

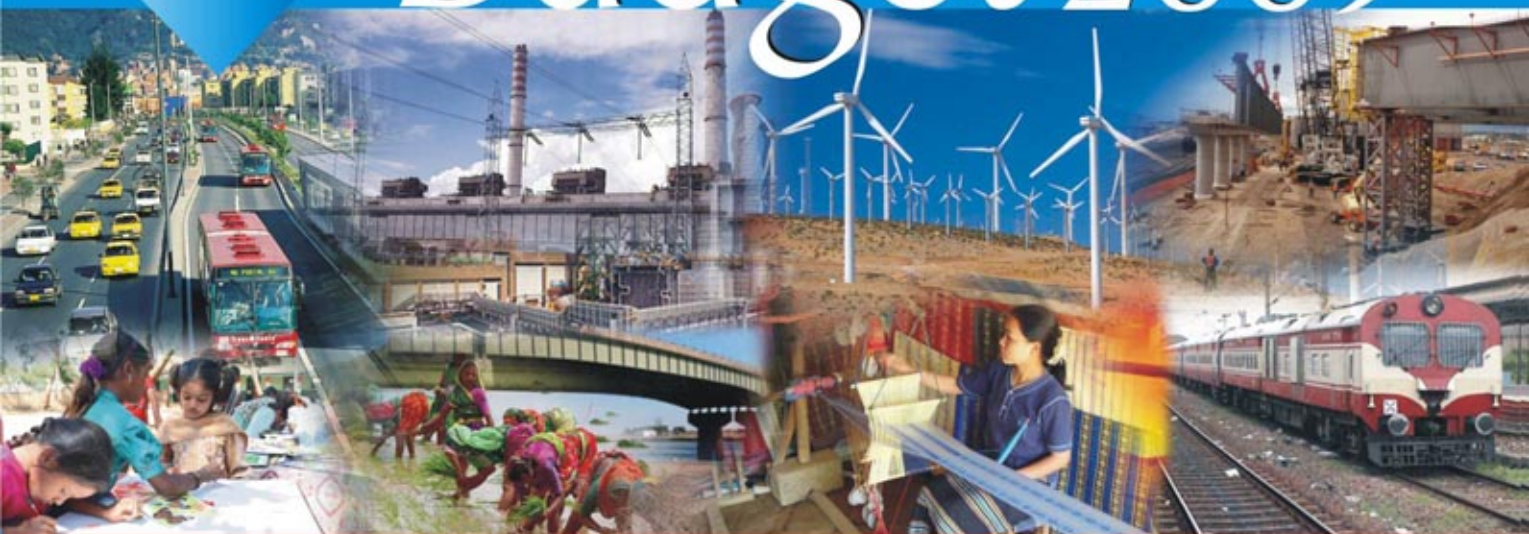
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Budget 2009



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CII CEOs Mission to USA

A CII Mission visited Washington DC & New York to strengthen bilateral relations between India and USA



Anand Sharma, Minister for Commerce & Industry, India, releasing the CII Report- 'India-USA Economic Relations: The Next Decade' with Venu Srinivasan and Chandrajit Banerjee, Director General, CII



Hillary Clinton, US Secretary of State, with Tarun Das, Chief Mentor, CII and Venu Srinivasan

A CII CEOs' Mission led by Mr Venu Srinivasan, President, CII, and Chairman, TVS Motor Company visited the United States of America from 16-19 June with the aim of further strengthening US - India economic engagement, exploring new avenues of collaboration and focusing on issues of global concern.

With a well-settled US Administration in Washington DC and the stability provided by the strong win of the Congress party recently in New Delhi, both governments are ready to advance to a new chapter in bilateral relations. This is the first time CII has led two CEOs missions to the USA in one year, endorsing its commitment to strengthen bilateral relations and collaborate on global challenges.

The Mission coincided with the first US visit of new India's Minister for Commerce and Industry, Mr Anand Sharma, and the 33rd Annual Synergies Summit of the US India Business Council.

The Mission members interacted with Ms Hillary Clinton, US Secretary of State; Mr Gary Locke, US Secretary of Commerce; and Amb Ronald Kirk, US Trade Representative, at the USIBC Synergies Summit, where Mr Sharma released a Report by the India Brand Equity Foundation (IBEF) on the 'Contribution of Indian Industry to the US Economy.'



The CII-Asia Society-USIBC Conference also saw the release of the CII report on 'India-USA Economic Relations: The Next Decade'.

On Capitol Hill, the Indian CEOs met with Congressman Howard Berman, Chairman, House of Representatives, Committee on Foreign Relations; and Congressman Jim McDermott, Co-Chair, Congressional Caucus on India and Indian Americans. They also held meetings with senior officials at the US Treasury, USTR, Commerce and State Departments. Separate meetings were held with Mr Michael Froman, Deputy Assistant to the President and Deputy National Security Adviser for International Economic Affairs, The White House; Dr Robert Zoellick, President, The World Bank, and Dr Henry Kissinger, former US Secretary of State and Chairman, Kissinger Associates.

The Mission members shared their perspectives on several areas of Indo-US cooperation, such as high - technology, trade, affordable healthcare, climate change and national security, as essential mechanisms to strengthen the already well founded Indo-US partnership.

The key points presented from the US side were:

- With Dr Singh's government in place in India, President Obama is keen to engage with India. The visit



Gary Locke, US Secretary of Commerce, Anand Sharma and Venu Srinivasan



Tim Roemer, US Ambassador - Designate to India in discussion with Meera Shankar, Indian Ambassador to USA and Kiran Pasricha, Deputy Director General, CII (centre)

of Secretary Clinton to India in July will mark the beginning of a 'Version 3.0' relationship. Several high ranking official visits will follow over the next few months as a mark of commitment to the Indo-US relationship.

- The Obama administration will not use the global downturn as an excuse to foster protectionism.
- The US's hotly debated support of Pakistan, and its new Af-Pak relationship, will not undermine its support of India as one of its strongest allies. The US would like to see India succeed 'as a model of democracy.'
- The US is keen to pursue the Doha negotiations and will restart the CEOs Forum. With a new US Trade Representative, Ambassador Ron Kirk, and a new Minister for Commerce and Industry in India, Mr Anand Sharma, there are high hopes for a successful round.
- Healthcare is on high priority. The US is eager to explore models for low cost, innovative, healthcare delivery as well as administration. India can benefit from the development of medical personnel and institutions, especially in rural areas.

- Collaboration between Indian and US institutions is likely. US Under Secretary of State Bill Burns has initiated dialogue with Mr Kapil Sibal, India's new HRD Minister on partnerships complementing Dr Singh's focus on education and skill development.

- On renewable energy, climate change, 'gray water for industrial use' and clean coal technology, the two sides agreed on the need to compromise. The US is doing its part to domestically place a 'cap and trade' measure that would tax high emitters.

The CEOs delegation comprised of Mr Arun Bharat Ram, Chairman, SRF Ltd; Mr Tejpreet Singh Chopra, President and CEO, GE India; Mr Tarun Das, Chief Mentor, CII, and President, Aspen Institute India; Dr Prathap C Reddy, Chairman, Apollo Hospitals Group; Mr Vijay Thadani, CEO, NIIT Ltd; Mr Chandrajit Banerjee, Director General, CII, and Ms Kiran Pasricha, Deputy Director General, CII, and Head, CII US Operations.



Members of the CEOs delegation with Congressman Howard Berman in Washington DC



CII CEOs' Delegation to UK



A CII CEOs delegation, led by Mr Venu Srinivasan, President, CII, visited London on 22-23 June with the twin objectives of promoting 'Brand India' and enhancing bilateral relations between the two countries.

The packed agenda for the two days started with a CEOs breakfast meeting hosted by the UK-India Business Council to discuss 'Industrial Innovation' to encourage UK-India collaborations in Manufacturing.

Soon afterwards, CII welcomed more than 200 industry members from the UK at the CII-India Conference to discuss steps towards 'Managing Global Crisis'.

Speaking at the conference, Mr Anand Sharma, Minister, Commerce and Industry, India, said that "countries have to work together to face the prevailing financial problems. Priorities have to be fixed. All major economies without exception are shrinking and the WTO projections show a clear 11% fall in global trade." The Minister said that it was time to take initiatives to create confidence.

Talking about the repercussions of the global financial downturn, Mr Sharma said that the world had witnessed crazy market borrowing and lending, leading to a situation of socialization of losses where even those who did not have even the remotest connection to the financial situation had to pay the price.

India's relative cushioning from the severity of the crisis,



Anand Sharma, Minister, Commerce & Industry, India, and Venu Srinivasan, President, CII

Mr Sharma said, had been possible because of the more conservative rules followed by the Reserve Bank of India and the Security & Exchange Board of India. Their working principles had ensured better risk management. He stressed the need for global institutions like RBI and SEBI to be created for global markets and said that this is something countries can work together on.

Mr Sharma said that trade and investment between India and

the UK had gone up in the past few years and Indian companies have been investing in the UK. However, UK investment into India is just 1.5% of the country's total investment overseas. There is a huge opportunity for UK companies to invest in India, especially in the infrastructure sector, where India can absorb US\$ 500 billion investment in the next 5 years, the Minister said.

Mr Sharma officially launched the CII-India Business Forum – UK. The **CII India Business Forum UK** is a grouping of leading Indian companies with operations in the UK. The Forum will

- share information on the activities of Indian companies in the UK
- raise business issues and concerns faced by them with the concerned authorities in both UK and India
- promote activities of the members in the UK
- support the businesses of member companies

- encourage bilateral trade and investment between UK and India; and build 'Brand India.'

The Minister also released a CII Study on UK-India Relations.

Lord Adair Turner, Chairman, Financial



Shiv Shankar Mukherji, High Commissioner of India to UK, Hari Bhartia, Vice President, CII, Richard Lambert, Director General, Confederation of British Industry and Richard Stagg, High Commissioner of UK to India

Services Authority, UK, talking about regulation, said there is a need for bigger shock absorbers in the financial markets. He strongly recommended more capital for the banks and tighter liquidity rules.

Lord Turner emphasized that to avoid any future financial crisis, "it is important to have macro credential tools along with interest rate regulations."

Later, the panelists discussed Infrastructure Financing and the Economy.

The CII team met with Lord Peter Mandelson, Secretary of State for Business, Innovation and Skills and Sir Andrew Cahn, CEO, United Kingdom Trade and Investment, (UKTI), and discussed cooperation in healthcare services, NHS, insurance, reciprocity in recognition of degrees in higher education, Indian investments in the UK; bilateral trade, and innovation and skills development, among others.

Members of the delegation met with Lord Hunt, Minister of State for Energy and Climate Change, to discuss the business initiatives being taken in the field of climate change.

They also met with Mr David Cameron, Leader of the Conservative Party and Mr Ken Clarke, Shadow Secretary of State for Business, Innovation and Skills to brief them on the new Government in India and the Indian economy and business.

The CII CEOs also had a meeting with the All Party Parliamentary Group on Trade and Investment, UK, led by Mr Barry Gardiner, MP. They discussed a number of areas of cooperation including Education, Energy and Climate Change, Infrastructure, Visas, Trade in Services and SMEs, among others. The members of the All Party Parliamentary Committee also explained ways to further UK's trade with India, and invited Indian CEOs to consider UK as the

hub for their European operations.

During their whirlwind tour packed with high powered Government and Industry meetings, the CII delegation also had interesting business discussions with UKIBC members at a meeting hosted by Lord Karan Bilimoria, Chairman, UKIBC.

They also met with the Commonwealth Business Council to discuss 'Financing Mergers and Acquisitions: Post Crisis.'



Lord Adair Turner, Chairman, Financial Services Authority, UK



Venu Srinivasan, Anand Sharma and Chandrajit Banerjee



Naina Lal Kidwai, Group General Manager and Country Head, India, HSBC, Suhel Seth, Managing Partner, Counselage India and Dhruv M Sawhney, Past President, CII & CMD, Triveni Engineering & Industries Ltd, at the CII India Conference



Philippe de Buck, General Director, BUSINESSEUROPE, Rajendra S Pawar, Chairman, NIIT, Phiroz Vandrevala, Executive Director & Head, Global Corporate Affairs, TCS, Sharon Bamford, CEO, UKIBC, Rajive Kaul, Past President, CII, & Chairman, Nicco Corp. Ltd, Pawan Munjal, CEO & MD, Hero Honda Motors Ltd and Malvinder Mohan Singh, Group Chairman, Fortis Healthcare Ltd & Religare Enterprises Ltd



Union Budget 2009

CII welcomes the Budget's focus on economic revival, inclusivity, simplification of taxation regime and strengthening government services delivery

CII has welcomed the Union Budget 2009-10 presented by Mr Pranab Mukherjee, Minister, Finance, on 6 July in New Delhi. The Budget's strong emphasis on reprising the growth rate of 9%, fostering inclusive development and re-energising governance, despite the challenges of the global economic downturn, is very encouraging and inspires confidence among the business fraternity. The Budget aims for stability and continuity of the inclusive growth path taken by the government.

CII believes that **inclusive development** is the basis for creating a sustainable and equitable India, especially in those regions which need strong economic engagement to overcome social disturbances. The focus on rural markets, employment generation and creating economic opportunities in rural areas would bear fruit for generations to come.

The Government's rapid response measures in dealing with the global economic downturn have helped India deal with the worst effects of the crisis sweeping the world. As a result, the decline in GDP growth was limited to 6.7% during the year 2008-09. The moderation in the



Hari S Bhartia, Vice President, CII and Venu Srinivasan, President, CII

growth rates in 2008-9 can be attributed to the steep slowdown in the growth in industry to 3.9 % from 8.1% in the previous year. Thanks to the **stimulus packages**, today, our economy is resilient, macro-economically sound, and financially stable, compared to many emerging and developed economies.

Mr Venu Srinivasan, President, CII, welcomed the budget, noting that it is in keeping with CII's expectations. Many CII

recommendations have been incorporated in the Budget, he said. Positive indications for the long term have been announced on a number of important issues such as subsidies, infrastructure and FRBM. The CII President believes that the Budget's spending package for inclusive growth and large outlays on infrastructure and NREGS will help revive the economy by stimulating investment and consumption.

Many of CII pre-budget submissions have been heard and actions proposed. Some of these include abolishing of FBT and CTT, weighted deduction of 150% on R&D, investment-linked tax incentives, continuation of excise and customs duty rates, announcement on GST roll-out, etc.

The **emphasis on private investment** as a growth driver and integration with the world economy has had a positive impact on our growth. The steps to encourage private sector investment through investment-linked tax incentives and through removal of procedural and policy bottlenecks, as well as the stress on public private partnership in key areas, are timely in the current conditions.



Sunil Kant Munjal, Past President, CII; Hari S Bhartia; Chandrajit Banerjee, Director General, CII and Venu Srinivasan

The Budget has also addressed the issue of **tax reform**. The proposal to bring a Direct Tax Code for discussion in 45 days is encouraging and CII looks forward to submit its inputs on the draft Code. On the indirect tax front, we appreciate the move to retain the rates of excise duty and peak customs duty at the current levels in spite of the deficit will help boost demand.

The announcement that **GST** would be introduced on schedule on April 1, 2010 is very heartening to note. It is also encouraging to know that such an important issue is being given due consideration by the Empowered Committee of State Finance Ministers and that they have come to an agreement on the roll-out.

In the **manufacturing** sphere, CII appreciates the measures taken for the micro, small and medium enterprises, the export-oriented units and the sectors especially hit by recessionary conditions. CII warmly welcomes the extension of 150% weighted deduction on in-house R&D in the sector as a whole. We believe that R&D is key to the future of Indian manufacturing. The fillip given to innovation and creativity through this measure will greatly help Indian industry move towards high-value high-technology manufacturing.

CII also welcomes the steps to boost higher education and vocational training through initiatives such as setting up of central universities in uncovered States and increased allocation to higher education. CII is partnering with the government on the National Skill Development Mission. We feel that India's excellent human resource talent must be tapped to make us a significant player in the global economy.

The **fiscal deficit** for 2009-10 is pegged at 6.8% of GDP. While CII is confident that the fiscal expansion will place the Indian economy on a high growth path,

the high fiscal deficit will also increase government borrowing, which would, in turn, increase the bond yields and push interest rates on the higher side. When private sector investments start to pick-up, there is a likelihood of crowding out of private investment from the financial markets. In such circumstances, CII feels that the government could consider partial monetizing of the Deficit.

The Finance Minister, in his budget speech, acknowledged that re-energizing government and improving delivery mechanisms to provide high quality public services with transparency and accountability would be a challenge. CII, in its Post Budget interaction with the Finance Minister on 7 July, expressed interest to partner the Government in making this novel idea a win-win mechanism, with periodic reporting of progress to the people of India.

The unprecedented global economic downturn affords us a unique opportunity to move forward expeditiously on some of the priority reforms in areas such as financial sector, labour reforms, PSU disinvestment and FDI. CII strongly feels that a **roadmap on key economic reforms** would help boost investors' confidence.

Below is a detailed analysis of the Union Budget 2009-10 proposals and its impact on economic revival and strengthening inclusive development.

Revival of the Economy

The Budget has reiterated the importance of putting the economy back on to the growth trajectory of 9% and stressed private sector investment and FDI as major growth drivers of the economy. The Economic Survey (2008-9), highlighting the significance of external conditions, stated that the pace of economic revival in the short term depends particularly on the revival of the US economy. It pointed out that if the US economy bottoms out by September 2009, and subject to the condition that monsoons remain favourable, there could be good possibility for the Indian economy repeating its 2008-09 performance, i.e. around 7 +/- 0.75 %. The growth may be moderated to the lower end of the range in case of a more prolonged external economic downturn or if the revival of global economy is delayed until early 2010.

At a time when the outlook of Indian economy is still uncertain, an expansionary fiscal stance has been maintained to abate the adverse effects of the crisis and to reverse the economic slowdown that has set in since the second half of 2008-9. Expenditure has been increased in many critical areas while tax rates largely have been left unchanged. As a result, the fiscal deficit is also budgeted to increase from 6.0 % of GDP (RE) in 2008-9 to 6.8% in 2009-10. A higher deficit is to be financed by increased government borrowings, which are expected to increase by Rs. 4,50,000 crores in 2009-10. However, given the adequate liquidity in the banking system, it should not be difficult to fund the borrowing requirements. Once the economy returns to the higher growth trajectory, buoyancy in revenues will help lower the deficit.

The Finance Ministers' statement on PSU disinvestment is encouraging, but given the necessity of containing the fiscal deficit, CII looks forward to a roadmap for the strategy. In the current environment, Mr Mukherjee has focused on the revival of the economy.

Special attention has been given to the sectors particularly affected by the global economic crisis. One of the major outcomes of this Budget will result from the increase in budgetary allocations across various schemes. In fact, the Finance Minister has increased the Plan expenditure for 2009-10 by Rs. 40,000 crore compared to what was projected in the Interim Budget (see table). Key sectors where the Budget has increased allocations include infrastructure, agriculture and MSMEs.

Boosting Agricultural Productivity

Agriculture, the mainstay of the Indian economy, employing 60% of the rural labour force, continues to be constrained by the lack of capital formation due to inadequacy of flow of funds to the sector. The sector put in a particularly poor performance during the year, with the impressive growth rates of 4.9% in 2007-8 declining to 1.6% in 2008-9.

Underscoring the critical need to boost growth in the sector to 4%, measures such as continuation of policy of interest rate subvention for short term loans up to Rs. 3 lakh per farmer, and extension of time period for payment of over dues under the Debt Waiver and Relief Scheme, are welcome initiatives. Stepping up of allocation under Accelerated Rural Development Programme (AIBP) and Rashtriya Krishi Vikas Yojana (RKVY) will also provide a stimulus to the sector.

Reviving Manufacturing

Manufacturing in India contributes to only 16% of GDP, as compared to 25% in other Asian countries. There is a huge scope for scaling up activities in the sector. The Finance Minister has tried to address the key impediments to growth of the sector through a slew of measures to facilitate speedy recovery.

The stability in the indirect tax regime would help manufacturers, who have been suffering due to low external demand. Stress on infrastructure would aid upstream and downstream sectors such as steel and cement. CII had recommended that private R&D efforts be incentivised, and this has been accepted by the Finance Minister, by extending 150% weighted deduction on R&D to all sectors except a small negative list.

For the export-oriented manufacturing sectors, Mr Mukherjee has expanded the list of raw materials and equipment imported by manufacturers of leather, textile and footwear that are fully exempt from customs duty. Special measures have also been taken for micro, small and medium businesses to simplify administrative procedures for businesses with up to Rs 40 lakh turnover by extending additional credit of Rs 4000 crores to

Projected expenditure: July Budget versus Interim Budget			
<i>(Figures in Rs. Crores)</i>			
	2009-10 (Feb 2009)	2009-10 (July 2009)	Increase
Non-Plan expenditure	668,082	695,689	27,607
Plan expenditure	285,149	325,149	40,000
Total expenditure	953,231	1,020,838	67,607

Source: Budget papers

SIDBI through RIDF which is to ensure flow of funds to the sector, and interest subvention of 2% on certain sectors. These measures will help bring some relief to small businesses, which have been hit hard by the uncertain global environment.

Another growth facilitating measure is the intent to rationalize the tax regime by introduction of a new **Direct Tax Code** for consultation within 45 days. The creation of an alternative dispute resolution mechanism for the resolution of transfer pricing disputes will help encourage foreign investors. The President appreciated the abolishing of FBT and CTT as well as surcharge on personal income tax, which were in keeping with CII's pre-Budget suggestions.

Under Indirect Taxes, the stability in peak customs duty at 10%, excise at 8% and service tax at 10% is welcome under the current challenging economic environment. CII had called for maintaining the peak customs duty in the light of adverse global conditions. Although the increase in excise tax from 4% to 8% on many goods may adversely affect some sectors, the government's commitment to introduce GST as scheduled on 1 April 2010 is a welcome initiative.

Infrastructure

CII had called for special emphasis to infrastructure, which has been adequately mentioned in the Budget. Commercial loans for public private partnership projects will be refinanced by IIFCL to a certain extent. Further, IIFCL is to evolve a 'take out financing scheme' in consultation with the banks. The proposed scheme is to facilitate incremental lending to the sector as it will not constitute the portfolio of an individual bank but the loan would be taken over by another bank after a fixed point of time.

Allocation to the National Highways Authority of India for [highways and rail development](#) has been increased. Sectors such as urban development have received sharp hikes in funding. CII had also suggested setting up a monitoring agency for infrastructure project implementation and hopes that this will be considered positively at a later stage.

For [ensuring energy](#) security, the incentives given for petroleum pipelines have been extended to natural gas pipelines as well to create a National Gas Grid, which was a long-standing demand of industry. The announcement of extension of income tax holiday for companies involved in production of oil and gas will help in increased investments in indigenous production. The constitution of a committee to review deregulation of oil and gas prices is a welcome step to align domestic prices with global prices. The CII President said that the stress on clean fuel, duty reduction on import of biodiesel and the promise to provide funds for eight national missions is in keeping with the spirit of the National Action Plan on Climate Change.

Inclusive Development

The emphasis on inclusive growth would go towards maintaining domestic demand conditions, especially in the rural sector, given that external demand is still uncertain.

Steps to increase expenditure under the National Rural Employment Guarantee Scheme (NREGS) and the sharp hike in Bharat Nirman for rural infrastructure as well as expanded spending on rural roads, urban housing under Rajiv Awaas Yojana, and Jawaharlal Nehru

National Urban Revival Mission (JNNURM) will bridge the regional disconnect and add to rural spending power. The table below highlights the budgetary allocations for major social sector schemes.

CII has also appreciated the steps taken on education, especially to reduce female illiteracy by half in three years. Interest subsidies for economically weaker students, including in vocational education, provision for Mission in Education through ICT and setting up of polytechnics as well as central universities in all districts will help build up India's human capital.

On the whole, industry is satisfied with the stimulus given to the economy and the long-term policy intentions announced by the Finance Minister in this Budget.

One of the key elements of the CII theme for the current year is [governance](#), and Mr Srinivasan welcomed the steps announced to improve delivery mechanisms and make procedures more transparent and accountable. The Unique Identity scheme, headed by Mr Nandan Nilekani, is expected to come out with the first numbers within 12-18 months, and this represents private sector partnership in government schemes. The measure to exempt donations to electoral trusts to the extent of 100% will add transparency to contributions to political parties. Such steps indicate strong commitment on the part of the government to increase the efficiency of public services.

Major Social Development Schemes - Budget Allocations

(Figures in Rs. Crores)

Schemes	2008-09	2009-10
National Rural Employment Guarantee Scheme (NREGS)	16000	39100
Integrated Child Development Scheme (ICDS)	6,300	6705
Jawaharlal Nehru National Urban Renewal Mission (JNNURM)	6,866	12887
Bharat Nirman	31,280	45356
Centrally Sponsored Scheme on Micro Irrigation	500	430
Rural Electrification	5500	7000
Rural Housing	5399	8800
Pradhan Mantri Gram Sadak Yojana	7547	12000
Accelerated Irrigation Benefit Programme (AIBP)	20,000	35,000
Rajiv Gandhi Rural Drinking Water Mission	7,300	NA
Rural Sanitation Programme	1,200	1,200
National Rural Health Mission	12,050	13930
Interest Subvention (Agriculture Credit)	1,600	2011
Drinking Water Supply	8500	9,200
Integrated Watershed Management Programme	NA	1911
Rural Infrastructure Development Fund	14,000	10,000
National Land Records Modernisation Programme	NA	400
SGSY (restructured as National Rural Livelihood mission)	2113	2350
National Horticulture Mission	1100	1100
National Food Security Mission	780	1200
National Agriculture Insurance Scheme	644	644
Pradhan Mantri Aadarsh Gram Yojana (New Scheme)	—	100
Skill Development Mission	1,750	NA
Upgradation of Polytechnics	NA	495
Sarv Shiksha Abhiyan	13,100	13100
Mid Day Meal Scheme	8,000	8000

Voices from the Regions

'This is a balanced budget. The 6.8% fiscal deficit can eventually prove to be a stimulus to aggregate demand. The abolition of FBT, CTT and thrust on infrastructure development will definitely boost the industry and the overall economy.'

The Rs 1000 crore allocated to West Bengal for the Aila rehabilitation programme meets the need of the hour. The proposed handloom mega cluster in West Bengal is a welcome move. The increased thrust on social sector and skill development would go a long way in ensuring inclusive growth for the nation.'

Mukul Somany, Chairman, CII Eastern Region, and Jt Managing Director, Hindustan National Glass & Industries Ltd

The Budget makes very strong directional comments in terms of good economic principals, transparency, and is citizen friendly. On tax reforms, the budget has clearly outlined the intent towards convergence of rates and simplification of procedures. The increased spending on Infrastructure and commitment towards removing 'policy, regulatory and institutional bottlenecks' for speedy implementation will have a tremendous positive impact on the economy. Higher allocations for railways, highways, urban infrastructure, power, gas, irrigation, rural housing will have a huge multiplier impact too.

There is much cheer for MSMEs. Alongside, the focus on Education, women, senior citizens and the common man have given this Union Budget a soft touch, which is greatly appreciated.

The Northern Region has found focus in the Budget

by way of special attention to Chandigarh, two mega carpet clusters in Srinagar (J&K) and Mirzapur (UP) and a power loom cluster in Rajasthan. The special attention to these areas and sectors exhibits the proactive recognition of priority areas.

Harpal Singh, Chairman, CII Northern Region, and Mentor & Chairman Emiritus, Fortis Healthcare Ltd

The Union Budget 2009-10 is reforms oriented and would propel revival of economy with more thrust on infrastructure and rural development. The announcement made in the Budget for setting up a mega handloom cluster in Tamil Nadu would help in creating more employment opportunities in the State.

The increase in infrastructure investment to over 9% by 2014 and the hike in JNNURM allocation by 85 per cent would give a boost to infrastructure development, both in the urban and rural sectors.

C R Swaminathan, Chairman, CII Southern Region, and Chief Executive, PSG Industrial Institute

Extending the weighted deduction for R&D to all manufacturing is a very welcome step, consistent with our need to invest more in innovation for the medium term.

The absence of any significant reforms, or statement of reform direction, in the budget was a missed opportunity. The size of the deficit and extent of government borrowing will crowd out private investment – a large privatisation programme could help directly here.

Dr Naushad Forbes, Chairman, CII Western Region, and Director Forbes Marshall Pvt Ltd



Food Technology Summit

The 2nd Food Technology Summit explored Innovative Approaches & Technical Solutions for Sustained Profitability

Cost-effective technologies in the selection of raw material, preservation, processing, packaging and distribution of wholesome food will play a critical role in enabling Indian food businesses to attain the requisite innovation and sustain profitability.

These technologies will also facilitate Indian companies to gain and retain additional market share – both domestically as well as in global trade. The viability of the Indian food processing sector can be improved further by shifting the focus of the sector from ‘products for classes’ to ‘products for masses,’ bringing down the cost, managing the value chain and catalyzing export-ed growth.

The Confederation of Indian Industry, in partnership with the Ministry of Food Processing Industries, organized the **2nd Food Technology Summit – ‘Innovative Approaches and Technical Solutions for Sustained Profitability’** on 22-23 June in New Delhi.

This second Summit was a sequel to CII’s first Food Technology Summit, held in 2008, which created a tripartite platform that brought together solution providers, user industries and scientists to bring to the fore emerging innovative technologies, issues in their adaption and new research developments in the area of preservation, packaging, protection of technology, supply chain



V Gokul Das, Chairman, CII Task Force on Food Technology & CEO, HRS Process Systems Pvt Ltd, Dr V Prakash, Director, CFTRI, Subodh Kant Sahai, Union Minister, Food Processing Industries, and Gautham Mukkavilli, Chairman, CII National Committee on Food Processing & Food Regulatory Affairs and CEO - India Foods & President - India Region PepsiCo India Holdings Pvt Ltd

management and food safety and quality.

In his inaugural address at the Summit, Mr Subodh Kant Sahai, Union Minister for Food Processing Industries, stated that the Food Processing sector is the key to generate jobs for the rural population, which forms 70 per cent of the nation. He urged the Planning Commission to give more importance to this important sector.

Dr. V Prakash, Director, Central Food Technological Research Institute said attaining rural-urban balance is critical to achieve a 6% growth rate target for the sector. He suggested that entrepreneurship was the way to go for this sector, adding that farmers should be linked to the market in order to achieve optimal results in food processing. He felt that PPP arrangements should be termed as private public partnerships, where the private arm has the authority to come out and actively take initiatives. The sector will depend upon skill development and capacity building, he said.

Mr. Gautham Mukkavilli, Chairman, CII National Committee on Food Processing and Food Regulatory Affairs, CEO, India Foods, and President - India Region, PepsiCo India Holdings Pvt Ltd, said that the policy framework should be structured to help India gain and retain market share globally. Towards this, the government should aim to set up 10 food technology and entrepreneurship



Dr R K Khandal, Director, Shriram Institute for Industrial Research, Rajeswara Rao, Jt Secretary, MoFPI and Dr B Sesikeran, Director, National Institute of Nutrition



Piruz Khambatta, Immediate Past Chairman, CII National Committee on Food Processing, Ajit Kumar, Joint Secretary, Ministry of Food Processing Industries, Subodh Kant Sahai, Union Minister for Food Processing Industries, Chandrajit Banerjee, Director General, CII, and S Sivakumar, Chairman, CII FoodPro and Chief Executive – Agri Businesses, ITC Ltd

incubation centres in 2009, and 20 food technology parks in 2010, he said.

Mr. V Gokul Das, Chairman, CII Task Force on Food Technology, and CEO, HRS Process Systems Pvt Ltd, wanted industry to put into account actionable options for the sector, such as a strong framework of post-harvest technology, cold store chains, incubation centres, and financing options. The newer areas in the sector should be explored on a continuous basis, he said.

The two day event discussed issues such as post harvest technology for value addition, quality assurance and safety, by-product utilization and waste management, new packaging and logistics solutions and technologies. The emerging food processing technologies discussed included technology for efficient processing in the food sector, fortified foods for holistic health, electromagnetic radiation and microwave in food processing, nanotechnology in food industry, and extrusion technologies in the food sector.

A CEOs' panel discussed benchmarking for best practices for capacity building and manpower development. The session underlined the importance of training managers and people, and aspects related to cost management and competitiveness. ■

Positioning India as the Food Factory of the World

CII presented a 10 point action agenda for accelerating inclusive, employment and exponential growth of the Food Processing sector in India



The Confederation of Indian Industry organised a CEOs interactive Session with Mr Subodh Kant Sahai, Union Minister for Food Processing Industries, immediately after he assumed office for the second time on 12 June in New Delhi.

The objective of this session was to brainstorm on strategies towards positioning India as the Food Factory of the World, which could result in increased investment and exponential growth of the sector and would also create more employment. The interactive session witnessed participation of around 40 CEOs from food processing companies.

Mr Sahai said his Ministry is working upon the 100 days agenda for the Government and is giving priority in exponential growth of the sector, employment generation, and branding of the Indian processed food sector. He asked industry to identify key intervention areas which would exponentially increase the growth trajectory of the industry.

CII presented a 10 point action agenda to the Minister for accelerating inclusive employment and exponential growth of the Food Processing sector in India. CII has requested for a broadbanded definition of the sector to remove anomalies and other taxation issues, abolishing of FBT, setting up of incubation centres across the country, viability gap funding and venture capital for infrastructure projects, and funding for the promotion of Indian processed food abroad.

Earlier, Mr Piruz Khambatta, Immediate Past Chairman, CII National Committee on Food Processing, in his welcome remarks, described Food Processing as a sunrise sector which can do for rural areas what IT has done for urban areas. India can be the Processed Food Factory of the World, he said, requesting the Government to enable and provide support for this sector. ■



4th Food Safety & Quality Summit Leveraging Excellence for Global Competitiveness

The challenges facing the Food Safety and Quality initiatives and the 'need of the hour' as envisioned by the CII Institute of Quality's Expert Group on Food Safety & Quality could eminently serve as a working draft for industry.

CII's partnership with the Ministry of Food Processing Industries (MoFPI) in their attempt to focus on Food Safety in India was applauded by Mr Ashok Sinha, Secretary, MoFPI at the inaugural ceremony of the 4th Food Safety and Quality Summit 'Leveraging Excellence for Global Competitiveness – Indian Food Processing Sector' on 2-3 July in New Delhi. Emphasising that the Food Processing sector would not be able to maintain growth without taking care of Food Safety and Quality, Mr Sinha suggested the adoption of relevant concepts from research and academics to help upgrade Food Safety and Quality in the country. The media too had a parallel responsibility in disseminating the concepts of Food Safety, he added.

The Secretary announced that a scheme for improving the quality of street food is likely to be cleared and launched this year. It would look into the aspects of food safety and hygiene.

Issues of capability building, focus on training for 'taking people along', counseling and facilitation, and evolving standards of GMP were touched upon by Mr Uttam Chatterjee, Chairman, CII Expert Group on Food Safety and Quality. The other important challenges identified during the inaugural session by Dr Girdhar Gyani, Secretary General, Quality Council of India (QCI) and Mr Rakesh Tandon, MD, Indian Railway Catering and Tourism Corporation (IRCTC) were in maintaining Quality throughout the long supply chain. India also



Dr Girdhar Gyani, Secretary General, QCI, Rakesh Kumar Tandon, MD, IRCTC, Ashok Sinha, Secretary, MoFPI, and Uttam Chatterjee, Chairman, CII Expert Group on Food Safety & Quality

needs to tackle concerns pertaining to infrastructure such as adopting international standards coupled with the back-up of laboratory testing facilities, hygiene and cleanliness, packaging, logistics of the food chain and, significantly, the waste disposal system, to become export efficient and be the food basket of the world. In this context, the need for mentorship by the large and privileged organisations towards the smaller ones was not lost.

The regulatory barriers in global economies, WTO global market access restrictions and additional private standards and India's preparedness for these, were discussed in detail by Ms Madhulika Prakash, Deputy Director General, BIS, Mr A K Gupta, Advisor, APEDA, Ms Sashi Sareen, Vice President & Head - Quality, Aditya Birla Retail, and Mr P C Anil Kumar, Senior Manager, Food Safety & Hygiene, JohnsonDiversey. Industry would benefit significantly if these

impending trade constraints were addressed expeditiously. The link between a strong regulatory mechanism and good governance was also highlighted.

Highlighting that excellence ensues when leadership drives policy and strategy, practitioners of excellence like Mr Tarun Daga, Managing Director, Tinplate Company, shared how 'Creating Aspirations' was the secret of successful strategy. Excellence in the planning process is governed by a comprehensive understanding of what roles the product will have to play for the customer and business. Benchmarking too is an important aspect of the process, which requires partnering and sharing. The use of concepts such as Balanced Score Card, to keep the interests of all stakeholders in the sequence of priority desired by the company, and Strategy Map, linking the thought process to operational process, was also emphasized.

In managing the skills and competencies of the Food Industry, the current gap is that the roles of the manager, trainer, food safety auditor and consultant are not always clear. For building competence, on-going professional development needs to include legal updates, improving and updating current skills, keeping track of government policies and learning new skills. The importance of ISO 17024 for creating a focus on defining and examining competence was also discussed.

The innovation case-studies presented the work being done in the Indian Railways, and on process control and instrumentation for the Food Sector. Mr S Sethi, Vice President, Technopak Advisors, offered excellent pointers on 'what to do' to popularise the Safe Food Movement in India !

The application methodology and advantages of Quality tools like and Six Sigma were reflected in two case studies presented by Aradhana Soft Drinks (Pepsico) and Cadbury in their journey towards Zero Loss and addressing product recalls. Mr Toru Arakawa, Senior Manager, JMA Consultants India Office, presented a case study on Lean, and spoke of mechanisms to ensure standards, cost reduction and delivery.

Mr Venkataram A, Managing Director, BSI Management Systems, deliberated on the latest trends in the Food Safety System Certification Scheme, comprising FSSC 22000 and PAS 220. GFSI had recognized the scheme, and since there was wide acceptance of GFSI by retailers, it would lead to their acceptance as well, he said. Mr Navneet Mehta, Director, Quality & Environment, Coca Cola India Inc stressed that the food chain needs to focus quickly on waste management to become globally competitive.

12 Key Recommendations

1. There is no escape from International and Private Standards on Food Safety and Quality. Indian industry needs to gear up for these as per customer demands
2. Need to establish a standard which is best in the world, grade the industry as per the standard and publicise that
3. Regulations need to be kept simple. Guidelines could include Best Practices
4. Create structures outside government where about 3,000 food safety consultants could be developed to help small organizations. A Personnel Certification Scheme would add credibility to the consultants
5. Industry associations/boards/bodies could have a system of checking compliance to standards and create mechanisms of health check compliance rather than be dependant on Government for enforcing Food Safety and Quality
6. More standards, specifications and norms of packaging required Integrated endorsement of packaging material could be considered. A Centre of Excellence on Food Packaging would help upgrade the industry
7. There is a need to promote a Knowledge Centre for the Food Sector which could provide data on permissible limits, testing norms, specifications, innovations etc
8. Industry needs to widely share success stories
9. Ban on harmful chemicals, standards for chemicals and more enforcement by Government on banned chemicals. Consumers could become watchdogs
10. 24x7 Consumer Alert and Helpline for consumers
11. Introduce logos and symbols on food to build trust and credibility amongst consumers
12. Consumer Health and Safety should prevail over commercial interest and profitability in order to sustain a Food Business

The valedictory session included an interesting panel discussion on the future directions for the Indian Food Processing Sector to achieve global competitiveness and the roles of the various stakeholders in the food chain.

Impact of CII's Initiatives in the Food Sector

CII-IQ's initiatives in the domain of Food Safety and Quality, through Clusters, Capability building programmes and publications which are made available in printed formats and in the public domain, have resulted in upgrading food factories to international norms, developing competence of personnel in the industry and the entire food chain, dissemination to masses, and to the growing export potential of this segment.

This is backed by positive export growth data

Indian Export Data in the Food Segment							(Rs in Lakhs)
Category	Year 2005-06	Year 2006-07	% Increase 2007-08	Year	% Increase	CUM. (INR) For 3 Years	
Fresh Fruits & Vegetables	169,740	246,833	45	243,712	-1	660,285	
Other Processed Foods	290,916	399,545	37	652,315	63	1,342,776	
Processed Fruits & Vegetables	262,680	267,800	2	245,145	-8	775,625	
Total	723,336	914,178	26	1,141,17	25	2,778,686	

Source: DGCIS Annual Export

- In value terms, Indian food exports under 33 different categories have risen to Rs 11,412 crores in 2007-08 from Rs 7,233 crores in 2005-06 registering a cumulative increase of 58%
- India's average GDP growth is projected at over 7.1% in 2009-10
- FDI increased to USD 17.21 billion (March-November last year) registering an increase of 137%
- Food consumption has an annual growth rate of 4.1%. Expected to reach US\$ 344 billion by 2025
- Cold storage capacity at present 5101 million MT is expected to touch 24,323 million MT by 2014-15

CII Institute of Quality Initiatives

- 1 Upgrading food factories in Clusters to international norms through Certification Facilitation (2004-2009)
 - CII-IQ initiated 46 factories certified to HACCP
 - 4 factories undergoing ISO 22000 Stage 1 Certification audit
 - 69 factories in 14 clusters; 11 clusters in 54 factories successfully completed.
- 2 CII-IQ has enabled food factories to obtain certification by accredited certification bodies by
 - Improvement in Good Hygienic Practices
 - Implementation of HACCP compliant infrastructure

- Meeting customer and export specifications through HACCP and ISO 22000
 - Company-wide awareness on Food Safety
 - Employee involvement in continuous improvements (Kaizens)
 - Reduction of customer complaints, rework & rejects
- 3 Capability Building by CII-IQ Food Safety Programmes for Food Chain (2007-09)
 - Sensitisation courses in 12 locations impacting over 500 participants
 - Conferences, best practices sharing programmes and workshops in 7 locations impacting over 400 participants
 - Baseline surveys on Food Safety: Street Food

Vendors for the Government of India in 3 locations covering more than 1000 street vendors and Small Eateries in Delhi for FSSAI, with an aim to upgrade the standards of

Hygiene. The small eateries were surveyed in view of the forthcoming Commonwealth Games in 2010 with plans for upgradation and rating of the eateries to acceptable standards of Hygiene

- 4 Dissemination of Food Safety Concepts to the Masses through Publications(2009)
 - CII-IQ presentation on 'Food Safety & Quality Day 16 October, 2008' and 'Food Safety -7 Points to do' hosted on the MoFPI website for country-wide access
 - 'CII – Food Safety Tips for Housewives: hosted on the MoFPI website for countrywide access. Over 5000 copies printed and disseminated
 - 'CII-14 Point Check on Food Safety for Street Vended Food: hosted on the MoFPI website for country-wide access over 5000 copies printed and disseminated
 - 'FAQs on Food Safety and Quality – Milk and Milk Products': released by the Secretary, Ministry of Food Processing Industries at the 4th Food Safety & Quality Summit. The booklet disseminates basic knowledge on how to produce and handle milk hygienically by adopting food safety practices and shall serve as a handy ready-reckoner for milk handlers in the milk supply chain, and the consumer.

For further information please contact indrani.ghose@cii.in

CII Aerospace Industry Mission to Paris Air Show 2009

The 48th Paris Air Show – Le Bourget, was organised by the French Aerospace Industry body, the Groupement des Industries Françaises Aéronautiques et Spatiales (GIFAS) from 15-21 June in Paris, France. The Paris Air Show is one of the most prestigious events of its kind in the world. Traditionally, some major sales contracts are announced during the show, which is attended by all major international manufacturers, as well as the military forces of several countries.

CII organised a nine member Aerospace Industry delegation of select Indian companies to the Show. The mission enabled Indian industry members to identify suitable partners for joint ventures and technology tie-ups. The delegation explored ways and means to bring foreign investment and technology into the country through Offsets. The Indian companies could also update themselves on the latest technological developments and the best practices being followed in the aerospace sector.

The Paris Air Show provided the CII delegation with a unique platform to see the latest systems and equipment from the world's Aerospace industry, develop international relationships and generate new business opportunities. The 7 day exhibition combined exhibits, displays, demonstrations and conferences.

A highlight for the CII delegation was touring the pavilions of different countries and having one to one interactions



Pallam Raju, Minister of State for Defence and Styajeet Rajan, Jt Secretary (Exports) Dept of Defence Production, with the CII Delegation to the Paris Air Show

with the respective exhibiting companies. Besides, a few thematic interactive sessions were also organised for promoting better appreciation of the best practices being followed around the world, and finding ways and means to utilise and implement these in the Indian context.

There are fundamental changes affecting Defence and Aerospace production in India. The engine driving the policy-level changes is the opening up of defence aerospace production to private industry, which, in effect, is providing immense opportunities and challenges to the Indian industry. The 26% Foreign Direct Investment (FDI) in the defence sector announced by the Government is the prime enabler for Indian industry to attract foreign investment and technology in this sector through JVs and/or partnerships.

This Defence Mission was especially relevant in the era of the opening up of the Indian economy to 26% FDI in



The CII Delegation to the Paris Air Show at the SBAC (UK) stand



CII Delegates with Sandra Pupatello, Minister of International Trade and Investment, Ontario

Defence and the provision of Offsets in Defence.

The CII delegation got an opportunity to meet Mr Pallam Raju, Minister of State for Defence, at the Paris Air Show. The Minister was of the view that there should be greater participation from India in such global events. India should also learn from the organisers of this show to bring in more efficiency and professionalism

in the organisation of such international shows, he said. The CII team members also met Mr. Satyajee Rajan, Joint Secretary (Exports), Department of Defence Production, Ministry of Defence, India, and Mr. Ashok Nayak Chairman, Hindustan Aeronautics Ltd (HAL).

At the Ontario pavilion, the CII delegation attended a cocktail reception hosted by the Ministry of International Trade and Investment, the Ontario Aerospace Council and the Ontario Delegation to the Paris Air Show. The team met Ms Sandra Papatello, Minister of International Trade and Investment, Ontario, who invited the Indian companies to form joint- ventures and technology tie-ups



with Canadian companies.

The CII team also visited the SBAC - Society of British Aerospace Companies Pavilion. In the backdrop of the merger of CII's MoU partner DMA (Defence Manufacturers Association) and SBAC, it was suggested that a fresh MoU be signed between the SBAC and the CII. It was proposed that during the aerospace seminar being organised by CII in November

2009, senior representatives of SBAC could visit New Delhi. The CII and SBAC representatives discussed how the two organisations could work together to achieve their respective goals.

The meeting with Mr. Brian McDermott, Vice President -Supplier Management, Aerospace Industries Association (AIA), highlighted the growing need and possibilities for Tier 1, Tier 2 and Tier 3 companies of India and the US to collaborate. Mr. McDermott said that AIA is organising an annual SME conclave in September 2009. CII, too, is planning a delegation to the US and Canada in September this year. ■

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Training by Veera Mavalwala, Founder Partner of Navroze Academy has 42 years hands-on experience in Office Administration and working in CEOs offices of ICI India Limited, the Oberoi Group, Mr Shiv Khara, the Unitech Group, Electrolux India and Milagrow Business & Knowledge Solutions. She was the Chairperson of the erstwhile National Institute of Professional Secretaries where she organised prestigious events, convened International Seminars, dealt with dignitaries and senior officials and media.

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Accreditation of Hospitals

Accreditation brings benefits to both the service providers and the customers, stressed the seminar on Accreditation of Hospitals

To sensitize all the stakeholders about the need and benefits of Accreditation, which is still in its nascent stages in India, CII, in collaboration with the Quality Council of India (QCI) and the National Accreditation Board for Hospitals & Healthcare Providers (NABH) organised a seminar on 'Accreditation of Hospitals.' on 4 July in New Delhi.

The discussions over four sessions covered the need for and status of Accreditation and Accreditation bodies in India, and the background for the preparation of the CII Report on Accreditation of Hospitals in India.

Speakers from the regulatory bodies, private and government accredited hospitals and the healthcare industry addressed delegates from across industry verticals: government and private hospitals, medical colleges, architecture colleges, healthcare consultants, insurance providers, banks, IT and NGOs, among others.

Chaired by Dr. Girdhar J Gyani, Secretary General, QCI, the seminar saw a consensus emerging that once Accreditation becomes widespread, the need to differentiate and establish a favourable price equation will emerge as a prime imperative for hospitals. The stress was on the benefits that Accreditation brings to hospitals in terms of improved care and increased consumer confidence. The speakers suggested that mandatory Accreditation of hospitals was on the anvil, as healthcare providers faced greater competition.

Acknowledging that the concept of Accreditation is still confined to metros, Prof. Ranjit Roy Chaudhury, Chairman, CII Healthcare Sub-committee on Standardization and Quality, and Chairman, AHERF, said it is now necessary to carry the process



Dr. Anupam Sibal, Group Medical Director Apollo Hospitals Group, Dr. Ajit K Nagpal, Chairman, Executive Council, Batra Hospital & Medical Research Centre; Dr. Girdhar J Gyani, Secretary General, Quality Council of India; and Prof Ranjit Roy Chaudhury, Chairman, CII Healthcare Sub Committee on Standardisation and Quality, and Chairman AHERF



CII's 5-point agenda for Accreditation

- Create awareness among healthcare providers about the benefits of Accreditation
- Greater role for the government in Accreditation of public hospitals
- Pre-packaged Accreditation programmes are required to facilitate cost-effective implementation
- Role of Industry and the necessity of grading

further to semi-urban and rural areas.

Describing Accreditation and Quality as two sides of the same coin, Dr Gyani appreciated the recent move by the Government requiring diagnostic laboratories to be accredited by National Accreditation Board for Testing & Calibration Laboratories (NABL) for empanelment with the Central Government Health Scheme.

Dr Anupam Sibal, Group Medical Director, Apollo Hospitals, described Accreditation as a risk reduction strategy. Dr Ajit K Nagpal, Chairman, CII Healthcare Sub-committee on PPP, and Chairman, Batra Hospital, asserted that medicine was 'a credence good'. Accreditation was, therefore, required to measure a product that was based on credibility in the marketplace. He said the lead role taken by CII would go a long way in setting high standards for health care.

The seminar also highlighted the processes required for Accreditation. The discussions enabled delegates from the healthcare industry to draw up a checklist to further quality

standards in their respective institutions. ■

National Seminar on Packaged Water Industry

The water shortage and concerns for quality have opened new avenues for the packaged water industry



Among the broad spectrum of issues related to water management, the availability of clean drinking water is particularly significant. The main reason for poor access to safe water is the inability to finance and adequately maintain the necessary infrastructure. Overpopulation and scarcity of water resources are other contributing factors.

Hampered by the lack of access and availability of clean drinking water, a sizeable chunk of our population is increasingly looking towards packaged water as a means of meeting some or all of their daily requirements. Although packed water cannot be a substitute for safe drinking water provided through piped distribution systems, holds significance, as a safe option that is readily available, and is easy to carry anywhere, anytime.

The water shortage and concerns for quality have opened new avenues for the packaged water industry. As per an estimate, the bottled water industry in India is worth Rs 1,000 crore, and is growing at 40 per cent per year.

CII organised a national seminar on 'Packaged Water Industry in India' on 30 June in Bangalore, to understand key issues affecting the sector vis-à-vis standards and certifications, water efficient manufacturing processes, R & D on improving quality, disposal of plastic waste, etc. The seminar also explored strategies to provide win-win solutions to consumers, manufacturers, society and the environment.

Mr T. Parabrahman, Chairman, CII Karnataka, who chaired the first session, stressed that people buy packaged water based on trust. The challenge is to keep that trust

and consistently maintain the quality of water, he said. Mr T. M. Hunse, Regional Director, Central Ground Water Board, emphasised the need for sustainable usage as well as recharge of groundwater resources. "India is the 10th largest bottled water consumer in the world. This industry has social obligations on safety and resource conservation" he said.

Mr S. Ranganathan, Director, Bureau of Indian Standards, gave a comprehensive overview of guidelines on standards and certifications required for operating the bottled water-manufacturing units. It is mandatory to have a BIS license for producing bottled water. He disclosed that "out of the 2337 licenses issued, about 50 percent operate in the three southern states of Andhra Pradesh, Karnataka and Tamil Nadu." He explained in detail what a producer needs to do to obtain a BIS license before commencing operations as well as maintaining the plant.

Dr Gopichand Katragadda, General Manager, India Engineering Operations, John F Welch Technology Centre, who chaired the second session, listed water scarcity and how to address it, water contamination and water distribution as key areas of concern.

Mr Ram Mohan Mishra, Joint Secretary, Ministry of Water Resources, in a special address, compared bottled water manufacturers to social entrepreneurs and urged them to sustainably use water resources and think of the long-term impact on society.

Other speakers discussed conformity assessment for packaged water, and highlighted how technology can be used to address issues of scarcity and quality. ■



Ram Mohan Mishra,
Jt Secretary, Ministry
of Water Resources



A.B. Harapanahalli, Director, Environment & Forests, Karnataka, Sania Akhtar, Dy Director & Head, Central Institute for Plastic Engineering & Technology; Gopichand Katragadda, GM (Energy & Infrastructure), GE India Technology Centre; Jeffrey B. Smith, GM, Underwriters Laboratories and T N V V Rao, Regional Head, Underwriters Laboratories

Economic Outlook

Glimmers of Hope...

Several economic indicators released over the past month have turned positive, raising hopes that the worst may be over for the Indian economy.

The economy registered a decent growth of 6.7% in 2008-09, though it was lower than the advance estimate of 7.1%

The fact that the economy grew at 5.8% in the second half of 2008-09 has lifted the confidence of all stakeholders. The fiscal stimulus measures taken by the government as well as the reduction in interest rates are perceived to be working. Another positive factor for India is that even as the manufacturing sector has been hit hard by the slowdown, the services sector has remained relatively insulated.

GDP and its Components (% Growth Rate)

	(April-March)		2008-09	
	2007-08	2008-09 RE	H1	H2
Agriculture & Allied	4.9	1.6	2.9	0.7
Industry	8.1	3.9	6.1	1.9
Mining & quarrying	3.3	3.6	4.2	3.2
Manufacturing	8.2	2.4	5.3	-0.3
Electricity, gas & water supply	5.3	3.4	3.3	3.5
Construction	10.1	7.2	9.0	5.5
Services	10.9	9.7	10.0	9.4
Trade, hotel, transport & communication	12.4	9.0	12.5	6.1
Finance, insurance, real estate and business services	11.7	7.8	6.6	8.9
Social & personal services	6.8	13.1	8.6	17.1
GDP at factor cost	9.0	6.7	7.8	5.8

Source: CSO

While only limited data is available for the current financial year, there are indications that lower interest rates are driving a recovery in some sectors. The Index of Industrial Production registered a positive growth rate of 1.4% in April 2009, the best performance in five months. An expansion in 11 out of 17 manufacturing sub-sectors is a pointer that the recovery is broad-based. The core sector index – encompassing electricity, coal, steel, petroleum crude and refinery products and cement – also performed well in April 2009, registering a growth rate of 4.3% compared to an average growth of 2.7% in 2008-09.

In the automobile sector, the passenger car and two wheeler segments showed a pick-up in sales during April-May 2009, though sales of commercial vehicles remained weak. This indicates that while consumption demand is picking up (probably in response to reduced interest rates), investment demand continues to remain weak. Exports also remained weak, showing a year-on-year decline of over 30% in April-May 2009. Meanwhile, investor sentiments improved considerably on hopes that a recovery is around the corner. FII, since the beginning of 2009, have invested around US \$ 4.6 billion in the Indian equity and debt market, which has led to an increase of more than 50% in the benchmark BSE Sensex since the October lows.

There was some positive news from the rest of the world as well, supporting the view that the worst of the global economic crisis is behind us. The US contracted 5.7% compared to the initial forecast of 6.1% and Japan did better than expected, as its economy contracted by 3.8% in the first quarter of 2009. However, as highlighted in the World Bank's Global Development Finance Report 2009, the prospect for the global economy continues to remain grim with global GDP expected to contract by 2.9% in 2009.

... But Challenges Remain

Even though India is projected to be the fastest growing nation in 2010, growing at 8.0% and surpassing even China, there are some significant challenges that lie ahead for the economy. The government's increased expenditure has led to a high fiscal deficit of over 6% of GDP, breaching the government's earlier estimate. Fiscal deficit is indicative of government's borrowing needs to meet its expenditure. Large government borrowing can cause interest rates to go up sharply and thus can increase the cost of capital for the private sector.

Looking ahead, another setback could be a weak and delayed monsoon. Apart from weakening rural demand, a weak monsoon can also push up input costs in the near term.

Overall, we can say that while the political risk has subsided and economic indicators are turning positive, it may still be early to say that a decisive upturn is in sight, though it appears that the worst period is behind us. In order to assess the impact of the slowdown on company earnings, CII analysed the quarterly performance of a sample of companies across different sectors.

Turnaround in Corporate Profits

Out of the universe of companies that constitute the BSE-500 index, we were able to get data on the quarterly results of 326 companies. These results showed that on an aggregate basis, net sales shrank by 0.2% in the quarter ending March 2009 compared to an increase of 27.2% a year ago and 14.2% a quarter ago. What is interesting is that despite the decline in their topline, companies have managed to improve their bottomlines. In fact, net profits for the sample of companies recovered from the declines of the previous three quarters to grow at 37.7% in the quarter ending March 2009. The net profit margin also increased to 12.8%.

A closer look at the data reveals that even as overall sales declined in the quarter ended March 2009, raw material and other costs also declined. This points to the fact that there has been a sharp decline in the price of both intermediate and finished products in this quarter. Profits have improved as companies' costs have fallen at a faster rate than sales. This has reversed the scenario from the previous three quarters when input costs were rising at a faster rate than sales, resulting in a decline in profits. Sharp increases in raw material

Corporate Results for a Sample of 326 Companies

(% yoy growth)	Mar-08	Jun-08	Sep-08	Dec-08	Mar-09
Net sales	27.2	34.4	38.7	14.2	-0.2
Raw materials	34.6	54.9	58.7	7.2	-18.1
Salaries & wages	15.1	25.4	24.0	27.6	13.0
Power & fuel	32.5	46.9	56.6	26.3	1.4
Interest expenses	40.9	30.4	35.1	41.7	30.3
PBDIT	21.0	12.4	-1.5	11.7	28.9
PBDT	9.6	0.5	-24.5	-8.2	27.9
PBT	8.7	-1.9	-30.6	-11.8	30.0
Net profit	11.9	-2.0	-35.7	-12.7	37.7
Margin (% of Sales)					
PBDIT	25.8	23.7	21.4	27.9	33.3
PBDT	14.9	12.7	10.0	13.8	19.1
PBT	12.6	10.6	8.0	11.3	16.4
Net profit	9.3	7.9	5.6	8.2	12.8

Source: Prowess, CMIE

prices are therefore not good for Indian companies as their pricing power for finished products is limited.

A sectoral analysis reveals that several sectors in the economy experienced a turnaround in their profits in the quarter ending March 2009. Key sectors include automobiles and ancillaries, capital goods, cement, IT, oil & gas, power, telecom and transport and logistics. Sectors which continued to see a decline in profits in the quarter ending March 2009 include chemicals, construction and infrastructure, consumer goods, metals and mining and pharmaceuticals. ■

Corporate Performance by Sector

(% yoy growth)	Mar-08	Jun-08	Sep-08	Dec-08	Mar-09
Automobiles & auto ancillaries (16)	Net sales 11.1	18.8	8.2	-19.1	-8.9
	Net profit 9.4	9.0	6.7	1.4	8.2
Banks & Financial Institutions (32)	Net sales 28.5	25.2	29.5	34.6	24.6
	Net profit 27.7	3.9	23.2	50.7	38.1
Capital goods (30)	Net sales 13.9	20.2	23.0	10.9	20.5
	Net profit 1.7	18.0	-7.3	-0.5	12.3
Cement & other non-metallic minerals (16)	Net sales 16.9	10.3	12.9	10.6	14.3
	Net profit -1.5	-19.2	-20.0	-25.3	3.8
Chemicals (17)	Net sales 27.1	66.3	78.9	82.4	13.2
	Net profit 103.2	2.9	10.7	-42.9	-47.1
Construction & Infrastructure (19)	Net sales 48.7	49.3	37.5	23.9	16.8
	Net profit 46.0	28.1	16.6	8.3	-22.9
Consumer goods (27)	Net sales 23.4	22.9	25.0	9.6	5.9
	Net profit 33.8	12.1	32.5	-8.7	-5.8
IT (31)	Net sales 22.1	26.8	27.2	25.3	14.0
	Net profit 12.2	0.3	20.9	16.7	30.7
Metals & Mining (21)	Net sales 24.8	28.3	31.0	-0.2	-9.4
	Net profit 32.5	20.3	15.3	-39.3	-41.1
Oil & Gas (15)	Net sales 35.8	47.6	56.1	5.4	-15.3
	Net profit -25.7	-27.5	-180.3	-37.9	337.3
Pharmaceuticals(24)	Net sales 12.9	23.3	12.5	11.1	20.8
	Net profit 12.5	-23.8	-48.7	-55.7	-47.0
Power (8)	Net sales 26.9	14.1	25.9	27.1	11.2
	Net profit -8.6	-19.6	8.2	15.0	46.5
Telecom (10)	Net sales 25.5	26.3	26.3	22.0	13.9
	Net profit 12.3	-2.5	-19.1	-20.0	34.1
Transport & logistics (12)	Net sales 29.1	36.7	49.5	22.7	-6.4
	Net profit -18.3	-15.0	-24.0	-29.9	53.6
All (326)	Net sales 27.2	34.4	38.7	14.2	-0.2
	Net profit 11.9	-2.0	-35.7	-12.7	37.7

Source: Prowess, CMIE;

(Figures in brackets indicate the number of companies surveyed in the sector)

The Architecture of Good Governance



Arun Maira, Former Chairman, BCG India; Dr J J Irani, Past President, CII, and Director, Tata Sons Ltd; Naresh Chandra, Independent Director; Anurag Goel, Secretary, Ministry of Corporate Affairs, Salman Khurshid, Minister for Corporate Affairs & Minority Affairs; Hari Bhartia, Vice President, CII, and Chandrajit Banerjee, Director General, CII

Mr Salman Khurshid, Minister for Corporate Affairs and Minority Affairs, deliberated on the architectural composition of good governance in India during a special interaction with leading representatives from India Inc on 4 July in New Delhi.

Mr. Khurshid emphasized the need for good corporate governance and building a good corporate governance framework in the country which is implemented both in letter as well as spirit.

During the discussions, industry members emphasized that there was no need to introduce more regulation on the corporate governance code. The basic framework should include the concept of 'trust and verify'. Also given the vast diversification of Indian incorporations, 'one size fits all' cannot be practiced vis-à-vis corporate governance norms. Different organisations have different sizes and are exposed to varied levels of risks, therefore they should be treated differently.

Regarding the role of independent directors, the interaction stressed the need for delineating their definition, function, responsibilities and liability. The gathering concurred that independent directors should also be held accountable and should not be completely immune from liability. However, instead of criminal liability, a shift to civil liability should be considered. On the mode of selection of independent directors, it was stated that retired people are not always the best option. The pool from which independent directors are drawn should also include practicing professionals for a well balanced board.

For strengthening of the audit process, statutory

auditors would need to take more responsibility for the veracity of the information being audited and have a qualitative interface with the internal auditors. Internal monitoring and auditing should be exclusive of the board's interference giving them more opportunity to report discrepancies.

Suggestions for structuring the board of directors were free flowing. A major suggestion indicated the adoption of the RASCI - Responsible, Approve, Support, Consult, Inform - model for identifying the role and responsibility for the board of directors. A two-tier concept of the board could also be considered, i.e. supervisory board and executive board, thus making the executive board more accountable. Ethical education should be provided from the nascent level and it must be accepted

that the responsibility of corporate governance compliance lies on the board and management. More accountability, transparency and better disclosures should be encouraged.

Affirmative Action was discussed as one of the agendas that should be considered by the company's board. It was suggested that the companies complying with Affirmative Action should be given some incentives and preferences.

An idea of a special court set up to deal with corporate frauds was also mooted during the discussions.

The Minister stressed that government and industry collectively need to establish corporate governance benchmarks and create a positive influence on the governance levels in the larger social fabric of the country. ■





Confederation of
Indian Industry

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Training Calendar: August 2009

4-5 August, Chennai Education Excellence Programme
4-6 August, Bangalore Certification Course on Central Excise & Service Tax
5-7 August, Goa Managing Projects Effectively
7 August, Trichy Accident & Health Hazard-free Workshop (SHE)
7-8 August, Pune Awareness Programme on TQM in Education
8-9 August, Bangalore Improving Operational Efficiency through Quality (Workshop for SMBs)
10-11 August, MDC, YASHADA, Pune 13th Kizen Conference
10-14 August, Mumbai Lead Auditor Course for ISO 22000 (IRCA Registered)
11-12 August, Bangalore Enhancing Productivity & Quality through 3M & 5S for Manufacturing Industry
12 August, Erode Education Excellence Programme
18-20 August, Hyderabad QMS for Public Service Organisations IS 15700
19-20 August, Pune New Product Development – A Strategic Approach
19-21 August, Bangalore Excellence in Production Management
20-21 August, Delhi Customer Relationship Management
20-21 August, Chennai & Sholingur TPM Plant Visit
24-25 August, Bangalore Six Sigma Conference & Competition
24-29 August, Mumbai Facilitator Programme on TQM in Education
25-26 August, Pune 7 QC Tools – Problem Solving Methodology for Manufacturing Industry
25-26 August, Bangalore Essentials of SCM
25-28 August, Mumbai Assessors Training for Business Excellence
26 August - 8 September, Osaka AOTS Mission for TQM Facilitators in India
27-28 August, Chennai New Product Development – Food Sector
27-28 August, Delhi Life Sciences Conclave (Jointly with CII Tech. Div.)
28-29 August Cost Management for New Product Development

For further details, please contact:

v.subramanian@cii.in



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Engaging with Slovak SMEs

An Indian delegation, led by Mr Dinesh Rai, Secretary, Ministry of MSME participated in a conference in Slovakia on 'Perspectives of Doing Business in/with India - Assistance to Slovak SMEs on entry into the India Market.' The participants in the conference, held in Bratislava, Slovakia, on 23 June, included Mr Sandeep Naolekar, Chairman, CII Malwa Zonal Council and Mr Kiron Chopra, Chairman, CII (NR) MSME Sub committee.

The conference, to promote trade and commerce between SMEs in Slovakia and India was organised by the Slovak National Agency for Development of Small and Medium Enterprises (NADSME) and the Faculty of International Relations of the University of Economics in Bratislava. The discussions addressed topics such as Security Aspects and other Issues of Doing Business in India, India's Position in the World Economy and World Society and India through the Eyes of Field Experts: Global Education and Development Cooperation.

Mr Dinesh Rai, at the launch of the conference, observed that Slovakia, one of the few European economies growing even now, offers immense scope for partnerships and alliances at all levels in sectors such as leather, medical equipment technology, agriculture and food processing, energy, glassware, education, tourism etc. This potential needs to be tapped effectively and consolidated by SMEs in both the countries, he added.

The conference suggested that agencies such as the National Agency for Development of Small and Medium Enterprises (NADSME), Slovak Investment and Trade Development Agency (SARIO) and CII should work on creating trade synergies between SMEs in Slovakia and India.

Other key speakers at the conference included Ms Homai Saha, Indian Ambassador to Slovakia, Mr Marian Tomasik, Slovak Ambassador (Designate) to India and Mr Robert Maxian from the Ministry of Foreign Affairs of the Slovak Republic.

A brokerage programme was also organised by the NADSME with Indian participants, as part of the visit. ■



Dinesh Rai, Secretary, Ministry of MSME, Sandeep Naolekar, Chairman, CII Malwa Zonal Council and Kiron Chopra, Chairman, CII (NR), MSME Sub committee



Another Cluster in Bicycle Sector

Seven vendors of Eastman Industries, Ludhiana, got together to improve their competitiveness and formed a CII cluster at Ludhiana, marking the 6th cluster of the CII L M Thapar Centre for Competitiveness. Mr J R Singal, MD, Eastman Industries Ltd is the mentor of this cluster.

So far, 153 clusters impacting 1232 companies have been formed.



CII-Eastman Vendor Cluster kick-off at Ludhiana

Sustaining Competitive Advantage



Sandeep Mann, COO; Remorphing

A one day workshop on **Strategy Conception & Execution - for building and sustaining Competitive Advantage** was held on 24 June in New Delhi to help industry to anticipate and quickly respond to the current challenging economic environment. The programme discussed strategies to counter adverse and challenging environments

Empowering Self

A workshop on **Emotional Intelligence** on 24 June in Chandigarh covered topics such as Understanding Self and others; the 4 Quadrants at Work: Self-Awareness, Self-Management, Social Awareness, Relationship Management, Revisiting SWOT; Redefining Goals; Managing Emotions and Stress Management.

Manufacturing Excellence Mission

To promote best practices in the manufacturing sector, the CII-L M Thapar Center for Competitiveness organized a **Manufacturing Excellence Mission** to Pune on 23-24 June. The companies visited were Bharat

Forge Ltd, Bajaj Auto Ltd (Chakan Plant), Varroc Group of Companies, and Minda Industries Ltd.



Manufacturing Mission members in Pune

Six Sigma Black Belt Certification

A Six Sigma Black Belt Certification Course which kicked off on 8 June at Chandigarh was very well received by industry. The course is in five modules spread over six months for a total of 15 training days. The main highlight is that Process Improvement tools are being used. The programme will continue till November 2009.

Basic Hydraulics & Its Application

Equipments are the 'heart' of an industry. Continuing our efforts to facilitate SMES to maintain healthy, trouble free equipment, the CII- LM Thapar Center for Competitiveness for SMEs organised a programme on **Basic Hydraulics and its Application** on 4 June in Gurgaon.

Energy Management

A workshop on **Energy Management** held on 2 June at Rudrapur, Uttarakhand, presented a detailed overview of the latest energy saving ideas along with energy saving equipments. Self energy auditing techniques were imparted through case studies.

SMED & Poka Yoke

A training programme on **SMED & Poka Yoke** on 26 June in Noida stressed on the advantages of SMED in responding quickly to fluctuations in demand, and creating the necessary conditions for lead time reductions. Another focus area was Poka Yoke, which is a Japanese term for mistake-proofing. ■

CII Sohrabji Godrej Green Business Centre

Green Power

Dr Farooq Abdullah, Union Minister for New and Renewable Energy, delivered the valedictory address at the 8th edition of Green Power 2009. The conference, with the theme: 'Energy Security through Renewables' was held on 18-19 June in Chennai.

The Minister said that new and renewable energy development is of great importance for India's long term energy security. He said that the Ministry has been facilitating the implementation of broad spectrum programmes on renewable energy to enable India to meet its energy requirements.

Dr Abdullah added that the Ministry is open to everything that will help the growth of renewable energy and called on industry to support the Government's objective of socio-economic and environment good.

Renewable energy sources and technologies can contribute a lot to national energy security. Every State should work towards increasing the share of renewable energy generations in terms of 'Unit of Power' rather than the installed capacity, declared Dr Pramod Deo, Chairperson & Chief Executive, Central Electricity Regulatory Commission, who was the guest of honour at the inaugural session.

Mr Carmine D' Aloisio, Minister – Counselor for Commercial Affairs, US, and Foreign Commercial Service, USA, addressing the inaugural session, said that both USA and India are taking positive steps towards mitigating climate change. He added that US companies were interested in bringing in energy efficient technologies into India and partnering with Indian companies.

Dr Christodas Gandhi, Chairman & Managing Director, Tamil Nadu Energy Development Agency (TEDA) spoke of the agency's nodal role in popularising and disseminating renewable energy systems and devices to meet the energy requirements of the people of the State.



Dr Farooq Abdullah, Union Minister for New and Renewable Energy, releasing the 'case study booklet on Renewable Energy' at Green Power 2009

Mr Ramesh Kymal, Chairman, Renewable Energy Council, CII Godrej GBC, in his welcome and theme address, said India should aim to leapfrog in the development of frontier technologies to provide green energy to the masses in a sustainable manner.

Green Power 2009 was marked by an interactive session between industry and state nodal agencies, an interaction with regulators, a panel discussion on financing, a session on renewable energy–national and international scenario, National Solar Mission and technical sessions on wind power, small hydro, biomass, biogas and bio-fuels.

The valedictory session was also marked by the release of the 'Case Study Booklet on Renewable Energy.' The case study booklet is a compilation of 20 actual implemented case studies

capturing the technical and financial aspects of various renewable energy projects implemented in the industrial and building sectors in India.



Water Summit

The 6th edition of Water Summit, with the theme: 'Catalyzing investments in water sector' was held on 11-12 June in New Delhi.

In his key note address, Mr Umesh Narayan Panjiar, Secretary, Ministry of Water Resources, India, urged the private sector to actively participate in initiatives on stoppage of waste, desalination technologies, collection of tariffs, participatory management, achieving water positive / water neutral status, etc. He opined that R & D is the key for maintaining efficiency in water usage for agricultural and industrial sectors

Mr Vipin Sondhi, Chairman, Core Group on Water, CII (NR) and Managing Director and Chief Executive Officer, JCB India Ltd, noted that spending in the water sector will increase to US\$ 180 billion in the coming 20-22 years, from the present amount of US\$ 80 billion, and said the sector has to attract investments.

Mr Francois E Binder, Country Director & Counsellor, Swiss Agency for Development and Cooperation, Embassy of Switzerland, suggested that the water sector in India has to adhere to appropriate regulatory framework which incorporates consumer protection, environmental standards, pricing mechanism and enhanced sustainability.

Mr Ramesh Negi, Chief Executive Officer, Delhi Jal Board, said that the investment opportunities in the sector are



Umesh N Panjiar,
Secretary, Ministry of
Water Resources



Francois E Binder,
Country Director &
Counsellor, Swiss
Agency



Vipin Sondhi,
Chairman, Core Group
on Water, CII (NR)
& MD & CEO, JCB
India Ltd



Ramesh Negi, CEO,
Delhi Jal Board



N K Ranganath,
Chairman Water
Management Council,
CII Godrej GBC

going up manifold and suggested a PPP model in which the government will provide the land and the private organisation does water recycling.

The Indian Business Alliance of Water (IBAW), is partnership between the World Economic Forum (WEF) and CII to promote and facilitate sustainable water and watershed management through Public Private Community Partnership in water management. Mr N K Ranganath, Chairman Water Management Council, CII Godrej GBC described the Alliance's initiative, the Rajasthan Community Business Alliance on Water (RCBAW) and said that efforts were on to replicate this model in Madhya Pradesh, Maharashtra, Gujarat and Orissa.

The inaugural session also witnessed the release of a 'children's educational awareness kit on water conservation'. The kit contains a CD, sticker and timetable which underlines the need and importance to conserve water.

The two-day summit had sessions which included experiences from India on investments in the water sector, panel discussions on how to attract investments in Indian water projects and Industry - NGO collaboration on water projects. Sessions on water saving technologies / products, industry-led PPCP projects, wastewater reuse & recycle, community based water projects, innovative projects / best practices case studies and domestic water management technology and practices were also held.

Industry- Academia collaboration on Green Buildings

The Indian Green Building Council (IGBC), jointly with the University of Salford, UK organised a workshop on: 'Industry- Academia Collaboration to advance Green Buildings in India' on 26 June in Hyderabad.

Delivering the special address, Mr Mike Connor, British High Commissioner to Southern India, said that problems of pollution and climate change do not recognize any boundaries and equally affect both the developed and developing countries. It was necessary to act and work together to combat the imminent crisis, he said.

Prof Charles Egbu, Professor of Project Management, and Dr Mohammed Arif, Senior Lecturer, both from the School of Built Environment, The University of Salford, shared their experiences.

The day was also marked by breakout sessions to discuss the way forward to advance the Green Building movement in India.

Multi-modal Logistics Parks in India

Over the last few years there has been a flurry of activity by various local and global players in planning and establishing logistics parks. To understand the potential pitfalls and the critical success factors in developing and running successful logistics parks, the CII Institute of Logistics organised an interactive seminar on **World Class Logistic Parks for India** on 22 May in New Delhi. The seminar discussed the key trends, best practices, pitfalls and guiding principles learnt from other countries (US, Singapore, United Arab Emirates, China, Malaysia) and how logistics parks can be successful in India.



Sudhir Rangnekar, Event Chairman & CEO, Indian National Ship Owners Association (INSA), Dr. C B S Venkatramana, Jt Director General, Shipping, Government of India, and Dr. Sarita Nagpal, Dy Director General, CII

Globally, logistics parks have been in existence for a long time. They provide logistics services for domestic and international economic development. At the same time, they also serve as economic functional regions in which relevant facilities help decrease costs of logistics, improve the efficiency of logistics operations, and improve products movement, process and the purchase of raw materials.

Logistics parks can be classified according to the purpose they serve:

1. Facilities at airports/ports to enable international and domestic trade e.g., Port of Singapore
2. National and regional logistics centres, normally located near production/demand catchment areas and with access to railway stations, highways and Inland waterways e.g., Dallas Logistics Hub,
3. Local logistics centres for city-based distribution e.g. several logistics parks around Shenzhen

Typically, a Logistics Park is integrated and accessible by multiple modes (rail, road, maritime, air). It comprises container terminals, bulk/break-bulk cargo terminals, and warehouses. It houses 3rd party logistics players, ICD/CFSs, banking, packaging, office space, etc and offers facilities for manufacturing, parking, mechanized handling, inter-modal transfers, sorting/grading, cold chain, aggregation/disaggregation, to handle domestic and EXIM freight.

Impact of Logistics Parks in India

The current supply chain of companies in India is complex and fragmented, leading to increased cost, loss of time, increased inventory, missed deadlines, and low service levels for both domestic and international markets.

A logistics park enables co-location of key value-added players such as light manufacturing, distribution, packaging, 3PL, banks, cold storage, insurance, access to multi-modal transportation, warehousing, inland container depots (ICD) office space, training centres, etc.

This synergy drives economies of scale, scope and co-location. For example, an automotive company typically assembles more than 40,000 parts in a vehicle, through sub-assemblies and components procured from suppliers around the plant, from various parts of the country and from imports across the world. In this scenario, a slight delay from one supplier due to logistics hassles or customs delays can slow down production.

However, with a logistics park, the suppliers can ship their parts to the park, get customs clearances, assemble the components and ship them to the automotive assembly plant just-in-time using a 3PL player, utilising multi-modal transportation at the lowest cost with the highest service levels. The same process can be followed for finished goods, which can be shipped from the manufacturing plants directly in containers to the logistics parks where they are cleared for customs and sent in the same container to the port for exports. For domestic distribution, the warehouses can be used as national or regional distribution centres.

The resulting benefits would be reduced inventory, improved service levels, lower costs, improved reliability and predictability.

Pitfalls to Avoid for Successful Logistics Parks

The panelists at the seminar quoted a few mistakes made in China's logistics park industry that has resulted in their poor performance:

- Positioning the role of logistics parks wrongly
- Lack of proper regulatory environment for borderless logistics
- Abuse of the concept of logistics parks
- Misinterpretation and poor location of parks
- Poor service operations at the logistics parks
- Improper planning & excessive number of parks. ■



NATIONAL NEWS

Yi Delegation to the UK



Yi UK Mission delegates with Lord Meghnad Desai at the House of Lords

A 15 member Yi team led by Dr. Rahul Mirchandani, National Chairman, visited London, UK, on 24-25 June. Positioned as enterprising brand ambassadors of new-age India and Indian business, the delegation met like-minded next gen business, social and political leaders of UK. The mission brought together young entrepreneurs from both the countries to reinforce the theme of Yi while building bridges between both 'Young Businesses' and 'Young in Business'. The representatives shared knowledge on Indian entrepreneurship and business strategy, which at present stands on the theme of 'successful entrepreneurship in scarcity'.

New Chapter at Guwahati

The Yi Guwahati chapter was inaugurated on 8 June, by Prof Gautam Barua, Director, Indian Institute of Technology, Guwahati, making it the 17th Yi Chapter in the country. Two MoUs were also signed for setting up a Deepjyoti learning centre, and a Yi student net. The Deepjyoti learning centre was launched on 9 June.



Dr. Rahul Mirchandani, Chairman Yi -National

CHAPTER ROUND UP

Ahmedabad

To celebrate World Environment Day on 5 June, Yi Ahmedabad conducted an environmental awareness programme at Vaisamo Kids Foundation for 60 underprivileged students.

On 12 June, the Yi Ahmedabad chapter initiated Akshara learning resource centres in two municipal schools, housing a bank of learning materials, books, teaching and

learning aids, for teachers and children from Std I to V.

Chandigarh

An awareness session on climate change included the screening of two documentaries, 'An Inconvenient Truth' and CII's 'Climate Change and how it affects our health' on World Environment Day.

Chennai

Mr. S Gurumurthy, chartered accountant, corporate advisor and popular columnist, addressed Yi members on 'Global economic crisis and the way forward – an Indian perspective'. He offered insights on the micro and macro economics of nations and the impact of cultural convergence between countries.

Coimbatore



C K Ranganathan, Chairman & MD, CavinKare Pvt Ltd

In the first in the series of Star Trek – Celebrating the fascinating Journey of Entrepreneurship in Tamil Nadu, organized with CII on 2 June, Mr. C K Ranganathan, Chairman & Managing Director, CavinKare Pvt Ltd, shared the milestones in his entrepreneurial journey.



Sadhguru Jaggi Vasudev, Founder, Isha Foundation

A session on the Global Downturn & India on 6 June, was addressed by Mr. Ashok T. Aram, Managing Director, Global Capital Markets, Corporate & Investment Banking, Deutsche Bank AG.

Sadhguru Jaggi Vasudev, Founder, Isha Foundation, conducted a session on 'Spirituality in Leadership' on 26 June.

Hyderabad

Around 200 Gulmohur and Jatropa saplings were planted in a Tree Plantation Drive on World Environment Day at the Indian School of Business and Glendale Academy.

On 12 June Dr. Rishi Swarup, Healthcare Chair, Yi Hyderabad, addressed Yi members and the employees of E-logictech solutions on Computer Vision Syndrome (CVS). CVS is a temporary condition resulting from focusing the eyes on a computer display for protracted, uninterrupted periods of time.



Children at the Tree plantation drive in Hyderabad

Mr. Y Harish Chandra Prasad, Chairman CII AP, and Chairman, Malaxmi Infra Ventures India, addressed members on 19 June. He shared his experiences as Managing Director, Lanco Kondapalli, and discussed the difficulties faced with the Tehri Dam project which they undertook. He also described his interactions with Mr Sunderlal Bahuguna who started the 'Chipko' movement. Mr Prasad offered to help any YI member looking to enter the infrastructure space.

Pune

The Yi Pune chapter organised a campaign to collect old school bags on 10 June. The bags were collected and donated to a NGO, 'Shelter', which primarily looks after the rehabilitation and education of displaced and underprivileged children. ■

Networking session with The Ireland Funds

The Overseas Indian Facilitation Centre (OIFC) hosted a networking dinner for Mr. Kingsley Aikins, President & CEO of the Ireland Funds in New Delhi on 30 June. Mr. Aikins was in India to study the Indian Diaspora strategy, investment, philanthropy and Diaspora knowledge network.

The Ireland Funds is an international charitable organisation operating in 11 countries and has raised over \$ 300 million from Irish Diaspora to support various peace and development programmes in Ireland.

The session provided a platform for OIFC and the Ireland Funds to come together and share their experiences to promote and facilitate business partnerships. Mr. Aikins shared his rich experience in developing and running a fine-tuned process for philanthropy and fund-

raising. He described the USPs that the Ireland Funds provides to its clients as well as its strategic focus in promoting 'young leaders'.



The dinner was attended by Mr. Kenneth Thompson, Ambassador, Embassy of Ireland, Mr. Anand Kumar, Solutions Exchange, United Nations, Mr. Shiv Ratan, Director, Financial Services, Ministry of Overseas Indian Affairs, Mr. Don Mohanlal, President & CEO, The Nand & Jeet Khemka Foundation, and Mr. Chandrajit Banerjee, Director General, CII, among others.



Chandrajit Banerjee, Director General CII, Kingsley Aikins, President & CEO, the Ireland Funds, Shefali Chaturvedi, CEO, OIFC and Kenneth Thompson, Ambassador, Embassy of Ireland

Ms. Shefali Chaturvedi, CEO, OIFC, described the objectives of OIFC and the specific areas of its functioning. She also highlighted the Indian Diaspora's philanthropic engagement with India and its increasing influence. ■



Africa

Zimbabwe

An 11 member CII-IBF delegation visited Harare on 24-25 June. This is the first delegation to visit Zimbabwe after the newly elected government led by Prime Minister Morgan Tsvangirai took charge.

The delegation, led by Mr. Raman Dhawan, Managing Director, Tata Holdings SA Pty Ltd, met with the Ministers of Transport and the Minister of Commerce & Industry, as well as the Permanent Secretaries of Finance, Mines, Health, and Information and Communications Technology. These six back to back meetings were followed by meetings with the Industrial Development Corporation

(IDC) and the Zimbabwe Investment authorities.

Zimbabwe is at a turning point. With the involvement of the new leadership and the effort being put into lifting the sanctions imposed on the country, Zimbabwe is waiting to engage with the world. As the former bread basket of the continent, Zimbabwe has the potential to lead once the restructuring is complete.

The Zimbabwe government assured the CII delegation that serious efforts are being made to develop an investment friendly environment in the country, and stressed that this was the right time for Indian industry to engage with a potential powerhouse.



CII delegation to Zimbabwe



Raman Dhawan, leader of the CII delegation, with N T Goche, Minister of Transport, Zimbabwe

Asia

China

Economic Indices May

PMI : 53.1% in May, down 0.4 percentage points from a month ago

FDI : \$34.05 billion (Jan - May), down 20.4%

CPI : -1.6 (May)

PPI : -7.25 (May)

Retail sales: Up 15.2% in May year on year to \$147 billion

\$17.65 billion in Tax Cuts

China offered tax reductions of US \$17.65 billion in the first quarter in a bid to stimulate the slowing economy.

Cotton Growing Area Shrinks

Major cotton planting bases in China, such as the Yangtze River region and Yellow River region, saw more than a 10% decrease in cotton farming area. In total, 677 thousand hectares of cotton farms disappeared in 2008.

Japanese FDI in China

By the end of April this year, the cumulative direct investment made by Japanese enterprises in China reached US \$66.68 billion, making Japan China's second largest source of foreign investment.

Export Tax Rebates Raised

China has further raised the export tax rebate rate

of more than 600 products since 1 June. China also decided to abolish export duties on some grains and industrial products and cut the duties for chemical fertilizers and nonferrous metals from 1 July to promote exports. Export tariffs will be eliminated for wheat, rice, soyabeans, vitriol and steel wire.

Rio Tinto Deal Scrapped

The Aluminum Corporation of China (Chinalco) has confirmed that Australian mining firm Rio Tinto has scrapped the proposed US \$19.5 billion of investment by Chinalco. Rio Tinto would pay a break fee of US \$195 million to the Chinese aluminum maker.

Auto Sales Rise

Sales of China's domestically made automobiles topped 4.96 million units in the January-May period, up 14.29% from a year earlier. Both output and sales of domestically made automobiles in May exceeded 1.10 million units. It was the third month in a row that topped the million-unit mark.

Outbound Funds Rule Tweaked

China's foreign exchange regulator announced revised rules relaxing controls on companies' overseas investments to support more enterprises to venture out of the country. Domestic companies can use their existing foreign exchange reserves or purchase fresh foreign exchange to fund their overseas operations from 1 August. China's outbound investment has been very tepid compared with inflows from foreign investors, but the pace has started to pick up, nearly doubling to US \$52.2 billion in 2008 from a year ago.

Second Tibet Railway

Work on the construction of China's second Tibet Railway, Lijiang-Shangri-La, has commenced. The railway will start from Lixiang station of Dali Railway, crossing the Jinsha River northward, passing Xiao Zhongdian, from where it will finally arrive in Shangri-La.

Shandong Province

In 2008, Shandong became only the second province after Guangdong to achieve a GDP of more than 3 trillion yuan. With a growth of about 12.1%, it posted GDP of 3.11 trillion yuan, with per capita GDP crossing the 30,000-yuan mark for the first time.

WB Forecasts 7.2% Growth

The World Bank has raised its forecast of China's economic growth rate in 2009 to 7.2% from its earlier forecast of 6.5%. The World Bank also said China's GDP for 2010 would reach 7.7%.

'Buy China' Move Fair, Experts Say

The NDRC, along with other ministries issued a notice in early June asking government-invested projects to make use of domestic products and services, unless they were unavailable in the country. Local industry insiders and experts have said that this move was fair and 'reasonable'. Chinese experts say it is a universal practice and every country has the right to offer some favorable measures to domestic enterprises in government purchases. Foreign Ministry spokesman Qin Gang rejected accusations of China practicing protectionism in its \$585 billion stimulus package.

First China-assembled A320 jet

Airbus delivered the first China-assembled A320 jet on 23 June in Tianjin where the manufacturer's only plant outside Europe is located. The plane had a successful test flight in May.

Indian Team visits Taizhou and Nanjing

A seven-member delegation led by Mr. Prakash Gupta, Consul (Commercial) Consulate General of India, Shanghai, visited Taizhou and Nanjing in Jiangsu Province on 22 and 23 June. In Taizhou, the delegation interacted with senior officials of Taizhou Medical Hi-tech Development Zone. In Nanjing, the delegation attended the Nanjing-International Pharmaceutical Research & Cooperation Seminar 2009. CII was one of the co-organisers of this event.

China South Asia Business Forum



Amit Kumar, Counsellor, Embassy of India Beijing, Gu Zhaoxi, Vice Governor Yunnan Province, and Shoeb Samad, Director, India Tourism Beijing at the China Import and Export Fair, Kunming (Yunnan Province).

CII participated in the China South Asia Business (CSAB) Forum organized by CCPIT in Kunming from 5-7 June. Government and business representatives from eight SAARC countries participated in the forum to discuss trade and investment opportunities with China. The conference also witnessed the launch of the permanent China South Asia Business Forum Secretariat under the aegis of CCPIT in Kunming.

The 17th China Import and Export Fair (Kunming Fair) was organised coinciding with the CSAB Forum. Around 50 Indian exhibitors representing textiles, handicrafts, food, tourism, chemicals, banks etc. showcased their products. CII and the Consulate General of India, Guangzhou facilitated the participation of the Indian companies based in China.

Shanghai Civil Affairs Bureau Visit

A six-member delegation of the Shanghai Civil Affairs Bureau (SCAB), led by Ms. Ma Yili, Director General, SCAB, visited CII in New Delhi on 5 June. CII organised visits of the delegation to 'Gharaunda', an old-age home run by the Paras Foundation and Genpact. CII also shared its activities in the field of corporate social responsibility.

Japan

April industrial Output Rises

Japan posted the fastest rise in its industrial output in more than 56 years in April; strong evidence that the economy may have started to pick up. April industrial output rose a seasonally adjusted 5.2% in April from the previous month, the second highest on all records available, only behind a rise of 7.9% in March 1953.

Bank of Japan Upgrades Assessment

The Bank of Japan has upgraded its assessment of the Japanese economy, taking a cautiously upbeat stance that recession may be easing. It said the economy was still deteriorating, but exports and production are beginning to level out.

India keeps Suzuki in the Black

While many global automakers incurred huge losses in the 2008 business year, Suzuki Motor Corp.'s limited reliance on the US market and strong foothold in India kept the company in the black. Suzuki is one of three carmakers in Japan that eked out a profit, along with Honda Motor Co. and Daihatsu Motor Co.

Surprise Trade Surplus

Japan reported a trade surplus of 68.95 billion yen in April, down 85% from a year earlier, amid recent signs of a bottoming out in exports. Exports fell 39.1% while imports shrank 35.8%. It was Japan's third straight monthly surplus, following a record deficit in January when the global economic downturn triggered a collapse in worldwide demand for the country's cars, electronics and other goods.

Record Stimulus Budget Passed

A record extra budget worth US\$147 billion has been

passed in Japan's Parliament for financial year 2009-2010, to pep up the recession-hit economy. The extra budget will finance most of a stimulus package announced by Prime Minister Taro Aso, which totaled 15.4 trillion yen or about 3% of Japan's GDP.

Forex Reserves Swell

Japan's foreign exchange reserves at the end of May rose US \$12.54 billion over the past month to US \$1,024.01 billion. Japan's foreign reserves stayed above the \$1 trillion level for the seventh straight month.

JBIC eyes Indian Infrastructure Projects

The Japan Bank for International Cooperation (JBIC) is planning to pick up a stake in Indian infrastructure projects, besides providing export finance to Indian companies to source goods and services from Japan. JBIC's current exposure to India is in the form of loans and guarantees. The value of its outstanding loan portfolio was US \$1.1 billion, while it has extended guarantees of about US \$380 million.

The Japanese funding agency has set a target of lending US \$5 billion in two years for projects involving clean power generation, energy efficiency improvement, water and urban transportation. JBIC also provides guarantees for Samurai Bonds, a yen-denominated bond issued by a non-Japanese firm or institution to encourage the use of Asian funds for regional needs, tap global markets and vitalise Samurai bond markets.

South Korea

Bank Deposits, Lending Rates Sink

South Korean banks' deposit and lending rates dropped to a record low in April due to steep interest rate cuts. The average deposit rate for households and companies topped 2.88% in April, the lowest since January 1996 when the BOK started compiling related data. Local lenders' average lending rates also hit a record low in April.

Q1 Economic Growth

South Korea's economy grew 0.1% in the first quarter of the year, the highest among the 29 OECD members. The South Korean economy had declined by 5.1% on quarter during the last quarter of last year.

Current Account Surplus

South Korea posted a current account surplus for the third straight month in April due to a surplus in the goods balance. The current account marked a surplus of \$4.28 billion in April, down from a record high of \$6.65 billion in March.

South East Asia

ASEAN

- Sluggish demand and fluctuating exchange rates were the top two barriers to trade for SMEs in the Asia Pacific reported HSBC, which conducted a survey covering some 2,000 companies across seven markets in the region. The survey found Vietnamese traders most bullish in outlook, with 54% expecting trade volume to increase in the next 3 months. This optimism was further propped up by a lesser reliance on Western economies unlike developed neighbours Singapore and Hong Kong.

- The Asian Development Bank says it will double its investments on clean energy initiatives to US \$2 billion a year by 2013 to significantly dampen carbon growth and cut greenhouse gas emissions in the region. Developing Asia now accounts for about a third of global greenhouse gas emissions. Unless urgent measures are taken to alter development patterns, the region's share could easily increase to 40% or higher by 2030.

- Standard & Poor said Asia-Pacific economies may have seen the worst of the impact of the global recession. It expects China, India and Indonesia to lead growth in the region in 2009 and 2010. However, fiscal deterioration resulting from huge stimulus and banking sector support measures would put pressure on a number of sovereign ratings in the region in the medium-term, S & P said in a report entitled 'Asia-Pacific Sovereign Report Card: Amid Encouraging Signs, A Bumpy Road Lies Ahead.'

- The Broadband Forum says Asia is leading the way in broadband growth with most rapid expansion seen in India, China, The Philippines, Vietnam and Australia. It said IPTV subscriptions in Southeast Asia also surged 91% y-o-y in the first quarter. [The Broadband Forum is the central body for next generation IP network specifications, with over 200 members around the world.]

Cambodia & Laos

- Cambodia and Laos have been dropped from the United State's trade blacklist, paving the way for businesses to access US government-backed loans and credit guarantees.

- Cambodia has approved a 3 year plan to spend \$2.8 billion on public investment from 2010 to 2012. A major part of the budget would go towards infrastructure and irrigation systems to boost agriculture output. The planned list of 536 projects also includes construction of major roadways, hospitals and schools.

- Cambodia has signed agreements for a project that aims to protect 60,000 hectares of forest in its north-western Oddar Meanchey province and reward local communities from the sale of carbon credits over several decades. The project is expected to yield 8.5 million carbon offsets over 30 years and is the first avoided deforestation project in Cambodia for registration under the Voluntary Carbon Standard.

INDONESIA

- Bank Indonesia cut its reference rate for a 7th straight month by a quarter-point to 7% as inflation slowed to a 23-month low of 6.04% y-o-y in May. Its benchmark rate still remains the highest in East Asia.

- Indonesia's largest coal producer by market value, PT Adaro Energy Tbk, has won a contract to supply 1.5 to 2 million tonnes of coal to a new coal-fired power plant in India.

Malaysia

- Malaysia's inflation fell to a 16-month low in May after the economy contracted for the first time since 2001. Consumer prices rose 2.4% y-o-y.

- Malaysia's industrial production fell an 8th straight month in April. Production at factories, utilities and mines dropped 11.4%, compared to a 15.2% median fall anticipated by economists, and a revised 12.7% decline in March.

- Prime Minister Najib Razak announced radical policy changes to stimulate Malaysia's property and capital markets, alongside measures aimed to enhance the country's competitiveness. The move involves 'chipping away' at the over-three-decade-old New Economic Policy –which enshrines the 30% bumiputra corporate equity rule. Analysts see the changes as a carefully measured response to the new challenges that Malaysia faces in aspirations to become a higher-income economy.

- Prime Minister Najib has also directed Malaysian government-linked companies to beef up their competitiveness to better support the development of the nation. He urged these companies to 'pursue an increasingly international outlook in terms of market penetration and international competitiveness'.

- Bank of Baroda has joined hands with Indian Overseas Bank and Andhra Bank to set up a bank in Malaysia. The banks, which have already received a go-ahead from the RBI, will initially invest INR 4.05 billion with respective shareholdings of 40%, 35% and 25%, and are set to

open their first branch in Kuala Lumpur by September. Approvals from the Malaysian authorities are awaited.

- The current economic slowdown has not affected bilateral trade between India and Malaysia. Speaking to the press after launching the 7th Global Indian Festival (GIF) 2009 (28 May – 6 June) in Kuala Lumpur, Domestic Trade & Consumer Affairs Minister Ismail Sabri Yaakob said trade between the two nations already stood at US \$1.48 billion in the first half of the year, compared with US \$2.31 billion for the whole of last year, and could hit up to US\$ 3.13 billion this year.
- Emkay Group's MK Land Holdings Bhd (MKL) will partner India's Embassy Group for an integrated township development project of gross development value of US\$0.85 billion, spanning 120 hectares in Northern Bangalore.
- Analysts are anticipating a drop in sales of Malaysian crude palm oil (CPO), should India reinstate duty on vegetable oil imports. Updates by The Solvent Extractors' Association of India, which had suggested a 20% tax on CPO, indicated that palm oil products had constituted 83% of India's vegetable oil imports from November 2008 till May 2009.

Myanmar

- The Myanmar authorities are reportedly planning to boost the CDMA network capacity by 150,000 subscribers in the two main cities of Yangon and Mandalay.
- The country is also expanding the number of public access centres (PAC) to cover every town this year. Over 400 PAC have been opened in 44 townships since 2004.

Philippines

- Annual inflation in the Philippines slowed to an 18-month low of 3.3% in May. Analysts are expecting monetary authorities to further trim the overnight borrowing rate. The Philippine central bank has said that it will maintain an easier monetary policy as long as inflation continues to slow with no threat of deflation.
- Filipino exports slumped 35.2% y-o-y in April, deeper than the 30.8% fall in the previous month, official data showed. Month-on-month, exports in the month fell 3.6% to reverse a 16% growth recorded in March. Latest data shows the fall in exports to China (which accounts for an 11% of total Filipino exports) easing to an annual 41% in April from 44% in March. Manila, however, still expects exports to contract by a further 13% - 15% this year as exports to its top market - the US continue to dive.

- Filipino imports dived steepest ever by 37.4% y-o-y in April. The country suffered a deficit of \$238 million in trade in April.

Singapore

- Singapore's NODX dipped 12.1% y-o-y in May, improving from a 19.2% decline in April, although consensus had expected only an 11.7% contraction. The Singapore government maintains trade would remain weak for the rest of 2009, but expects further declines to be unlikely.
- Factory production in Singapore declined least in the 7 months leading to April as manufacturers began rebuilding stockpiles in anticipation of improving demand. Singapore's purchasing managers' index (PMI) showed manufacturing expanded in May for the first time in 9 months as export orders climbed.
- The Maritime and Port Authority of Singapore said traffic at the world's busiest container port edged up by 0.7% in May from the previous month, although its terminals handled 20.3% fewer containers compared to a year ago.
- Average monthly prime office rental in the island republic fell at a slower pace of 11% q-o-q to US \$6.56 per square foot (psf), translating into an overall drop of 43% from the peak recorded in Q3 2008.
- Singapore Telecommunications Ltd., Southeast Asia's largest telephone company, plans to raise \$4 billion and has appointed financial advisors for the purpose, India's Financial Express said. Earlier reports by Dow Jones suggested the Singapore firm could own as much as 12% of South Africa's MTN Group Ltd on the latter's successful merger with Bharti. Dow Jones added that Singtel may extend a credit line of up to \$3.6 billion to Bharti for the MTN transaction.
- Singapore companies Singapore Technologies and Media Architects are among 7 firms banned in a corruption probe against India's former Ordnance Factories Board Director General, Mr. Sudipto Gosh, according to an Indian Defence Ministry spokesperson.
- International law firms are using Singapore not only as a launch pad for accessing Southeast Asia's emerging markets but as a gateway to South Asia, particularly India. Geographical proximity and the large presence of Indian clients provides unprecedented opportunity to further develop their India-related practices with a view to entering the Indian legal services market when it is liberalised as well, firms say.
- Mr Chew Choon Seng, CEO, Singapore Airlines,

said, on the sidelines of an aviation meeting in Kuala Lumpur, that the national carrier was most keen on opportunities in India and China.

- GMR Group will buy out Singapore-based private electric utility, Island Power, which is developing an 800-megawatt power plant in the island-state. This, GMR says, will enable it to access the Southeast Asian energy market. The proposed plant, to be fired by natural gas, is expected to be operational by 2013. The project will bring \$1.5 billion in FDI into Singapore, GMR said.

Thailand

- Thailand's May consumer prices dipped deeper than the expected 3.3%, y-o-y, due in part to lower oil prices. Thai economists say local demand, which has yet to show any clear signs of recovery, remains fragile, and expect consumer prices will contract until at least the third quarter of the year. Prime Minister Abhisit Vejjajiva said that Thailand may face deflation, although it is 'under control'.

- Thailand's industrial output fell for a 7th month in May. Manufacturing production slipped 10% in May as demand for electronics and automotive products suffered in the global recession.

- Exports, which make up 60% of Thailand's GDP, sank a further 26.5% y-o-y in May to \$11.55 billion, while Thai Imports fell 34.3%. Trade surplus in May grew \$2.34 billion, compared with a \$619 million excess in April.

- The Thai current account surplus widened to \$1.39 billion in May. Tourism, which contributes majorly to the service industry's 30% component of the current account, witnessed nine straight months of decline in May. Tourist arrivals dropped 22.2% y-o-y to 912,000 that month.

- Thailand's Board of Investments is offering tax incentives to lure automakers to relocate their new-technology vehicles production in Thailand. The incentives include a waiver of tariffs on machinery imports and a temporary waiver of corporate tax for 5 - 7 years, subject to project value and timing of the proposal submission. The companies need to invest in a new production line with the capacity to make a minimum of 100,000 units in the first 5 years of operations. Tata Motors has affirmed its US\$147 million project to produce an 'eco car' in Thailand by 2012.

- Mahindra Holidays & Resorts India Ltd will use proceeds from its recent listing to fund new projects and expansion of its existing 27 resorts across India and Thailand.

- Nadathur Holdings, the investment firm of Infosys Technologies co-founder NS Raghavan, has acquired majority stake in Bangkok-based BMC Management Corp, which operates a chain of boutique hotels and resorts in Thailand and Cambodia.

- Thailand's Charoen Pokphand Foods Plc will invest 500 million baht in a livestock feedmill factory in Tamil Nadu as well as a hatchery farm in Tamil Nadu and Pune.

Vietnam

- The Vietnamese government has slashed import tariff on FO oil from 35% to 30%, effective 5 June. Tariffs on other kinds of fuel (including jet fuel) remain unchanged.

- The World Bank (WB) approved an 8th Poverty Reduction Support Credit (PRSC 8) worth \$350 million to help Vietnam overcome the impact of the global economic crisis. WB envisages a total of more than \$4 billion to support Vietnam's development over the next 2 years.

- Foreign investors can now purchase up to 49% of listed and unlisted public companies in Vietnam. Conversely, companies with a 49% foreign holding ratio will also be eligible to list on the local exchange.

- Vietnam's Ministry of Agriculture is drawing up a key national programme to develop rural parts of the country towards becoming a sustainable industrial country by 2020. The programme will focus on five major fields in rural areas: developing human resources, boosting socio-economic infrastructure, developing effective models of production, building a diversified and healthy lifestyle, protecting the environment and improving living standards.

- Vietnam is seeking FDI into its drug sector which hasn't seen foreign capital inflows since 2007. Local manufacturers currently meet only about half of the country's medicine demand. According to the National Drug Administration, the country has 300 drug manufacturers which mainly produce generic medicine, while requirements for specialized drugs are largely met by imports. Vietnam's drug spending averages \$16 per capita per year.

- New Delhi has imposed anti-dumping duty of up to \$1.90 per piece on the imports of compact fluorescent lamps (CFL) to guard its domestic industry from cheap Chinese and Vietnamese shipments. The duty, enforced from 21 November 2008, will last 5 years.

Events

- Mr Tarun Das, Chief Mentor, CII, visited Singapore on 1 June. During his visit, he met with Mr S Nathan, President of Singapore, Prof Tommy Koh, Ambassador-at-Large, Mr S Iswaran, Senior Minister of State of Trade & Industry and Education, Mr GOH Chok Tong, Senior Minister, Singapore and Dr S Jaishankar, High Commissioner of India to Singapore.

Dr Aby Sam, Member Education Sub Committee of CII-SR and Director, Hindustan University, Chennai, welcomed the decision to set up a task force on Higher Education by India and Malaysia as agreed upon by Mr Kapil Sibal, and Datuk Dr S Subramaniam, Minister, HRD, Malaysia, during their meeting in June 2009.

The Education Fair was declared open by YB Dato' S K Devamany, Deputy Minister in the Prime Minister's Department. Mr Ashok K Kantha, High Commissioner of India and Mrs Anju Banerjee, Chairperson and Managing Director, EdCIL(India) Ltd addressed the participants at the Fair, which had 26 exhibitors and drew approximately 10,000 visitors.



CII-IBF Singapore members with S Iswaran, Senior Minister of State, Ministry of Trade & Industry, Singapore

- CII Singapore and Singapore's water authority, PUB Singapore, jointly organised an India Business Forum IBF on 25 June, at the Singapore International Water Week (22-25 June). The session, titled 'Business of Water

- The 7th CII-IBF meeting and interaction with Mr S Iswaran, Senior Minister of State for Trade & Industry and Education, Singapore, was held on 18 June in Singapore.

in India: Building Sustainable Growth' - was attended by over 300 keen investors and participants of the SIWW.

- The Confederation of Indian Industry, EdCIL (India) Ltd. and EduIndia, with the support of the Indian High Commission in Malaysia, organized the India Education Fair on 20-21 June in Kuala Lumpur, Malaysia. This event was held in conjunction with the 17th Conference



Dr Aby Sam, Director, Hindustan University, Anju Banerjee, Chairperson and MD, EdCIL(India) Ltd., YB Dato' S.K. Devamany, Deputy Minister in the Prime Minister's Dept. and Ashok K Kantha, High Commissioner of India in Malaysia

- CII arranged meetings for 25 MBA students from the INSEAD campuses of Singapore and France in New Delhi on 29 June. The delegation, accompanied by Dr Patrick Turner, Affiliate Prof of Entrepreneurship, INSEAD, was on a study mission to India.

of Commonwealth Education Ministers which was launched by Mr Kapil Sibal, Minister, HRD, India.

The Education Fair facilitated the sharing of information on the various higher education opportunities available in India that students in Malaysia could benefit from, and also provided a forum for discussion on partnership arrangements between Indian and Malaysian entities.



Session on the 'Business of Water in India'

Australia & New Zealand

Australia

Mr. Peter O'Byrne, CEO, Australian Trade Commission, and Mr. Peter Linford, Senior Trade Commissioner, Austrade, met CII members on 2 July in New Delhi.

CII and Austrade enjoy an excellent relationship and have been working together across various sectors for a number of years. Mr. O'Byrne was briefed about the Healthcare Sector in India, Medical Tourism, and Community Health. The role of the corporate sector was discussed, as also CII's involvement in Corporate Social Responsibility (CSR) activities, and the HIV/ AIDS programme.

Views were also exchanged on the nutrition programme under the Australia India Council and India Australia Council partnership. Mr O'Byrne observed that Australia has a lot to learn from India.

Mr. O'Byrne was also given an overview on the telecom revolution in India and its impact on rural India. Upcoming fields of Sustainable Development and Sports were discussed as future areas of mutual cooperation.



Peter Linford, Sr. Trade Commissioner, Austrade and Peter O'Byrne, CEO, Australian Trade Commission

CIS & Russia

Kazakhstan

CII organised a Mission to Kazakhstan as a part of its strategy to engage more with the Central Asian Region, in particular, with Kazakhstan.

The delegation visited Astana and Almaty from 22-24 June and met with senior officials from the Ministry of Industry and Trade, Sovereign Wealth Fund – Samruk-Kazyna, the Ministry of Transport and Communications, and the Ministry of Mineral and Energy Resources.

The visitors participated in roundtable discussions with the Atameken Union, Kazinvest, and Kazakh Chamber of Commerce and Industry, and also met the Indian business community for interactions. One-

to-one meetings with Kazakh business leaders were also held.

The delegation included senior representatives from Tata Motors, Integrated Electric Co, C & V Mahtani Investments Ltd, ILFS Infrastructure Development Corporation and Lupin Laboratories Ltd.



CII Mission members with Ambassador Ashok Sajjanhar and Abalgazy Kussainov, Minister, Ministry of Transport & Communication, Kazakhstan (centre)

Europe

France

Interpreting the ruling party's trend-defying victory in the European poll as vindication of his handling of the economic crisis and reforms policies, President Sarkozy, the first French president to address a joint session of Parliament in Versailles, outlined policy for the rest of his term.

Government & Politics

The poll results were certainly a boost to Mr Sarkozy, but critics argued that European polls, usually devoid of issues to excite the electorate, have low participation

and have traditionally been used to express discontent with the incumbent government's internal policies, but are not necessarily a pointer to regional polls next year.

President Sarkozy, halfway through his mandate, in his address to both houses of Parliament in the splendid settings of Versailles, departed from the flamboyant style that had cost him much public support. Mr Sarkozy's 'revival' speech was both sober and measured, eschewing personal promotion and aimed at making the French feel good in the gloomy economic climate. Claiming credit for his expansionary and at times interventionist policies for the relatively less slowdown of

French economy as compared to Germany and UK, he asserted that the unique French model, with its safety net of social security and health insurance was back. He ruled out austerity measures and a tax raise despite the likely 7% deficit, and ingeniously distinguished between good and bad deficits, which left economists baffled. He even proposed a multi billion Euro saving bond to stimulate new industrial investment.

Mr Sarkozy was, however, silent on badly needed structural reforms on pensions, social spending and health, which together account for at least half of that deficit, except to mention that pension reform will be addressed in 2010. He also announced a cabinet reshuffle, with Mr Frederic Mitterand, nephew of the late Socialist president, as Culture Minister.

Economy

IMF agreed that due to its basic economic structure and timely government action, France had managed to tackle the current crisis better than several other European countries, but asked the government not to abandon reforms and consider raising the age for pension, currently at 60. Prime Minister Fillon wants to go that route, but politically it remains a sensitive issue, though there seems to be reluctant acceptance by the general public that such reforms are inevitable now. Government is reluctant to increase the minimum wage this year.

Officially, the crisis bottomed out in France in end 2008 with GDP declining by 1.5% in Q4 08. In Q3 09, it is expected to be 0.2%. So, despite a 3% decline in 2009, France is expected to be out of recession by early next year. So far, consumer spending is holding and business confidence is also slowly inching up.

Business & Industry

Seeking investment funding, nuclear giant Areva is to sell its lucrative transmission and distribution business; its Indian subsidiary may be covered by it.

The world's largest cosmetics group, l'Oréal, announced 100 global welfare projects to mark its centenary.

India

A CII defence industry delegation to the biannual Paris Air Show had useful interactions with several French and other country participants.

The India France Business Forum had the first meeting of its core group in Paris to prepare for the first full-fledged meeting in Delhi later this year.

Mr Anand Sharma, Minister, Commerce & Industry, visited France mainly to participate in the OECD deliberations.

In a press interview, he stressed India's desire to re-launch and conclude the Doha round soon.

Despite its unsuccessful JV with Apollo tyres, tyre giant Michelin announced plans to set up a plant in India, to be operational within 3 years, with €1bn investment over 10 years.

Wal Mart opening its first branch in Amritsar was widely commented on in the French media, which also covered the BRIC summit where the Indian Prime Minister was a participant.

In a rare honour, a military contingent from India was invited to participate in the French National Parade on July 14.

Germany

Politics

Four months before Chancellor Merkel runs for a second term, she received an electoral boost in the European election, with her party and its sister party staging the best performance of all German parties. The centre-right parties were the clear winners in the election to the European Parliament, taking 265 seats in the 736 seat assembly.

Unemployment benefits, access to medical care and other forms of social expenditure form a large part of the € 400bn fiscal stimulus that EU policymakers claim is what most voters want during recession.

Mrs. Merkel cast aside her image as European champion for fiscal discipline as she launched the manifesto of her re-election bid calling for higher investments and a € 15bn tax cut over four years. This promised tax cut would be small compared with the € 80bn in growth-boosting measures adopted by the government and a bank rescue package worth up to € 500bn. Yet, given an expected federal budget deficit in 2010 of € 86bn, twice the post-war record, political rivals have accused Mrs. Merkel of making promises she cannot deliver.

Germany's constitutional court gave the green light in principle to the Lisbon Treaty but suspended its ratification until the German Parliament amended the law governing its influence over European legislation. The German Government is confident that the necessary amendments can be expedited in the summer, fulfilling its commitment to ratify the treaty before 2010.

Economy

Germany's hopes of economic recovery were set back by unexpectedly sharp falls in export and in industrial production. The exports in April were 4.8 % (3.8 % in Q1), about 29 % lower compared with a year before.

This data did not undermine completely the view that better times may be ahead. The Ministry of Economy argued that in view of stabilisation in demand for industrial products on the trend change in confidence indicators, the chances have improved of a bottoming out in industrial production in the foreseeable future.

The 'Business Climate Index' increased for a third consecutive month to its highest level since last November. Hopes about the future are based on the idea that improvements elsewhere in the world, mainly in USA, would re-ignite Germany's export-dependent economy. There is also a sense that government and European Central Bank stimulus packages would lift demand.

OECD sees the first signals of recovery and is expecting in 2010 a growth of 0.7 % (Germany + 0.2 %). However, for 2009, it forecast that GNP in the OECD area will shrink 4.1 % and in Germany, - 6.1 %, mainly caused by downturn in exports.

All hopes of German export industry rely on the BRIC countries (Brazil, Russia, India, China).

The economic crisis has already hit some 16, 650 companies in Germany, which had to file insolvency. Amongst them are well known companies like Arcandor and Woolworth (retailers), Quimonda (chip manufacturer), Schiesser (textile), Märklin (model railway), and Rosenthal (porcelain).

The Chancellor has stopped the discussion about increasing VAT in spite of rocketing public deficits. She said 'every discussion about VAT damages economic activities. With me, there will be no increase in VAT under the next government.'

Business

Automotive: The car scrapping bonus scheme had a massive impact in May on car sales. Government payments for car buyers helped sales surge in Germany by 39.7%. Europe's biggest car maker Volkswagen escaped the gloom and posted a 3.1 % rise in sales, but luxury models like BMW and Daimler suffered.

The crisis has hit German car component manufacturers too. Since November 2008, 45 car component manufacturers providing more than 50,000 jobs, have filed insolvency.

Germany is still open to bidders for Opel other than Magna International, the frontrunner for a stake in General Motors' European operations. Meanwhile Germany has provided a bridge loan of € 1,5bn to keep Opel afloat.

Porsche had to suspend its attempt for total control of VW as it has run out of money to buy more shares. Porsche has agreed in principle to merge VW and Porsche and make Porsche the tenth brand in the VW group. It seems that Daimler too is interested in a deal with Porsche and VW. Porsche is also in talks with the Qatar Investment Authority (QIA) to sort out its financial problems.

Banks: Germany's "bad bank" scheme (described in an earlier report) was recently approved by Parliament. The country's regionally-owned banks (Landesbanken) have to start to establish the special purpose vehicle (SPV).

Gulf and the Middle Eastern Region

Meeting with Media from Arab Countries

CII met with a group of 12 journalists from Arab countries such as Algeria, Egypt, Kuwait, Morocco, Saudi Arabia, Syria and UAE, on 23 June in New Delhi. The journalists were visiting India on the invitation of the Ministry of External Affairs, Government of India.

Mr V K Mathur, Chairman and Managing Director, Inapex Limited, briefed the visitors on CII's engagement with the Gulf and Middle-East Region and stressed the need for closer cooperation between India and the Gulf Region, both in terms of investments and trade. CII made a comprehensive presentation on the current economic scenario in India to the delegation.

The discussions touched upon a variety of topics – India's role in Asia, threat to India's economic growth due

to global and regional terrorism, the role and contribution of India in the sub-continent, the future prospects of India and Gulf commercial and economic relationship, factors contributing to India's economic growth, and the effect of the global financial crisis on India, etc.



Meeting with Media from Arab Countries

United States of America

'Doing Business with India 2009'



Chandrajit Banerjee, Director General, CII, Ajay Shankar Secretary, DIPP, Penelope Brook, VP, World Bank Group; Rakesh Mehta, Chief Secretary, and Simon Bell, Sector Manager, South Asia, World Bank Group

'Doing Business in India 2009', a World Bank report was launched on 30 June in New Delhi, at an event organised by CII in partnership with the Department of Industrial Policy and Promotion (DIPP) and the International Finance Corporation (IFC). Representatives of government from the Centre as well the States, officials from foreign missions and members of Indian industry and academic institutions attended the launch.

Ms Penelope Brook, Vice President, World Bank Group, presented the key findings of the report while Mr Ajay Shankar, Secretary, DIPP, gave the keynote address. Mr Simon Bell, Sector Manager, South Asia, World Bank Group summed up the session and Mr Rakesh Mehta, Chief Secretary, Delhi gave the vote of thanks.

The report compares business regulations across 17 Indian cities, focussing on local regulations that affect starting a business, dealing with construction permits, registering property, paying taxes, trading across borders, enforcing contracts, and closing a business. The report shows that differences in city-and state-level regulations and practices in the implementation of national-level regulations can enhance or constrain local business activity. The first sub-national report fully dedicated to India, suggests that cities in India can learn from each other and adopt good practices already working within the country.

The main findings of the Report:

- Doing business is easier in Ludhiana, Hyderabad, and Bhubaneswar; more difficult in Kochi and Kolkata.
- The number of procedures to open a business ranges from 11 to 13, 8 of which are set nationally. Starting a business is fastest in Mumbai and Noida (30 days), and slowest in Kochi (41 days). Business start up is least expensive in Patna at 38% of income per capita, while in Mumbai, the cost is almost twice as much.
- The process to obtain construction-related permits and clearances is easiest in Bengaluru, Chennai and

Hyderabad, where 15 procedures are required, but more cumbersome in Kolkata and Mumbai, where more than 30 procedures are needed. Cutting the time to the level of Hyderabad - 80 days - would put India ahead of Germany.

- Cities in India do well on the number of procedures required to register property - on average, only 5 procedures are needed. This performance ranks the average Indian city at 47th out of 181 economies.
- When compared internationally, Indian cities lag behind in the ease of enforcing contracts, closing a business and paying taxes.
- There are a lot of good local practices and cities can learn from each other. If a city in India were to adopt all best practices that already exist in the seven areas covered by the report, it would rank 67th out of 181 economies, improving India's global ranking by 55 positions.

All About US Visas

'All About US Visas', an interactive session with Mr Peter Kaestner, Minister for Consular Affairs, US Embassy, on 23 June in New Delhi, provided useful information about the most updated visa processes and policies, as required by the US Embassy. The US Government is investing



Josh Glazeroff, Visa Chief, US Embassy, Shahnaz Husain, CMD, Shahnaz Husain Group and Peter Kaestner, Minister for Consular Affairs, US Embassy

in expanding consul operations in India and making them more efficient. In 2008, 7.56 lakh temporary visas were issued in India and the processing time is down from 2-3 months to 2-3 weeks. A new consulate has also recently been opened in Hyderabad.

Mr Kaestner, who is just ending his third stint in India, spoke of the challenges surrounding the H1-B and L1 visa regime. He explained that a few companies have abused the system in the past and new regulations are only a means of preventing misuse. Students must understand the purpose and relevance of their US study programmes in their career ambitions. Members raised issues they have had to face while applying for US visas, including delays in securing appointments and lack of clarity regarding eligibility. Mr Josh Glazeroff, Visa Chief, US Embassy and Mr Kaestner addressed individual queries as well. For more information, visit http://newdelhi.usembassy.gov/visa_services.html

Any individual enquiries regarding US visas can be directly sent to nivnd@state.gov

Session with Dr Montek Singh Ahluwalia

CII, USIBC and the Manhattan Investment Roundtable jointly organized an interaction with Dr. Montek Singh Ahluwalia, Deputy Chairman, Planning Commission of India on 30 June in New York. The session brought forth some of the key policies and projects that could be expected in India in the next few years. It was made clear that the intention of the Indian Government is not only to fuel growth but also to focus on inclusive growth.

Dr Ahluwalia said the panic surrounding the global financial crisis seems to have ended but recovery has not yet set in. Appropriate measures will be taken to take growth back up to optimistic targets of 8-9%, he said. Members were apprised of the massive project of the Government of India to issue unique biometric ID cards. It is also expected that retail and financial services sector (especially banking and insurance) will be opened up to greater FDI.

The session emphasized education as a high priority – to this end, the “Right to Education” bill has been introduced in the Parliament and a US India Education Forum is expected to be established during Secretary Clinton’s visit to India. Substantial progress has been



V S Senthil, Minister (Economic), Embassy of India; Ron Somers, President, USIBC; Dr. Montek Singh Ahluwalia, Deputy Chairman, Planning Commission, India, Amb. Sue Esserman, Partner, Steptoe & Johnson LLP and Kiran Pasricha, Deputy Director General, CII

made in infrastructure at the state and Centre level, which will be continued. The session also highlighted the need for tougher security action in India.

Hillary Clinton on US-India Relations

Addressing an august gathering at the USIBC Synergies Summit on 17 June in Washington DC, US Secretary of State, Hillary Clinton vowed to work towards a dramatic expansion of the US India agenda and make it a ‘personal priority’. Since the end of the Cold War era, closer cooperation was initiated by President Bill Clinton, which was



Hillary Clinton, US Secretary of State

the first round of bilateral engagement. The relationship was then cemented by President Bush as the Civil Nuclear Deal was taken forward. In ‘US-India 3.0’, the new governments will officially widen and deepen their partnership in areas of bilateral cooperation and global concern, she said.

International security and regional stability are major areas for bilateral cooperation - terrorism presents a common threat and the challenge must be met with common strategies. Ms Clinton urged adaptation in the architecture of international institutions to reflect the growing role of India in solving global challenges. She stressed negotiating a Bilateral Investment Treaty and concluding the Doha Round under the leadership of USTR Ron Kirk and Mr Anand Sharma, Minister for Commerce and Industry, India. She emphasized the importance of involving the business community in expanding the bilateral economic relationship and identified sectors like agriculture and science and technology to be taken forward, especially in energy and climate change.

She also focused on human development for US India partnership- boosting literacy, facilitating access to higher education, building women’s empowerment programmes, promoting micro lending and training initiatives, and addressing health challenges including nutrition and HIV/AIDS and chronic diseases.

US-India: Bilateral Update

- India-US Trade (January - April)

Trade	Value \$ billion
Total trade	11.53
US's exports to India	4.58
India's exports to US	6.95
India's Trade Surplus	2.37

- India-US agree on civil aviation cooperation: India and the US have agreed to increase their level of cooperation in the aviation sector. An agreement was signed between the US Trade & Development Agency and the Directorate General of Civil Aviation of India to fund projects under the US-India Aviation Cooperation Programme.
- US support for growing role of India in multilateral institutions: Mr Nicholas Burns, former Under Secretary of State for Political Affairs urged the US to support a permanent membership for India at the UN Security Council.
- US eases tech trade with India: GE India has become the first company to be awarded Validated End User (VEU) authorization in India by the US Department of Commerce. GE can now enter a pre-approved, export express lane as a trusted end-user, enabling more rapid and efficient flow of sensitive technology between India and the US.

US Economy / Policy Watch

- US Gross Domestic Product:** US Real GDP decreased at an annual rate of 5.5% in the first quarter of 2009, following a decrease of 6.3% in Q4 of 2008.
- US international trade deficit:** The deficit in

April 2009 increased 2.2% to \$29.2 billion. Exports declined and imports decreased.

- US International Investment Position:** The US net international investment position at year end 2008 was -\$3,469.2 billion. The value of foreign investments in the US continued to exceed the value of US investments abroad.
- US unemployment soars:** The US economy shed 467,000 jobs in June (sharply higher than economists' expectations of 365,000) and the unemployment rate rose to 9.5 percent, its highest level in 26 years.
- House passes PEACE Act on Pakistan:** The US House of Representatives passed the Pakistan Enduring Assistance and Cooperation Enhancement (PEACE) Act 2009 proposing to triple non-military aid to Pakistan to \$1.5 billion per annum, while imposing accountability conditions in its fight against terrorism and nuclear non-proliferation.
- Climate Bill Advances:** Democrats in the US House of Representatives narrowly won a key test vote on legislation designed to combat global warming and usher in a new era of cleaner energy. The Senate has yet to act and a major struggle is expected.
- US Healthcare system:** The US House of Representatives unveiled a blueprint for overhauling Americans' health care: the draft 'Tri-Committee Health Reform Bill.' If enacted, this comprehensive legislation would amount to federal control of the health care sector of the economy, with the implementation of far-reaching policies impacting doctors and patients in the public as well as the private sector.



Confederation of Indian Industry

TRADE FAIRS CALENDAR OF EVENTS

Exhibition	Date	Venue
MII Show	7-10 August, 2009	Indonesia
International Railway Equipment Exhibition (IREE)	24-26 August, 2009	Delhi
Defence Systems & Equipment International (DSEi)-India Pavilion	8-11 September, 2009	London
International Exhibition on Climate Change: Technology Development & Transfer	22-23 October, 2009	Delhi
MII Show	November 2009	Morocco
10th Auto Expo	5-11 January, 2010	Delhi

For details pls call:

Tel: 91-124-4014060 / 67

East

Chhattisgarh**Trade with Austria**

11 June, Raipur

In an interactive session with CII members, Mr. Prakash Ingle, Marketing Advisor, Austrian Trade Commission, highlighted the keen interest expressed by Austrian companies in doing business in Chhattisgarh.

New Industrial Policy

12 June; Raipur

Mr P Ramesh Kumar, Secretary, Industries, Chhattisgarh, and other officials of the Department of Industries, met CII members for a discussion on issues and suggestions for the New Industrial Policy of Chhattisgarh, scheduled to be announced in November 2009.

Six Sigma Learning Programme

20 June; Raipur

A programme on Six Sigma for the benefit of SMEs was conducted by Mr. Shantam Sharma, General Manager & Head, Quality, Reliance Telecommunications.

Jharkhand**Strategic Quality Management**

2 – 3 June; Jamshedpur

A two day 'Workshop on 'Strategic Quality Management – A Journey for Excellence' presented the quality management perspectives to arrive at the critical success factors (CSF) of an organization, and subsequently design the strategic framework in line with its CSFs.

Environmental Issues

5 June; Ranchi

A seminar on Environmental Issues of Jharkhand was held on World Environment Day, with special focus on



Syed Syetbi Razi, Governor, Jharkhand (centre) at seminar on Environmental Issues

Clean Development Mechanism, air pollution, waste management and best practices amongst different stakeholders including industry, government and civil society. Mr Syed Syetbi Razi, Governor of Jharkhand, attended the seminar.

Empowering the Visually Challenged

25 June; Jamshedpur

A session on "Empowering the Visually Challenged" was held to sensitize industries and the civil society at large, and honour visually challenged achievers and their facilitators on the 17th anniversary of NAB (Jharkhand) at Jamshedpur.

Investment Planning

25 – 26 June; Jamshedpur

Sound Investment Planning is a must for a secured future. A two day session on Investment Planning was conducted by Prof S S Goel, eminent management consultant.

Orissa**Mission on Sustainable Growth**

5 June; Bhubaneswar

CII Orissa State Council, in association with the CII Sohrabji Godrej Green Business Centre, Hyderabad organized a CEO's meeting for the CII Mission on Sustainable Growth (MSG). The meet described the purpose, benefits and vision of the CII Mission on Sustainable Growth.

Enabling HR Excellence

5 June; Bhubaneswar

A conference on Enabling HR Excellence, with the theme 'Managing People in Turbulent Times' deliberated on the importance of the HR function in the current scenario through sessions on Employer Branding, People Management and Innovation.

Coal NEX

30 June; Bhubaneswar

CII Orissa State Council in association with the Government of Orissa, organized COAL NEX to discuss the barriers faced by the mineral and metals sector and the sector's aspirations. Mr Raghunath Mohanty,



Raghunath Mohanty, Minister, Industries, Steel & Mines & Parliamentary Affairs, Orissa; S K Tamotia, Past Chairman, CII Orissa; Ashok Dalwai, Commissioner-cum-Secretary, Steel & Mines, Orissa; S. S. Nandurdikar, Chairman, CII Orissa and P.R Mondal, Advisor Projects, Union Ministry of Coal Minister of Industries, Steel & Mines & Parliamentary Affairs, Orissa, Mr Ashok Dalwai, Commissioner-cum-Secretary, Department of Steel & Mines, Orissa, and Mr P.R Mondal, Advisor Projects, Union Ministry of Coal, addressed the conference.

West Bengal

University Industry Interface

10 June 2009; Kolkata

To explore opportunities for industry-university collaboration, the University of Calcutta, along with CII, organized an interactive session on 'Nanotechnology: University Industry Interface: Creating Capabilities for Tomorrow.' Dr. Debesh Das, Minister, IT, West Bengal, participated in the session.

Interaction on Tourism

13 June; Kolkata

CII (ER) in association with the Department of Tourism, West Bengal organized a Government – Industry Interaction to focus on promoting tourism in the state, and work together to promote West Bengal as a prime tourism destination. Mr Manabendra Mukherjee, Minister, Tourism, Textiles, Micro & Small Scale Enterprises, West Bengal, addressed the gathering.



Manabendra Mukherjee, Minister, Tourism, Textiles and Micro & Small Scale Enterprises

Interactive Session on Switzerland

15 June; Kolkata

Mr Philippe Welti, Ambassador of Switzerland to India, spoke on measures to further enhance bilateral relations between India and Switzerland.

Mr Daniel Freihofer, Counsellor, Economic and Commercial Affairs, Embassy of Switzerland in India



J P Chowdhary, Past President, CII, Philippe Welti, Ambassador of Switzerland to India; and Mukul Somany, Chairman, CII (ER)

and Mr. Fabian Stiefvater, Director, Swiss Business Hub in Mumbai, accompanied the Swiss Ambassador on his maiden visit to the City of Joy.

From Adversity to Opportunity



19 June; Kolkata

A Seminar on 'Adversity to Opportunity' addressed strategies for attracting customers, retaining employees, cost rationalization and risk management. It included a dedicated CEOs Roundtable wherein noted CEOs shared their perspectives on strategies to create opportunity out of adversity.

R Santhanam, MD, Hindustan Motors

Present Economic Scenario

26 June; Siliguri



Seminar on Present Economic Scenario

Mr Asok Bhattacharya, Minister, Urban Development & Municipal Affairs, West Bengal, addressed a seminar on the present economic scenario.

Bihar Roadshow

26 June; Kolkata



At the Road Show on Food Processing Policy of Bihar Eastern Region in partnership with the Department of Industries, Bihar organised a road show on the Food Processing Policy of Bihar, in Kolkata. Mr. Ashok Kr. Sinha, Principal Secretary, Industries, Bihar, was the Chief Guest at the session.

Tourism Opportunities in Orissa

26 June; Kolkata

CII Eastern Region organized a roundtable on Tourism Opportunities in Orissa. Mr Debi Prasad Mishra, Minister, Tourism, Orissa, addressed the roundtable.



Debi Prasad Mishra, Minister, Tourism, Orissa

North

Excellence in Police Services

12-13 June, Udaipur; 29-30 June, Palampur

Workshops on Achieving Excellence in Police Services to enhance the quality of service delivery in police personnel were held in Udaipur, Rajasthan, and Palampur, Himachal Pradesh. The focus was on developing interpersonal relations, providing a citizen-focus service, to enhance communication for managing change and coping with stress.



In Udaipur, Dr M K Devarajan, Addl Director General of Police, and P K Vyas, IG Police, Udaipur at the valedictory programme. Mr P K Vyas, IG, Udaipur, and Mr Anil Paliwal, SP, Udaipur; also addressed the workshop.

At the valedictory session of the workshop in Daroh, Mr G D Bhargawa, DIG, Police Training College, Himachal Pradesh Police, said "Attitudinal and behavioral change is a must for creating good relations with public." The workshop trained 57 Deputy Superintendent of Police and Sub-Inspectors of Himachal Pradesh towards bringing in qualitative changes in behavior, service delivery, citizen-focus service, communication and stress management.

Chandigarh

Industrial Policy for Chandigarh

27 June, Chandigarh

Industry has long been demanding the formulation of an Industrial Policy for the Union Territory of Chandigarh. It has been felt that such a Policy would help local industry gain access to much-needed funds for technology upgradation and modernization from agencies like SIDBI.

The Industries Department of Chandigarh Administration is preparing a draft policy. CII has been instrumental in preparing this draft. To cull out further suggestions and recommendations to be sent to the Administration for inclusion in the Industrial Policy for Chandigarh, CII Chandigarh Council organized a Brain Storming Session on Industrial Policy.

Integration of Management Systems

29 June, Chandigarh

A workshop on Integrated Management Systems (IMS) conducted by the CII-ITC Centre of Excellence of

Sustainable Development facilitated an understanding of quality management systems (as per ISO 9001:2008), environment management systems (as per ISO 14001:2004), occupational health and safety management systems (as per OHSAS 18001:2007) and social accountability management systems (as per SA 8000:2008). It also gave an overview of the processes and steps involved in the integration of management systems, to promote continuing and lasting success.

Delhi

Manufacturing Excellence Mission

6 June, Noida



Participants at Samsung during the manufacturing excellence mission

During a one day Manufacturing Excellence Study Mission, 22 professionals from various manufacturing companies across the nation visited the plants of Samsung India Pvt Ltd and Minda Corporation in Noida. These companies have excelled in lean manufacturing.

Delhi – A World-Class City in the Making

18 June, New Delhi



Shiela Dikshit, Chief Minister, Delhi

At a Conference on 'Delhi: A World-Class City in the Making', Mrs Sheila Dikshit, Chief Minister, Delhi, announced that Delhi will host the first-ever Green Commonwealth Games.

The Games provide an opportunity to showcase a progressive and vibrant city and in keeping with the times, these Commonwealth Games will be the first ever GREEN Commonwealth Games. All elements of the Games, infrastructure, services and utilities will be 'green', the Chief Minister said. Maximum usage of natural light, power and water conservation would receive special focus.

The Chief Minister highlighted her aim of bringing down the power AT & C losses to 15% across Delhi from the

current levels of an average of 20%.

She also declared that a manual for green buildings will be rolled out in 15-20 days, which would suggest modes of going green.

Water emerged as a key focus area. Mr Harpal Singh, Chairman, CII Northern Region, announced the establishment of an 'Aqua Code' for industry and citizens, aimed at water management.

The Chief Guest for the session, Dr M S Gill, Union Minister of Youth Affairs & Sports, said that the preparation of the upcoming Commonwealth Games is in full swing and all the stakeholders meet every month to take a download on the groundwork. He added that the Organizing Committee of Commonwealth Games 2010 has identified and will be imparting training to a 35,000 strong volunteer base from NSS, Red Cross Society, NCC and Delhi University.

Haryana

Mission to Green & Clean Enterprises

2 & 3 June: Gurgaon

To motivate members to adopt environment friendly practices and to draw up an action plan for their companies, CII Haryana State Council organized a two day Mission to Green and Clean Enterprises on World Environment Day (5 June). The mission visited Carrier Air-conditioning & Refrigeration Ltd, Hero Honda Motors Ltd, ITC Ltd and Honda Motorcycle & Scooter (I) Ltd.

Affirmative Action Project

12 June: Sonapat

GlaxoSmithKline Consumer Healthcare Limited (GSKCH), Foresight Society of Human Resource and Development and CII Haryana, successfully completed a year-long project - 'IT for the Under Privileged', jointly undertaken under the Affirmative Action Initiative. The key objective of this endeavour was to train the students in computer programmes so that they become employable and financially independent.

Study Tour for ITI Students

25 - 26 June: Dharuhera & Hissar

CII Haryana State Council and Career Launcher Ltd jointly organized four study tours to Rico Auto Industries Ltd, Dharuhera, and Quality Foils Ltd, Hissar, for 172 students of ITI Hassangarh, ITI Meham, ITI Barwala and ITI Adampur. The tours enabled students from various trades to observe the best practices followed in these companies.

Meeting with Chief Minister, Haryana

27 June, New Delhi



Bhupinder Singh Hooda, Chief Minister, Haryana, with the CII Delegation

A high level CII delegation led by Mr Harpal Singh, Chairman CII Northern Region and Mr N K Minda, Chairman, CII Haryana State Council, called on Mr Bhupinder Singh Hooda, Chief Minister, Haryana, to request him to urgently address the power situation in the state, especially in Gurgaon and Faridabad. A set of recommendations for the Power Sector, focusing on solutions to reduce Transmission and Distribution losses and initiatives to augment power supply within the state was presented to the Chief Minister. Mr Hooda assured the delegation that the State Government is focusing on generation and in two years' time, the state would be power surplus.

CII's suggested agenda in the form of a document - Economic Agenda for Action was presented to the Chief Minister. This document stresses on policies that will promote employment and growth across the key sectors of agriculture, industry, power, labour, healthcare, infrastructure, tourism, and environment.

Himachal Pradesh

3 June: Chandigarh

Natural Gas Distribution Networks



"City Gas Distribution (CGD) is taking off in a big way in India. Buoyed by increased gas availability in the near future, soaring alternative liquid fuel prices and an evolving supportive regulatory framework, the segment offers substantial benefits to investors as well as consumers," stated Mr. L Mansingh, Chairman, Petroleum and Natural Gas Regulatory Board (PNGRB), at a Round Table on City or Local Natural Gas Distribution Networks - Authorization, organized by CII Himachal Pradesh State Council. The session included an interaction on issues including regulatory clarity; review of time for bid submission; regulations on pipeline access;

classifying cities; quantum of gas available for CGD networks, etc.

Poster Competition on Water Conservation

5 June, Nalagarh



Poster making competition

To mark World Environment Day, the CSR panel of CII Himachal Pradesh State Council organised a series of poster making competitions on Water Conservation. Over 200 school students from Shimla, Barmana and Nalagarh, used their imagination and creativity to spread colourful messages to conserve water. The winning entries have been printed and circulated among the industries, government offices and institutions.

Interaction on Industries

19 June, Chandigarh

An interaction with Mr P Mitra, Principal Secretary, Industry, Himachal Pradesh, was arranged to address industry specific issues as well as to devise strategies to attract fresh investments to the state.

Financing Options for MSMEs

24 June, Chandigarh

“MSMEs have been particularly hard hit in the current global economic slowdown. It is therefore imperative for the government and banks to act proactively to increase their access to finance,” stated Mr Anil Sehgal, Chairman, CII Himachal Pradesh State Council, at the seminar on Financing Options to MSMEs for Competitiveness. Issues related to collaterals and the role of rating agencies and their authenticity were also discussed in detail.

Training Programme on 5S for ITI Instructors

27 June, Solan

CII member companies have adopted 7 ITIs under the PPP mode, at Hamirpur, Kasauli, Solan, Nalagarh, Dharamshala, Nehranpukhar and Bhoranj. A training programme on 5S was held to upgrade the competency of 50 instructors of these ITIs.

Jammu & Kashmir

Issues facing Industry

3 June, Jammu

A CII delegation led by Mr Sanjay Puri, Chairman CII J & K State Council, met Mr B S Dua, Director, Industries & Commerce, Jammu, and apprised him of some issues plaguing industry in Jammu, such as excessive power bills, single window for sale tax and excise at Lakhanpur toll plaza, abolition of entry tax being counter productive, removal of nexus of agents at Lakhanpur, and the ISO certification of DICs.

Environmental Health & Safety

18 June, Jammu

A one-day workshop on Environmental Health & Safety (EHS) – Best Practices was held to sensitize industry on environmental performance, work safety and protection of their health. The best practices followed across the country on EHS were discussed, as were issues related to waste minimization, hazardous waste management, chemicals management, transportation of hazardous substances, personal protective equipment, fall protection, machine safety and accident investigation. The workshop was conducted by the CII-ITC Centre of Excellence of Sustainable Development, New Delhi.

Goods & Service Tax – A Road Map

26 June, Jammu

An awareness session was held on the implications of Goods & Service Tax for all stakeholders, as the introduction of GST would completely change the tax structure in the country. Mr B R Kundal, MLC, who was the chief guest, said Government would issue a white paper on GST, which would clarify the impact of GST in the state, and assured members that the Introduction of GST which is being followed by most of the developed countries across the world would benefit the tax payer.

Rajasthan

Seminars on Benefits & Usage of ICT for SMEs

3-20 June, Jaipur, Kota, Ajmer, Udaipur and Jodhpur

CII organized five seminars on the Benefits and Usage

of ICT in SMEs in different cities to sensitize over 250 industry members on using ICT as a tool for enhancing competitiveness. The programmes were conducted in association with Vishwakarma Industries Association, Jaipur; Laghu Udyog Council, Kota;



Dr Rakesh Hooja,
Chairman, Revenue
Board, Rajasthan

Ajmer Zila Laghu Udyog Sangh; Udaipur Chamber of Commerce and Industry; Marudhara Industries Association, Jodhpur and the Jodhpur Industries Association.

Meeting with Minister for Food Processing



Subodh Kant Sahai,
Union Minister,
Food Processing

14 June, Jaipur

A 10 member CII delegation under the leadership of Mr Kishore Khaitan, Chairman, CII Rajasthan, met Mr Subodh Kant Sahai, Union Minister of Food Processing, in Jaipur, to discuss the issues, potential and opportunities related to the food processing industry in Rajasthan. CII presented a Paper on Food Processing Industries to the Minister and discussed the use of technology in this sector.

Doing Business in Switzerland

19 June: Jaipur

An interactive session on 'Strategic and Tax Issues for Global Business Hubs in Switzerland' was held to develop business linkages with Switzerland. Mr Jacques Pasche, Managing Director, Development Economic Western Switzerland (DEWS) and Dr Ravi Chaudhry, Chairman, Cemex Consulting Group & Director – India, DEWS, described the business opportunities available in Switzerland.



Jacques Pasche,
MD, DEWS

Uttarakhand

Advocacy Agenda for Uttarakhand

5 June, Dehradun

CII presented its policy advocacy agenda for Uttarakhand to Maj Gen (Retd) Sh B C Khanduri AVSM, then Chief Minister of Uttarakhand. Mr Rakesh Oberai, Chairman, CII, Uttarakhand State Council highlighted various bottlenecks impacting the growth of the industry in the state. The key recommendation include Better Connectivity, Strengthening of Single Window System, Enactment of APMC Act and Promoting Hill Development in PPP mode.

Skills Development

8 June, Dehradun

CII partnered the National Institute for Entrepreneurship and Small Business Development (NIESBUD), under the Union MSME Ministry, to organise training sessions for SC/ST and BPL candidates in the Hospitality and Retail Sectors. Mr Rakesh Oberai, Chairman CII Uttarakhand State Council and Mr A Mishra, Jt Director, NIESBUD

gave away the certificates and stipend to the successful candidates.

Pre-Budget Memorandum 2009-10

16 June, Dehradun

CII has presented its Memorandum for the next state budget to the State Government. The central theme of the memorandum is ensuring the growth momentum of the state beyond March 2010. The memorandum recommends that the State Government's policy of planned industrial development, of which CII has been a strong proponent, should be further strengthened. It also emphasizes the need for improving infrastructure at the existing industrial estates/areas.

The delegation met Mr I K Pande, Chief Secretary, and Mr Alok K Jain, Principal Secretary, Finance, Uttarakhand, for detailed discussions on the memorandum.

University Industry Interface

19 June, Dehradun

To explore Industry Academia linkages, CII Uttarakhand and Doon University organised a panel discussion on University Industry Interface: 'Breaking Barriers, Building Bridges'. Prof Girijesh Pant, Vice Chancellor, Doon University, said India's demographic dividend can be leveraged only if we are able to skill our youth.

Mr Rakesh Oberai, Chairman, CII Uttarakhand, Mr Vinoo Urs, Regional Director, Fuqua School of Business India Office, Duke University, and Prof R P Badoni, University of Petroleum & Energy Studies, urged universities to make higher education practically relevant to industrial and business applications.

Environment Protection and Pollution Control

25 June, Dehradun



Dr Ajay Gairola

Dr Ajay Gairola, Member Secretary, Uttarakhand Environment Protection and Pollution Control Board, made a presentation on the proposed Online Consent Management System of the Board and apprised industry of its various benefits.

Uttar Pradesh

Ground Water Day

10 June, Lucknow

CII Uttar Pradesh State Council partnered the State Government to commemorate Ground Water Day with a conference to devise a mutual strategy towards conservation and management of depleting ground water resources. Mr Rajendra Singh noted social activist,

and Magsaysay awardee from Tarun Bharat Sangh, said that though Uttar Pradesh was gifted with immense land water resources and has one of the largest irrigation systems of the world, areas like Bundelkhand still faced severe drought conditions due to poor management of water resources.



Inauguration of Ground Water Conference

Mr Lakhiram Nagar Minister of State, Minor Irrigation, Uttar Pradesh, was the chief guest, while Mr Atul Kumar Gupta, Chief Secretary, and Mr V K Sharma, Agriculture Production Commissioner, Uttar Pradesh were Guests of Honor at the conference.

Environment Health Safety Best Practices

11 June, Lucknow

CII Uttar Pradesh State Council & CII ITC Centre for Excellence, New Delhi, in association with the National Small Industries Corporation organized a Workshop on EHS Best Practices. The session provided stakeholders with the knowledge to improve their environmental performance, work safely and to protect their health in a typical workplace in Indian industry.

World Environment Day

5 June, Lucknow

An interactive session on World Environment Day sensitised industry on the issues and concerns for a sustainable world environment. The session was inaugurated with a tree plantation drive at the CII Office.

The chief guest, Dr Yashpal Singh, Director, Directorate of Environment, Uttar Pradesh, said each one could help make the planet greener and cleaner by simply switching off extra lights, using public transportation, reducing, reusing and recycling waste, and planting trees.

South

Best Manufacturing Practices Mission

24 June: Hyderabad



Mission delegates at Voith Turbo Pvt Ltd, Hyderabad

A Best Manufacturing Practices Mission visited Voith Turbo Pvt Ltd & Usha International Ltd to understand the best practices of successful manufacturing companies and provide a platform for sharing success stories within the industry.

World Environment Day

5 June: Hyderabad, Visakhapatnam, Bangalore, Chennai, Madurai & Thoothukudi

In Andhra Pradesh, CII, in association with APTDC, organized a Bamboo Plantation Drive, planting over 4500 bamboo saplings in 16 organizations. It is believed that bamboo, if planted on a mass scale, can completely reverse the effects of global warming in just 6 years and create a renewable source of eco-friendly building



World Environment Day in Andhra Pradesh

material, oxygen, livelihood to bamboo artisans, improved moisture retention in the soil, etc.

In Bangalore, the CII Disability Forum with the support of ITC Royal Gardenia organised a plant sapling initiative wherein 50 saplings were planted in various companies across the city.

In Chennai, a Green Walk was organized to promote stakeholder participation in caring for the environment, and to empower people to become active agents of sustainable and equitable development. The chief guest, Mr M Subramaniam, Mayor, Chennai Corporation, administered the e-LAWN pledge and planted a tree sapling at Simpson grounds.

Several initiatives were launched in Madurai to mark World Environment Day 2009. These included the launch

of the e-LAWN project, release of a poster on creating environmental awareness among the public; distribution of tree saplings to various industries and schools; installation of a pollution monitor, and announcing of The 'Green Campus Award' for schools.

In Thoothukudi, a poster on the theme 'Join with us to make the environment green' and a logo of the project on E-LAWN titled 'I love Tuticorin' were unveiled.

Mission on Low Cost Automation

5 June

A Study Mission visited Saint-Gobain Glass India Ltd and Dell India Private Ltd to understand the benefits of low cost automation in both a process industry and an assembly operation.

Project e-LAWN

9 June: Chennai; 10 June: Puducherry

At a strategic implementation plan meeting in Chennai to discuss the way forward for Project e-LAWN (Energy, Land, Air, Water, and Noise), 18 members interested in the project gave their suggestions and commitments.

In Puducherry, Mr T T Ashok, Chairman, (CSR) sub-committee, CII (SR) & Managing Director, Taylor Rubber Pvt Ltd, gave details about the initiative which aims to protect and promote good environmental practices among the community and industry through actionable agenda and advocacy.

5S Concept of Good Housekeeping

18 June: Thrissur; 26 June: Chennai

The programme highlighted how the Japanese 5'S' concept of Good Housekeeping could be achieved by every employee, by having a close look at his/ her workplace.

Karnataka

Draft Policy on Disability

2 June: Bangalore

The members of the CII Karnataka Core group on Disability met Prof Rishikesh Krishnan, Chairman, Committee on Disability, IIM Bangalore, to provide inputs to the draft Policy for Students with Disabilities at IIM Bangalore.

Engaging Persons with Disabilities

5 June: Bangalore

Under this programme, CII Karnataka Disability Forum organized presentations at the offices of Nokia Pvt. Ltd and Goldman Sachs to facilitate companies to develop proactive approach towards employment of persons with disability. The initiative has experts visit and talk to the

HR team of a company and share with them the options of engaging with Persons with Disability.

Working Capital Management

18 June: Bangalore

Leading companies in the manufacturing space shared their learnings and experiences on strategies for successful management of working capital, which would help in effective use working capital and also have a positive impact on the bottom-line for the company.

Seminar on IFRS

25 June: Bangalore



Seminar on IFRS, Bangalore

Conducted in association with PricewaterhouseCoopers, the seminar highlighted the benefits of the proposed convergence with IFRS by April 2011. The IFRS financial reporting framework is truly global in nature and is expected to provide enhanced access to capital markets globally and facilitate inter-firm comparisons on a more even keel than ever before.

Kerala

Meeting with Chief Minister

5 June: Thiruvananthapuram



CII members with V S Achuthanandan, Chief Minister, Kerala

A CII delegation led by Mr C R Swaminathan, Chairman, CII Southern Region, and Chief Executive, PSG Industrial Institute, called on Mr V S Achuthanandan, Chief Minister of Kerala, at his official residence. The delegates called for effectively utilization of various centre-assisted infrastructure development schemes; expediting road, rail and air connectivity in the state; promoting agri based

industry, and a focus on the development of Kannur, Thrissur and Palakkad districts.

Meetings with Government Officials

5 June: Thiruvananthapuram



CII Delegation with Neela Gangadharan, Chief Secretary, Kerala

The CII delegation also met Ms Neela Gangadharan, Chief Secretary, and Mr L C Goyal, Principal Secretary, Finance, Kerala, in separate meetings. Mr C R Swaminathan, Chairman, CII Southern Region assured full cooperation to the government in its all initiatives.

Infrastructure Development of Kerala

5 June: Thiruvananthapuram



Round-table on Infrastructure

A round table was held to facilitate discussions on the scope and opportunities of public private partnership in urban infrastructure with particular reference to investment, implementation, operation and management of facilities, capacity building, technologies, etc.

Meeting with Principal Secretaries

19 June: Thiruvananthapuram

A CII delegation comprising of Mr Sanjaya Mariwala, Chairman, Mr P Ganesh, Vice Chairman, and Mr Navas Meeran, Past Chairman, CII Kerala, met the Principal Secretaries of the PWD, Industry, Power and Finance Departments. They discussed issues related to infrastructure and industrial development of the State.

Puducherry

Road show on SME Cluster

9 June: Puducherry

The road show was organized to attract new members and to launch the second SME Cluster in Puducherry. Mr Umesh R Shoney, Past Chairman, CII Puducherry shared the success stories of the concluded cluster.

Workshop on Creativity and Innovation

23 June: Puducherry

The workshop covered topics such as logical thinking vs. creative thinking, blocks to creativity, unblocking, change orientation, innovation process and creative problem solving.

CII meets Chief Minister

30 June: Puducherry

Mr T Rajarajan, Chairman, CII Puducherry State Council, met Mr V Vaithilingam, Chief Minister of Puducherry, to apprise him about the industrial scenario in the State.

Tamil Nadu

MSME Mission

12 June: Chennai

The mission provided member companies an opportunity to examine and learn best practices in terms of safe and healthy shop floor practices. The companies visited were WABCO-TVS (India) Ltd and Susira Industries Ltd.

PPP in Healthcare

20 June: Chennai

The workshop was conducted under the theme 'Roadmap for building Integrative Primary Healthcare Delivery Models' to target millennium development goals that are sustainable and replicable. The long term goal of this exercise would be to develop a White Paper and to subsequently facilitate pilot PPP healthcare projects in Tamil Nadu.

Dr S Elango Director, Directorate of Public Health & Preventive Medicine, Tamil Nadu, described the various government initiatives on primary healthcare centres.

Zones

Road show on CII Services

11 June: Sriperumbudur



At the road show on CII Services

CII Chennai Zone organized a road show at Saint Gobain Glass India Ltd, Sriperumbudur, to facilitate networking and relationship building amongst existing members, share ideas, views and suggestions, and present the gamut of services offered by CII.

Erode

SME Cluster

13 June: Erode

The session informed members about the various benefits of the Cluster project. Mr B T Bangera, Chairman, Cluster Forum, CII (SR) made a presentation on CII Clusters.

CEOs Session

17 June: Erode

Mr D Venkateswaran, Chairman, CII Erode District and Managing Partner, Venbro Polymers, spoke on Intellectual Property Rights.

Karur

Material Handling & Stores Management

12 June: Karur

The programme brought out the benefits of material handling as a means to achieve greater efficiency and cut production costs.

Karur District Development Plan

22 June: Karur

An interaction was held to brief government officials on the Karur District Development Plan (DDP) prepared under the India@75 initiative, and how CII can work with the District Administration to carry forward / implement projects identified in the DDP.

Dr J Uma Maheswari, District Collector, Karur, said that the 13 projects identified by CII need to be implemented within a time-frame manner, and extended her full support to the projects.

Mysore



N R Narayana Murthy,
Chairman & Chief
Mentor, Infosys
Technologies Ltd

Leaders Speak Series

18 June: Mysore

The Leaders Speak series presents learnings from successful leaders in the industry in the areas of innovation, leadership and management. The series kicked off with an address by iconic thought leader, Mr N R Narayana Murthy, Chairman and Chief Mentor, Infosys Technologies Ltd.

Thoothukudi



Nandini
Rangaswamy, Vice
Chairperson, CII
Tamil Nadu

A CEO Connect Session

25 June: Thoothukudi

Ms Nandini Rangaswamy, Vice Chairperson, CII Tamil Nadu and Managing Director, Chandra Textiles Ltd, shared her experiences in adopting modern principles in a competitive world.

Session with Consul General of Japan



Kazuo Minagawa,
Consul General of
Japan

30 June: Thoothukudi

Mr Kazuo Minagawa, Consul General of Japan, analysed the potential of investment in India and was confident that Thoothukudi has the potential to invite Japanese investment. The Consul General suggested that CII and Thoothukudi work towards

building a golf course. It was necessary to develop social infrastructure to attract Japanese investments to Thoothukudi, he said.

Trichy

MSME Finance

19 June: Trichy

The session showcased the various schemes offered by the banking sector. Details regarding working capital, term loans for purchase of equipment, construction of industrial sheds, relaxed financial norms, relaxed collateral security, concessions in interest rates, and collateral free loans under CGMTSE (Credit Guarantee Fund Trust for Micro and Small Enterprises) were provided.

Visakhapatnam

Time Management & Customer Service

23 June: Visakhapatnam

This programme took participants through the fundamentals of time management. It also described winning strategies for acquiring and retaining customers.

Total Cost Management

26 June: Visakhapatnam

A training programme was held to create in-house skills on Total Cost Management tools like Activity Based Costing (ABC), Activity Based Management (ABM), Target Costing (TC), Balanced Score Card etc.; to help provide a holistic framework to control, reduce and eliminate costs.

West

Europe via Munich

10 June, Pune; Ahmedabad, 11 June



Walter Stechel,
Consul General,
Federal Republic of
Germany

Mr. Walter Stechel, Consul General, Federal Republic of Germany, Mumbai, pointed out that many German companies have entered into joint ventures in India, including such household names as Siemens, BMW, Allianz and MAN. Mr Quintus Bartscherer, Managing Director, KoBa-Treuhand GmbH, explained the legal and taxation procedures for setting up a business in Germany.

In Pune, Mr Stechel, made a presentation on 'India and Germany – Growing Relationships' with a focus on Bavaria.

Members Meets

2 June, Nagpur; 5 June, Pune; 10 June, Ahmedabad; 12 June, Bhopal



Pramod Chaudhari, Chairman, CII Maharashtra & Chairman, Praj Industries Ltd and Dr. Naushad Forbes, Chairman, CII (WR) and Chairman & Director, Forbes Marshall Pvt Ltd,

Dr Naushad Forbes, Chairman, CII (WR) and Director, Forbes Marshall Ltd, made presentations on CII's role in development and sustainability of the Indian Industry at Members' Meets and Road Shows across the Western Region.

In Nagpur, Dr Forbes explained benefits of CII membership, its specialized services and various Centres of Excellence in India.

At the meet in Pune, Dr Forbes gave an overview of CII Western Region activities and initiatives while Mr Arun Nanda, Deputy Chairman, CII (WR), talked about how companies are coping with the slowdown. Mr. Pramod Chaudhari, Chairman, Maharashtra State Council, and Dr. Anand Deshpande, Chairman, CII Pune Zone, outlined the initiatives of the state and zone respectively.

The Members Meet in Ahmedabad featured an interactive session with Mr S Jagadeesan, Principal Secretary, Energy & Petrochemicals, Gujarat.

A similar meet was held in Bhopal, too.

Goa

Fighting Recession

13 June, Panaji

The workshop focused on three aspects of an organizational setup: Productivity, Quality and Innovation, and how productivity issues, ability to meet the quality requirements and innovations required to reduce cost, and improve existing products and processes, can help organisations in times of recession.



N S Rajan,
National Leader &
Partner, Human
Capital, E & Y

Gujarat

HR Conference 2009

5 June, Ahmedabad

The conference examined HR strategies in the present downturn, as HR can be a true strategic partner to business.

Techno Entrepreneurs Network

Vadodara, 8 June

The network will be a monthly platform for exchange of ideas and issues among techno-entrepreneurs. Launching the network, Dr Ajay Ranka, CEO, Zydex Industries, made a presentation on how to build a billion dollar techno venture.

Best Marketing Practices 2009

27 June, Ahmedabad

The seminar on Best Marketing Practices 2009: "Doing it Right" focused on select actionable marketing strategies to help companies achieve their business marketing goals. It helped participants understand how to formulate and implement these marketing strategies.

Maintenance Excellence Mission

25 June, Vadodara

The visit to Nirma showcased the company's proactive maintenance practices followed on rotating equipment to enhance the life of the machinery.

Conference on Proactive Maintenance

26 June, Vadodara

The conference discussed the kind of proactive maintenance regime that is required to move towards a zero-maintenance system for frequently used electro-mechanical rotating equipments.

Madhya Pradesh

Limited Liability Partnership Act

4 June, Indore

The session discussed various provisions of the new law and the procedure for incorporating Limited Liability Partnership.

Manufacturing Innovation Mission

Indore, 9 – 10 June



Mission Members during the plant visit to Bajaj Auto Ltd

A Manufacturing Innovation Mission visited Tata Motors Ltd, Thermax Ltd and Bajaj Auto Ltd, in Pune to study the best manufacturing practices adopted by these companies in various fields such as TPM, TQM, SCM, and Energy Conservation.

India – Austria Business Meeting

Indore, 9 – 10 June

The business meeting was held to promote business cooperation between India and Austria, and to increase the volume of bilateral trade for sustainable growth in future.



Milind Barve, MD, HDFC Asset Management Co. Ltd; U K Sinha, Chairman, CII Mutual Fund Summit 2009, Chairman, CII National Committee on Mutual Funds & Chairman & MD, UTI Asset Management Co. Ltd. Govindraj Ethiraj, Editor-in-Chief, UTV News Ltd and Ved Prakash Chaturvedi, MD, Tata Asset Management Ltd



Sujit Banerjee,
Secretary,
Tourism, MP

Rural Tourism

Bhopal, 18 June

CII, in association with the Madhya Pradesh Tourism Development Corporation, organised a Seminar on Rural Tourism to discuss the issues and potential of this segment.



B S Khargonkar,
Chairman, CII
Madhya Pradesh
State Council

Opportunities in Defence Production

Indore, 27 June

The session explained the policy of opening up of the defence industry to the private sector, the procedure for obtaining licensing for defence production for the private sector and highlighted available opportunities in this sector.



Prof Bibek Debroy,
Professor for General
Management,
Economics and Strategy,
International Management
Institute, New Delhi

Slowdown and SMEs: The Way Ahead

Bhopal, 27 June

The session provided an interactive ground for SMEs to discuss contemporary and relevant issues to decide strategies for future.

Maharashtra

Water Management for Agriculture

Nashik, 10 June

The workshop was held to create awareness amongst the farmers on the present and future concerns of water availability vis-à-vis some of the latest technologies in water management and conservation. Dr Madhav Chitale, former Secretary, Water Resources, Government of India and former Chairman, Central Water Commission, stressed on the need for 'Industrialization of Agricultural Water.' He urged deployment of modern scientific methods, new techniques and planning while cultivating crops, and strongly recommended the use of 'Water Harvesting'.

Mutual Fund Summit 2009

Mumbai, 17 June

The Mutual Fund Summit was chaired by Mr U K Sinha, Chairman, CII National Committee on Mutual Funds, and Chairman & Managing Director, UTI Asset Management Company Ltd. The chief guest, Mr C B Bhavé, Chairman, SEBI, emphasized that if the mutual fund industry wants diversity, the importance of non corporate investors should be realized. It is in the interest of the industry to have increased investor participation. He also released the CII-KPMG Report on Indian Mutual Fund Industry – The Future in a Dynamic Environment.

Supply Chain Management

Pune, 24 - 25 June

A Knowledge enrichment programme on Supply Chain Management for middle level personnel from Logistics and Supply chain companies and supply chain team members from corporate companies was organised by the CII Institute of Logistics, Chennai.

Invest in Ireland

Pune, 25 June

Mr Kenneth Thompsun, Ambassador of Ireland to India, presented an overview of Ireland as an investment option. He said that Ireland has an effective pro business environment with 12.5% corporate tax and an attractive double tax treaty network.