC, Dept. of Industries & Commerce, and Chartered Accountants and Tax Consultants were the resource persons.

Tamil Nadu

Study Mission on People - Next Practices

20 & 21 August: Bengaluru

The two day learning mission enabled the participants to learn from the HR business excellence models and best practices followed by Infosys, Symphony, Bosch and Toyoda Kirloskar. The key learnings included the use of Bell Curve, methods to meet training needs, CSR structure and different recruitment methods in each organization.

Managing Swine Flu

21 August: Chennai

Simple preventive measures such as rinsing hands with liquid soap, using disposable toiletries, and ventilating air conditioned rooms at the start or end of each working day, were some of the suggestions given by Dr U V Ramakrishnan, Senior Chest Physician, Voluntary Health Services, at a session organized to help member companies control the spread of this epidemic.

Zones & Districts

Chennai

SAFE Chennai – A Round Table

21 August: Chennai

Coinciding with Chennai Formation Day, a round table on SAFE Chennai was held to Sensitize people on the importance of safety, Advocate awareness, Facilitate and maintain resources to ensure security, and Execute security measures.

Mr K Pradeep Jain, Director General of Police, Tamil Nadu, sought CII's help in setting up institutes for training security personnel in Tamil Nadu. Mr V K Subburaj, Principal Secretary, Health and Family Welfare, Tamil Nadu, spoke on the arrangements the state has made to tackle Swine Flu.



Narayanan Ramaswamy, Executive Director, KPMG Advisory Services Pvt Ltd; Gayathri Sriram, Chairperson CII Chennai Zone, K P Jain, DGP, and Commodore (Retd) S Shekhar, Coordinator, Safe Chennai Steering Committee

Key representatives of five sectors: Industry, Education, Healthcare, Transportation and Hospitality, presented their perception of Safety, followed by open house discussions with the participants divided into five interest groups. The discussions were then consolidated by KPMG Advisory Services and were presented as recommendations to Mr Jain.

Coimbatore

Rejuvenation of Higher Education

6 August: Coimbatore

Prof R Natarajan, former Chairman, AICTE, and former Director, IIT Madras, made a detailed presentation on the recent policy formulations and pronouncements relating to education which include the National Knowledge Commission recommendations to ensure every child an equal opportunity to higher education. He spoke of the 5 key areas in NKC's mandate related to Access, Concepts, Creation, Applications and Services; on how to build a knowledge society from these perspectives.

Prof S Subramanian, Advisor, Sri Krishna College of Engineering and Technology, and former Vice Chancellor, Bharathiar University, spoke about the recommendations like the creation of 1500 universities in the nation. He suggested a change in the system of regulation for higher education.

Issues in Direct Taxation

11 August: Coimbatore

Mr Sriram Seshadri, Director, BMR & Associates, discussed important aspects relating to the current position in Tax Laws concerning deductibility of foreign exchange losses, deductibility of bad debts, incentives available for SEZ developers / units under section 10AA / 80IAB, etc.

Innovation and Entrepreneurship

17 August: Coimbatore

Focusing on innovation as a milestone in India's road

ahead, the workshop was held to motivate, publicize and showcase innovation in Tamil Nadu. Mr R Ramaraj, President, The Indus Entrepreneurs - Chennai Chapter and Ms Hemu Ramaiah, Managing Director, Shop 4 Solutions, addressed the gathering.

International Accreditation for B-Schools

24 August: Coimbatore



Workshop on International Accreditation for Business Schools

The workshop promoted in-depth awareness of international accreditation, hands on experience of the self-assessment process and networking with international accreditation experts. Mr Douglas Viehland, Executive Director, Association of Collegiate Business Schools and Programs, USA, and Mr Bijoy Sahoo, Dean, School of Business, North Carolina Central University, Durham, USA, gave an overview of international accreditation.

Erode

Education Excellence for Schools

12 August: Erode

Mr K K Balusamy, Correspondent & President, Hindu Kalvi Nilayam, urged corporate institutions to set up schools and colleges. The session discussed the role of TQM in education.

Best Manufacturing Practices Mission

19 August: Erode

A study mission visited SRF Ltd & Rane TRW Steering Systems Ltd to help members understand the various latest technologies followed by member companies.

PF Regulations

25 August: Erode

CII Erode District organized an Interactive Session with Mr Andrew Prabhu, Regional Provident Fund Commissioner, to update members on the latest amendments to the P F Regulations.

Karur

How to Become a Successful Vendor

3 August: Karur

Mr P Parthasarthy, Deputy General Manager, Ashok Leyland Ltd, Hosur, made a presentation on Requirements of Successful Vendors. Presentations were also made on Bus Body Design and Development, Registration in Central Excise and ISO 9000 Certification.

Trichy

Innovation & Entrepreneurship

18 August: Trichy

The workshop showcased innovation in Tamil Nadu in an effort to develop entrepreneurial talent among students. Mr Satya Prabhakaran CEO, Sulekha.com, and Mr SatyaNarayana, Head - Marketing & Marketing Communications Varsity Chennai Business School shared their success stories as entrepreneurs.

Madurai

Preventive Health Care

1 & 2 August: Madurai



Medical Camp in Madurai

Organized with Apollo Specialty Hospitals & Honeywell Technologies Solutions Lab, the medical camps at T.Vaiyathan and Karumpalai vVillages helped create awareness about preventive healthcare among the villagers.

TPM Mission

20 August: Madurai

A CII Mission visited Sundram Fasteners Limited & TVS Srichakra Ltd to understand their TPM practices and success stories.

Meeting with Mr M K Azhagiri

20 August: Madurai

A CII delegation called on Mr M K Azhagiri, Union Minister for Chemicals & Fertilizers, to appraise him on the status of the Aero Park and Defence Park being planned for the Southern Districts of Tamil Nadu. The delegation was led by Mr C K Ranganathan, Chairman, CII Tamil Nadu State Council, and Chairman & Managing Director, CavinKare Ltd, and Dr Aravind Srinivasan, Vice Chairman, CII Madurai Zone.



M K Azhagiri, Union Minister for Chemicals & Fertilizers, with CII members

FinExe 2009

21 August: Madurai

FinExe 2009, an MSME Finance Marketplace Initiative has been launched in the Southern Region to provide value added service to its MSME members on finance-related matters.

Finexe in Madurai helped member companies to gain information on various schemes of the Government of Tamil Nadu. The fair was attended by representatives of the State Bank of India, Export Credit Guarantee Corporation of India, Director General of Foreign Trade, District Industries Centre, tax consultants and also law firms based in Madurai.

Faculty Development Programme

24 August: Madurai

Organized in collaboration with Honeywell India Ltd the training programme was conducted for faculty of engineering colleges to update them on recent trends in the IT field and help them to make their students industry ready. The programme focused on software development processes, object-oriented programming practices and soft skills.

Mysore

Commercial Skills for Supervisors

12 August: Mysore

Organized in association with Mysore Industries Association (MIA), the seminar focused on Taxation – Customs, Central Excise, Service Tax, CST, VAT, Contracts and Negotiation; Incoterms; Marketing Scenario; Pricing (Domestic); Service and Warranty; Repair and Reconditioning.

Visakhapatnam & Vijayawada

Sustainable Development

14 August: Vijayawada

The workshop was conducted to facilitate industries to continuously improve their energy efficiency levels towards achieving world - class levels.

West

Gujarat

Central Gujarat Zonal Members Meet

1 August: Vadodara



Central Gujarat Zonal Members' Meet

Dr Naushad Forbes, Chairman, CII (WR) and Director, Forbes Marshal Pvt Ltd, described CII's work in policy reforms. He also briefed the members about CII's higher education initiative. Mr Atul Garg, Chairman, CII Central Gujarat Zonal Council, spoke about CII's initiatives for membership value addition.

CEO Network Series: Innovation

1 August: Vadodara

Dr Naushad Forbes, Chairman, CII WR and Director, Forbes Marshal Pvt Ltd, spoke on the role of innovation in sustaining business growth. Dr Forbes analyzed the value chain of innovation and shared a holistic global perspective on innovation in sustaining business processes and maximizing the stakeholders' value.



Dr Naushad Forbes, Chairman, CII WR and Director, Forbes Marshal Pvt Ltd

Contract Management

1 August: Vadodara

The workshop focused on understanding different critical aspects of contract formulation and negotiation with specific reference to the cross-boarder JVs and commercial ventures.

Powering Growth

4 August, Ahmedabad

The seminar discussed issues relating to powering growth, such as raising capital, conserving cash optimally, retaining talent and customers, geo-expansion, acquiring new clients, remodeling business portfolios, mergers and acquisitions, etc.

Launch of CII IT Cluster

6 August: Vadodara

The IT cluster will provide inputs and handholding support to 8 user industries in Vadodara for streamlining their IT

infrastructure. The cluster, from mid-September onwards, will, for the period of a year, help the participating companies systematize their IT architecture and prepare roadmaps for leveraging their IT investments.

Manufacturing the Toyota Way

8 August: Vadodara

The session presented the Toyota Way and Toyota Production System in a customized manner for the SME environment.

Promotion of Techno-entrepreneurship

8 August: Vasad

CII organised an interactive session with final year students of SVIT, Vasad, a reputed engineering college in central Gujarat to sensitize them about technology entrepreneurship as a career option.

New Competition Policy

18 August: Vadodara



Tapan Patel, Vice Chairman, CII Central Gujarat Zone, R Prasad Member, Competition Council of India, and Atul Garg, Chairman, CII Central Gujarat Zone

Mr R Prasad, Member, Competition Council of India, told members from Central Gujarat region about the nuances and possible implications of the New Competition Policy, 2002, which would be executed by Competition Council of India.

Effective Managerial Skills

21-22 August: Vadodara

The session, through a series of management games and role play, honed the leadership and communication skills of the participants for effective multi-tasking and work delegation.

Cloud Computing

24 August: Vadodara

Mr Atul Garg, Chief Operating Officer, Inteq India IT Services Pvt Ltd, made a comprehensive presentation on cloud computing as a path breaking technology solution for information consolidation. He also outlined the entrepreneurial opportunities in cloud computing given the vast technological resource pool available in India.

Green Business Opportunities

27 August, Ahmedabad

The seminar advocated the development, commercialization and global adoption of clean technologies and sustainable industry practices.

Direct Tax Code

29 August: Ahmedabad

The Seminar described the benefits of the new Direct Tax Code such as consolidation of all the compliance requirements for the taxpayer, which in turn would reduce compliance costs and efforts. The Seminar also discussed various provisions and recent amendments on Service Tax.

Madhya Pradesh

Members Meet

7 August: Indore

Dr Naushad Forbes, Chairman, CII Western Region, Mr B S Khargonkar, Chairman, and Mr Uttam Ganguly, Vice Chairman, CII MP State Council, interacted with members during the meet.

Secretary, MSME visits Chhindwara Centre

14 August: Chhindwara

Mr Dinesh Rai, Secretary, MSME, Government of India, visited the CII National Centre of Excellence for Skill Development, and appreciated the unique initiative being taken by CII and the efforts put in by the participating companies for skill development.



Kenneth Thompson, Ambassador of Ireland

Invest In Ireland

21 August: Indore

In an exclusive interaction with CII members, Mr Kenneth Thompson, Ambassador of Ireland to India and officials of IDA Ireland discussed

opportunities for bilateral trade between companies in Madhya Pradesh and

Ireland. The session also described the investment scenario in Ireland and how Indian business communities can, through engagement with the Irish Government, strengthen their European footprint.



Kailash Vijayvargiya, Minister for Commerce & Industry, Madhya Pradesh

Water Management and Conservation

22 August: Indore

Mr Kailash Vijayvargiya, Minister for Commerce & Industry, Madhya Pradesh, addressed the conference to discuss achievable plans for water management.

Open Session on Service Tax

28 August: Jabalpur



Ashok Kapur, Director, Narmada Gelatines Pvt Ltd and A K Agnihotri, Commissioner, Customs & Central Excise, Bhopal

Representatives from trade and industry had a dialogue with Mr A K Agnihotri, Commissioner, Customs & Central Excise, Bhopal, to understand the various definitions and provisions of Service Tax and also to discuss the various issues being faced by industries in this regard.

Maharashtra

VI batch of CII-Symbiosis Finishing School

1 August: Pune



At the launch of the 6th batch of the CII-Symbiosis Finishing School

Mr. Satish Sekhri, Managing Director, Bosch Chassis Systems India Ltd, Mr Suhas Baxi, Vice Chairman, CII Pune Zone, and Managing Director, Demag Cranes & Components, and Mr Shirish Sahasrabudhe, Director, ELTIS & SIFIL, participated in the launch of the 6th batch of the CII-Symbiosis Finishing School programme. Bosch Chassis Systems India Ltd has sponsored this batch.

Industrial visit to Silvassa

2 August: Silvassa

The visit exposed the students to the operations of various industries across sectors: Alok Industries for Textiles, Nilkamal Industries for Plastic Furniture, Sudhir Gensets for Generators and Nissan Copper for Metals.

Taking Advantage of the New Economy

Pune: 11 August

The new economy is not only presenting challenges but also opportunities for looking at business from new perspectives, said speakers at the conference.



Session on the New Economy

Vidarbha MSME Meet

Nagpur: 12 August

The event was addressed, among others, by Ms Malini Shankar Development Commissioner Industry, Maharashtra, Mr Salil Singhal, Chairman, CII MSME National Council, and Mr K Nandakumar, CII WR MSME Sub Committee). The sessions touched on Banking and Finance, Empowerment of SMEs and Exports from the Vidarbha Region.

Energy Management

17 - 18 August: Mumbai

The workshop covered various topics such as energy audits, motors, electrical distribution, centrifugal pumps, fans and blowers, air compressors, refrigeration and air conditioning, boilers and steam systems, furnaces and kilns, lighting, miscellaneous energy conservation projects, role of energy manager, etc.

Cost Leadership: Discrete Manufacturing

17-18 August: Nashik

The participating companies, Mahindra Vehicle Mfrs Ltd, Atlas Copco, Praj Industries, VIP Industries and Enercon India Ltd, made presentations on their cost reduction initiatives. Delegates to the programme also went round the Logan assembly line and press shop of Mahindra & Mahindra, Nashik Plant.

WEBINAR on H1N1

20 August: Pune

The Webinar laid strong emphasis on the importance of preventive measures and education on handling H1N1 outbreaks, and the various ways of containing the spread and role of corporate and individuals in this scenario.

New Direct Tax Code

27 August: Mumbai

The Seminar served as a forum for India Inc to closely examine the implications of the New Direct Tax Code on the economy, industry and individuals, and get experts' opinion on issues affecting the corporate sector.



Govind Sankaranarayanan, Session Chairman & CFO, Tata Capital Ltd with senior tax experts from Ernst & Young, India



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**Training Calendar
October 2009**

**8-9 October, Bangalore
Supply Chain Management
Performance Measurement**

**12-14 October, Bangalore
Managing Projects
Effectively**

**15-16 October, New Delhi
World Food Day Celebration**

**20-21 October, Chennai
Internal Auditor Course for
ISO 9000: 2008**

**27-28 October, Chennai
Workshop on New Product
Development**

**29-30 October, New Delhi
War on Waste**

**29-30 October, Chennai
Producing Zero Defect
through Statistical
Techniques**

**30-31 October, Bangalore
Programme on Foreign
Trade Policy**

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