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Affirmative Action  
**Enabling  
Equal Opportunities  
for an  
Inclusive India**

**INSIDE**

India Show  
in China

Is 6% Growth  
Possible?

CII Media &  
Entertainment Summit

Towards  
Sustainable Mining

Opportunities in  
ICTE Manufacturing

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We welcome your feedback and suggestions. Do write to us at [communique@cii.in](mailto:communique@cii.in)

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JOURNAL OF THE CONFEDERATION OF INDIAN INDUSTRY

# Century Belongs to Asia: Julia Gillard

**T**his century belongs to Asia as the focus of the global economy is shifting towards Asia. By 2025, four of the top ten economies will be from Asia, said Ms. Julia Gillard, Prime Minister of Australia, addressing a joint business meeting organized by CII and other industry chambers in New Delhi on 17 October. “We are in the right part of the world at the right time,” she declared.



Anand Sharma, Union Minister of Commerce & Industry, and Textiles, India; Julia Gillard, MP, Prime Minister of Australia, and G V Sanjay Reddy, Chairman, CII Southern Region, and Vice Chairman, GVK Power & Infrastructure Ltd, at a Business Meeting in New Delhi

Ms. Gillard traced the economic achievements of India and Australia during the past decade. While India doubled its per capita income, Australia became the 12th largest economy of the world. She also reiterated Australia’s decision to export uranium to India. As Australia and India take forward their bilateral relationship to the level of a strategic partnership, she called for cooperation in water technology, clean energy, sustainable development, and education and skill development. Both countries have also decided to double bilateral merchandise trade from the current US\$20 billion to US\$40 billion by 2015.

Appreciating the initiatives of Dr. Manmohan Singh, Prime Minister of India, at G-20, to focus on economic and human resources development, Prime Minister Gillard also praised India’s important contribution in the Indian Ocean Rim Association for Regional Cooperation during its chairmanship. Australia, which takes over the chairmanship from India, will carry forward the good work done by India, she said.

Mr. Anand Sharma, Union Minister of Commerce and Industry, and Textiles, India, invited Australian companies to invest in India’s new National Manufacturing Zones (NMZ), which would ensure single window clearance and ease significantly the process of investment into the country. Mr.



Julia Gillard, with Yi members in New Delhi

Sharma emphasized that one of India’s top priorities currently is to increase the share of manufacturing in GDP.

Mr. G V Sanjay Reddy, Chairman, CII Southern Region, and Vice Chairman, GVK Power and Infrastructure Ltd, appreciated the speedy and time-bound system of approval of investment projects in Australia.

He underlined the

need for cooperation between India and Australia in natural resources and energy, agriculture, skill development and services. He said that the two countries need to deepen cooperation at various multilateral regional platforms to build a strategic and cooperative partnership.

Mr Reddy felt that early conclusion of the India-Australia Comprehensive Economic Cooperation Agreement (CECA), negotiations for which are in progress, would greatly help accelerate trade in goods and services and mutual investments.

There exist vast complementarities in different sectors of economy for the two countries. Many Indian companies are doing good business in Australia and many more are eager to explore new opportunities in mining, energy and services sector. Indian investment in Australia has reached US\$10 billion.

During the Australian Prime Minister’s visit, CII’s Young Indians were invited by the Australian High Commission

in India for an interaction with Ms Gillard. A 10-member team from Yi had the opportunity to interact with Ms Gillard on various issues, including the role of young people in world forums like the SAARC, G20 and the role of youth in shaping the emerging world order with specific reference to Australia and India, on 16 October.

# Enabling Equal Opportunities for an **Inclusive India**

Affirmative Action is a voluntary commitment by Indian companies to help the Government and civil society in the national endeavour to ensure equal opportunity to members of the Scheduled Castes and Scheduled Tribes communities. CII works with industry to anchor Affirmative Action in the corporate agenda

**C**II has led Indian industry's efforts in making Affirmative Action an important part of the corporate agenda for over six years now, working with both Government and industry members. This, CII believes, is integral to the growth of a strong and vibrant industrial sector and a dynamic nation, recognizing that a more diverse workforce is good for business, and a more equitable ecosystem will benefit all sections of society.

In 2007, CII formulated a voluntary Code of Conduct, setting out transparent guidelines that required corporates to have a written policy statement on Affirmative Action in the workplace. This policy states unequivocally that recruitment for all jobs would be on the basis of normal business parameters, and that there would be no bias against Scheduled Caste and Scheduled Tribe candidates if such applicants possess competitive skills and job credentials.

When choosing business partners, in case of equal business offers, the company would select a business partner belonging to a socially disadvantaged section of society. Organizations conforming to the Code commit

It is important to recognize that Affirmative Action, as distinct from Reservations, is in the interest of industry to actively support. Affirmative Action is voluntary action that we from industry can take to help make a segment of society that has been discriminated against for generations become more competitive. We can do this by providing supplementary inputs, education and special training within and from our organizations to help these individuals develop the skills and competence to compete more easily with the rest of society such that members from these disadvantaged sections can take their rightful place in our organizations, in the community, and in our nation.



Farhad Forbes, Co-Chairman, CII National Council on Affirmative Action, and Director, Forbes Marshall Pvt Ltd

to an employment policy that would be in the public domain with employment opportunities being posted on company websites to encourage applicants from socially disadvantaged sections of society to apply. Organizations are also required to commit to continuing training and skilling programmes for these employees by entering into partnership programmes with educational institutions to support and aid students from socially disadvantaged sections of society. Members who adopt this Code of Conduct also resolve to share their learnings and experiences with other members. CII has launched a dedicated website ([www.ciiaffirmativeaction.in](http://www.ciiaffirmativeaction.in)) to facilitate this process.

It is gratifying that five years down the line, 795 companies have signed the CII Code of Conduct on Affirmative Action, and have not only honoured the commitments of the Code, but have also taken them forward.

In line with the significance CII attaches to Affirmative Action, the organization has regular interactions with members at committee and council meetings. Last year, a survey was conducted to assess the work being done by members in this field. Successful initiatives undertaken by members are reported in the magazine, *Endeavour*, published from all the four CII regional offices, which disseminates information about viable models that can be replicated by others and also encourages companies that have not yet committed to Affirmative Action to do so.

A very significant step has been CII's engagement with the Dalit Chamber of Commerce and Industry (DICCI) that seeks to link Scheduled Caste and Scheduled Tribe entrepreneurs with corporate India to encourage Supplier Diversity. In December last year, DICC organized a trade fair that featured 200 Dalit companies involved in manufacturing, construction, trading, health, hospitality and the knowledge industry. This was an important initiative to showcase the strength and potential of this vital sector.

CII has also welcomed the new Government policy whereby Government departments and state-run enterprises will give preference to small units in the procurement of goods and services, with 4% of the 20% procurement target being reserved for Scheduled Caste and Scheduled Tribe entrepreneurs. To give greater impetus to this endeavour, CII has proposed cluster training programmes for SC/ST suppliers to raise quality and assist in streamlining production. This will undoubtedly help integrate this sector into the national economic mainstream.

## CII Code of Conduct on Affirmative Action

The CII Code of Conduct on Affirmative Action is a voluntary commitment to be followed by companies. The Code relates to non-discrimination, assistance, and transparency with respect to employees/applicants/vendors from the Scheduled Castes and Scheduled Tribes communities. The key points of the Code are that the company

- Affirms the recognition that its competitiveness is interlinked with the well-being of all sections of Indian society.
- Believes that equal opportunity in employment for all sections of society is a component of its growth and competitiveness. It further believes that inclusive growth is a component of growth and development of the country.
- Affirms the recognition that diversity to reflect socially disadvantaged sections of society in the workplace has a positive impact on business.
- Will not practice nor support conscious discrimination in any form. Does not bias employment away from applicants belonging to disadvantaged sections of society if such applicants possess competitive skills and job credentials as made public.
- Selects business partners not based on any considerations other than normal business parameters. In case of equal business offers, the company will select a business partner belonging to a socially disadvantaged section of society.
- Has/ will have a written policy statement on Affirmative Action in the workplace.
- Has/ will have an employment policy that is in the public domain. It may place such policies and employment opportunities on its website to encourage applications from socially disadvantaged sections of society.
- Makes / will make all efforts for up-skilling and continual training of employees from socially disadvantaged sections of society in order to enhance their capabilities, and competitive skills.
- Has/will have a partnership programme with educational institution/s to support and aid students from socially disadvantaged sections of society.
- Makes available its learning and experiences as a good corporate citizen in Affirmative Action to other companies desiring to incorporate such policies in their own business.



**Inclusiveness and social equity must be a key component of growth strategies, and industry is not only conscious of this fact, but keen to contribute. It is therefore absolutely critical to create an environment where weaker sections can productively participate in the economic mainstream.**

**B Muthuraman**, Past President CII, and Vice Chairman, Tata Steel Ltd. and Chairman, Tata International Ltd

### Focus on the 4 Es

For SC/ST candidates to achieve their full potential, special attention needs to be paid to the 4 Es: Education, Employability, Employment and Entrepreneurship. It is the 4 Es that will enable SC/ST candidates to have a level playing field when applying for jobs, or indeed in the workplace.

**Education:** CII members provide scholarships to disadvantaged youth from the community. CII itself supports 200 scholars through the Foundation for Academic Excellence and Access (FAEA). CII also plans to launch Project Vidya that will establish 20 single teacher schools in 20 tribal hamlets in Andhra Pradesh, to give around 600 children get access to education.

**Employability - Skills Training:** In the field of Employability, CII initiatives have seen a total of 102, 437 individuals receive enabling Skill Development Training since 2007. Other important initiatives include a District Development Plan and Employability Potential Report conducted in Nawanshahr and Cooch Bihar to identify areas in these districts where interventions could be successfully undertaken. On the basis of these studies, a multi-disciplinary Skill Gurukul is being set up in Nawanshahr. CII members have committed to recruiting the trained candidates.

Another initiative is the joint collaboration between CII and Pan IIT Alumni Reach for India (PARFI) in setting up Skill Training Centres in rural areas on a residential Gurukul model with each Gurukul having an annual training capacity of 250-500 candidates. Thirty such Gurukuls are being set up across the nation, with 11 already operational, to provide the all-important market linkage and encourage employment of trained candidates.

Skills Training is also being imparted through the CII Skill Training Hubs, with a capacity of 1500-3000 candidates per

annum. These hubs, located in the districts, will impact and benefit members from the SC/ST community. Skill Hubs are already operational in Chhindwara, Madhya Pradesh; Bhiwadi, Rajasthan; and Balasore, Orissa, with more such hubs on the anvil.

There have also been a number of regional initiatives, spread across the country. They include:

- Teacher's Training Workshop and Career Counselling for students in Bijapur, with a focus on mechanical engineering, computer sciences and management (BBA) graduates.
- The CII-SECAB (Socio Economic Cultural Association Bijapur) initiative covered 225+ students across 4 polytechnic institutions, including the Government Polytechnic in Bijapur; 30 % of the candidates were SC/ST.
- CII-Telcon Skill Development Initiative in Kharagpur, West Bengal

**Entrepreneurship Development:** An entrepreneur nurtured from the community acts as an accelerator for economic growth and more employment. Towards this, CII has been working on Entrepreneurship Development Programmes as well as partnerships with the Dalit Indian Chamber of Commerce & Industry to develop suppliers and entrepreneurs.

To enable underprivileged youth to gain the necessary expertise in setting up their own enterprise, CII and the Bhartiya Yuva Shakti Trust (BYST) in partnership with the Tamil Nadu Adi Dravidar Housing and Development Corporation (TAHDCO), Government of Tamil Nadu, organized a Business Idea Generation Programme for 70 SC/ST youth in Chennai in July. In this cooperative management programme, experienced mentors from industry counseled and handheld unemployed underprivileged youth, to help them fine tune their ideas into a concrete business plan and constituted level 1 training for entrepreneurship.

Over the years, many CII member companies have been successful in empowering a large number of SC/ST youth and helping them to avail of opportunities that would otherwise have been closed to them. We share some representative case studies.

### Mahindra and Mahindra Ltd.

Mahindra Pride Schools (MPS) have given training to over 4000 students from socially disadvantaged (SC/ST) communities.

Srilekha, 21, graduated in computer science with 70% marks, a commendable achievement for a girl who had to battle against poverty and its attendant problems.



If India has to get complete benefit of its large population and big market, weaker sections of society have to be carried along. And this has to extend beyond industry.

Chandrajit Banerjee,  
Director General, CII

Her father, the sole breadwinner of the family, had a potato chips stall which failed. The family home had to be sold to repay the debts, leading to truly desperate circumstances.

Srilekha was referred to MPS Chennai for a three month course in ITES. This training combined with her positive “can do” attitude enabled the girl to qualify as a Trainee Programme Analyst. Today, she earns a salary of ₹ 25,000 a month.

#### **Tata Communications Ltd**

Ashok B. Mahale of Nashik, a poor student, used to get inspired by reading success stories of entrepreneurs. He did not dream that he could one day become an entrepreneur himself. By sheer chance, he came across a small advertisement in a local paper about the Entrepreneurship Development Programme sponsored by Tata Communications Ltd. He joined the course in Nashik.

Conducting a business environment scanning exercise as part of his course training, Ashok identified a gap for sweet boxes in the city. He sought comprehensive information about the entire manufacturing process for sweet boxes from Udyogwardhini, KVIC Nashik Centre and a few other sources. With an investment of just ₹ 10,000, he started manufacturing sweet boxes. His business has now stabilized, and he gets orders from various outlets that manufacture sweets, snacks etc. In season, he has a turnover of up to ₹ 1,00,000/- per month while, on an average, his monthly turnover is ₹ 25,000. He now employs three people and has an income of around ₹ 15,000 per month.

#### **Zensar Technologies**

Zensar launched Udaan, a centre within the the Zensar campus in Pune, to teach English to children from low income/Government schools. Such children are typically at different levels of learning, making it difficult for teachers to cater to individual needs in a classroom setting. The Udaan programme uses digital applications to enable children to learn from modules that are best suited to them, which also allow them to progress at their own pace, leading to better learning outcomes of

Speaking, Listening, Reading, Writing and Grammar. A baseline assessment is carried out to measure progress.

Twelve-year old Jyoti who comes to the Centre after school is very pleased. “Didi not only helps me to learn English, she also helps me to learn about computers so that I can learn on my own. She teaches me through games and activities so I love coming here.”

Currently, the Udaan programme services 41 students from classes 5 to 8, from the Chandannagar Municipal School, in three shifts. These classes serve as an enabler for disadvantaged children from the community to acquire language and computer skills that will open up new avenues for education and employment in the future.

#### **Forbes Marshall Pvt Ltd.**

Forbes Marshall believes that encouraging Supplier Diversity is an effective way of drawing Dalits into the country’s economic mainstream, while also enlarging the talent pool available to industry. It is committed to the voluntary adoption of Affirmative Action as a means to this end.

The company has helped three entrepreneurs set up workshops and develop businesses in areas such as fabrication, welding and machining, providing them with financial assistance and machinery, while also mentoring them to become vendors to Forbes Marshall and function independently as entrepreneurs. To take an example:

Vijay Suwase started work with Forbes Marshall in Pune as a helper on the shop floor 14 years ago. Impressed by his dedication and self-motivation, the company decided to encourage him to set up his business in machining components and fabrication of articles for assembly.

Forbes Marshall gave Vijay the necessary training, mentored him and also provided him with a power press, hand press, cutting machine etc. With these, Vijay set up a small workshop, Asha Enterprises, in rented premises in new Sanghvi. Vijay has now hired two employees and has an income of approximately ₹ 60, 000 per month. He is also a proud tax payer!

These success stories are representative of the ways by which appropriate interventions can positively impact not just individual destinies but also have a catalytic impact on the aspirations of SC/ST youth who have, in the past, been excluded from the economic mainstream. Such initiatives accelerate the process of upliftment of a historically disadvantaged section of society, and have a transformational effect on the socio-economic landscape, to make it more robustly representative and equitable, and inclusive. ■

# Is 6% Growth Achievable?

**There are indications for positive outcomes in the remaining months of this fiscal year, which should lead to restoration of growth at above 6% says Chandrajit Banerjee, Director General, CII**



**A**fter the decisive reform policies announced recently, industry is hopeful that 2012-13 will end with GDP growth rate of over 6%. The main reason for this belief is that we see a distinct uptick in investor sentiments, which we think is bound to be followed up by new projects coming back on track.

The first quarter growth itself at 5.5% showed the growth graph turning up, implying that at 5.3% in the previous quarter, GDP slowdown may have bottomed out. Q1 industrial growth rate at 3.6% too displayed significant gains over the previous quarter at 1.9%. In the two months of Q2, the index of industrial production displayed strong revival in August after a slight contraction in July.

As per the RBI's survey, industrial outlook is improving for the current quarter. Forecasts by a number of analysts have been brought down, but most are still above the 6% level. Signs of revival are also evident in larger order books and planned capex. All these indicators predict a somewhat higher pace of growth for the next three quarters.

The Government has taken large strides for restoring investment confidence. The decision on FDI in multi-brand retail was a long awaited step, and had an immediate impact on the mood of investors. Other measures to encourage inflow of foreign capital in sectors such as broadcasting and aviation, as well as the intention to lift FDI limits in the insurance sector, too, will help put India back on the investors' map.

The Finance Minister has announced a road-map for fiscal consolidation which will go a long way to reassure economic ratings analysts about the health

of the economy. Following up on the initiative to reduce subsidies in gas and diesel, as well as to leverage Aadhar for targeted distribution of subsidies, it reinforces the commitment to keep fiscal deficit under control, which should ease fund availability for corporate India. Additionally, proactive steps to garner resources through disinvestment and other sources as announced could keep fiscal deficit for this year at the targeted 5.3%.

There are several other steps that could drive growth for this fiscal year. CII had urged for a cut in interest rates from the RBI. A rate reduction would immediately spark a new cycle of investment across all sectors, putting shelved projects back on the table.

A determined effort to fast-track large infrastructure projects would also boost demand for industrial goods. A National Investment Board could identify roadblocks and clear hurdles through coordination with different ministries and departments, which at present is the job of the project managers. In the longer run, these projects would add greatly to capacities and unlock fresh investments down the line.

Several other reform measures are in the legislative process, including the crucial Goods and Services Tax and the Direct Taxes Code. If these see progress in the coming Parliament session, it is likely to further invigorate growth. Overall, all indications are for positive outcomes in the remaining months of the year, which should lead to restoration of growth at above 6% and higher in the following years. ■

*This article by Chandrajit Banerjee, Director General, CII, first appeared in the Asian Age on 1 November 2012.*

# RBI Delays Rate-Cut Yet Again

The second quarter Monetary Policy was presented by the Reserve Bank of India (RBI) on 30 October in a difficult economic situation triggered by a string of adverse macroeconomic news, owing to multiple factors, both domestic and global. On the external front, an adverse global environment led by a faltering US economy, the continuing downturn in Europe and slowdown in emerging economies contributed to the weak macro environment. Domestic factors too contributed significantly to the slowdown in economic growth. The RBI chose to keep the repo rate unchanged, but again opted for a Cash Reserve Ratio (CRR) cut by 25 basis points (bps). The latter is expected to release around ₹ 175 billion of primary liquidity into the banking system. RBI's decision to cut the CRR rate was indeed a prudent decision as a high liquidity deficit has adverse implications for the flow of credit to the productive sectors and for the overall growth of the economy

So far, this fiscal, the RBI has cut the CRR by a cumulative 50 bps till date, apart from front-loading the repo rate cut by 50 bps in April 2012. It also pared its growth forecast sharply down to 5.8% from 6.5% for the current fiscal, citing the pervasive signs of growth slowdown. Inflation forecast on the other hand was scaled up to 7.5% from 7.0% by end-March.

The Central Bank highlighted the heightened downside risks to growth in the wake of intensification of global risks and accentuation of domestic risks by halted investment demand, moderation in consumption spending and continuing erosion in export competitiveness accompanied by weakening business and consumer confidence. Growth in the first-quarter slowed down to 5.5% as compared to 8.0% in the same period last year due to the drying up of investment and weakening of consumption growth. The sluggish momentum of value added in the first-quarter was evident across all sectors of the economy, and particularly in industry. Persistently high interest rates have impacted investment demand in the economy and hurt the manufacturing sector.

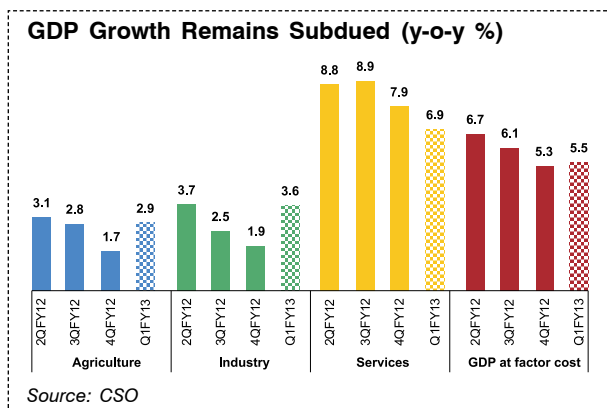
Admittedly WPI-based inflation has remained persistently high so far this fiscal, and is an area of

concern. The Central Bank highlighted the upside risks to inflation underpinned by suppressed inflation in the form of underpricing of certain fuel items and second-round impact from the recent diesel price hike. However, it must be borne in mind that much of the contribution to the headline print has been mainly from food inflation. Non-food manufacturing (core) inflation, which is widely regarded as the proxy for demand-side pressures in the economy by the RBI, has moderated in the last few months. CII was expecting the declining trajectory of core inflation to spur RBI to revisit its monetary policy stance and cut its policy rates to rejuvenate growth in the industry which has been hit by high interest costs and flagging investments. However, the Central Bank opted for delaying the rate cut to early 2013, when it expects the headline inflation to moderate.

Though the RBI implemented a frontloaded policy rate reduction of 50 bps in April 2012, there hasn't been significant pass-through into banks' lending rates until July-end. From April-September 2012, the base rates across 10 large Indian banks have fallen by only 25 bps. Bank credit growth to the commercial sector moderated to 15.9% as of end-September 2012 as compared to a robust 20.7% posted last year, as the private sector is delaying investment due to high cost of credit.

CII recommends that the repo rate should be brought down from its current level of 8%, by 50 bps immediately and another 50 bps subsequently during the course of the year in order to revive business sentiments and enable companies to raise capital at affordable cost. Countries like China have also reduced policy rates to spur growth. More importantly, the government has started to address the fiscal side by announcing a slew of policy reforms last month, which will help to rein in the fiscal deficit this year.

**A cut in policy rates would help rejuvenate growth in industry, which has been hit by high interest costs and flagging investments**



# Gold: Riding on Liquidity

Despite the relentless hunger for gold in India, the demand for this asset is affected by normal economic factors such as income and price, interest rates and exchange rates

**R**ecent data reveals that while Indians had been increasing their gold consumption at a steady rate over the last few years, our hunger for gold has suddenly nosedived. During April-June this year, our gold imports declined by 47% and amounted to just \$9.5 billion, almost half of the previous year's \$18.2 billion. This decline is also more than proportionate to the general decline in imports. In fact, the share of gold and silver in total imports has declined from 14.8% last year to 8.4% this year. In terms of physical volumes, the Indian demand for gold jewellery declined to 124.8 tonnes during 2Q 2012, 30% below the level of 179.5 tonnes during 2Q 2011. Some would say this is a correction that was long overdue.

India's appetite for gold has often been seen as a bane given its unproductive nature as an asset. Money spent on buying gold has little impact on the economy as it neither boosts consumption nor investment. Since much of the gold is imported, the main impact is on our trade and current account deficits, which have increased to unsustainable levels over the past few years. Therefore the recent moderation in gold demand comes as a relief to those who worry about the macro-economic dimensions of India's growth. Indeed, the Union Budget of 2012 had increased customs duty on gold with the explicit purpose of slowing down gold imports. In addition, the recent depreciation of the rupee against the dollar has made gold prices prohibitively high for the Indian consumer, and it may be a while before the demand for gold picks up in India.

Looking at past trends in the demand for gold in India, it is apparent that there have been several ups and downs in the demand. It peaked in 1998 and then again in 2005 but declined moderately till 2009. It picked up to record highs in 2010 and 2011, but finally began moderating since the second half of 2011. The conclusion we need to draw is that despite the relentless hunger for gold in India, the demand for this asset is affected by normal economic factors such as income and price, interest rates and exchange rates. It is therefore likely that this demand will stay subdued for a while in response to slower growth and rising inflation. Yet, if gold continues



to deliver superior returns, investment into gold related assets may rise. With the widespread availability of gold-based ETFs (exchange traded funds), investments into these instruments have surged.

With central banks in the developed world aggressively easing monetary policy, gold price has been on a rising trend. In fact, the dollar price of this asset class has almost quadrupled since the end of 2005. Over the last year, the price of gold has actually retraced a bit, reflecting some fatigue in the rally. With prices rising almost continuously over the last seven years, investors are increasingly facing a dilemma. While many feel that this may be an opportunity to book profit, there is always the fear that they will be proved wrong and this asset class will continue to outperform as long as the global economy remains in the doldrums and central banks continue to print money. Indeed, the most likely medium term outcome for gold is that it will continue to rise as central banks reflate their economies. That said, one should not expect the outsize returns of the past decade, when gold outperformed many other asset classes.

In rupee terms, gold has continued to appreciate over the past year, notwithstanding the collapse in demand. This points to the dilemma being faced across commodity markets: while weak demand should lead to a decline in price, the liquidity pumped in by central banks to shore up their economies prevents this from happening. At some point, if demand remains subdued for long enough, the demand-supply dynamic could outweigh the monetary angle and lead prices down. However, that point does not seem imminent. At present, the asset price seems to be influenced more by the actions of central banks, while ignoring weakening physical demand, even in the biggest markets of gold, which are India and China.

From a policy perspective, the importance of increasing financial penetration so that every person has access to a variety of saving instruments cannot be denied. The availability of alternative financial instruments that offer the safety and liquidity of gold will surely have a sobering impact on Indian demand for gold over the longer term. ■

*This article was contributed by Bidisha Ganguly, Senior Consultant, CII. She can be reached at bidisha.ganguly@cii.in*



# India Show in China

The India Show created significant opportunities for synergistic bilateral economic engagement between Indian companies and their Chinese counterparts in the automobile industry



▲ **S Gopalakrishnan**, President Designate, CII, and Executive Co-Chairman, Infosys Technologies Ltd, speaking at the inauguration of the China International Auto Parts Expo in Beijing



▲ **Dr S Jaishankar**, Ambassador of India to China; **S Gopalakrishnan**, and **Wang Jinzhen**, Vice Chairman, CCPIT



▲ **Chandrajit Banerjee**, Director General, CII; **S Gopalakrishnan**; **Li Rongcan**, Assistant Minister of Commerce, China; and **Rajive Kaul**, Past President, CII, Chairman, CII Trade Fairs Council, and MD, Nicco Corporation Ltd



▶ **Chandrajit Banerjee**; **Wang Guiqing**, Vice President, China Chamber of Commerce for Import & Export of Machinery & Electronic Products, and **S Gopalakrishnan**, at the signing of the MoU between CII and CCCME in Beijing

CII, in association with the Union Ministry of Commerce & Industry, India, and the Embassy of India, Beijing, organized the **'India Show'** from 26-28 October in Beijing, China, concurrently with the 6th China International Auto Parts Expo (CIAPE).

The 'India Show' in Beijing assumes greater significance in the context of enhanced economic and strategic cooperation between the two nations, in a year which has been announced as the 'Year of India-China Friendship and Cooperation.' More than 80 companies participated in the three day exhibition, showcasing the wide variety of top class Indian auto parts, along with maintenance and tuning equipment and general components.

As part of the India Show, a high-powered 19 member CII delegation, led by Mr S Gopalakrishnan, President Designate, CII, and Executive Co-Chairman, Infosys Technologies Ltd, visited China from 25-26 October.

Economic cooperation between India and China in the last decade has been a remarkable story, said Dr S Jaishankar, Ambassador of India to China, addressing the inauguration of the show. From very modest beginnings, China has become India's largest trade partner and India is China's seventh largest export destination. Trade last year was USD 74 billion and is steadily growing. While this is heartening, it has posed its own challenges in terms of a deficit last year of USD 27 billion, which is difficult to sustain or to defend. Market access for Indian companies is a major concern and that is precisely why it is important that so many of them are here today, he said.

Sino-Indian economic relations are now maturing, moving from trade to investments, said the Ambassador. A number of Chinese auto manufacturers are contemplating projects in India. Their success in such a competitive market depends on strong relationships with suppliers of components. Impressive though its growth is, the India-China economic relationship is an under-leveraged one. We offer each other so many opportunities for mutual development. Creating an enabling environment to take advantage of them is our endeavor, observed Mr Jaishankar.

Bilateral trade between China and India reached \$73.9 billion in 2011, and both the countries have sustained the world's highest annual GDP growth in the past 10 years - 9% for China, about 7% for India, said Mr S Gopalakrishnan. As per the figures released by China's Ministry of Commerce, cumulative Chinese investment into India till December 2011 is US\$ 575.7 million and Indian investments into China stood at US\$ 441.7 million. Indian manufacturing and IT companies are making serious

moves in China, demonstrating their capabilities in high-tech engineering, software development, banking and forex trading platforms, he added. India's IT companies started their businesses in China by serving large multinational clients in the country. Similarly the Indian manufacturing companies have been setting up their factories in China, in their aspiration to be global players in their respective sectors, said Mr Gopalakrishnan.

He said that more than 200 Indian companies are currently present in China to better engage with the local market and explore new areas of cooperation. These companies apart from tapping the domestic market have been using China as their base to produce for other markets.

Engagement between the two countries is strengthening through mechanisms like the Joint Economic Group (JEG) and Strategic Economic Dialogue (SED) with a view to deepen the China-India strategic and cooperative partnership. As two fast-developing countries, we can learn from one another and work towards complementing each other's strengths for mutual benefit, felt Mr Gopalakrishnan.

Mr Asit Tripathy, Joint Secretary, Union Ministry of Commerce and Industry, India, declared that the Government of India attaches great importance to the economic relations between India and China. Expressing confidence that the target of USD 100 billion bilateral trade would not be difficult to achieve by 2015, he hoped that there would be greater investments from the two sides in times ahead, and called for efforts to attain a sustainable balance of trade, which is currently in favor of China. Mr Tripathy said that the CII-Embassy of India Beijing book, 'Retracing the path to prosperity – lessons from India – China Business Partnership' which was released on the occasion, highlights the importance of building a good business relationship with ethics between the enterprises of the two countries to promote bilateral trade and investments.

Mr Rajive Kaul, Past President, CII, Chairman, CII Trade Fairs Council, and, MD, Nicco Corporation Ltd, said that the exhibition showcases advance products and services to bring out the best of the Indian auto-parts industry. CII had earlier organized four 'Made in India' shows from 2003 to 2006 in Beijing and Shanghai, he said. The keen interest expressed by Chinese automotive companies in the Indian auto industry would immensely help promote bilateral economic cooperation between the two countries, he said.

Earlier, in his welcome remarks, Mr Chandrajit Banerjee, Director General, CII, said that the Show provided

an opportunity for local industries to understand the technological advancements, innovations and manufacturing prowess of the Indian auto component industry. He highlighted the huge trade and investment potential in areas like infrastructure, engineering, environment, transportation, IT and telecommunication, banking and finance etc.

Mr Wang Guiqin, Vice Chairman, China Chamber of Commerce for Import and Exports of Machinery and Electronic products (CCCME), said there is a huge market in China for Indian auto products, and the Chinese government welcomes imports of Indian products. He expressed confidence that the MoU signed between the CII and CCCME would further promote cooperation between Indian and Chinese companies, and invited Indian enterprises to do businesses in all parts of China.

However, for a synergistic bilateral economic engagement, there is need for Indian companies to tap the opportunities in the Chinese market more closely and to take advantage of its environment. Similarly, with Chinese automobile companies expressing keen interest in the Indian market, the show provided an opportunity for them to explore new collaboration opportunities with leading Indian auto parts companies in the development of their supply chain.

Coinciding with the 'India Show,' a panel discussion on 'Retracing the Path to Prosperity: Lessons from India – China Business Partnership' was held in Beijing on 26 October. The session was attended by over 250 participants, and was addressed by Mr K Venugopal, Director, Kasturi & Sons Ltd, Mr Vish Iyer, President – Asia Pacific, TCS Asia Pacific Pte Ltd, Mr Sanjeev Mohoni, President & CEO, Mahindra Yueda Tractor (Yancheng), Mr Li Xiaoke, Vice President, Huawei India Enterprise Business Group, and Mr Song Yujun, MD, Haier Appliances (India) Pvt Ltd, among others.

The 'India Show' also featured an Indian wine festival, organized by the Agricultural & Processed Food Products Export Development Authority (APEDA), India, as well as an Indian cultural and dance performance, organized by the Indian Council for Cultural Relations (ICCR).

The event was supported by the India Brand Equity Foundation (IBEF), Auto Component Manufacturers' Association (ACMA) of India, China Chamber of Commerce for Import and Export for Machinery and Electronic Products (CCCME), Trade Development Bureau of Ministry of Commerce of the People's Republic of China, and Genertec.

## CEOs Mission to China



Chandrajit Banerjee; S Gopalakrishnan; Wang Jinzhen, and Wang Li, Director General, International Cooperation Dept., CCPIT, at the India-China CEOs Roundtable Meeting, in Beijing

A 20-member CII CEOs delegation, led by Mr S Gopalakrishnan, President-Designate, CII, and Co-Founder and Executive Co-Chairman, Infosys Ltd. visited Beijing from 25-26 October, coinciding with the 'India Show.'

Dr. S Jaishankar, Ambassador of India to China, briefed the delegates about current economic relations between India and China, and emphasized the need for greater long-term engagement of Indian corporates with China. The delegation attended a business seminar, which drew more than 250 representatives from leading Chinese companies.

CII, jointly with the China Council for Promotion of International Trade (CCPIT), organized an India-China CEOs Roundtable Meeting on 26 October to discuss new areas of cooperation to build long term engagement and to ensure that economic ties become more sustainable.

Mr. Wang Jinzhen, Vice Chairman, CCPIT, urged Chinese companies to look at potential Indian markets for their products. Mr. S Gopalakrishnan spoke about the current status of Indian investments in China, which are yet to reach full potential. Mr. Chandrajit Banerjee, Director General, CII, proposed the setting up of a CII CCPIT Task Force which can come out with specific strategies / recommendations for industry and government of both countries to catalyze trade and investment.

Around 40 CEOs of leading Chinese companies representing sectors such as Engineering, Pharma, Financial Services, Renewable Energy etc. participated in this session.

The delegation included Mr. Rajive Kaul, Past President, CII, Chairman, CII Trade Fairs Council, and MD, Nicco Corporation Ltd; Mr. Vish Iyer, President-Asia Pacific, TCS; Mr. T T Ashok, MD, Taylor Rubber P Ltd; Mr. K Venugopal, Director, Kasturi & Sons Ltd., and Mr. Chandrajit Banerjee, Director General, CII, as well as CEOs of Indian companies based in China, such as SBI, NIIT, Mahindra, Reliance Industries, Tata Sons, Aditya Birla, and ICICI Bank.

# Retracing the Path to Prosperity: Lessons from India-China Business Partnership

A CII – Embassy of India Beijing book on ‘Retracing the Path to Prosperity – Lessons from India-China Business Partnership’ was released during the inauguration of the India Show, organized concurrently with the 6th China International Auto Parts Expo on 26 October in Beijing.



Chandrajit Banerjee, Director General, CII; Wang Guiqing, Vice President, China Chamber of Commerce for Import & Export of Machinery & Electronic Products; S Gopalakrishnan, President Designate, CII, and Co-Founder and Executive Co-Chairman, Infosys Ltd; Dr S Jaishankar, Ambassador of India to China; Rajive Kaul, Past President, CII, Chairman, CII Trade Fairs Council, and MD, Nicco Corporation Ltd; and Asit Tripathy, Joint Secretary Union Ministry of Commerce, India, releasing the CII-Embassy of India book on ‘Retracing the Path to Prosperity – Lessons from India – China Business Partnership’ in Beijing

Speaking on the book, Dr S Jaishankar, Ambassador of India to China, said, “Like the rest of the world, India too has to appreciate the full implications of the continued rise of China. While our relationship has its share of challenges, China is also an opportunity on the economic side. Bilateral trade has grown manifold in the last decade and we are entering a phase of greater mutual investments.” Stressing on the need for more Indian businesses to engage with China, the Ambassador added “Indian companies must realize that an important aspect of market access in China is having a proximate presence. Secondly, like other large markets, local production is a must to address local demand, both in scale and in its customization. Third, leveraging China’s many efficiencies could assist Indian companies in their quest of becoming global.”

In recent years, the relationship between China and India has maintained good momentum for all-round development. With the joint effort on both sides, the remarkable progress achieved in bilateral trade and economic cooperation is the highlight of the bilateral relations. China is now India’s largest trading partner with around US\$ 74 billion worth goods traded last year and aiming to touch US\$ 100 billion by 2015.

Commenting on the Indian investment in China, Mr S Gopalakrishnan, President Designate, CII, and Co-Founder and Executive Co-Chairman, Infosys Ltd, said that the Indian manufacturing and IT companies are making serious moves in China, demonstrating their capabilities in high-tech engineering, software development, banking and forex trading platforms. India’s IT companies started their businesses in China by serving large multinational clients in the country but are now closely working with various Chinese companies in helping them to improve their technology and make them

more competitive. Similarly, Indian manufacturing companies have been setting up their factories in China in their aspiration to be global players in their respective sectors. These investments have not only helped them to make inroads into the domestic market, but have also become a platform to explore new markets, he added.

Indian and Chinese companies are setting up operations in each others’ countries, in some cases for global markets, said Mr Chandrajit Banerjee, Director General, CII. The investments by Indian corporates in China range across sectors like IT, Pharma, Auto components, Renewable Energy, Machinery, Engineering, Electronics etc. These companies have established themselves and seamlessly integrated into the local ecosystem, thereby making significant contributions to the Chinese economy, society and local community, in their own manner. “In spite of our growing trade, the bilateral investment of about US\$ 1 billion represents a huge untapped potential considering the size and scale of the two economies. Hence there is a need to take our bilateral relations from pure trade to investment-led trade, in order to make this economic relation more sustainable and long term”, said Mr Banerjee.

This book captures the positive contribution and successful strategies adopted by Indian companies invested in China, to serve as a useful reference for potential Indian investors. The stories are captured under the themes Leading the Innovation Charge, Conquering Global Market, Grooming World-class Managers, Boosting the Local Economy and Giving Back to Society.

“This book is yet another initiative of CII in its effort to build a strong sense of ‘Brand India’ in China, and send out a strong message that Indian industry and people are valuable business partners,” said Mr Banerjee. ■

# New Paradigms in Media & Entertainment

India's Media and Entertainment industry, which includes television, print, radio, and digital media, was pegged at \$15 billion at the end of 2011. 'India-The Big Picture,' CII's Media & Entertainment Summit discussed issues such as market-driven approach, inadequate focus on certain vital sectors, censorship hurdles and the roadmap, moving forward



Uday Kumar Varma, Secretary, Union Ministry of Information & Broadcasting, addressing the Inaugural Session of 'India -The Big Picture' in New Delhi. Also seen: Chandrajit Banerjee, Director General, CII; Andy Kaplan, President, Worldwide Network, Sony Picture Television, and Amit Khanna, Chairman, CII National Committee on Media & Entertainment, and Chairman, Reliance Entertainment

The new vulnerability of power, its fragility and brittleness, a different matrix of accountability and a deficit of legitimacy are redefining the traditional role of the media. Speed of communication, the expanding public information space and innumerable points from where information is emanating have redefined the media industry, and the impact is felt the world over, including India.

This was the focus of discussion in various sessions at 'India-The Big Picture,' CII's Media & Entertainment Summit, held in New Delhi on 29-30 October. Representatives of the fourth estate and the film world concurred on some points and differed on others, as they discussed issues such as market-driven approach, inadequate focus on certain vital sectors, censorship hurdles and the roadmap for the \$100 billion Indian M&E industry.

"We are drunk on our own volumes: largest number



Arun Jaitley, Leader of the Opposition (Rajya Sabha)

of newspapers in circulation, largest number of television viewers at 400 million, 100 million digital consumers. Digital, in particular, is an indictment of our creative and strategic limitations – we have 600 million mobile screens and yet we do not have a unique content proposition for the medium," said Mr Uday Shankar, CEO, Star India, in his keynote address, adding, "Our inability to convert that into corresponding value is disappointing."

"Media is a globally growing industry – but our participation in that eco-system is zero and India is hardly factored into the global thought process of technology or content," he added. Similarly, on the domestic front, the industry is yet to fully unlock the potential of the vast market. India's Media and Entertainment industry, which includes television, print, radio, digital media, was pegged at \$15 billion at the end of 2011. The industry is growing at around 14%

## India's Entertainment and Media industry to exceed Rs 175,000 crores by 2016

India's Entertainment and Media sector is expected to grow steadily over the next five years according to the CII-PwC Report titled 'India Entertainment & Media Outlook 2012'. The industry is expected to exceed ₹ 175,000 crores growing

at a CAGR of 17% from 2012 to 2016, according to the Report, released by Mr Manish Tiwari, the new Union Minister of State (Independent Charge) of Information and Broadcasting, on the eve of the 'India-The Big Picture' CII Media and Entertainment Summit in New Delhi, on 29 October.



**Manish Tewari**, Union Minister of State (IC) of Information & Broadcasting, releasing the CII-PwC Report on Media & Entertainment. Also seen (L-R) **Smita Jha**, Leader – Entertainment & Media Practice, PwC India; **Uday Kumar Varma**; **Chandrajit Banerjee**, and **Amit Khanna**, in New Delhi

The Advertising segment in India is dominated by the television and print sectors with a combined contribution of over 80% in the total revenue pie. Both these segments are expected to continue to be dominant in the next five years, says the Report. It sees the Indian E&M industry among the top 15 markets in the world and the fastest growing one, followed by China, Russia and Brazil. This growth is largely coming from the burgeoning internet segment which has the potential to outshine the print sector by 2014.

The potential game-changers in this area are going to be Advertising Spend, Consumer Spend, Infrastructure and Policy Support.

Advertising Spend contributes approximately 35% of revenues in the E&M industry. However, compared to other countries, in India, Advertising Spend as a percentage of GDP is very low at 0.3%. The Report expects that entertainment content being accessed through different mediums, and innovation in digital content, will drive Advertising Spend.

The key Consumer Spend segments are television subscription, film admissions and print circulation. The average annual spend per capita is a low USD 7 in India as compared to USD 22 in China and USD 65 in Brazil. Rising disposable incomes in India in combined with macro economic stability is expected to drive rapid growth in consumer spend on E&M.

Achieving the vision of the E&M industry to reach USD 100 billion will require a consolidated and focussed approach towards developing and deploying relevant infrastructure, supported by a strong policy framework. High broadband penetration, improved audience measurement mechanisms and regulatory support will provide the necessary impetus to future growth, says the Report.

“Working to attain the target of USD 100 billion in the coming years will not only benefit industry but also create large scale employment, and help achieve India’s goal of being a knowledge-driven economy through effective media,” said Mr Chandrajit Banerjee, Director General, CII.

“Increased advertising and consumer spend will take the industry to the desired heights. This will be fuelled by technological innovation leading to better quality of media content. Internet access will be a key enabler in driving growth,” said Ms Smita Jha, Leader – Entertainment & Media Practice, PwC India.

In 2011, the entertainment and media industry was estimated to be ₹ 80,000 crore, an increase of 17.5% over the previous year. The television and print segments continued to be the largest contributors to the industry, accounting for 66% of the total revenue. Internet access also contributed a significant 14% (up from 11% in 2010), driven by the increasing adoption of mobile internet in the country. However, the contribution from the print and film segments reduced marginally, with year-on-year growth rates lower than the industry average.

Internet access and gaming were the fastest growing segments, with annual growth rates of 57% and 33% respectively. The gaming segment, though a small contributor to the overall industry, is growing due to the rising popularity of mobile and online and social media gaming. Television the largest segment, was the highest contributor (in terms of revenue addition) to the industry, with an annual growth rate of 16%.



**Leela Samson**, Chairperson, CBFC, addressing the session. Also seen: **Sudhir Mishra**, Film Maker; **Mukesh Bhatt**, President, Film & Television Producers Guild of India; **Shyam Benegal**, Film Maker; **Shabana Azmi**, Actor; **Ramesh Sippy**, Film Maker; **Lalit Bhasin**, Chairman, Film Certification Appellate Tribunal; **Jahnu Barua**, Film Maker; **Gauri Shinde**, Film Maker, and **Rahul Bose**, Actor

a year. "At this rate, we will still take 15 years to get to \$100 billion. Obviously, we want to get there much faster. The question is: Why and how do we do that?" Mr Shankar quipped.

The recent decision of the government to allow 74% FDI in DTH, IPTV, mobile TV etc. is a key step towards the USD 100 billion roadmap, said Mr Uday Kumar Varma, Secretary, Union Ministry of Information and Broadcasting. He said many positive steps would be taken to revamp FM Radio to enhance its reach and content. The empowered Group of Ministers is looking into some of the grey areas in the auction of 839 new FM radio stations across over 290 towns and cities in the country. "We hope to complete the auction of the first tranche of the stations by the end of the financial year," he added.

In a scathing attack on trial by media, Mr Arun Jaitley, Leader of the Opposition, Rajya Sabha, said that such debates are often based on half-truths and imagination. Mr Nik Gowing, Presenter, BBC World News said, "Media is greatly influenced by technology and speed in which information travels. Political leaders and corporations have to realize that to become a leader in the technology driven environment is an onerous task, where they would be put to scrutiny by the media and by the public at large, through twitter and other social media." Mr Vinod Mehta, Advisor, Outlook India, said, "What we require is blending good business



**Javed Akhtar**, Lyricist & Member of Parliament



**Anil Kapoor**, Film Actor



**Mahesh Bhatt**, Film Maker



**Shekhar Kapur**, Film Maker



**Vidya Balan**, Film Actor



**Prakash Jha**, Film Maker

practices with news collection and dissemination, which is a formidable task of the media industry." Mr Ravi Dhariwal, CEO, Times Group, said that media is judged by its contemporary relevance and the trust it builds with the general public.

The CII PWC Report on Media and Entertainment, and a report on 'The Role and Role of Law in the M&E sector' by Naik and Naik, were released by Mr Manish Tewari, the new Union Minister of State (IC) of Information and Broadcasting.

The session on 'Game-changers for the Film Industry' saw powerful discussions by directors, actors and producers, such as Mr Prakash Jha, Film Maker, Mr Javed Akhtar, Lyricist and Member of Parliament, and Mr Mahesh Bhatt, Film-Maker. Ms Leela Samson, Chairperson, Central Board of Film Certification (CBFC), pointed out that when producers and directors approach the Ministry for their problems relating to Regulation, the issue goes out of the hands of the CBFC. Ms Vidya Balan and Ms Shabana Azmi, both Actors, spoke about the positioning of women in the media.

### Broadband Penetration

Addressing the panel on 'The Game Changers: Taking M&E industry to \$100 bn', Mr R Chandrasekhar, Secretary, Information Technology and Chairman Telecom Commission, said the Government is taking proactive steps to enhance broadband penetration in the country from the present



**S N Sharma**, CEO, DEN Networks Ltd; **Anuj Gandhi**, Group CEO, Indiacast; **Deepak Jacob**, President & General Counsel, Head Legal & Regulatory, Star India; **Vinod Dhall**, Former Chairperson, Competition Commission of India, & Session Chair; **Dr Rahul Khullar**, Chairman, Telecom Regulatory Authority of India (TRAI); **Harit Nagpal**, MD & CEO, Tata Sky; **Gopal Jain**, Advocate, Supreme Court; **Ameet B Naik**, Managing Partner, Naik Naik & Co., and **Vanita Kohli-Khandekar**, Contributing Editor, The Business Standard

level of 20 million to 600 million by 2020, so as to cover the entire breadth and length of the country. "The Government is investing ₹ 20,000 crore over the next few years for strengthening the broadband network in the country. This will give a boost to digitization, cloud-based services and convergence to reach the common man in far flung areas," he said. The government's role, he stressed, would be that of a facilitator and the last mile movers would be cable and telecom service providers.

### Policy Conundrum

Dr Rahul Khullar, Chairman, Telecom Regulatory Authority of India (TRAI) stressed on the need for a separate regulator for content and carriage. He also said that the Indian market should not be compared to Western markets and stressed that India is a price-sensitive market. Responding to the concerns expressed by Mr Harit Nagpal, MD and CEO, Tata Sky and Mr SN Sharma, CEO, Den Networks, on the high rates of taxation for this industry, Mr Khullar said the regulator is aiming to bring out a White Paper on cross-media ownership, which will be done with prior consultation. He also said that as digitisation progresses, the industry should foresee and prepare changing business models.

The panel on Convergence issues, chaired by Mr Neeraj Roy, MD and CEO, Hungama Digital Media, was of the view that consumption and monetising of content, global IT systems, infrastructure and policies that deal with convergence need to be developed to provide clarity to industry players as well as consumers. The panel agreed that innovation in convergence will result in monetisation.

### Sports & Entertainment

The final panel discussion on Sports and Entertainment

debated on whether sports broadcasting in India is only about cricket, or is there an opportunity much beyond, which lies untested and unexplored. "The Government, corporations, media and civil society should come forward to support sports beyond cricket with a long term roadmap," said Mr Atul Singh, Chairman, CII National Committee on Sports, and President & CEO, Coca-Cola, India & South West Asia. Ms Sonali Chander, Consultant, NDTV; Mr David Hill, Senior Executive Vice President, New Corp, and Mr Harish Thawani, Executive Chairman, Nimbus Communications, joined the discussions.

While there is no doubt that the Indian Media & Entertainment industry is seeing unprecedented growth, the question is when the industry will be able to shed policy inhibitions and grow to USD100-billion. By common consensus, the 'game changers' for the industry were identified as:

- Advertisement spends by consumers
- Increase in subscriptions
- Toning up of infrastructure in all M & E sectors
- Robust policy framework
- Strengthening broadband network



**Atul Singh**, Chairman, CII National Committee on Sports, and President & CEO, Coca-Cola, India & South West Asia, felicitating **MC Mary Kom**, (left), and **Vijay Kumar** (right) London Olympics 2012 winners



# Towards Sustainable Mining

**T**he Mining industry in India is a major economic activity which contributes significantly to growth and employment. India is fortunate to have various mineral resources that can be the bedrock for the future growth of its economy and industry.

The metal and mining industry was estimated to be \$106.4 bn in 2010-11, employing nearly 1.5 million people directly and indirectly, and contributing 10-11% to industrial GDP. Hence, it is important to ensure its growth in a sustainable and productive manner. The development of this sector would result in bringing the local communities into the mainstream and sharing the economic benefits of mining related activities. Most of our mineral potential areas are in the interior tribal areas of the country, where the development is the lowest. The mineral sector can transform this scenario by providing employment and infrastructure creation. The per capita GDP in these mineral rich states compared to the national average underscores the strategic need to unlock this potential.

The future of the mining sector lies in laying emphasis on scientific mining so that state-of-the-art technology is used for exploration, efficiencies are realized, and clean technologies and safe mining practices are adopted with adequate supporting infrastructure.

Globally, in terms of production, India ranks 2nd in chromite, 3rd in coal and lignite and bauxite, 4th in iron

ore and 5th in manganese. But the contribution of mining to GDP is low. It has declined from 2.7% in 2005-06 to just 2.1% in 2011-12. The mining industry needs to work to realize the vision of achieving 7-8% of GDP.

The Government of India is actively engaged in policy liberalization, permitting 100% Foreign Direct Investment in the sector. It should also address specific challenges in infrastructure, funding, sustainability, land acquisition, etc.

CII has been encouraged by the fact that the Government has taken some important steps to attract large private investment in exploration and mining and proactively set up the Anwarul Hoda Committee. To give effect to the policy directions in the National Mineral Policy (NMP), the Government evolved a new Mines and Minerals (Development and Regulation) Bill, 2011, after several rounds of consultations with the stakeholders, including State Governments, the concerned Ministries and Departments of the Central Government, industry and civil society.

The Draft Bill, which is forward-looking in intent, however, still includes crucial issues that would need to be addressed if investment in the mining sector is to be encouraged. CII has made a detailed representation outlining key issues of concern to industry and specific recommendations on the Draft MMDR Bill. The Draft Bill is currently being examined by the Standing Committee on Coal and Steel.

Mineral resources being finite in nature, the practice,

the world over, is to augment its exploration through First Come First Serve (FCFS) basis for allocation of mineral resources. Competitive bidding should only be considered for those mineral resources for which sufficient information on grade, reserves, size, depth, beneficiation etc. are established. Moreover, the mining lease should be offered by competitive bidding only for those reserves which are proven as per the internationally accepted United Nations framework classification.

The Draft MMDR Bill, 2011 proposes several additional taxes and levies such as contribution to District Mineral Foundation (DMF), Central and State Cess, as well as stipulations on Corporate Social Responsibility, and the resettlement and rehabilitation of affected families. The impact of this increase in taxation needs to be examined and addressed. Further, the effective taxation level is likely to increase the cost of product to the customer and create inflationary pressure in the economy.

It is important to ensure that mining and exploration activities provide opportunities for inclusive growth to the local populations and are conducted under the legislative framework in the country. The Draft MMDR Bill must address these concerns if it is to be a tool for effectively harnessing India's rich mining potential.

The Mineral sector can contribute very significantly to India's economic growth from its present level, as is seen in the experience of other countries which have leveraged their mineral resources for growth. India can aim to improve the mining sector's share in GDP to 8%. The final legislative framework needs to support policies for long term development of the sector and ensure its sustainability and global competitiveness.

CII's forthcoming Global Mining Summit 2012, to be held on 5 - 6 December in Kolkata, concurrently with the 11th International Mining and Machinery Exhibition scheduled from 5 - 8 December, will serve as a platform for the Government of India to inform Indian industry and the international business on the latest policy updates. It will also be a forum to seek feedback from industry within India and overseas, to understand the pulse of the sector. A Buyer Seller Meet is also part of the event. The Summit will focus mainly on exploration, technology, policy and regulatory frameworks and emerging business opportunities in the Indian Mining sector, the discussions will centre around strategies to achieve high growth in mining, the role of financial institutions for developing the sector, and environmental and safety issues. The event is being organized in association with the Union Ministry of Mines, Coal and Steel, India, and Coal India Ltd.

*To know more about the event, visit [www.immeindia.in](http://www.immeindia.in). For Summit registration and other details, please contact Ravi Bhushan at [ravi.bhushan@cii.in](mailto:ravi.bhushan@cii.in). For exhibition details, please contact Lakshmi Sriram at [lakshmi.sriram@cii.in](mailto:lakshmi.sriram@cii.in)*

## The Future lies in Scientific Mining



**The Indian Mining Sector requires a facilitating environment to draw investments and technology to take it to a new level, says**

**Mr N K Nanda, Chairman, CII National Committee on Mining, and Director, Technical, National Mineral Development Corporation Ltd, sharing his views on the key challenges and opportunities ahead**

The Indian Mining sector has been facing a number of challenges in recent times. Issues related to illegal and unregulated mining and delays due to environment / forest clearance have led to a demand-supply gap in key raw materials as the production is not adequate to meet the increasing industrial demand. There is an urgent need to increase the production of key raw materials like iron ore and coal by opening new mines. The Government needs to adopt a concerted effort to encourage the opening of new mines in mineral-rich states.

India's geological set-up is similar in many ways to that of resource-rich countries like Canada, Australia, Brazil, South Africa and Chile. However, in India, the mining sector accounts for just 2.5% of the GDP. The Government needs to address specific challenges for permits, clearances, licenses, infrastructure, funding, environment, land acquisition and encourage more investments from both domestic and foreign players.

The future of the mining sector lies in laying emphasis on scientific mining so that state-of-the-art technology and safe mining practices are adopted with adequate supporting infrastructure.

### Key Opportunities

The projected investment in Infrastructure to the tune of \$ 1 trillion envisaged during the 12th Five Year Plan augurs

well for the Indian metal and mining sectors. The growth of these sectors is fueled by the demand in the Power and Steel sectors. The proposed investment from major public sector enterprises to augment capacity augurs well. Private operators are looking to ramp up capacities by acquiring mining properties in India and abroad. The growing industrialization in the developing economies has led to a situation where the demand for minerals has outpaced the production, translating into huge opportunities for the mining and equipment industry in India.

There is good potential to significantly increase the share in revenue from mineral production in view of India's rapid urbanization and growth in the manufacturing sector. There is also good scope for vertical integration to downstream auxiliary industry and manufacturing for the end product, and share the economic benefits with local communities towards inclusive growth.

The total mineral potential area in India covers 5.75 lakh sq. km of which only 75,000 sq. km has been explored in detail so far. It is well known that with increase in exploration, the reserve base also increases. The investment in exploration in India has been just ₹ 400 per sq. km. This translates into vast opportunities for Indian corporates and overseas investors to broaden their base in exploration activities. There is also a significant opportunity to increase production through beneficiation / concentration of low grade material. Government should also encourage the use of technology and promote utilization of low grade ore.

### Major Challenges

Some of the major challenges faced by the Indian mining industry are:

- Limited investment in exploration
- High taxation level
- Environment and sustainability issues
- Lack of awareness over economic/ social impact of mining on society and resistance from local communities
- Land acquisition issues and delays in statutory clearances
- Ban on illegal mining in States like Karnataka and Orissa
- Limited investment in geosciences at the State level
- Lack of major investments in mining by overseas players

### The Draft MMDR Bill 2011

CII welcomes the Draft Mines and Minerals (Development and Regulation) Bill (MMDR Bill) 2011, as positive, elaborate and forward looking. CII has made a detailed

representation outlining key issues of concern to industry and specific recommendations to the Parliamentary Standing Committee on Coal and Steel chaired by Mr Kalyan Banerjee.

### Government's Role

Government must fulfill its responsibility for economic development and employment generation by playing a role in industrial development. Planned industrialization is essential for job creation and inclusive growth.

Government should encourage investment from specialized exploration companies. In addition, venture capital should be encouraged to come into the exploration sector and mining companies should be given opportunities, incentives and encouragement to carry out exploration.

Most of the players in the mining sector are small and do not follow scientific mining practices. Government policies should encourage mining companies which have adequate technical, financial competence and skill to develop the industry with a balanced social and environmental agenda.

An enabling mechanism for faster clearances on issues pertaining to environment, forest, license and permits is critical to realize the full potential of the Indian mining sector.

### Looking Ahead

In coal, India has the fourth largest reserve in the world at 265 billion tons. It is also the third largest producer of coal in the world and annual production is growing at 6%. Currently, total coal production stands at about 550 million tons against the demand of more than 600 million tonnes. By the end of the 12th Plan, the coal production is projected to be more than 1 billion tons.

In iron ore, India has the 5th largest reserve base at 25.25 billion tons, and is the 4th largest producer in the world; with annual production growing at 13%.

While the mining sector is expected to grow rapidly in the coming years, it needs a quantum jump in investments to achieve the dream of double digit growth as outlined in the 12th Five Year Plan.

The measures taken by the Government in establishing an investment tracking body like the National Manufacturing Competitiveness Council and the setting up of a Project Clearance Board (PCB) in line with the Foreign Investment Promotion Board (FIPB) for speedy implementation of energy and infrastructure projects in a time-bound manner is a welcome move, and will boost investments. This in turn will have a cascading effect and help the mining sector to grow. ■

**T**he Information, Communication Technology and Electronics (ICTE) sector has grown in recent times, driven by the automation in the corporate sector, the government's focus on e-governance and the rising domestic consumption of electronic goods, fuelled by higher income levels.

However, demand continues to outstrip supply. In 2008-09, domestic demand stood at US\$ 45 billion, while production was only about US\$ 20 billion. Over the years, the gap has widened, and while demand is projected to touch US\$ 400 billion by 2020, domestic production, at the current rate of growth, would be able to meet a demand of only US\$ 100 billion. At this rate, India's imports of electronics will exceed oil imports!

To meet this projected demand, appropriate and urgent policy interventions are required to create an industry-friendly, enabling environment and attract investments into the sector. ICTE is a technology-driven industry, characterized by shortening life cycles of products, mass customization, portability, mobility, and miniaturization of products, all of which place great value on the design and development of products. This necessitates adequate funding for Research and Development (R&D), as the ability to quickly innovate and create a unique selling proposition is critical to success.

Adequate funding and policy initiatives can bring large-scale development into this sector, which offers huge potential and can play a critical role in accelerating India's growth momentum by enhancing efficiency and competitiveness across sectors, and employ vast numbers of India's population. More importantly, India can become a major player in the global ICTE production market if it seizes the opportunity to position itself as a premier Electronics System Design and Manufacturing hub.

One step in that direction would be to address the key challenge that the sector faces: manufacturing in a Zero-Duty regime. ICTE hardware was the first sector to face elimination of import duty on account of India signing the Information Technology Agreement (ITA-1) of WTO, under which the duties on 217 tariff lines were phased out over a seven year period between 1998-2005.

Promoting manufacturing in such an environment became difficult as any cost that did not add value to the product added to the cost of the manufacturer. These additional costs included higher cost of finance, as well as logistics and transaction costs related to procedural delays, resulting in blocked capital. In addition, inflexible labour laws, inadequate funding and limited R&D focus made manufacturing even more unviable.

# ICTE Manufacturing - the US\$100 billion Investment Opportunity

**Growth in ICTE production lags demand, and over 50% of the demand is currently met through imports. Facilitative policy interventions will attract investments and enable India to meet the projected demand of US\$ 400 billion by 2020**

Consequently, several manufacturing units closed down, as trading became more remunerative. ICTE manufacturers took to meeting their requirements of components through imports. Consequently, the domestic manufacturing base for electronic components has been shrinking over the years.

To address these issues, the CII National Committee on ICTE Hardware Manufacturing has been making presentations to the concerned Government ministries/



departments/organizations advocating:

- Zero Duty on inputs for all items importable at zero duty (i.e. zero duty for all inputs imported for manufacturing an item/product (say a computer), in cases where the item/product itself falls under the zero duty category)
- Elimination/minimization of transaction costs
- Need for parity of costs for finance, power, transportation and infrastructure with international counterparts

## Industry Speak

“The ICTE Industry welcomes the Government’s policy initiatives like EMC, M-SIPS, PMA, Compulsory Registration and Safety Standards. The competitiveness of the industry needs to be substantially enhanced through simplification / rationalization / elimination of procedures, reduction in transaction costs and compensation for disabilities faced. We need to focus on developing domestic supply chains and attracting investments by creating visibility of the new policy provisions amongst potential investors, both in India and abroad.”

**Inderdeep Singh**, Chairman, CII National Committee on ICTE Hardware Manufacturing, and MD, Continental Devices India Ltd.

“Opportunity knocks twice. For the electronics hardware industry, this is the second knock. With demand estimated to be a phenomenal US \$ 400 billion, a holistic approach in the form of the National Electronics Manufacturing Policy is the source of renewed optimism and energy in the industry. These are exciting times ... Buoyed by robust growth, proven design competence and reasonable manufacturing experience, the global search for ‘China +1’ is pointing in one direction - and that is India.”

**Vinod Sharma**, Co-Chairman, CII National Committee on ICTE Hardware Manufacturing, and MD, Deki Electronics Ltd.

“We are excited by the Government’s focus and a holistic policy framework to kick-start the domestic Electronic System Design and Manufacturing industry. India has the two most critical ingredients - talented technical manpower and a large domestic market, to build a globally competitive ICTE manufacturing industry. Innovative policies will motivate both Indian entrepreneurs and global players to make India a global hub for ICT products.”

**Sanjay Nayak**, CEO & MD, Tejas Networks Ltd

“Given a level playing field and an industry-friendly policy framework, India can compete with the best in the world, including China, in hardware manufacturing for domestic as well as international markets.”

**Sunil Vachani**, Chairman & MD, Dixon Technologies (India) Pvt Ltd

“The growing convergence of Information, Communication and Entertainment technology coupled with the Government’s initiatives, has given a new impetus to Indian ICTE manufacturing. The ICT industry has a direct bearing on the country’s GDP, bridging the digital divide, and removing urban - rural barriers.”

**J V Ramamurthy**, President & COO, HCL Infosystems Ltd



- Parity of taxation on manufactured products and imports (CST, Entry Tax, Octroi, VAT)

It suggested the following goals:

#### Short-term

- Development of demand through lower price points by reducing total taxation to 12%
- Use domestic market demand to stimulate Indian products and manufactured-in-India products
- Nurture Indian product companies through financial incentives and market access
- Encourage exports through the inclusion of more ICTE products under the Focus Product Scheme
- Make existing investments more competitive
- Encourage manufacture of value-added products

#### Medium-term

- Attract investment for ICTE manufacturing
- Consider investments in ICTE manufacturing towards discharge of defence offset obligations
- Encourage R&D to create India-centric products and IPR; provide fiscal support and incentives for development and commercialization
- Conform to mandatory standards/technical regulations

#### Long-term

- Development of supply chain
- Involvement with International Standards Forums
- Export promotion

The Committee suggested that India should leverage the consistently growing domestic demand and promote 'match-making' between existing Indian manufacturers and manufacturers in developed countries and provide an enabling environment for easy relocation. To increase awareness about these initiatives, road shows which are government-led and industry supported could be organized.

With the aim of transforming India into an ESDM hub, the Draft National Policy on Electronics, 2011, announced by the Department of Electronics and IT, Union Ministry

of Communications and IT, inter alia, sought to:

- Provide attractive fiscal incentives across the value chain of the ESDM sector through a Modified Special Incentive Package Scheme (M-SIPS). The scheme provides subsidy for investments in capital expenditure: 20% for investments in SEZs and 25% in non-SEZs. In addition, it provides for reimbursement of CVD/excise for capital equipment for non-SEZ units. For high technology and high capital investment units, like fabs, reimbursement of central taxes and duties is also provided.
- Facilitate the setting up of semi-conductor wafer fab facilities and an ecosystem for the design and fabrication of chips and chip components.
- Provide incentives for setting up over 200 Electronic Manufacturing Clusters (EMCs). The scheme aims to provide assistance in setting up 'greenfield EMCs' and upgradation of 'brownfield EMCs'. Clusters in ESDM are valued across the globe because of the advantages they offer. A well-developed cluster can give a unit located in it a cost advantage of 5 to 8% because of increased supply chain responsiveness, consolidation of suppliers, decreased time-to-market, superior access to talent, and lower logistics costs. Besides, a cluster aids the development of an entrepreneurial ecosystem which encourages innovation and catalyzes economic growth by increasing employment opportunities and tax revenues.

The M-SIPS and EMC schemes have already been approved by the Government.

To give a further boost to the sector, the Government has issued a notification for providing preference to domestically manufactured electronic goods either for reasons of security or for government procurement. More recently, the Compulsory Registration Scheme of the Department of Consumer Affairs, mandating compliance of 15 electronics goods to Indian Safety Standards, has been notified.

Such policy measures will help the sector attract investments. However, more needs to be done for it to realize its true potential and help successfully position India as an ESDM hub. ■

# MSMEs Need to Collaborate & Unite

The 9<sup>th</sup> India Global Summit on MSMEs brought delegates together to chalk out a growth strategy for this key sector



**John Herhalt**, Partner, KPMG Canada; **Ramesh Datla**, Chairman, CII National Committee on IPRs, and MD, ELICO Ltd; **Vivek Rae**, Secretary, Union Ministry of MSME; **Arun Maira**, Member, Planning Commission, and **Deep Kapuria**, Chairman, CII National MSME Council, and Chairman, Hitech Gears Ltd, releasing the CII KPMG Report on Growth of MSMEs: Opportunities & Challenges, in New Delhi

The 9th India Global Summit on MSMEs 2012, organised by CII in association with the Union Ministry of Micro, Small & Medium Enterprises, highlighted the urgent need for Indian MSMEs to enhance their benchmark quality standards, boost intra-sector collaborations, and reduce the dependence on subsidies and other entitlements.

The two-day Summit, held in New Delhi on 29-30 October, underlined the need for an ecosystem that would help small enterprises graduate to the level of medium enterprises, and enable medium enterprises to grow into large enterprises. The CII National MSME Council is already working upon an institutional mechanism that will assist 25 small enterprises from each region to grow to the level of medium enterprises, and help 25 regional medium enterprises to develop into large enterprises. CII has sought the support of the Union Ministry of MSME to augment the success of this initiative.

Given that 95% of the enterprises in the MSME sector are 'micro' enterprises, the policy interventions need to be directed accordingly. A focused, segmented policy approach will greatly enhance the sector's growth prospects.

In recent years, the Government has ushered in milestone policies like the public procurement policy and the defence offset policy to broaden the sector's market reach. Defence offset obligations alone are expected to create \$15-20 billion worth business opportunities for Indian MSMEs over the next decade. However, these opportunities will translate into business for MSMEs only if they succeed in raising their quality standards. As such, MSMEs can leverage the opportunities in maintenance, repair, replacement and upgrade needs of the defence sector, as well as team up with overseas

OEMs in the supply of capital goods.

Speakers at the Summit underlined the need for a robust ecosystem that would help MSMEs leverage the opportunities that stem from the offset policy. It was suggested that the Defence Research & Development Organisation, Government of India, could develop a bank of new technologies and innovations that can be individually licensed out to suitable MSMEs for production.

Further, as India becomes a hotspot for defence sourcing in areas like aerospace, the FDI cap in the defence sector itself could be increased from the current levels, which would greatly benefit the swathe of MSMEs that are suppliers in this value chain.

The MSME sector, as a whole, can benefit immensely from the new public procurement policy by raising its quality standards. A 20% share of the \$40 billion (₹ 200,000 crore) worth of public procurements is a huge business opportunity for the sector.

To test the limits of growth, Indian MSMEs require greater credit and financial support. Currently, these enterprises are severely constrained by lack of adequate access to credit and finance support including leasing finance, factoring services and last mile financing. Over the years, a few Non-Banking Finance Corporations (NBFCs) have stepped in to support MSME financing needs. However, the NBFCs themselves do not receive enough re-financing support. The sector is also faced with limited financing of start-up enterprises, limited access to VC and PE funding, limited access to technology know-how, and high bureaucratic controls. Besides, most young start-ups do not have access to risk capital.

It was suggested that CII could take steps to promote the receivables financing schemes. There is also an urgent need

to build industry awareness regarding factoring services. Factoring in India accounts for a mere 0.3% of the total factoring volume in Asia. At the same time, there is a strong need for enhancing the financing for MSMEs in the services sector.

Banks and Financial Institutions are generally loathe to invest in equities of MSMEs. Currently, there is a burgeoning gap between the total MSME bank loans disbursed amounting to ₹ 7 lakh crore and investments from banks in MSME equity that add up to some ₹ 2,500 crore. Even if 1% of total MSME loans extended by the 89,000 bank branches in the country is channeled into equities of MSMEs, the sector's financing landscape will stand transformed.

Despite enough money going into supporting MSMEs in the country, there is still a ₹ 3 trillion financing gap that needs to be bridged. VCs and PEs are now looking at investment opportunities in the sector. However, PE funds will seek clear financial returns and exit options before investing in these businesses.

MSMEs on their part would do well to corporatise their business systems and spread out the promoter risk by creating strong management teams, strengthening payment and control systems, and enhancing the adoption of new technologies.

Credit and finance apart, access to technology is crucial to the growth of the MSME business in the country. If technology and innovation are employed effectively, India will become a major destination for low cost, high quality manufacturing and services. However, lack of technical know-how, cluttered product portfolios and high cost of technical support are hindering the pace of technology in the sector. There is lack of understanding, especially among small players, of the importance of IP and patent filing.

MSMEs need besides to enhance the use of ICT. Currently, a mere 1% of Indian MSMEs are leveraging ICT for business.

MSMEs have a key role in the food and agriculture sector. However, many MSMEs operating in the food processing industry face challenges with regard to value addition, resource allocation for technology, marketing and procurement. They also do not get the right kind of food processing equipment. Most of the equipment is imported and does not readily meet the local requirement. Focused attention on the manufacture of food processing equipment and machinery will greatly aid this sector. Poor supply chain and weak procurement mechanisms are other major challenges for export-oriented agro-processing MSMEs.

This segment will also benefit from effective data sharing,



## Voices

“We need to build a culture of knowledge-sharing and collaboration among MSMEs and reduce the dependence on subsidies and entitlements. Effective collaborations will result in a ‘united voice’ which the clusters can enable.”

**Arun Maira**, Member, Planning Commission of India

“The MSME sector needs to chalk out its own growth strategy which will become a crucial reference point for appropriate policy interventions. This articulation should begin at the cluster level and move up to the state and national levels.”

**Vivek Rae**, Secretary, Union Ministry of MSMEs

“Large and small sectors need to share a symbiotic relationship, with large enterprises contributing to the growth of MSMEs. A culture of innovation and acclimatizing in a global business environment will help Indian enterprises globalize their activities and grow.”

**C K Misra**, Joint Secretary (SME), Union Ministry of MSME

“CII is creating an institutional mechanism to support MSMEs to grow. Government support is the key to its success.”

**Deep Kapuria**, Chairman, CII National MSME Council, and Chairman, Hitech Gears Ltd

standardisation of industry norms, organising of food fairs and the creation of a platform for investors to link up with MSMEs.

MSMEs worldwide have also to deal with issues linked with global sustainability. In view of these challenges, Government and industry will need to create an enabling environment for easy adoption of clean technologies in the MSME sector.

Overall, the Summit was a crucial step towards of building strong collaborations between Indian and global MSMEs. The MSME Mart and the Procurement Meet at the Summit were important initiatives that complemented the collaborative efforts. It was suggested that Indian MSMEs should seek partnerships with companies around the world as well as strive to become a part of the global value chain. A culture of innovation and the effort to acclimatize in a global business environment will greatly help enterprises to globalise their activities and grow.

A CII-KPMG report on ‘Growth of MSMEs: Opportunities & Challenges’ was also released at the Summit. The event drew the participation of delegates from 39 countries around the globe. The deliberations focused upon areas such as technology, innovation, IPRs, credit, finance, ICT, defence, food processing and sustainability. ■

# India@75 Scholarships for 55 Students

**M**r Barry O'Farrell, Premier of New South Wales, Australia, awarded prestigious scholarships to two Indian students to study at Macquarie University in Sydney, Australia, at a ceremony in New Delhi on 1 November. These two scholarships are the first of 55 that will be awarded to Indian students, which will involve AUD11million in funding over the next three years from Macquarie, one of New South Wales' leading research universities.

The scholarships are a result of a unique agreement between Macquarie University and India@75, supported by CII. Each student will complete a PhD at Macquarie in an area of research identified as important to the India@75 mission and in which Macquarie excels.

"This agreement is a substantial new engagement between our countries," Mr O'Farrell said. "It is fantastic to see an Australian university making such a commitment to the development of research capability in India."

"Our partnership with Macquarie University signifies the joint intent both India and Australia share in meeting the challenges of the 21st century," said Mr Adi Godrej, President, CII, Chairman, India@75 Foundation, and Chairman, Godrej Group.

Mr Kris Gopalakrishnan, President-Designate, CII, Chairman, India@75 Apex Council, and Co-Chairman, Infosys Ltd, described the partnership as a unique framework to engage Indian academic institutions in a bilateral collaboration focused on creating next practices through research and co-creation for India and the world.

The first two scholarship recipients, Mr Ishan Das Rastogi and Mr Aneesh Chandran Bhuvanachandran Pillai would



**Prof S Bruce Dowton**, Vice-Chancellor, Macquarie University; **Dr Rahul Mirchandani**, Member, National Committee, India@75, and Executive Director Aries Agro Ltd; **Ishaan Das Rastogi** and **Aneesh Chandran Bhuvanachandran Pillai**, Scholarship holders; **Barry O'Farrell**, Premier of New South Wales, Australia, and **Rajan Navani**, Chairman, India@75 National Committee, Trustee India@75 Foundation, and MD, Jetline Group of Companies

return to India armed with the knowledge to make a real difference to the nation, said Prof S Bruce Dowton, Vice-Chancellor, Macquarie University. Both candidates will complete PhDs in biotechnology.

Macquarie scholarships will be offered to graduates across all major Indian universities to undertake PhDs and engage in jointly supervised research projects, spending time at their home institution and at Macquarie. There will also be academic exchanges across India and at Macquarie. The scholarships will apply to areas identified as a focus of the India@75 mission, including health, education, energy, transportation, sustainable development, arts, science, sports and literature.

Mr Rajan Navani, Chairman, India@75 National Committee, Trustee India@75 Foundation, and



India@75 is a grassroots and path-breaking initiative of CII towards realizing the dream of an inclusive, sustainable and developed India by the year 2022, when the nation completes 75 years of Independence. It is a shared vision of Indians from all geographies and walks of life. The vision elements are collated under seven themes: Moral Leadership/ Good Governance/Public Administration • Education and Skill Development • Business and Economic Strength • Urbanization and Environment Sustainability • Technology and Innovation • Agriculture/Food Security and Health • Arts/Sports/Literature.

Education and Skill Development is a key focus area and CII/India@75 has a large partnership network with approximately 500 educational institutions in India.

MD, Jetline Group of Companies, signed the Alliance Agreement. The Agreement showcases how a leading global academic institution can enhance the value of a capable young Indian to enable him or her to identify and design innovative solutions to challenges faced by India and therefore emerging economies, he said.

Dr Rahul Mirchandani, Member, National Committee, India@75, and Executive Director Aries Agro Ltd, invited research scholars from across the country to apply for this world-class research programme. India@75 would play a key role in the selection process and engage with the field work connected with the research proposals. Knowing that the knowledge being created by the research output of this programme would directly contribute to India's development agenda makes this partnership extremely relevant and impactful, he said. ■



# Knowledge & Innovation Initiatives



## Innovation



**Chandrajit Banerjee**, Director General, CII; **Dr Giora Yaron**, Chairman of the Board, Executive Council, Tel Aviv University; **Harkesh Kumar Mittal**, Secretary, Technology Development Board (TDB), and Co-Chairman, GITA; **Sam Pitroda**, Advisor to the Prime Minister of India on Public Information Infrastructure & Innovation, and Chairman, National Innovation Council, and **Dr Naushad Forbes**, Chairman, CII National Committee on Innovation, and Director, Forbes Marshall Ltd, releasing the TDB Report, in New Delhi

**‘Decade of Innovation India@ Year 2: A Journey Towards Innovation Driven Economy,’** the flagship innovation event of the Global Innovation & Technology Alliance (GITA), CII, and the National Innovation Council (NInC) was organized on 30-31 October in New Delhi. Prominent speakers from India and abroad, including industry leaders, entrepreneurs, and representatives of government and institutions, shared their experiences in innovations.

Inaugurating the event, Mr. Sam Pitroda, Advisor to the Prime Minister on Public Information Infrastructure & Innovation, and Chairman, National Innovation Council, spoke about the four data centers that the Government is going to set up in Delhi, Pune, Hyderabad and Bhubaneswar. Apart from these, individual level data centers are to be built at the state level for monitoring and connectivity, he said.

The first issue of the quarterly publication of Indian innovations prepared by GITA and the Technology Development Board (TDB), Department of Science and Technology (DST), was released during the event.

Mr Pitroda also gave away the GE India Innovation Award to a student from IIT-Kanpur for designing a wheel chair

which can manoeuvre stairs. GE sponsored Rs.1 lakh as award money for the innovator, along with a trophy and citation. He called for a billion dollar fund to feed on innovative ideas from the bottom of the pyramid which are scalable and sustainable. The Government will help industry to invest more in R&D and innovation, support small and medium enterprises through incentives and schemes and add sectoral clusters for collaborative capacity building, he said.

Dr Naushad Forbes, Chairman, CII Committee on Innovation, and Director, Forbes Marshall, highlighted three aspects of innovation. One, innovation was usually viewed as something esoteric and other-worldly but it need not necessarily be so. Two, innovation was generally taken to mean as connected with technology whereas it went much beyond that and could be anything from a portable waste management device to an interesting board game for a child. Three, people always looked for big-bang innovations overlooking the incremental innovations which were often equally significant and life-changing.

Mr Harkesh Mittal, Secretary, TDB, and Co-Chairman, GITA, said that investment in innovation gave returns in multiples of four—for instance, an annual investment of \$55 billion could lead to a 3 % increase in gross domestic product at \$230 billion.

Prof Giora Yaron, Chairman of the Board, Executive Council of Tel Aviv University, who was present on the occasion, described the role of academia in spawning innovations.

Mr Chandrajit Banerjee, Director General, CII, appreciated the Government’s efforts in creating innovative vehicles such as GITA to promote industrial R&D.



ASEAN Agricultural Ministers with **Sharad Pawar**, Union Minister of Agriculture & Food Processing Industries, India, in New Delhi

### Andhra Pradesh Technology Development and Promotion Centre

#### PATSAT: Patent Search and Analytics Training



PATSAT training programme in Hyderabad

The CII Andhra Pradesh Technology Development and Promotion Centre (APTDC), with SciTech Patent Art as the knowledge partner, organized PATSAT- a training programme on learning the art of Patent Searching for Competitiveness, on 21-22 September in Hyderabad.

The training programme gave the participants an understanding of the concepts for searching for prior-art patents and the best practices in the field of Patent Searching and Analytics, through hands-on case studies.

Inaugurating the programme, Dr. Sumesh Reddy, Senior Director, Intellectual Property; Dr. Reddy's Laboratories, emphasized the need and importance of conducting patent searches before venturing into R&D.

### Science & Technology

#### 2nd ASEAN-India Ministerial Meeting on Agriculture and Forestry, and ASEAN India Agri-Expo

The 2nd ASEAN-India Ministerial Meeting on Agriculture and Forestry, a three-day event held from 17-19 October in New Delhi, was jointly organized by CII and the Department of Agricultural Research and Education, Indian Council of Agricultural Research.

Ministers, Vice-Ministers, leaders and senior officials from the ASEAN nations and India participated in

the Meet to collaborate more effectively for greater utilization of resources in agriculture, industries and trade.

Mr Sharad Pawar, Union Minister of Agriculture and Food Processing Industries, India, and Mr. Vilayvanh Phomkhe, Minister of Agriculture, Lao PDR, inaugurated the ASEAN-India Agri-Expo, along with ministers and representatives of the ASEAN member countries. Dr. S. Ayyappan, Secretary, Department of Agriculture Research and Education, (DARE) and Director General, ICAR, Mr Rajesh Ranjan, Director, DARE, and senior officials of DARE and ICAR were also present on the occasion.

The exposition was organized concurrently with the meeting to showcase the technologies of the region to further promote and intensify cooperation between India and ASEAN nations in agriculture, forestry and allied sectors. Prominent institutions, industries and R&D organizations of the ASEAN region and India displayed relevant technologies and products having potential for adoption and exchange.

India-ASEAN News on Agriculture and Forestry, a bi-annual newsletter published by the ICAR, was launched on the occasion. The newsletter will act as a window of activities, achievements, agricultural research information and policy issues related to the member-countries.

The Association of South-East Nations (ASEAN) is a group of ten nations – Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam - which collectively works to accelerate economic growth, social progress and cultural development in the region through mutual cooperation. The ASEAN-India Working Group on Agriculture aims to facilitate the promotion of joint research for the development of technologies for increasing production and productivity in agricultural and allied systems.



# Development Initiatives

## Rural Development

### Rural Services - The Next Growth Enabler



**Prof Abhijit Sen**, Member, Planning Commission of India; **Sanjay K Panigrahi**, CEO, SREI Sahaj e-Village Ltd; **S Vijay Kumar**, Secretary, Union Ministry of Rural Development; **Subodh Bhargava**, Past President, CII, Chairman, CII National Council on Development Initiatives, and Chairman, Tata Communications Ltd. and **Indrani Kar**, Deputy Director General, CII, at the inaugural session of the National Rural Development Summit in New Delhi

**R**ecognizing the importance of mainstreaming the rural economy into the country's overall growth strategy, CII's **4th National Rural Development Summit**, looked at 'Rural Services-The Next Enabler.' Like previous summits, this edition, held in New Delhi on 17-18 October, focused attention on the opportunities the rural sector presents with its population of 800 million, who are, in the near future, expected to have an economic worth of close to US \$ 425 billion. Five years from now, the spending power of rural India will exceed that of urban India. CII therefore is fully cognizant of the fact that empowerment of this section of the population is pivotal to any national growth strategy.

The Services sector has great employment and income generation potential, and has traditionally been associated with boosting GDP. Typically, in developed societies, the greatest benefits accrue from the Services sector, but so far, in India, despite rural India's growing economic clout, with the rural economy out-pacing the urban economy in the recent past, the Rural Services sector has not shown much growth. This Summit, the first initiative by CII in the Rural Sector, focused on Services as an untapped sector with a huge opportunity for businesses, for

employment creation and income generation, in rural India.

Engaging all stakeholders, the Summit was an endeavor to create greater awareness of the need to unlock the growth potential that will take place through the development of the Services Sector in rural India through facilitating corporate partnerships and promoting inclusive innovations to take the country forward on an accelerated growth trajectory.

Some of the potential sectors in the rural service space identified during the two-day deliberations included agri-businesses – linking of farm to fork, crop extension finance, healthcare, education, ICTE, etc, with a focus on the skill requirements and employment opportunities of the youth in rural India.

Professor Abhijit Sen, Member, Planning Commission of India, who was the Chief Guest at the Summit, said that it was important to take note of the changes that have occurred in the last ten years. These included increased connectivity both through improved roads, and the spread of cell phones across India. Other important parameters were higher enrolment in, and also an increase in the number of students who have completed school education. These developments have in some measure, changed the face of 'rural' India, he observed.



**T Vijaykumar**, Joint Secretary, Union Ministry of Rural Development; **Dr K Amarendra Singh**, Practice Lead - Health Education & Rural Development, Grant Thornton; **Rajesh Urkude**, Head – mKRISHI Planning & Operations, Tata Consultancy Services; **Sanjay K Panigrahi**; **Vinod S Kapur**, Chairman, Keggfarms; and **Siddhartha Shankar**, President, Strategy & Business Development, Drishtee

Both industrialization and rural development are part of the same process, said Mr S Vijay Kumar, Secretary, Union Ministry of Rural Development. While growth in India has exceeded growth in many other countries, the country needs to improve its performance on the Human Development Index, he said, stressing that increased growth was a prerequisite for this to happen. Mr Kumar shared details of various Government initiatives in this area, and said that “social mobilization is the key to inclusive growth.”

Mr Subodh Bhargava, Past President, CII, Chairman, CII National Council on Development Initiatives, and

Chairman, Tata Communications Ltd, said that CII has been working very closely with industry and the Government to integrate rural India into the country’s larger economic growth story. This could be achieved by creating robust, well-integrated and value-adding growth chains in the rural sector. He exhorted industry to look at rural India, not just as a market, but as a ‘source’ of value-added capabilities. There is a need as well as scope for the development of focused and specialized services in the rural economy across all the value chains engaged in both farm and off-farm activities, he said.

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## Skill Development

### National Selections for WorldSkills International Competition

**C**II supports the National Skill Development Corporation (NSDC) through the selection of the Indian team for the manufacturing/engineering trades for the WorldSkills Competition, popularly known as the 'Olympics of Skill.' Organized by the Amsterdam-based not-for-profit organization WorldSkills International, the WorldSkills Competition is the largest vocational skills competition globally. It takes place in a different country every two years

and brings together over 1,000 young people, up to 22 years of age, from across the world, to compete in a variety of skills ranging from welding to web designing. Competitors representing their countries, pitch their skills against the best in the world to vie for the coveted gold, silver and bronze medals.

CII chooses candidates from the Manufacturing/Engineering trades of Mechatronics, Electronics, Welding, CNC Milling and CNC Turning. The trades have been selected keeping in mind the demand from the industry and the stringent age eligibility criteria of below 22 years.

CII represented India in the WorldSkills International Competitions in Japan in 2007, when the Indian contingent participated for the first time; then subsequently in Calgary, Canada, in 2009, where an Indian participant from GTTI Coimbatore came home with a silver medal in Mould-making, and most recently in London in 2011, when 7 competitors participated in 5 trades. A CII skills delegation with representatives from both the government and the private sector also attended the event.

This year, the selections competition for the Mechatronics Trade was held from 22 - 28 September in Pune. The competition drew 10 teams from various organizations/institutions, including College of Engineering, Pune



At the Skills Selection Competitions, in Pune

(CoEP); Tata Motors Ltd, Pune; PSG College of Technology; Nettur Technical Training Foundation (NTTF) Dharwad; Maruti Suzuki India Ltd; and Geedee Technical Training Institute (GTTI) Coimbatore. Tata Motors and GTTI obtained the first and runner up position respectively.

Simultaneously, the Electronics Trade competition, also conducted in Pune on 24 - 25 September, had 10 candidates from the Maharashtra Academy of Engineering (MAE), Maruti Suzuki India Ltd,

NTTF, and COEP. Here, MAE and NTTF emerged as winners and runners-up respectively.

In the selection for the Welding Trade, conducted on 25 - 26 September in Pune with 10 competitors, four candidates have been shortlisted for the next round, tentatively scheduled for November, of which two candidates will be finalized. The interest and keenness from the Welding community in India towards the WorldSkills International Competition has initiated the next round of selections with increased candidature.

The CNC Milling and CNC Turning Trade competition was conducted in Bhubaneswar on 28 - 29 September, with competitors from CTTC, Central Tool Room (CTR) Ludhiana, Tata Motors, Pune, Indo German Tool Room (IGTR), Pune, and GTTI, Coimbatore. After competing a long set of tasks, GTTI Coimbatore emerged as winners for CNC Turning. The CNC Milling selection will witness a second round of competition as four candidates have been shortlisted. The meritorious competitors are from CTTC Bhubaneswar, Tata Motors, and CTR Ludhiana.

The winners of the National Selections have commenced rigorous training and will once again be tested in March 2013. Subsequently, a final candidate in each trade will be selected to represent India at the WorldSkills International Competitions in Leipzig, Germany. ■

# CII Avantha Centre for Competitiveness for SMEs



## National Cluster Summit 2012



**Chandrajit Banerjee**, Director General, CII; **Vayalar Ravi**, then Union Minister of MSME, Overseas Indian Affairs, Earth Science, Science and Technology, (now Union Minister of Overseas Indian Affairs); **Deep Kapuria**, Chairman, CII National Committee on MSME and **Yogesh Munjal**, Chairman, National Cluster Summit, and MD, Munjal Showa Ltd, at the National Cluster Summit in Gurgaon

The 5th edition of the **National Cluster Summit** organized by CII-Avantha Centre for Competitiveness for SMEs concluded on a highly successful note. This year, the 15th year of Cluster Formation was celebrated by honouring the pioneers, stalwarts and thought leaders of the Cluster Movement who were instrumental in initiating the Cluster Approach, and growing it through years of dedication and commitment to its present level of recognition and success.

Inaugurating the Summit, Mr Vayalar Ravi, then Union Minister of MSME, Overseas Indian Affairs, Earth Science, Science and Technology, (now Union Minister of Overseas Indian Affairs), said “Cluster Development should be a priority of business strategy. It is the need of the hour.”

The highlights of the three day Summit held from 18 - 20 October in Gurgaon, included the presentation of awards for Cluster Championship and Kaizens through case study- based competitions, and panel discussions on topical issues relating to the Cluster Movement and SME competitiveness. The Summit particularly focused on issues which impact the business, profitability and development of SMEs, including SME finance. Plant visits to benchmark companies were organized on 20 October, providing the delegates a rare opportunity to witness prima facie the best practices that have been adopted and are being implemented by leading companies. The Summit was true to its role in providing an effective networking opportunity for all industry stakeholders,

especially from the MSME sector. There was also a Kaizen Gallery depicting innovative and ingenious improvements on the shop floor.

### Cluster Championship Awards

The Cluster Championship Awards, as usual, saw tough competition. Awards were given under the four streams of Manufacturing Excellence, Energy Efficiency, Cost Management and Total Employee Involvement, with two categories - large companies and MSMEs, in each stream.

Manufacturing Excellence	
Large Companies	1 <sup>st</sup> Maruti Suzuki, Gurgaon
	2 <sup>nd</sup> Rane Engines, Hyderabad
	3 <sup>rd</sup> Mahindra & Mahindra, Mumbai
MSMEs	1 <sup>st</sup> Shivai Enterprises, Faridabad, and Sanatan Autoplast, Faridabad
	2 <sup>nd</sup> Rakheja Engineering, Faridabad
Energy Efficiency	
Large Companies	1 <sup>st</sup> Godrej & Boyce, Shirwal
	2 <sup>nd</sup> Visteon Climate, Bhiwadi
	3 <sup>rd</sup> JBML-2, Gurgaon
MSMEs	1 <sup>st</sup> Track Components, Gurgaon
	2 <sup>nd</sup> PM Auto Electro, Thane
	3 <sup>rd</sup> KOB Medical Textiles Pvt Ltd, Coimbatore
Cost Management	
Large companies	1 <sup>st</sup> Godrej & Boyce, Shirwal
	2 <sup>nd</sup> Mahindra & Mahindra, Mumbai
	3 <sup>rd</sup> Mohindra Fastners, Rohtak
MSMEs	1 <sup>st</sup> Mechtech India, Navi Mumbai
	2 <sup>nd</sup> Trikuta Metal, Faridabad
	3 <sup>rd</sup> Arkay Fabsteel, Faridabad
Total Employee Involvement	
Large companies	1 <sup>st</sup> Lawkim Motors, Shirwal
	2 <sup>nd</sup> Mahindra, Nashik
MSMEs	1 <sup>st</sup> Carrier Engineering, Faridabad
	2 <sup>nd</sup> Demag Cranes, Pune, and USV Ltd, Baddi

<b>Kaizen Awards</b>	
<b>Productivity</b>	
<i>Large Industries</i>	
Gold	SKH Metals Ltd., Faridabad
Silver	Godrej & Boyce Manufacturing Ltd, Mohali
Bronze	Godrej & Boyce Manufacturing Ltd, Mumbai
<i>MSMEs</i>	
Gold	HR International, Jalandhar
Silver	SGS TEKNIKS Manufacturing, Gurgaon
Bronze	PM Electro Auto, Nashik
<b>Quality</b>	
<i>Large Industries</i>	
Gold	Neel Metal Product Ltd, Faridabad
Silver	Godrej & Boyce Manufacturing Co Ltd, and Lawkim Motors Group, Satara
Bronze	Visteon Climate System India, Bhiwadi
<i>MSME</i>	
Gold	Raunaq Automotive Components, Gajraula
Silver	Progressive Stamping, Ghaziabad
Bronze	Track Components, Gurgaon
<b>Energy, Cost &amp; Safety</b>	
<i>Large Industries</i>	
Silver	1. Rockman Industries, Haridwar
	2. Godrej & Boyce Manufacturing, Mumbai
	3. Asahi Glass, Gurgaon
<i>MSME</i>	
Silver	1. DMW CNC Solutions, Perundurai
	2. Saket Metal Technocraft, Faridabad
	3. New Swan Auto Comp, Ludhiana

“The Cluster Summit is a profound effort from the CII-Avantha Centre for Competitiveness for SMEs to help SMEs align in the global order of sustainable enterprise competitiveness,” said Mr Yogesh Munjal, Chairman, National Cluster Summit, and MD, Munjal Showa Ltd.

The event drew overwhelming positive feedback from all stakeholders including MSMEs and large companies, participants of the competitions, speakers, experts and general visitors. “Congratulations for successfully

conducting the Cluster Summit. The tremendous effort which has gone into the preparation was evident from the way the summit was conducted,” said Mr G. Rangarajan, Chairman, National Institute of Quality and Reliability (one of the strategic partners in the Cluster Movement,) Chennai Branch.

### Corrosion Research Day

Corrosion is a huge burden for industry, with an impact of about Rs. 2 lakh crores per annum on the nation’s exchequer. Corrosion Research Day was celebrated by the CII-Avantha Centre for Competitiveness for SMEs on 22 September in Chennai. The event was hosted by the National Institute of Ocean Technology (NIOT). Eminent scientists like Dr. Baldev Raj, Chairman, CII Corrosion Management Committee, and Director, Indira Gandhi Centre of Atomic Research, Dr. Atmanand, Director, NIOT, and Dr. Kamachi Mudali, Chairman, Faraday Corrosion Council, were present.

Three booklets on Corrosion and its prevention were released, to serve as a practical guide and counsel for industry in the fight against Corrosion:

- Corrosion Inhibitor Applications
- Storage & Transit - Do’s & Do Not
- Titanium & Zirconium - Materials & Corrosion

The books adopt a reader-friendly approach to present anti-corrosion practices which can help companies prevent huge losses. To mark the day, NIOT Chennai hosted elocution and video competitions for about 100 students from schools and engineering colleges.

Dr Baldev Raj chaired the 9th Corrosion Management Committee (CMC) meeting in Chennai on 22 September. The CMC, an initiative of the CII-Avantha Centre, brings together leading experts on corrosion in the country to raise public awareness of corrosion losses and to provide best possible solutions for its mitigation, through training, seminars, workshops and corrosion audits. The Corrosion Management Service is guided by the CMC.



Corrosion Research Day Celebrations, in Chennai

# Quality Education for Every Child

**INSTITUTE  
of QUALITY**  
(Sponsored by ABB Limited)

“Innovation opens up new vistas of knowledge and new dimensions to our imagination to make everyday life more meaningful and richer in depth and content”: Dr. Abdul Kalam. This thought resounded through the **National Summit on Quality in Education** held by the CII Institute of Quality on 14-15 September, in Bangalore.



**S Vaitheeswaran**, MD and CEO, Manipal Global Education Services; **K N Shenoy** Past President, CII, Immediate Past Chairman, CII Institute of Quality, and Chairman, Sobis Software Pvt Ltd; **C T Ravi**, Minister of Higher Education, Karnataka, and **S Chandrasekar**, MD, Bhoruka Power Ltd, releasing the publication “CII IQ Education Excellence Initiatives: A decade in review”, in Bangalore

India has, over the last six decades, achieved the basic goal of establishing schools and colleges across the nation. The next logical progression is to re-orient these to provide quality education. And the only driver to bring in a radical transformation in this critical mission is Innovation. A document prepared by the National Knowledge Commission indicates that innovation is a decisive parameter to help stimulate economic growth and enhance the knowledge base for the masses in the years to come. The Commission’s research document states: “Innovation and competitiveness have a dynamic, mutual relationship. Innovation thrives in a competitive environment and in turn, plays a key role in the achievement of such an environment. Innovation generates economic value, new jobs in the economy and cultures of entrepreneurship.”

Educational institutions are now increasingly focusing on how innovation can be optimally leveraged by employing/integrating technology, adopting/adapting best practices and processes from other sectors like corporate and non-government sectors, and implementing result-oriented processes/practices from role model institutions to turn into nurturing and grooming centres for the youth.

“Today, the whole world is looking at India and its growth. For this, Quality in Education is the primary need of the hour,” said Mr. CT Ravi, Minister of Higher Education, Karnataka, in his inaugural address. Pointing out that India’s demographic dividend could turn into a boon or a bane depending on how the nation educates its huge youth force, he urged all stakeholders in the education sector to come up with strategies and policy initiatives to help India move into the next decade as a strong global power. He suggested that recommendations emerging from the Summit be shared with the Government. The Minister also released a study, ‘CII-IQ Education Excellence Initiatives: A decade in review,’

prepared by the Centre for Public Policy, IIM Bangalore.

Mr. S Vaitheeswaran, MD and CEO, Manipal Global Education Services, in his keynote address, highlighted the power of shared knowledge in the 21st century where there are no citadels of secrecy.

Mr. K N Shenoy, Past President, CII, Immediate Past Chairman, CII Institute of Quality, and Chairman, Sobis Software Pvt Ltd, in his Special Address, also stressed on the need to innovate and share knowledge to nurture a Quality learning environment.

Promoting creativity and incentivizing innovations through our educational institutions is a first step towards broadening and deepening the impact of innovations in our society and economy, said Mr. S Chandrasekar, MD, Bhoruka Power Ltd, and Summit Chairman. While catering to a vast population with relatively limited resources is a major challenge, rapid advances in new technologies, changing needs of the economy, and the very presence of the challenges identified above present a fertile ground for pioneering innovations, he pointed out.

Over two days, the 550+ delegates at the Summit heard experts talk about how innovation actually happens, how to build and sustain cultures of innovation, and how change resistant institutions can alter their ways. They also heard stories of breakthroughs about innovations in different facets of the educational process, from science to fine arts. The speakers also pointed out that the paradigm shift in teaching and learning methodologies calls for changes in evaluation/ assessment techniques too.

*For more information on the CII Institute of Quality’s Education Excellence initiatives, please contact Dr Senthil Kumaran, Principal Counsellor - Education Excellence at [a.senthil@cii.in](mailto:a.senthil@cii.in)*

# CII Jubilant Bhartia Food and Agriculture Centre of Excellence



## 7th National Food Safety and Quality Summit

The annual CII Food Safety and Quality Summit, in its 7th edition this year, looked at 'Achieving Benchmarks in Food Manufacturing and Retail.' The Summit, organized under the umbrella of the CII Jubilant Bhartia Food and Agriculture Centre of Excellence (FACE) on 11-12 October in New Delhi, featured the presentation of the CII National Award for Food Safety.



**Rakesh Kacker**, Secretary, Union Ministry of Food Processing Industries, at the National Food Safety & Quality Summit in New Delhi. Also seen: **Rakesh Bharti Mittal**, Chairman, CII National Council on Agriculture, and Vice Chairman & MD, Bharti Enterprises Ltd; **Arvind Mediratta**, COO, Cash & Carry, Bharti Walmart Pvt. Ltd., and **Bruce Ross**, Country Director, USFDA, India



**K Chandramouli**, Chairman, Food Safety and Standards Authority of India, and **Rakesh Bharti Mittal**, launching the CII FACE - IIT Kharagpur, Certified Food Professional Course

Inaugurating the flagship event, Mr Rakesh Kacker, Secretary, Union Ministry of Food Processing Industries, urged the industry to transition from regulation to self-regulation. He talked about a voluntary scheme being mooted in consultation with regulators, consumers, and industry, to run in parallel to the existing statutory schemes of the Food Safety Standards Authority of India (FSSAI).

Mr Bruce Ross, Country Director, United States Food and Drug Administration (USFDA), said that USFDA is developing global coalitions with regulators, private and public organizations to develop information-sharing platforms. He said the Food Safety Modernization Act, the new Food Law in the US, would play a bigger role in regulating food and drug supply chains in coming times.

Mr Rakesh Bharti Mittal, Chairman, CII National Council on Agriculture, and Vice Chairman & MD, Bharti Enterprises Ltd, described CII's initiatives over the past 8-9 years in sensitizing

industry and consumers on international standards, and offering training through cluster models. The Supplier Development Initiative and institutionalization of the CII Food Safety Award are recent initiatives for capacity-building, he said.

Two key issues that need to be addressed in the Indian food supply chain are 'Food Safety' and 'Food Security,' said Mr. Arvind Mediratta, COO, Bharti Walmart. He said that modern retail could play a significant role in improving food safety and security by bringing into India global best practices and technology in food production and distribution.

Mr S.N. Mohanty, CEO, FSSAI, appreciated the genuine difficulties being faced by the industry like licensing issues in different states, product approvals, imports etc. FSSAI is taking measures such as co-production of safety standards, building an intelligent response system focused on risk-based prioritization, and horizontal standards setting, to resolve these issues, he said.

### Key Recommendations

- Collaborative approach from regulators, Industry, accreditation and certification bodies, and consumer organisations for co-production of safety
- Capacity-building for backward integration
- Harmonisation of domestic standards with Codex
- Introduction of 'Q' mark
- Supplier Development Initiative in partnership with Industry
- Regulator-Industry partnership for transition from erstwhile PFA to FSSAI
- Code of conduct for manufacturers and marketers of pesticide and chemicals used in Agriculture

Technical Session 1 focused on 'Emerging Trends in Indian & Global Food Sector.' In Technical Session 2, which looked at ways to "Enhance Backward Integration for Robust Food Chain,' Mr. S. Dave, Advisor, FSSAI, talked about harmonization of FSSAI with Codex, Traceability and Private Standards. Food Safety is always driven by the end consumer and the retailer who demand it, he said, calling for a 'Code of Conduct' for the manufacturers of pesticides and chemicals used in Agriculture, and capacity-building programmes for backward linkages in the food chain.

Mr Tom Chestnut, Vice President, Global Food Division, NSF International, USA, talked about the Global Audit Harmonization Initiative. Other technical sessions looked at Food Regulations and their Impact, and the Food Analytical Regime and Food Supply Chain Safety and Efficiency.

In his valedictory address, Mr Dave outlined some key recommendations. He advocated the Cluster approach for uniform Good Agricultural Practices and feasible traceability related to small farm holdings, supported by cold chain corridors across the country for efficient transit of farm produce to markets. He suggested a sector specific Q-Mark for the industry towards self-regulation and 3rd party certification. He also called for a Code of Ethics for marketing and use of pesticides, collaborative capacity-building efforts involving existing food channels on TV, upgradation of laboratory infrastructure, and investments in applied research

Mr. Vivek Bharati, Chairman, CII Task Force on Food Regulatory Affairs, and Executive Director, Pepsico Holdings, said that CII's proposal to launch a Quality Mark (a standard beyond compliance) is intended to strengthen consumer confidence, and would be a collaborative effort across industry and government.

## CII National Award for Food Safety 2012

Mr K. Chandramouli, Chairman, FSSAI, felicitated the winners of the one and only Food Safety Award in the country at a special session during the Summit on 11 October.

Mr Chandramouli congratulated CII FACE for promoting Food Safety through the Award, and welcomed the CII-FACE initiative towards institutionalising a Quality Mark. He also launched the CII FACE-IIT Certified Food Professional Course by releasing the brochure. CII FACE and IIT Kharagpur



Rakesh Bharti Mittal and K Chandramouli presenting the 'CII National Award for Food Safety' to Ishteyaque Amjad, Director (Corporate Affairs), Cargill India and S Velmurugan, Head of Cargill India, Kutch Unit

have come together in this novel programme to raise the standards of the Indian Food and Agriculture industry to global levels. The course for facilitators comprises a 3 weeks residential course at IIT Kharagpur, 5 weeks e-learning, and a month-long industry project.

The Food Safety Award programme is an endeavour by CII FACE towards capacity building of the Food Sector by involving Industry in the assessment process. Apart from an opportunity to receive national recognition, each applicant organisation receives an external perspective on its practices and performance in the form of a detailed feedback report. The Award has helped CII FACE reach out to organisations, their suppliers and co-packers across India in far-flung locations like Vemagiri, New Jalpaiguri, Zaheerabad, Kandla, Haldwani, Sonapat, Bidadi, Haridwar, Gandhinagar, Bangalore Rural, and many others.

### Award for Outstanding Performance in Food Safety Excellence

- Cargill India Pvt Ltd, Kutch, Gujarat

### Commendation for Significant Achievement in Food Safety

- Perfetti Van Melle India Pvt Ltd, Chennai (Large Industry)
- Sri Sarvaraya Sugars Ltd, Bottling Unit, Vemagiri (Medium Industry)

### Commendation for Strong Commitment to Excel in Food Safety

- Hindustan Coca-Cola Beverages Pvt Ltd, Atmakuru (Large Industry)
- Hindustan Coca-Cola Beverages Pvt Ltd, Bidadi (Large Industry)
- ITC Ltd, Haridwar – Foods Plant (Large Industry)
- Global Green Company, Zaheerabad (Medium Industry)
- Hindustan Coca-Cola Beverages Pvt Ltd, Raninagar (Large Industry)
- Jubilant Food Works Ltd, Domino's Pizza - Kailash Colony: Food Service (Small Eatery)
- Jubilant Food Works Ltd, Domino's Pizza – Rajouri Gardens: Food Service (Small Eatery)

### Letter of Appreciation

- ACME Foods, Haldwani: Rising Star category (less than 3 years in business)

# CII Naoroji Godrej Centre of Excellence

## Sharpening Negotiation Skills

Successful negotiators are not born but groomed and trained. The degree of success depends on how well one is trained to conclude the trade-off faster, better and profitably.

A workshop on 4-5 October addressed the needs of middle, senior and very senior managers who have to negotiate huge projects, mega deals, major agreements with employees and labour, VRS settlements, foreign collaborations and financial negotiations for debt and private equity.

## Innovation for Competitive Advantage

A workshop was held on 5 – 6 October to cultivate a creative problem-solving approach in managers and executives within their own spheres of activity. The focus was on encouraging them to develop their own ideas and put them to the right use, at the right time.

## Influencing through Listening

Listening is not just relevant in social and counselling situations. It is one of the basic requirements in conducting effective business. To a large degree, effective leadership is effective listening. A workshop held on 9 – 10 October helped the participants develop the skills and attitudes necessary for effective 'listening' in life and at work.

## Managing Projects

Effective implementation of strategy depends upon completing the various projects in time and on budget without compromising on content and quality. A programme on 11 – 12 October equipped professionals with a good project management process along with the techniques and tools to achieve the desired goals consistently.

## Sales & Distribution Management

Sales and Distribution Management, as a composite function of Marketing, is critical to the success of any business enterprise. A programme held on 12 – 13 October blended theory and practice, by presenting

live examples of companies from a variety of businesses and industry case studies for participants to deliberate upon in groups, and make presentations, followed by an open discussion. Exercises and quizzes enhanced the delivery of the course.

## Schemes for Indian Exports

Export incentives are granted from time to time in order to achieve competitiveness in pricing for export markets. A programme on 13 October described the Duty Exemption Scheme and the EPCG Scheme, which are effective instruments for Indirect Tax management.

## Business Strategy & Strategic Management

A module held on 15 – 19 October provided knowledge of some of the current tools and techniques required to formulate effective strategies. It also offered an understanding of the business environment as a series of complex and dynamic processes, and the elements necessary for corporate cultural and structural change.

The module was conducted by WMG, one of Europe's leading manufacturing groups, which is involved in publicly and privately funded research on innovation in products and in manufacturing processes, with a focus

on research, development and application of new approaches for a wide range of industrial sectors. WMG adopts a partnership approach, involving industry closely in the delivery of its extensive research, technology transfer and training programmes.

## Labour Laws

There are a number of labour laws applicable for running a business organization. Compliance with these laws creates a healthy work culture in an organization. A two day programme on 30 – 31 October made HR and administrative personnel aware about the fundamentals and compliance aspects of selected laws and their broad provisions. ■



## CII Sohrabji Godrej Green Business Centre

### Booklet on 'Gifts of Nature' Released

Mr David Steuerman, Programme Officer, Business and Biodiversity, Convention on Biological Diversity, UNEP, released an important publication – 'Gifts of Nature – 101 Native Plants For Green Landscape,' the first of its kind in India, at the Business Case for Biodiversity Forum organised by CII as a side event of the XI Conference of Parties - Convention on Biological Diversity on 17 October in Hyderabad.

This booklet is an attempt to generate awareness on the need and importance of our native species.

The objective of this booklet is to introduce native species for garden landscapes, most of which have never been tried in garden planting. Native plants are hardy and drought tolerant, and can play an important role in landscaping, while also improving biodiversity.

The user-friendly document provides details of 101 species which have ornamental and economic value in a lucid and concise manner, as a ready reckoner for



**Anil Kumar V Epur**, Chairman, Green Landscape Committee, CII-Godrej GBC; **Suchitra Ella**, Chairperson, CII Andhra Pradesh, and Jt MD, Bharat Biotech International Ltd; **David Steuerman**, Programme Officer, Business and Biodiversity, Convention on Biological Diversity, UNEP, and **N Chandra Mohan Reddy**, Additional Commissioner (Parks), Greater Hyderabad Municipal Corporation, releasing the Booklet on Native Plants in Hyderabad

landscape architects, horticulturists, academia, home makers and gardeners.

The booklet can be downloaded from [www.greenlandscape.in](http://www.greenlandscape.in)

## CII Suresh Neotia Centre of Excellence for Leadership



### Customer Service Excellence

The Customer Delight Principle reveals how today's leading marketers consistently retain and grow their customer bases by moving beyond satisfaction to discover and fill each customer's unseen yet essential needs. The workshop on 9 October provided valuable insight into the need to move to 'customer delight' from customer satisfaction and how to design, organize, plan and execute 'customer delight' processes. Knowledge, skills and



behavior needed to manage demanding customers and service recovery were also covered, as was gap analysis.

### Time Management Skills

The one-day Mastering Time Management course on 18 October provided participants with a set of proven time management tips and tools to help use of one's time towards more effective, efficient results in all areas of life. It covered time abuse, SMART management, reducing TAKT time, as well as prioritization techniques.



The world today is facing myriad challenges related to poverty, food security, income disparity, unemployment, loss of biodiversity, damage to the ecosystem, climate change, GHG emissions, depleting natural resources, unplanned development, sanitation, and energy, to name a few. The 7th annual **'Sustainable and Inclusive Solutions: Summit & Exhibition,'** held in New Delhi on 15 -16 October, brought government, business and civil society leaders together to deliberate on the possible path to a sustainable future. There was unanimous agreement that we need to look beyond the GDP when measuring sustainable development.

"India is committed to sustainable development and inclusive growth even when economic conditions are challenging", said Mr Kamal Nath, Union Minister for Urban Development (now Union Minister for Urban Development & Parliamentary Affairs), India, presiding over the opening plenary. The Sustainable & Inclusive Solutions Summit & Exhibition was jointly inaugurated by

Mr Kamal Nath, Mr Yeshey Zimba, Minister for Works and Human Settlement, Bhutan, and Mr Erik Solheim, Former Minister for Environment & Development, Norway.

Mr Nath pointed out that "in the next ten years, more than 600 million people will live in Indian cities. More than 53 cities have population of more one million and will grow 60 times in these ten years. Also, 70% of new jobs will be created in and around cities." All this, put together, is an incredible growth opportunity for India, but at the same time poses immense sustainability and inclusive development challenges. It calls for policy and urban infrastructure solutions that tackle several urban challenges including sanitation, water, land use, ecological conservation, he declared.

"Bhutan's success with the Gross Happiness Index (GHI) provides a solution to measuring sustainable development beyond GDP. GHI has been recognised by the UN, which has declared 20 March of every year as World Happiness Day. The key components of



**Pavan Sukhdev**, Founder & CEO, GIST Advisory; **Steen Riisgaard**, President & CEO, Novozymes A/S; **Yeshey Zimba**, Minister for Works & Human Settlement, Bhutan; **Kamal Nath**, Union Minister for Urban Development (now Union Minister for Urban Development & Parliamentary Affairs), India; **Y C Deveshwar**, Past President, CII, Chairman, CII - ITC Centre of Excellence for Sustainable Development, and Chairman, ITC Ltd; and **Chandrajit Banerjee**, Director General, CII, at the Sustainability Summit in New Delhi

GHI are economic equity, ecological conservation, and culture, thus measuring growth in a holistic manner,” said Mr Zimba.

Mr Solheim noted that while the average human being is living in substantial affluence, enjoying more peace and security and longer life than ever, the number of people living in poverty is also more than ever. While it may not be easy to calculate the cost of services provided by nature, it shouldn't mean that efforts to do so never start,” he said.

Mr Steen Riisgaard, President & CEO, Novozymes, felt that inclusive growth and sustainable development present a huge business opportunity for emerging countries like Brazil, China and India.

Supporting the need to measure growth beyond GDP, Mr Pavan Sukhdev, Founder & CEO, GIST Advisory, advocated the economics of ecosystems and biodiversity as a useful tool.

Earlier, in his opening remarks, Mr Y C Deveshwar, Past President, CII, Chairman, CII - ITC Centre of Excellence for Sustainable Development, and Chairman, ITC Ltd, said, “The only way is to give up the old model and adopt the triple-bottom-line model. Measuring social and environmental value is difficult because tools are still being developed. But measuring sustainable value creation and not only shareholder or financial value is the future of business.”

In his concluding remarks, Mr Chandrajit Banerjee, Director General, CII, emphasized that CII is committed to sustainable development and works with all stakeholders through its Centres of Excellence, including the Centre of Excellence for Sustainable Development.

Addressing the Special Plenary on ‘Value Creation with Good Corporate Governance,’ on Day 2 of the Summit, Mr Veerappa Moily, then Union Minister of Corporate Affairs and Power (now Union Minister of Petroleum & Natural Gas) said “The days are not far off when every corporate body will come out and say sustainable development is good business.” He elaborated, “today, corporate governance is a strategic necessity, and research shows that companies which demonstrate good governance practices are able to secure investments and talent.” Mr Moily said the current Companies Bill is essential for an enlightened corporate governance process and is expected to be introduced in Parliament.



**Bhaskar Chatterjee**, Director General & CEO, Indian Institute of Corporate Affairs; **M Veerappa Moily**, Union Minister for Petroleum and Natural Gas (then Union Minister for Corporate Affairs & Power); and **Y C Deveshwar**

The Government has set up the Damodar Committee to remove procedural bottle-necks with the vision to make India among the top five nations where doing business is the easiest,” he said.

Mr Bhaskar Chatterjee, Director General and CEO, Indian Institute of Corporate Affairs (IICA), said value creation and corporate governance are intertwined, and form a triad when combined with sustainability. For this, value and trust must go hand in hand. Merely creating value may not be of use if the company cannot share it with society, he felt.

Mr Deveshwar expressed concern over the growing inequity that is compounded with environmental degradation and global warming. The main problem today is the way value has been traditionally defined, and is limited to the interests of only the consumers and shareholders, he said, pointing out that the top 10% of the global population owns 85% of the total household assets, whereas the bottom 50% owns only 1%. This points to the need for incentives for the corporate sector to unleash its power to create value in multiple dimensions through enhancing social, economic and environmental capital, he added.

The key issues deliberated at the Summit related to Sustainable Agriculture; Innovation; Biotechnology; Sustainable Supply Chain; Corporate Governance; Environment and Climate Change; Stakeholder Engagement; Sustainability Rating; Public Procurement; and Next Generation Infrastructure.

Several companies and organizations showcased their sustainability initiatives at the small exhibition which was set up with the Summit. The main exhibitors included Vedanta Group, Ambuja Cements, ITC, Tata Steel, Novozymes, Solaron Sustainability Services, Wipro, India Green Building Council, and the CII-Jubilant Bhartia Food and Agriculture Centre of Excellence.

# Building Competitiveness of Indian Manufacturing



## Japan Visit for VLFM Graduates



VLFM Graduates at the Toyota company in Japan

VLFM Opportunity A, spearheaded by CII, arranges a visit to Japan for all Opportunity A participants every year, supported by the Japan International Cooperation Agency (JICA), Tokyo, Government of Japan. The visit helps participants to learn from the Japanese manufacturing system, see India from an 'outside-in perspective,' closely observe Japanese culture, understand the Japanese process-oriented society and also do self-initiated research on pre-identified topics.

This year, the Japan visit was organized from 13 -21 October, wherein 60 participants of Batch 6 from 28 companies visited various Japanese companies such as Toyota, Mazak, Sony Archive, etc. The participants applied the tools and techniques learned during the VLFM programme.



Certification ceremony for VLFM delegates in Tokyo

## VSME Programme

Batch 3 of the Visionary Small and Medium Enterprise (VSME) programme has crossed another milestone. In October, 13 SMEs in Pune and 12 in Hosur established a win-win relationship with 7 customers representing Tier ones of companies such as Tata Motors, Anand, Harita and the Sona Group.

The programme, which aims to build up the Indian Manufacturing sector by developing SMEs, held the first

VMap workshop session for 13 Tier 2 companies in Pune on 9 and 10 October, and for 12 Tier 2 companies in Hosur on 16 and 17 October.

The main objective of the workshops was to understand the various flows of material and information, delivery performance and

## From the Participants...

'It was indeed a once in a lifetime opportunity for me. We know that in the future, we will go a number of times to Japan for official work, but we will never be able to get such insights about Japan. I really thank CII for perfect coordination, Prof. Shiba for excellent guidance and mentoring, and JICA for perfect arrangements, which made this visit unforgettable.'

**Chandrashekhhar Deshpande**, Manufacturing Head - Common Rail Injectors Assembly, Bosch India Ltd.

'I am very thankful to CII for preparing me for the Japan visit by timely reminders and clear guidance. I learnt how to plan precisely and develop clarity in communication. The Japan visit was a unique opportunity for me. We observed and learnt so many things which were unique to implement. Now I am trying to chalk out a plan to share and implement all the learnings in Japan in my organization.'

**Sunil Agarkar**, Deputy General Manager, Kirloskar Brothers Ltd.

production performance to create a win-win relation between suppliers and customers. The workshop was pre-supplemented by a preparatory session for Workplace Transformation. The unique element of the workshop was the do-demonstrate of activities by Tier 1 participants to Tier 2 participants, in which the T1 companies facilitated the scientific procedure of workplace transformation to achieve quick and visible results such as space created on the shop-floor, reduction in the distance travelled by material, machine and man, and identification of safety parameters.

All the participating Tier 2 companies identified areas of improvement and have implemented them with respect to distance travelled, space created, and safety parameters. One such T2 company, Vinsar Elastomer, a rubber automotive part manufacturer in Hosur, has

created 100 sq ft of space and has shifted an inspection operation to the parent shop-floor from a remotely-located rented space.

During this month, 7 Tier 1 companies also started the implementation of Heijunka under the able guidance of Mr Takeyuki Furuhashi. The workshop marked the start of the implementation phase of creating a win-win supply chain across and between tiers, by reducing the fluctuation in the three flows that are associated with an organization i.e. delivery flow, production flow and procurement flow, by integrating them. The Tier 1 companies will implement the Heijunka System in their model line to understand the gaps in the present system that are creating a mismatch between production and customers' demand, as well as production and requests. ■

## India-Mauritius Business Round Table

**T**he Overseas Indian Facilitation Centre (OIFC) organized the India-Mauritius Business Round Table in Mauritius on 26 October, in association with the Union Ministry of Overseas Indian Affairs, India, the High Commission of India in Mauritius, and the Government of Mauritius. Over 250 delegates from Mauritius and India attended the event.



**R. Raghuttama Rao**, MD & CEO, Indian Credit Rating Agency (ICRA) Management Consulting Services Ltd (IMaCS); **Deepak Sharma**, Executive Vice President, Kotak Mahindra Bank Ltd; **T.K. Manoj Kumar**, Joint Secretary (DS), Union Ministry of Overseas Indian Affairs, India; **Sayyad Abd-Al-Cader Sayed-Hossen**, Minister of Industry, Commerce & Consumer Protection, Mauritius; **Cedric de Speville**, President, Mauritius Chamber of Commerce & Industry; and **Prashant Pise**, Deputy High Commissioner of India to Mauritius, at the India-Mauritius Business Round Table, in Mauritius

The Round Table was a unique platform to connect the Indian Diaspora, Mauritian citizens and citizens of other countries to investment opportunities in India, Mauritius and Africa. The two plenary sessions consisted of interactions over themes like how the Indian Diaspora can engage with India in various sectors and, Mauritius as a Gateway to do business in Africa. These discussions and presentations focused on the enormous opportunities for the Indian Diaspora to engage with India in healthcare, financial services and banking, energy, education and many more sectors.

Inaugurating the Business Round Table, Mr Cader Sayed-Hossen, Minister of Industry, Commerce and Consumer Protection, Mauritius, said "We highly welcome the India – Mauritius Business Round Table. We hope these business interactions will help Mauritius transit to the next phase of its economic growth.

We value the business acumen and expertise of Indian business leaders who can help Mauritius develop high technology industries."

Mr. Dev Chamroo, CEO, Enterprise Mauritius, urged investors to see Mauritius not "as a landing strip but rather like a runway to take-off their businesses worldwide. We would like to create joint ventures with Indian partners to reach the wider African market," he added.

The meet provided a new dimension to the Indian Mauritius business-relationship through the involvement and support of the Indian diaspora. ■



# YI WORLD



## Chandigarh

Yi Chandigarh Tricity chapter celebrated Gandhi Jayanti, along with Amity Global Business School, in a Government Primary School on 1 October. The programme included a talk on Non Violence and Forgiveness, and various fun activities.



Gandhi Jayanti celebrations at a Government Primary School in Chandigarh

On 8 October, Yi members, along with students of Amity Global Business School, Chandigarh, visited an orphanage, 'Bal Niketan', to celebrate 'Joy of Giving Week.' Bal Niketan serves as a home / learning centre for girl children.

An orientation session was held for the students of Amity Global Business School on 12 October at their campus.

On 13 October, net students of the Millennium School visited the Yi ViVidha Centre, Kaimbwala, to interact with the kids at the learning centre.



Net students of the Millennium School with the kids of the Yi ViVidha Centre in Kaimbwala, Chandigarh

Yi Chandigarh organized orientation sessions for the students of Taaleem College of International Studies on 15 October, and of University Institute of Applied Management Sciences, on 17 October at their respective campuses. The students of both colleges came together for an interaction on 17 October.

Mr Srikant Suryanarayan, National Vice Chairman, Yi, and MD, Tradelinks Group of Companies, visited the Yi ViVidha centre, in Kaimbwala, on 17 October. On the same day, he also interacted with members and shared his experiences at a Members' Meet.

## Goa

Yi Goa, in association with the Social Sports and Culture Centre, organized competitions on Bhajan-singing,

Elocution, and Essay-writing to celebrate Mahatma Gandhi's 143rd birth anniversary, on 2 October. Around 180 students from 12 schools participated in the competitions.



Shripad Naik, Member of Parliament, with prize-winning students in Goa

The Chief Guest for the occasion was Mr Shripad Naik, Member of Parliament.

Yi Goa, in association with the Rotaract Club of Mapusa, organised an inter-school drawing competition for school students from North Goa on the theme of the Environment, titled 'Chitrangan' on 2 October. A total of 106 students from various schools presented their drawing skills and original ideas at the event.



Winners of the Inter-school Drawing Competition in Goa

To mark the 'Joy of Giving Week,' Yi members visited Sneha Mandir, a social and charitable trust in Ponda



Joy of Giving Week Celebrations at Sneha Mandir, in Ponda, Goa

providing succor to needy elders, and organized a lunch for the 85 elders there on 6 October.

Lt. Cmdr. Abhilash Tomy, who has embarked upon a maiden voyage, to solo circumnavigate the globe by sea non-stop, met Yi members aboard INS Mandovi, in Verem Goa on 10 October. This is the first attempt at non-stop solo-circumnavigation of the globe by an Indian, and is being attempted in a sailing vessel, 'Mhadei', built in Goa.

Cmdr. Dilip Donde, the first and only Indian to have solo circumnavigated the globe by sea, also on Mhadei, albeit with 4 stops, also interacted with Yi members. Yi members had a chance to tour the Mhadei.



Yi session aboard the Mhadei sailing boat, in Goa

Lt. Cmdr. Tomy would be away from land for 6 months at the minimum without anyone to talk to or interact with.

A Career Counseling Workshop was attended by 43 students and faculty of Ideal High School, Taleigao Goa on 12 October. The workshop exposed the students

to different career options to help them make the right choice for their future. The session also covered the steps of career planning including self analysis, SWOT, RIASEC personality test, information gathering, etc.

A two-day session on 'Blue Ocean Dialogue' was conducted for 47 students of G. S. Amonkar Vidya Mandir, Mapusa Goa, on 15-16 October.

'Blue Ocean' is a term used for clean, pristine market spaces. These are areas in an industry where customers exist but there are extremely limited or no competitors. Blue Oceans emerge from new needs, new consumer groups, changed habits, new product development, etc. In the context of this workshop, Blue Ocean referred to 'new ideas' and innovations that challenge existing ways of doing things.

The students also prepared and presented a working model / flow chart / schematic to describe the innovation they proposed.



Hari Prasad  
Gupta ji

### Raipur

Yi Raipur conducted a session on 'Vipassana Meditation' for around 100 participants on 1 October. 'Vipassana,' which means to see things as they really are, is a non-sectarian technique to eradicate mental impurities for full liberation. The session was conducted by Shri Hari Prasad Gupta ji, a prolific speaker who has organized more than 116 meditation camps. ■

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## Africa

### South Africa & Uganda

#### CII Mission to South Africa and Uganda

Mr Pravin Gordhan, Minister of Finance, Republic of South Africa, invited CII to participate in formulating the investment policy of the Republic of South Africa, during a meeting with Mr Adi Godrej, President, CII, and Chairman, Godrej Group, in Pretoria on 18 October.

Mr Adi Godrej led a CII CEOs Delegation to Uganda and South Africa from 15-18 October. The delegation included CEOs from the Steel, Power, Automobiles, Water, Financial Services, Legal Services, Infrastructure, Mining and IT sectors.

In Uganda, the delegation called on Mr Y Kaguta Museveni, President of Uganda, on 15 October. Mr Museveni spoke about the long and historical relationship between India and his country, also the large number of persons of Indian origin in Uganda. Inviting Indian industry to participate strongly in the development of Uganda, he said the country's food surplus economy with vast natural resources offers opportunity for value addition in Natural Resources, Agriculture, Infrastructure, Hydro Electricity, Renewable Energy, Herbal Medicines and various other sectors. Mr Godrej assured the President that Indian Industry would look at Uganda with more interest and explore collaborative investment opportunities there.

The Uganda National Chamber of Commerce & Industry

organized a Seminar and Business to Business Meeting on 16 October. The meeting was addressed by Ms Amelia Kyambadde, Minister of Trade, Tourism & Industry; Mr Simon Dujaang, Minister of Energy, and Mr Jachan Omach, Minister of State for Finance and Planning, who presented investment opportunities in their respective sectors.

In South Africa, the CII delegation called on Mr Pravin Gordhan, Minister of Finance, and Mr Nhalnhla Musa Nene, Deputy Minister of Finance. The Ministers spoke about the overall economic situation in South Africa and invited Indian industry to participate in identified infrastructure projects in South Africa.

The CII delegation also called on Mr Marius Llewellyn Fransman, Deputy Minister of International Relations and Cooperation. Appreciating the longstanding relationship between India and South Africa, and the role played by Indians in the nation-building process in South Africa, the Minister called for stronger economic ties between India and South Africa.

The delegates participated in meetings organized by the Progressive Business Forum of African National Congress (PBF ANC) and Business Unity South Africa (BUSA). They were also briefed on opportunities in South Africa at a meeting held at the Gordon Institute of Business Studies (GIBS) by experts from GIBS, Webber Wentzel, First Rand and the Department of Trade and Industry (DTI).



Adi Godrej, President, CII, and Chairman, Godrej Group, and members of the CII CEOs Delegation to South Africa, in Pretoria



Y Kaguta Museveni, President of Uganda, with Adi Godrej, and members of the CII CEOs delegation in Uganda

## Asia

### China

#### Delegation from Punjab



Zhang Limin, Director, Shanghai SME Coordination Office, with Vikas Pratap, Secretary, Industries & Commerce, Punjab, in Shanghai

CII organized a luncheon interaction for a visiting delegation from Punjab led by Mr Vikas Pratap, Secretary, Industries and Commerce, Punjab, with Mr Zhang Limin, Director, Shanghai SME Coordination Office, in Shanghai on 20 October. Mr Pratap described the economy and industry of Punjab and the new investment opportunities it offers to Chinese companies especially in infrastructure development, manufacturing, textiles, high tech etc.

Mr Zhang recalled his firsthand feel of the development taking place in India during his visit there last year. Noting that many Chinese companies are still not aware of the opportunities in India, he said such visits from different states of India will help bridge the information gap between the two countries. Mr Sanjeev Bawa, Executive Director, Punjab Small Industries & Export Corporation Ltd and Mr Zhou Lei, Vice President, Shanghai Kaikai Group, along with representatives of Punjab hand tool manufacturers, attended the meeting.

#### Chery - JLR JV

A proposed \$1.89 billion automobile Joint Venture (JV) between China's Chery Auto and Jaguar Land Rover (JLR) has been approved by the National Development and Reform Commission of China. The JV's new plant in Changshu near Shanghai, scheduled to go into operation in 2014, will be able to produce 130,000 units a year, mostly Land Rover and Jaguar vehicles, but also JV brands. Sales of JLR cars reached 53,000 units in China in the first nine months of the year, up 80% from a year earlier.

#### Yuan Up

China's yuan advanced to its highest value against the US dollar in nearly 19 years on 29 October, to 6.2371 per US dollar, pushed up by quantitative easing worldwide and optimistic signs for China's economy.

#### FDI in China

China exceeded the United States to become the world's largest recipient of FDI in the first six months of 2012. During this period, China attracted \$59.1 billion in FDI while the US attracted \$57.4 billion.

#### Chinese Investment in USA

China's direct investment in the United States reached a record high of \$6.3 billion in the first nine months of 2012, according to a report released by the New York-based Rhodium Group, which tracks Chinese investments.

#### White Paper on Energy Policy

A White Paper, titled 'China's Energy Policy 2012,' elaborates on the policies on energy development, conservation and the promotion of renewable power sources.

#### White Paper on Judicial Reform

The Chinese Government has issued a White Paper on the reform of the country's judicial system. Judicial reform, an important part of China's political system reform, is a long and arduous task. The White Paper vows continuous efforts to establish a "just, effective and authoritative socialist judicial system with Chinese characteristics."

#### Lenovo leads PC Market

China's personal computer manufacturer Lenovo Group Ltd overtook the US-based Hewlett-Packard Corp in the third quarter to become the largest seller of personal computers in the world measured by shipments, according to the IT research company, Gartner Inc. Lenovo made 15.7% of all PC shipments in Q3, while HP made 15.5%.

#### US Ruling on Solar Cells Condemned

China's Ministry of Commerce has voiced strong dissatisfaction with the United States' affirmative final determinations of Chinese crystalline silicon photovoltaic cells, saying the decision "signals protectionism" and "hinders the development of new energy." The comments came after the US Commerce

Department announced that Chinese producers and exporters have sold solar cells in the US market at dumping margins. The department also set final countervailing duties on China-made cells. US imports of solar cells from China were estimated at \$3.1 billion in 2011.

### West-to-East Gas Pipeline

Construction work on China's third pipeline to carry natural gas from the nation's resource-rich western regions to the energy-starved east has started. The 7,378 km-long pipeline is expected to transmit 30 billion cubic meters of gas annually and will cross 10 provinces and autonomous regions, starting from Horgos in Xinjiang and ending at Fuzhou, capital of Fujian. The \$19.7 billion project is expected to be completed before 2015.

### Myanmar-China Gas Pipeline

A bridge on the Lancang River, located in a border area between Baoshan and the Bai autonomous prefecture of Dali, in Yunnan Province, has been completed, marking a major step in the completion of a Myanmar-China gas pipeline project, which is expected to go into operation next year. The bridge, a key part of the pipeline, was a difficult engineering project. The oil pipeline has a transport capacity of 22 million tons per year, while the natural gas pipeline can transport 12 billion cubic meters annually.

### Technical Support for US Nuclear Project

China is to provide technical support for the first time in the building of a third-generation nuclear power plant in the United States. The State Nuclear Power Technology Corp Ltd has signed a technical support service contract with Shaw Power Group, related to the building of the Vogtle AP1000 project in Georgia, the first new reactor approved by the US Government in nearly 30 years. The cooperation involves sending Chinese employees to the project over the next four years.

## Japan

### 6th India-Japan Energy Dialogue

Mr. Montek Singh Ahluwalia, Deputy Chairman, Planning Commission of India, and Mr. Yukio Edano, Minister of Economy, Trade and Industry, Japan, held the 6th meeting of the India-Japan Energy Dialogue on 10 October in Tokyo. Both sides agreed on key issues relating to energy security, energy conservation and renewable energy.

### Pharma Tie-up

Tata Group promoted Advinus Pharma has entered into a joint drug discovery deal with Japanese pharma giant Takeda Pharma. Advinus will receive guaranteed funding of \$36 million from Takeda to explore novel molecules in inflammatory, central nervous system and metabolic diseases. It will also receive milestone payments plus royalties on product sales worldwide.

### \$7 Billion Trade Deficit

Japan registered a 558.6 billion yen (about \$7 billion) trade deficit for September. Exports went down 10.3% from a year earlier while imports rose 4.1%.

### Industrial Output Falls, Outlook Lowered

Japanese industrial production fell an unexpectedly large 4.1% in September from a month earlier, a sign that the economy may be losing more steam than expected amid the global slowdown. The fall is the worst in recent years with the exception of the March 2011 earthquake and the Lehman shock in 2008-2009.

### Holdings of US Treasuries

Japan added \$5.3 billion to its holdings of US treasures in August, taking them to \$1.122 trillion. China's holdings of US financial assets increased by \$4.3 billion to \$1.154 trillion in August.

### Trade Suffers Amid Island Dispute

New trade data from Japan shows that the territorial dispute with China over a small group of islands is hitting the economy. Since the spat over the sovereignty of the East China Sea islets flared up in early September, trade between China and Japan has shown signs of weakening, stoking worries that a global slowdown could be more severe than anticipated.

According to Japan's Finance Ministry, Japanese exports to China were down 14.1% from a year earlier in September. Among the biggest falls was a 44.5% decline in exports of automobiles. The fallout has weighed heaviest on Japanese brands highly visible to consumers-for everything from lipstick to cars.

### New Economic Stimulus Planned

Prime Minister Yoshihiko Noda plans a new round of economic stimulus by the end of November. The steps are expected to include measures to curb deflation, ease strength in the yen, expand earthquake reconstruction work and relax regulations on businesses. The Nikkei newspaper said the Government was considering funding the new stimulus with 910 billion yen (\$11.5 billion) set

aside in the 2012 budget for economic emergencies and the revitalization of regional economies.

### Bank of Japan Boosts Stimulus

The Bank of Japan boosted its monetary stimulus for the second month in a row on 30 October in response to intense political pressure for action and mounting evidence that the Japanese economy is on the cusp of recession. In a well-flagged move, the central bank topped up its asset buying and lending programme, its main monetary easing tool, by 11 trillion yen (\$138 billion) to 91 trillion, broadly in line with what markets had factored in. Stepping further into unorthodox territory, the bank also unveiled a plan to supply banks with cheap, long-term funds under a new scheme initially sized around 15 trillion yen.

### Core CPI Falls

Japan's core consumer price index in August fell 0.3% from a year before, dropping for the fourth straight month. Japanese retail sales rose 1.8% in August from a year earlier.

### Forex Reserves Increase

Japan's foreign exchange reserves in end September increased by about \$3.76 billion from a month before to about \$1.28 trillion, up for the third straight month.

### Bank Lending Up

The average daily balance of loans by Japanese banks increased 1% from a year earlier to 459.65 trillion yen in September, up for the 11th consecutive month. The rise stemmed from strong demand related to reconstruction after the March 2011 disasters.

### Bank Rates Steady

The Bank of Japan has kept interest rates unchanged at zero to 0.1% and held off further easing measures, opting not to build on the boost to its asset-purchase programme announced in September.

### Toyota Vehicle Recall

Toyota Motor Corp is recalling 7.4 million vehicles worldwide due to potential fire risks. The recall in the United States involves 2.5 million vehicles, related to 12 models.

### Japan Inc in Myanmar

Myanmar has offered a deal to Japan to develop a Special Economic Zone (SEZ) at Thilawa, near Yangon. In a fast-track deal negotiated in less than a year, Japan will provide at least \$18 billion in aid, investment and debt forgiveness from government and private sources.

Japan will also provide up to \$3.2 billion in new lending to build another SEZ and deep-sea port in Dawei, in southern Myanmar, to be developed into Southeast Asia's largest industrial complex. The deals have made Japan a major player overnight in the opening of Myanmar. The Japan-Myanmar Association was launched in March, while the Japan External Trade Organization (JETRO) opened the JETRO Business Support Center Yangon in Myanmar in September.

### Suzuki Plant in Myanmar

Japanese automaker Suzuki Motor Corp. plans to build a factory in the Thilawa district of Yangon to produce 20,000 to 30,000 cars a year and push development of one of the world's largest industrial complexes. The assembly plant is tentatively scheduled for completion by 2015.

### Indonesia- Japan Plan for Jakarta

Indonesia and Japan have agreed on a master plan for the construction of roads, railways, airports and other strategic infrastructure in Jakarta and its neighbouring cities. Forty-five projects with a total investment of \$43 billion, all expected to be completed by 2020, have been announced. Construction of 18 priority projects is scheduled to start by end 2013.

## Republic of Korea

### Policy Rate Cut

The Bank of Korea cut its benchmark interest rate by 25 basis points (bps) to 2.75% on 11 October, to boost the nation's economy amidst a worsening economic outlook.

### 2012 Growth Outlook Slashed

The Bank of Korea has slashed its 2012 economic growth outlook for the country to 2.4% from an earlier estimate of 3%, citing the protracted European fiscal crisis and the risk of fiscal cliff in the United States.

### Consumer Prices Grow

South Korea's consumer prices index rose 2% in September, the fastest in three months, mainly due to increased prices of farm products.

### Anand Group Invests in Mando

Mando Corp., South Korea's second-largest auto parts manufacturer, has attracted investment from India's Anand Group. The latter will take over all new shares to be issued by Mando India Steering Systems Pvt. Ltd., Mando's wholly owned Indian unit that makes electric power steering systems.

## Singapore

### Interaction with Minister for Education

Mr Heng Swee Keat, Minister for Education, Singapore, interacted with members of the CII India Business Forum (IBF) in Singapore on 23 October.



Mr Heng, who accompanied the Prime Minister of Singapore on his recent visit to India, described the highlights of the visit, such as the renewal of the air defence agreement between the two countries, and the signing of two agreements to facilitate the setting up of a world class skills centre by the Institute of Technical Education (ITE) in India. The Minister also spoke of his role in the 2005 CECA negotiations and how the economic relationship had strengthened since then, with many more Singaporean companies investing in India and the number of Indian companies in Singapore having more than doubled. Similar developments have taken place in areas like tourism, and education, where nearly 40 Singaporean schools are involved in exchange programmes with Indian counterparts. Singapore has also played the role of a catalyst for a broader India-ASEAN relationship.

Minister Heng spoke at length about the evolution of Singapore's education system, which is aligned closely to the developmental needs of the country, recognizing that human capital is the only natural resource Singapore has, and the need to maintain the country's multi-racial,



Francis Chong, Director-Emerging Markets Division, Ministry of Trade & Industry, Singapore; Dr TCA Raghavan, High Commissioner of India to Singapore; Heng Swee Keat, Minister of Education, Singapore, and Vish Iyer, Chairman, CII-IBF Singapore, and President - Asia Pacific, Tata Consultancy Services, at an interaction with CII-IBF members in Singapore

multi-cultural and multi-religious social fabric.

The discussions centred around the infrastructure sector in India and the role Singapore and Indian banks in Singapore could play. Singaporean and other investments can be facilitated if the government creates a clear set of rules governing investments in this sector. Changing of policies midway and land acquisition issues were cited as the biggest challenges to investments. Business-to-business networking and collaboration with specific states/cities for specific areas could be a way of promoting greater cooperation, it was suggested.

Mr Heng also touched upon the committee he chairs of younger ministers for reviewing Singapore's economic and social policies. The objective is essentially to understand where Singaporeans want the country to be in the next 20 years and the kind of society they would like to see in the future.

## Europe



Interaction with delegation of Board Members from the Confederation of Norwegian Enterprise, in New Delhi

## Norway

### Interactive session with Confederation of Norwegian Enterprise

CII organized an interactive session with a 14 member delegation from the Confederation of Norwegian Enterprise (NHO) for Indian industry, on 30 October in New Delhi. The delegation, of Board Members and senior executives of NHO, was led by Mr Heine Wang, President, NHO and CEO, Nokas.



Heine Wang, President, Confederation of Norwegian Enterprise, and Supriya Banerji, Deputy Director General, CII, signing a MoU in New Delhi

The session was also attended by Mr Eivind S. Homme, Ambassador of Norway to India. Mr. V K Mathur, CMD, Inapex Pvt Ltd chaired the meeting, which featured discussion on investment opportunities in Infrastructure, Maritime Industry, Food Processing, Science & Technology, Banking & Financial Sector, Telecommunications and Tourism. Issues pertaining to market access, visas etc, were also discussed.

A Memorandum of Understanding was signed between CII and NHO to promote trade and investment relations between India and Norway.

## Latin America and The Caribbean

### Mexico

#### Interaction with Delegation from Mexico

Mr Carlos Guzmán Bofill, CEO, ProMexico, the Mexican Government institution in charge of strengthening Mexico's participation in the international economy, led a 20-member multi sector business delegation to New Delhi. The objective of this visit was to strengthen the existing bilateral trade and investment relation between India and Mexico, and expand mutual trade and investment co-operation between the countries in areas such as Mining, Tourism, Food Processing, Infrastructure (projects in India), Automobiles and auto parts, Software and IT, Pharmaceuticals, Engineering, Renewable Energy, and Biotechnology.



Carlos Guzmán Bofill, CEO, ProMexico

CII organized an exclusive meeting of

senior Indian industry representatives with Mr Bofill, followed by business to business meetings with the visiting business delegation, in New Delhi on 29 and 30 October.

Mr Bofill made a detailed presentation titled 'Mexico Means Opportunity.' Mr. Jaime Nualart, Ambassador of Mexico to India, and Mr. Amar Sinha, Joint Secretary, Commerce, Union Ministry of Commerce and Industry India, also addressed the session, which was chaired by Mr. Sudhir Kapur, Member, CEO, Country Strategy Business Consultants.

There is immense scope for business opportunities between the two countries. Mexican companies look at India as an attractive market for their products. CII facilitated business to business meetings for the visiting delegates with representatives of Indian industry to explore market for their products and possibly joint ventures.

## North America

### Canada

#### Session on Energy Security



Joe Oliver, Minister of Natural Resources, Canada

CII organized an interactive session with the Hon. Joe Oliver, Minister of Natural Resources, Canada, on 10 October in Mumbai.

The session, titled 'India's energy security: Canada a Partner of Choice.' saw extensive discussions on various aspects of energy access, finance and sustainability. Mr R Mukundan, Deputy Chairman, CII (WR) and MD, Tata Chemicals

Ltd, in his welcome address, touched upon ways to encourage trade, investment and research cooperation between the two nations in oil and gas, non-conventional gas, clean coal technologies, and renewable sources including wind, solar, bio-fuels and hydropower. He encouraged using available platforms such as the Inter-Governmental S&T Cooperation Agreement, and the Global Innovation and Technology Alliance (GITA) to stimulate private sector investment in R&D.

Mr Oliver stated that Canada enjoys a strong trade relationship with India and is well positioned to fulfill India's rapidly

increasing need for energy, minerals, metals and wood products. He also reaffirmed Canada's commitment to strengthening trade, investment and scientific innovation with India.

### United States of America

#### Washington-India Investment Roundtable

CII, along with Tractus, hosted Ms Christine Gregoire, Governor of the State of Washington, at an interactive session on 4 October in New Delhi. The session was chaired by Mr Deep Kapuria, Chairman, CII MSME Council, and Chairman, HiTech Gears Ltd.



Christine Gregoire (centre right) Governor of Washington, at the CII Washington-India Investment Roundtable in New Delhi



**Chandrajit Banerjee**, Director General, CII; **Deepak Parekh**, Chairman, HDFC; **Timothy Geithner**, Secretary, US Department of the Treasury; **Ben Bernanke**, Chairman, Federal Reserve Board; and **Adi Godrej**, President, CII, and Chairman, Godrej Group, at an interaction in Mumbai

The discussion encompassed opportunities for working together in India's massive infrastructure build-out and green technology for sustainability. India's mounting purchases in defence were noted, as was the need to tailor technological solutions based on India's requirements, environment and market. Governor Gregoire highlighted Research and Development in aerospace and defence as a major area that could benefit from joint efforts in technology innovation and production. She also elaborated on Washington State's strength and India's growing leadership in life sciences to lead to breakthroughs in global health. A presentation on doing business in the State of Washington highlighted the state's strong education system and highly-skilled workforce, excellent infrastructure, and expertise in R&D, specifically in hydro/thermal/wind power generation.

CII also signed a Memorandum of Intent with the Washington State Department of Commerce for facilitating direct foreign investment between India and the state.

### CII-USIBC Investment Roadshow

CII and USIBC co-organized an investment roadshow on 2 October in Washington DC for a delegation from Madhya Pradesh visiting the United States. Mr Shivraj Singh Chouhan, Chief Minister of Madhya Pradesh, who led the delegation, emphasized the immense investment opportunities in Madhya Pradesh, outlining sectors including Automobile Engineering, Pharmaceuticals, ITeS, Tourism, Food Processing, Textiles and Renewable Energy. (The Global Inventors' Summit was held in Indore, Madhya Pradesh, on 28-30 October.)

Ms. Diane Farrell, Executive Vice President, USIBC, who moderated the session, observed that there

was growing recognition among both US and Indian governments as well as businesses to engage more at the state-level. Such a proactive approach would give a strong boost to the overall trade and investment relationship, she said. The delegation also visited Detroit and Chicago.

### Treasury Secretary Geithner Visits India

Coinciding with the 2012 US-India Economic and Financial Partnership dialogue, CII organized interactive sessions for its members with Mr Timothy Geithner, Secretary, US Department of Treasury, in New Delhi and Mumbai.

In New Delhi on 9 October, Secretary Geithner expressed optimism about India's growth story. "It is highly encouraging to see the current wave of economic reforms being initiated by the Indian Government as they would help in restoring investor confidence, thus reviving growth too," he said. The session was organized by CII in partnership with the US India Business Council (USIBC).

Mr Geithner said that though India and USA have historically had a good economic relationship, it needs to be further strengthened to face the current economic challenges. The US, he said, has supported G-20 initiatives for better financial regulation to tackle the current global financial crisis. Mr. Kiran Karnik,

Chairman, CII National Committee on Telecom & Broadband, and Mr Sanjay Nayar, CEO, KKR India Advisors Pvt Ltd also spoke at the session.

On 10 October in Mumbai, CII organized a meeting with Secretary Geithner and Mr. Ben Bernanke, Chairman, Federal Reserve Board, and leaders of India's major multinational corporations. The discussions examined ways to deepen the bilateral economic engagement to expand



**Shivraj Singh Chouhan**, Chief Minister of Madhya Pradesh, addressing a CII-USIBC business session in Washington DC, as **Diane Farrell**, Executive Vice President and Senior Director, Policy Advocacy, USIBC, looks on

opportunities for American and Indian businesses and workers; India's on-going reform process; and ways in which the two economies can lower barriers to trade and investment to facilitate growth and create jobs. Secretary Geithner also discussed the important and growing contribution of Indian foreign direct investment in terms of job creation in the United States.

The participants from Indian industry included Mr Adi Godrej, President, CII, and Chairman, the Godrej Group; Mr Deepak Parekh, Chairman, HDFC; Ms Chanda Kochhar, MD and CEO, ICICI Bank; Mr Uday Kotak, Executive Vice Chairman and MD, Kotak Mahindra Bank; Mr Hari Bhartia, Past President, CII, and Co-Chairman and MD, Jubilant Life Sciences; Mr Venu Srinivasan, Past President, CII, and CMD, TVS Motor Co; Mr Rajiv Lall, Vice Chairman and MD, IDFC; Mr Ishaat Hussain, Director - Finance, Tata Sons, and Mr Chandrajit Banerjee, Director General, CII.

### CII India Business Forum Meeting

At a CII India Business Forum meeting on 25 October in New York City, Mr. Dave Delie, CEO, Welspun Tubular LLC, formally took over as Chairman for 2012-2013. The IBF member companies present at the meeting included Apollo Health Street, Exim Bank of India, ICICI Bank, Infosys America, Larsen and Toubro, Mindtree Consulting, NIIT, Ranbaxy, State Bank of India and Wockhardt USA.

The members also had the opportunity to interact with Mr Jack Markell, Governor of the State of Delaware, and Chairman, National Governors Association. Governor Markell outlined the strengths of Delaware, especially in sectors such as financial services, pharmaceuticals and biotech, as well as the geographical and labor advantages which make the state an ideal investment destination. The Governor also expressed support for easing mobility of high-skill labor between India and the US and the need for heightened attention in Science, Technology, Engineering and Math (STEM) education to ensure the competitiveness of the US economy. Governor Markell will visit India in February 2013 to bolster trade and investment between Delaware and India.

The IBF members also met with representatives of Hudson County in the state of New Jersey to discuss the business climate in the county, as well as a proposed



Jack Markell (centre), Governor of Delaware, with CII IBF members in New York City

business and trade delegation from the county to India early next year. Present at the meeting were Ms Maria Nieves, President, Hudson County Chamber of Commerce, Mr Raj Mukherji, Deputy Mayor of Jersey City, and representatives from Saint Peter's College, New Jersey.

### Corporate Sustainability and Climate Change

CII and the World Resources Institute (WRI) jointly organized a discussion session on 31 October in Washington DC with Dr. Paul Brooks, Group Director – Environment, Tata Steel. Representatives from the US Department of Commerce, US Department of State, United Nations Foundation, WRI and the US-India Business Council participated in the discussion, which was chaired by Mr. Manish Bapna, Executive Vice President and MD, WRI.

Dr. Brooks stressed that, along with climate change, resource efficiency remains a very significant challenge. Currently, climate change mitigation and resource efficiency initiatives are often seen as adding cost or are driven through Corporate Social Responsibility programmes. However, he explained that lifecycle analysis of business value chains usually reveals business opportunities with a real, commercial, case, that are value adding and cost saving. The Tata Sons Global Sustainability Steering Committee and Tata Steel's virtual academy bring together captains of climate change and sustainability from across the Tata Group of Companies in promoting thought leadership and awareness about such initiatives.



Kapil Sharma, General Manager – North America, Tata Sons; Dr. Paul Brooks, Group Director – Environment, Tata Steel, and Manish Bapna, Executive Vice President and MD, World Resources Institute

## Russia

### Russia

#### India-Russia Trade & Investment Forum

CII, in partnership with the Department of Industrial Policy and Promotion, Union Ministry of Commerce and Industry, India, and the Ministry for Economic Development, Russia, organised the 6th edition of the India Russia Trade and Investment Forum on 15 October in New Delhi.

The Plenary Session was attended by the Co-Chairs, Mr Dmitry Rogozin, Deputy Prime Minister of the Russian Federation, and Head of the Russian side of the Russian-Indian Intergovernmental Commission on trade-economic, scientific-technical and cultural cooperation, and Mr Anand Sharma, Union Minister for Commerce & Industry, and Textiles, India.

The Forum, 6th in the series, brought together senior government officials, business community, scientific



**Anand Sharma**, Union Minister for Commerce, Industry and Textiles, India and co-Chair of the India-Russia Forum on Trade & Investment and **Dmitry Rogozin**, Deputy Prime Minister of the Russian Federation, at the Forum, in New Delhi

community, academia and media from both India and Russia. The event is held in India and Russia on a rotation basis, with an average participation of over 400 delegates. This year the focus was on developing and strengthening partnerships in three major priority sectors: Modernization of Industry and Innovative Development, Energy and Energy Efficiency, and Medical Technologies and Pharmacy. The three areas included industry verticals such as Information and Communication Technology (ICT), Pharmaceuticals and Biotechnology, Aerospace,

Engineering, Mining and processing of mineral ores and hydrocarbons, Power and Energy, Financial and Banking Services, Chemicals and Fertilizers, and Investment. The Forum also highlighted the investment potential and opportunities of sectors and special economic zones of the Russian Federation, as well as strengthening ties with small and & medium-sized businesses of the two countries.

## United Kingdom



**Ranjan Mathai**, Foreign Secretary of India, with the members of CII-India Business Forum in UK, in London

#### Meeting with Foreign Secretary of India

The CII India Business Forum-UK met with Mr Ranjan Mathai, Foreign Secretary of India, on 3 October in London. This was the first ever meeting of CII-IBF with the Foreign Secretary. The meeting was held at the Indian High Commission in London and was attended by over 40 CEOs of Indian companies based in the UK. The discussions, held under the Chatham House rules, centered on India's foreign policy and its effect on Indian businesses overseas. The meeting was chaired

by Mr Anwar Hasan, Chairman, CII IBF-UK, and Director, Tata Ltd and hosted by Mr Rajesh Prasad, Deputy High Commissioner of India to the UK.

The CII India Business Forum is a group of CEOs of Indian companies at their overseas operations. The group represents Indian companies in the particular country and works with the CII Secretariat to brand and promote India overseas. The Forum is led and chaired by Industry, while the Indian High Commissioner/ Ambassador is the patron of the Forum.

# India REGIONAL R O U N D U P

## East

### Business Mission to Germany, France & UK

15 – 19 October



Rakesh Sood, Indian Ambassador to France, with the CII Eastern Region Business Delegation in Paris

A CII Eastern Region business delegation visited Germany, France and UK, to interact with local industry leaders, chambers of commerce, government officials and diplomats in these countries. The Mission included a MoU with the Chamber of Commerce and Industry France India (CCIFI), a visit to the BMW headquarters in Munich, a meeting with the Renault top brass in Paris, and meetings with Mr L N Mittal and Mr Karan Bilimoria in London.

## Jharkhand

### Inauguration of Multi-Skill Gurukul

16 October, Jamshedpur



Arjun Munda, Chief Minister of Jharkhand inaugurating the CII - PARFI Multi Skill Gurukul in in Dhanachatani, near Jamshedpur

The CII – PARFI Skill Gurukul was inaugurated in Dhanachatani near Gorabandha, Jamshedpur, by Mr Arjun Munda, Chief Minister of Jharkhand.

Mr Munda congratulated CII for establishing the second

Gurukul in the state. Candidates from East Singhbhum and adjoining districts would receive training in this Gurukul.

### Soft Skills Development Module

16 – 17 October, Jamshedpur

A two-day Soft Skills Development Module on 'Team Management, Leadership & Time Management,' helped supervisors, managers, senior managers, team leaders, general managers, HR managers, etc use these skill effectively in their day-to-day corporate and personal life in order to achieve personal and organizational goals.

## Odisha

### Business Mentoring Service

31 October, Bhubaneswar

The session facilitated the members by forming multiple forums for peer learning, each chaired by a very experienced coach mentor. Other services such as one-on-one coaching and business advisory services were also available.

## West Bengal

### Safety Symposium & Exposition

4 – 5 October, Kolkata

The flagship safety initiative of the region, 'Safety Symposium & Exposition', a 2-day Conference & Exhibition, had the central theme of 'Towards Optimising Safety for CSR



R K Agrawal, Chairman, CII (ER), and Managing Partner, S R Batliboi & Co; Janab Javed Ahmed Khan, Minister of Fire & Emergency Services, Disaster Management & Civil Defence, West Bengal; and C Rajasekhar, Ambassador of India to Cuba, Haiti and Dominican Republic, at the Safety Symposium & Exposition in Kolkata

& Sustainability'. The symposium, inaugurated by Janab Javed Ahmed Khan, Minister of Fire and Emergency Services, Disaster Management and Civil Defence,

West Bengal, deliberated on topics such as Behavioral Safety, Fire Safety, Workplace Stress Management, Mining Safety, and Personal Protective Equipment (PPE) etc.

Mr C Rajasekhar, Ambassador of India to Cuba, Haiti and Dominican Republic; and Prof Ajoy Kumar Ray, Vice Chancellor, Bengal Engineering & Science University, also addressed the gathering. A CII – Ernst & Young Report on ‘Workplace Safety – The Way Forward’ was unveiled at the forum. CII and BESU signed a MoU for a research project on Reducing Safety & Health Hazards in Underground Mines.

## Brand Conclave 2012

5 October, Kolkata



**David Meerman Scott,**  
Marketing Guru,  
in Kolkata

In the 11th edition of the Brand Conclave, the biggest brand management workshop in India, Mr David Meerman Scott, the world’s foremost authority on Social Media Marketing, conducted a day long Social Media Marketing Masterclass. The theme of the Masterclass was ‘Engaging the Consumer in the Digital World.’ Mr Scott is a marketing strategist and bestselling author of eight books on marketing, including three international bestsellers. This edition of the Brand Conclave taught marketers how to harness the power of online marketing with real-time marketing strategies.

## Sharing of Best Practices in TPM

5 October, Haldia

The seminar on ‘Best Practice Sharing on TPM’ was addressed by Dr P Ulaganathan, CEO, Haldia Development Authority.

## Power of Innovation

8 October, Kolkata



Conference on Power of Innovation in Kolkata

The Conference on ‘Power of Innovation’ had dedicated deliberations on Product Innovation, Customer Service Innovation, Financing Innovation, Market Innovation, Sustainable Innovation, Process Innovation and HR Innovation. Mr Alapan Bandyopadhyay, Principal Secretary, Commerce & Industries, West Bengal, was the Chief Guest.

## Interactive Session on North Bengal

12 October, Siliguri

Mr Gautam Deb, Minister of North Bengal Development, West Bengal, said the region is endowed with magnificent views of the Himalayas, dense forests and wild life sanctuaries. It also possesses huge potential for growth and development, he said.

## North Bengal Conclave

12 – 13 October; Siliguri



**Sudhir Deoras**, Deputy Chairman, CII (ER) and MD, TRF Ltd; **Abida Islam**, Deputy High Commission, Bangladesh; **Harshvardhan Neotia**, MD, Bengal Ambuja Housing Development Ltd; **Gautam Deb**, Minister of North Bengal Development, West Bengal; **R K Agrawal**, Chairman, CII (ER) and Managing Partner, S R Batliboi & Co; **Dasho Tsering Wangda**, Consul General, Royal Bhutanese Consulate; and **Dr R K Agarwal**, Chairman, CII North Bengal Zone, and Director, Sunrise Nursing Home Pvt Ltd, at the North Bengal Conclave in Siliguri

North Bengal has a strategic location with its neighboring states like Sikkim, Assam, and Bihar, and shares international boundaries with Nepal, Bhutan and Bangladesh. It has witnessed substantial development in recent years. The State Government has also come up with a specific agenda for improving the industrial prospects of the region by inviting investments and encouraging PPP framework.

Mr Gautam Deb, Minister of North Bengal Development, West Bengal, inaugurated the North Bengal Conclave, organized by CII, in association with the Department of Tourism, West Bengal. Mr Dasho Tsering Wangda, Consul General, Royal Bhutanese Consulate; and Ms Abida Islam, Bangladesh Deputy High Commission, also addressed the inaugural session. A CII Report on Investment Opportunities in North Bengal, and an Approach Paper for a floriculture hub in Kalimpong and Mirik were unveiled at the forum.

## North East

### Strengthening Economic Cooperation - Assam, Meghalaya & the Czech Republic

9 – 11 October, Guwahati & Shillong

Taking forward its agenda of linking the North East to the world, CII organized Business Seminars on 'Strengthening Economic Cooperation between the North East and the Czech Republic' on the occasion of the visit of Mr. Radek Braum, Deputy Minister of Agriculture, Czech Republic, to Guwahati and Shillong, on 9 and 11 October in these cities respectively.

Mr Braum was accompanied by a business delegation which included ten

leading Czech-based companies with interests in food and beverages, food processing, agriculture technology, and environmentally friendly small hydel projects. Other members of the official delegation included Mr. Miloslav Stašek, Ambassador of the Czech Republic to India, Mr. Jiří Janíček, First Secretary, Czech Embassy, and Mrs. Karolína Bartošová, Head of Trade Policy, Ministry of Agriculture, Czech Republic. The visiting delegation had good interactions with their counterparts in Meghalaya and Assam. These were followed by B2B discussions with organizations from the region.

Mr Radek Braum said that there were a lot of similarities between the Czech Republic and North East India. He emphasized that there was ample scope for cooperation in terms of Joint Ventures and market aggregation.

Mr Dipak Chakravarty, Chairman, CII Assam State



**Dipak Chakravarty**, Chairman, CII Assam State Council, and MD, Numaligarh Refinery Ltd; **Radek Braum**, Deputy Minister of Agriculture, Czech Republic; **Miloslav Stašek**, Ambassador of the Czech Republic to India, and **Gopi K More**, MD, Torsa Machines Ltd, at a Business Seminar in Guwahati

Council, and MD, Numaligarh Refinery Ltd welcomed the mission as a concrete affirmation of the commitment of the Czech Republic for long term cooperation with the region.

### Northeast MSME Conclave

16-17 October, Guwahati



**Rajesh Prasad**, Commissioner, Industries, MD, Assam Industrial Development Corporation, Assam; **Dipak Chakravarty**; **Pradyut Bordoloi**, Minister of Industries, Commerce and Public Enterprise, Assam; **Bulu Paul Muktieh**, Chairman and MD, NEDFi and **Rajnish Kumar**, CGM SBI, at the Northeast MSME Conclave, in Guwahati

CII organized the North East MSME Conclave 2012 – 'Building Competitiveness for Leveraging Opportunities' to provide an impetus to industry in the North Eastern Region, which is dominated by Micro, Small and Medium Enterprises.

The growth of the MSME sector is a prime focus for the Government of Assam to drive economic growth" said Mr. Pradyut Bardoloi, Minister for Industry, Trade and Commerce, Assam, at the conference. He said that downstream industries from the Assam gas cracker project would provide immense opportunities to MSMEs to generate employment and propel growth.

The MSME Sector accounts for about 45% of manufacturing output and constitutes 40% of the country's total exports, spanning a wide variety of products from handicrafts to sophisticated equipment. New markets have opened up, there has been a shift from single management units to multiple vendor units, and several large industries now seek outsourcing options from MSMEs. However, the avail of these exciting new business opportunities, MSMEs in the North Eastern Region must fill the knowledge gaps in areas such as better management of Human Resources, Quality and Productivity, and Cost Management systems, In addition, there is a need to improve market linkages by meeting the challenges posed by geographical constraints and logistical limitations, as

also the availability of finance to meet both fixed and working capital requirements.

Mr Dipak Chakravarty, Chairman CII Assam State Council, and MD, Numaligarh Refinery, described CII's multi-pronged approach for the development of the MSME sector.

Mr. B.P. Muktieh, CMD, North Eastern Development Finance Corporation Ltd (NEDFi) said a cell has been set up to advise and guide entrepreneurs. NEDFi now offers loans at 8% to encourage local entrepreneurs, he added.

Roads, Power and Credit are the prerequisites for industry to grow, said Mr. Rajnish Kumar, Chief General Manager, State Bank of India. A dedicated branch for MSMEs is one of the many initiatives undertaken by SBI to promote the sector, he said.

Mr Rajesh Prasad, Commissioner, Industries, and MD, Assam Industrial Development Corporation, outlined the various schemes and initiatives undertaken by the Government for the growth of MSMEs.

A handbook for entrepreneurs was released on the occasion. A Bankers-Entrepreneurs Meet witnessed a lively discussion on issues of bank finance. The conclave also focused on Quality, Productivity and

Cost Management, which are some of the critical areas that need to be addressed to make the sector competitive.

Day 2 of the conference saw discussions on building industry partnerships where large players could source requirements from smaller players, as also on the role micro finance could play in supporting grass roots entrepreneurs. Senior officials from companies such as the Northeast Frontier Railways (NFR), Numaligarh Refinery Ltd, Indian Oil Corporation, etc, described their procurement policies for the MSME sector. The NFR, for example, procures 20% of its requirement of 6500 items ranging from brooms and dusters, to loco spares and electrical with a total worth of Rs. 1000 crore from the MSME sector. Further, to promote the MSME sector, NFR waives the earnest money, and no tender fees are required from these units.

The Conclave concluded with a fruitful interaction on micro finance chaired by Mr. K.N. Hazarika, former CMD, NEDFi. The main takeaway was a resolve to develop a road map for micro finance in the region by creating a corpus for a Research and Development and Impact Analysis Study, to define the optimal way to take the agenda forward.

## North

### Seminar on Affirmative Action

17 October, Chandigarh



Awareness session on Affirmative Action Initiatives in the Northern Region, in Chandigarh

An Awareness Session on Affirmative Action was organized for members to share and exchange best practices. Mr Hardip Singh Kingra, CMD, National Scheduled Castes Finance & Development Corporation, appreciated the CII Agenda of Affirmative Action, which has also been incorporated in the corporate agenda of its members, as a potent tool to eradicate inequality,

fight social injustice towards SC / STs and bring them into the mainstream.

### Edu Summit 2012

13 October, Chandigarh

Edu Summit 2012, with the theme of 'Taking Higher Education in the Northern Region to the next orbit' brought together academicians, corporates, financiers, educational consultants and students to deliberate on how Higher Education can be made more affordable, job-oriented, accessible, and relevant to industry needs. "Quality education is the key to inclusive



Release of the CII – Wazir Knowledge Paper on Higher Education, in Chandigarh

growth and the empowerment of a large section of the population,” emphasised Mr Dhanpat Singh, Financial Commissioner and Principal Secretary, Technical Education, Haryana.

## Power Reforms for the North

12 October, Chandigarh



Capt Ajay Singh Yadav, Minister for Power, Haryana; Sukhbir Singh Badal, Deputy Chief Minister of Punjab; and Debashish Mazumdar, Chairman, CII NR Committee on Power Reforms & Renewable Energy, and Director, Wartsila Power Plants, at the Conference on Power in Chandigarh

“Punjab will be a power surplus state by 2013 and would export power to other states and even to Pakistan,” announced Mr Sukhbir Singh Badal, Deputy Chief Minister of Punjab, at the conference on ‘24/7 Electricity for All.’

Capt Ajay Singh Yadav, Minister for Power, Haryana, shared that Haryana would soon be a power surplus state as well, provided the fault in the Yamunanagar thermal plant is recovered and the Jhajjar thermal plant is commissioned. He was hopeful that both these plants would be operational by the year-end.

Mr Debashish Mazumdar, Chairman, CII NR Committee on Power Reforms & Renewable Energy, and Director, Wartsila Power Plants, pointed out that most states in the Northern Region have a higher per capita power consumption than the all-India average of 779 KWh. Therefore, these states also need to raise their own power producing capacities to suffice the gap, he said.

## School Excellence Conclave

10 October, Chandigarh

A cross section of stakeholders including school principals and teachers, representatives from the industry and NGOs attended the ‘Conclave on School Excellence.’

“Imparting good quality education to all the children in the country is the biggest challenge India is facing today and to address this, we need good infrastructure,” said Mr Upkar Singh, DPI Schools, Chandigarh Administration. He urged teachers to take the role of partners in learning to raise the standard of education in the country.

## Thailand Trade Show

26 – 30 September, Chandigarh

The Thailand Trade Show, organised by CII (NR) and the Department of International Trade Promotion, Ministry of Commerce, Royal Thai Government, was inaugurated by Mr Anil Joshi, Minister for Industries & Commerce, Punjab, and Mr Soonthorn Chaiyindeepum,



Anil Joshi, Minister for Industries & Commerce, Punjab, and Soonthorn Chaiyindeepum, Minister, Royal Thai Embassy, inaugurating the Thailand Trade Show in Chandigarh

Minister, Royal Thai Embassy. B2B meetings between the traders, manufacturers and distributors of the two countries were also facilitated to take business ties to a higher level.

## Chandigarh

### CSR Summit

28 September, Chandigarh

Addressing the CSR Summit, Mr K K Sharma, Adviser to the Administrator, Chandigarh Administration, urged Government, contractors, corporates and NGOs to become more sensitive to the plight of labourers, especially in the construction sector. Mr Sameer Goel, Chairman, CII Chandigarh Council, said that Corporate Social Responsibility is very much a corporate agenda and no more a voluntary role. The corporate sector treats it as an investment to organisational development.”

## Delhi

### 25th Quality Circle Competition

5 October, New Delhi

Quality circles from Bharat Electronics Ltd, Tata Motors Ltd and Denso India bagged the top three positions in the QC preliminaries. These teams will now participate in the Regional Final as a pre runner to the National Competition.

### Banking & Finance Knowledge Series

5 October, New Delhi



Banking & Finance Knowledge Series in New Delhi

The roundtable series is an effort by the CII Delhi State Council to bring financial institutions and corporates on a common platform to build a healthy financial ecosystem. The bankers shared their perspectives on advancing credit and the challenges faced in today's economic scenario.

### MoU with French Organisations

12 October, New Delhi  
CCII Northern Region, Nord France Invest and CCI International Nord De France signed a MoU to strengthen economic and commercial cooperation between India and Northern France. The MoU was signed by Mr



**Virat Bhatia**, Chairman, CII Delhi State Council, and President – IEA, South Asia, AT&T, and **Luc Doublet**, President Nord France Invest & CCI International NDF, in New Delhi

Virat Bhatia, Chairman, CII Delhi State Council, and President – IEA, South Asia, AT&T, and Mr Luc Doublet, President Nord France Invest, and CCI International NDF, to encourage co-operation between these organisations and their member companies in investment, trade promotion, technology and business co-operation.

### Jammu & Kashmir

#### Interaction with Dr M Veerappa Moily

10 October, New Delhi



**Dr. M Veerappa Moily**, Union Minister for Petroleum and Natural Gas (then Union Minister for Power and Corporate Affairs) with CII members in New Delhi

A delegation led by Mr Waseem Trumboo, Chairman, CII J&K State Council, met Dr. M Veerappa Moily, Union Minister of Union Minister for Petroleum and Natural Gas (then Union Minister for Power and Corporate Affairs). They urged the Minister to reopen the Registrar of Companies' office in Srinagar and also requested waiving of the Minimum Alternative Tax which is to the tune of 18 %, for industries of J&K, as a special case.

### Sustainable Water Management

12 October, Jammu

Mr Ramani Iyer, Vice Chairman, Forbes Marshall Ltd, shared that in India, between 2010 to 2050, the use of water in industry would grow to 13% from the current 8 % and the per capita surface water availability would come down from 2309 cu m in 1991 to 1235 cu meters in 2050.

### Empowering Investors Through Education

19 October, Srinagar

In the workshop, Mr Harbinder Singh Sokhi, Regional Manager, Bombay Stock Exchange (BSE), highlighted the importance of analyzing company performance before investing in the share market. He also explained different investment methods and planning for secure investments.

### Uttar Pradesh

#### Building Ties with USA

5 October, Lucknow



**Ron Somers**, President, USIBC; **Kaushal Raj Sharma**, Jt Executive Director, Udyog Bandhu, UP; **Ajay Banga**, Chairman, USIBC, and President & CEO, Master Card Worldwide; and **Jayant Krishna**, Co-Chairman, CII NR Special Task Force on Skills & Education and Principal Consultant & Head -TCS, at an interaction in Lucknow

Mr Ajay Banga, Chairman, US – India Business Council (USIBC) and President & CEO, Master Card Worldwide, and Mr Ron Somers, President, USIBC, interacted with CII members and senior bureaucrats in the state government to understand the general business and investment climate in Uttar Pradesh, and also gain perspectives on prospects of collaboration for US companies.

### Industry Interface at Kanpur

10 October, Kanpur

To draw the attention of the Government to Kanpur, the Manchester of the East, CII organized an Industry Interface and press conference to highlight policy measures and recommendations to revive Kanpur.

### World Standards Day

15 October, Lucknow

To salute the voluntary work of all those visionary experts who bolster the governing dynamics behind standardization, CII and Tata Motors celebrated World Standards Day with the theme of 'Less waste, better results – Standards increase efficiency.'

## Western UP

### Study Mission on Manufacturing

8-9 October, Bangalore

A study mission on 'Practicing Quality for World Class Manufacturing' visited Bangalore to observe the excellent work being done by companies there in developing and practicing various best manufacturing practices across different sectors.

### 25th QC Competition

12 October, Noida

The Quality Circle from Napino Auto & Electronics Ltd Gurgaon was the winner at the 25th Quality Circle Western UP Zonal Preliminary Competition 2012 – 2013, while teams from Denso India Ltd., and Bharat Electronics Ltd. Kotdwara, were the runners-up.

### Interactive Session on Service Tax

18 October, Noida

A half day interactive session on 'Service Tax – Negative List & Recent Changes' apprised members of the recent changes in Service Tax regulations.

## Uttarakhand

### Ukhimath Relief Initiative

2 - 3 October, Ukhimath

The CII Uttarakhand State Council team undertook distribution of relief material to more than 150 families

from Premnagar, Chunni, Mangoli, K i m a n a , Bhrmankohli, Bedula, Giriya, Gandhinagar, Salami and Dunger Semla.



Dr Aziz Qureshi, Governor of Uttarakhand, flagging off the relief material in Ukhimath

The relief work was carried out in consultation with and with the active support of the District Administration and the Bharat Sewa Ashram.

### CII Uttarakhand – Tata Motors Cricket Cup

21 October, Dehradun

The grand finale of the CII Uttarakhand Tata Motors Cricket Cup saw Minda Corporation emerge as the winner of the tournament and ITC as the runner up.



Winning team from Minda at the CII Uttarakhand - Tata Motors Cricket Cup in Dehradun

Mr Dinesh Agrawal, Minister, Sports, Uttarakhand, and

Mr Ajay Kumar Pradhyot, Secretary, Sports, Uttarakhand, were present on the occasion.

## South

### Programme for Trade Union Leaders

3-4 October, Chennai



Session with Trade Union leaders in Chennai

The programme was held to develop leadership qualities in internal Trade Union leaders. Mr Mohan Pyare, Principal Secretary- Labour, Tamil Nadu, addressed the participants.

### Interactive Sessions on Macedonia

3, 4, 8,9 October, Thiruvananthapuram, Hyderabad, Bangalore, Chennai

A series of interactive sessions were held in different

cities with Mr Zoran Stavreski, Deputy Prime Minister and Minister of Finance, Republic of Macedonia, to explore emerging opportunities in sectors such as Agriculture, Automotive Components, Chemicals, Construction, Energy, Healthcare, ICT, Metal, Mineral Resources, Textile,



Viktor Mizo, General Director, SEZs, Macedonia; Bill Pavleski, Minister of FDI, Macedonia; Zoran Stavreski, Deputy Prime Minister and Minister of Finance, Macedonia; and S Chandramohan, Chairman, Task Force on Economic Affairs and Governance, CII (SR) and President and Group CFO, TAFE Ltd, at an interaction in Chennai



**Mariana Meirelles**, Vice President, Brazilian Business Council for Sustainable Development; **Masatoshi Sato**, Chairman, Sampo Japan Insurance Inc, and Chairman, Keidanren Committee on Nature Conservation, Japan; **Pavan Sukhdev**, Founder CEO, GIST Advisory; **Jayanthi Natarajan**, Union Minister of State (IC), of Environment & Forests, India; **Bomo Edith Edna Molewa**, Minister of Water and Environment Affairs, South Africa; **Nik Senapati**, MD, Rio Tinto India; **Anil Kumar V Epur**, Past Chairman, CII-SR; and **James Griffiths**, MD, Ecosystems, & Sustainable Forest Products Industry, World Business Council for Sustainable Development; at the COP 11 conference in Hyderabad

Tourism, and Trading. Mr Zoran Stavreski, Deputy Prime Minister and Minister of Finance, Mr Bill Pavleski, Minister of FDI, and Mr Viktor Mizo, General Director, SEZs, Republic of Macedonia addressed the sessions.

## Andhra Pradesh

### Interactive Session on Service Tax

11 October, Hyderabad

Mr. Sashi Bhushan Singh, Chief Commissioner, Customs, Central Excise and Service Tax, Hyderabad, as well as the zonal commissioners, clarified various issues relating to Customs, Central Excise and Service Tax raised by industry members.

### Special Event at COP 11 Conference

16,17 October, Hyderabad



Special session at the Convention on Biological Diversity in Hyderabad

CII, in association with the World Bank and GTI, organized a special event at the COP 11 – Conference on Biodiversity, on ‘How Wildlife Conservation can make Business Sense’ to strengthen business involvement and provide industry’s stewardship in wildlife and biodiversity conservation. CII has entered into a MoU with the World Bank and the International Finance Corporation for setting up the Indian Wildlife Business Council (IWBC).

### Interaction with Affiliated Associations

17 October, Hyderabad

The interactive meeting with affiliated associations briefed members on CII initiatives, especially with regard to the industry policy related issues. The power issue was discussed widely.

### Meeting on Business & Biodiversity at COP-11 Conference

18 October, Hyderabad

The Breakfast Meeting discussed the elements of the COP 11 draft business decision and put these elements into context. Ms. Jayanthi Natarajan, Union Minister of State (Independent Charge), Environment and Forests, and Ms. Bomo Edith Edna Molewa, Minister of Water and Environment Affairs, South Africa, were the key speakers.

### Workshop on Project Management

19 October, Hyderabad

The workshop helped the participants understand the need for sound project management and skillfully manage projects, large or small. It touched upon managing the entire lifecycle of a project: how it is initiated, planned, executed, monitored, controlled and closed.

## Karnataka

### Industrial Relations during Business Volatility

27 September, Bangalore



Conference on ‘Industrial Relations during Business Volatility’ in Bangalore

With the Indian economy open to global events, the volatility in the business environment has affected all the stakeholders in the economic structure of this country. A CII conference discussed ‘Industrial Relations during Business Volatility.’

### Competency Modeling

16 October, Bangalore

Competency modeling has become increasingly popular as a method for understanding the attributes needed to be successful in the workplace because it ties the specification of job requirements to descriptions of organization strategy.

## Puducherry

### 5S & Workplace Management

19 October, Puducherry

Good work place management is fundamental to improvement and growth. All leading manufacturing excellence activities like Six Sigma, Lean Manufacturing, TPM, etc, have 5 S as their basic activity. In addition, a neatly kept work place reduces accidents, eliminates wastage and brings down absenteeism, thereby pulling down the costs significantly.

## Coimbatore

### HR Conclave

12 October, Coimbatore

The Conclave discussed the challenges in present day Industrial Relations in different manufacturing belts of the region and devised recommendations to evolve an integrated HR & IR policy for the country. Mr Mohan Pyare, Principal Secretary – Labour & Employment, Tamil Nadu, addressed the Conclave.

### Solar Thermal-based Applications

13 October, Coimbatore

CII Coimbatore Zone and Pricewaterhouse Coopers (PwC), with the Union Ministry of New & Renewable Energy, and with support from the United Nations Industrial Development Organization (UNIDO), organized a workshop on Promotion of Solar Thermal based Industrial & Commercial Process Applications in India, to understand the needs of the end users and the barriers and risks perceived by them in technology integration and implementation. Mr Mark Draeck, Industrial Development Officer, Renewable Energy & Climate Change Branch, UNIDO, and Mr S K Singh, Director, Solar Energy Centre, Union Ministry of New and Renewable Energy, were the key speakers.

### First Responder Workshop

19 October, Coimbatore

The workshop focused on three topics: Abdominal Emergencies, Industrial Accidents & Emergency Transportation, and Handling Difference Types of Poisoning.

## Erode

### Recent Trends in Business Strategy

10 October, Erode

The session was organized on the concept of Blue Ocean Strategy which believes in generating high growth and profits in organizations by creating new demand in an uncontested market space.

## Micro-level Job Fair

13 October, Erode

CII, jointly with the Tamil Nadu Skill Development Mission organized a micro-level job fair for job seekers in private companies. More than 40 employers participated in the fair.



Micro-level Job Fair in Erode

## Family Business Sensitization Session

16 October, Erode

The session guided family business owners and their successors through the strategic business and family issues they need to identify and confront in the process of developing and implementing business strategy.



Family Business Sensitization Session in Erode

## Madurai

### MEDEX 2012

20, 21 October, Madurai

The MEDex 2012 conference cum exhibition was inaugurated by Mr Sellur Raju, Minister for Co-operation, Tamil Nadu, in the presence of Mr. Anshul Mishra, Collector, Madurai District.



At MEDex 2012 in Madurai

## Trichy

### Parenting Adolescents

20 October, Trichy

The session discussed the handling of adolescent children with necessary care.

## Salem

### Industry – Institute Interaction

5 October, Salem

The Industry – Institute interaction with Dr S Ramesh Babu, Associate Vice President, Infosys Ltd facilitated the knowledge of industry to students.

## Thoothukudi

### CEO Connect Session

8 October, Thoothukudi

In a CEO Connect Session, Mr RG Chandramogan, CMD, Hatsun Agro Products Pvt Ltd, shared his views and thoughts on industrial development with different stakeholders.

### HR & Quality Mission

26 September, Chennai



HR & Quality Mission team

The mission to Carborundum Universal Ltd & Wheels

India Ltd facilitated the learning of the best HR Practices and quality standards followed in both companies.

## Visakhapatnam

### Leadership & Team Building

16 October, Kakinada

The workshop stressed the importance of Leadership and Team Building in today's corporate world.



Michael Carter,  
Consul -  
Commercial  
& Trade  
Commissioner  
for South India,  
Australian Trade  
Commission

### Trade with Australia

18 October, Visakhapatnam

The interactive session with Mr Michael Carter, Consul – Commercial and Trade Commissioner for South India, Australian Trade Commission, discussed bilateral trade and the scope for cooperation in sectors such as Education, Mining, Infrastructure, Technology Transfer, Innovation, Agro processing and Tourism between India and Australia.

## West

### Gujarat

#### Visit to Pipavav Port

6 October, Pipavav

The objective of the visit was to understand the customs clearance procedures, practices of logistics operations and facilities available at Pipavav Port, and discuss key issues related to it.

#### Interactive Session on Australia

9 October, Vadodara



Patrick Kearins, Consul Commercial & Trade Commissioner, Western India, Australian Trade Commission, addressing CII members in Vadodara

An interactive meet with Mr Patrick Kearins, Consul Commercial & Trade Commissioner, Western India, Australian Trade Commission, gave a brief overview of investment and trade opportunities with Australia,

and explored ways to do business with Australian companies.

#### Kaizen Competition

16 October, Vadodara

Sixteen teams participated in the first Gujarat Kaizen Competition. The winning teams were from L&T MHI Boilers, FAG Bearings India Ltd., and Madhav Agro Foods Pvt. Ltd.



Kaizen Competition winning team from L & T MHI Boilers Ltd., in Vadodara

#### CII 'Connect' Lecture Series

17 October, Rajkot

Captain (Retd) Jaidev Joshi, who has been awarded the prestigious Chief of Army Staff's Commendation Card, delivered highly inspiring views based on real life experiences on professional practices and entrepreneurial abilities.

#### Finance for Non-Finance Executives

18 October, Vadodara

The in-house workshop oriented HR executives with the basics of finance, such as audit, balance sheet, profit and loss statement, etc.



Interactive Meet in Bhavnagar

## Interactive Meet

19 October, Bhavnagar

The interaction discussed the development and growth of industries in Gujarat and how CII can play a strong role to achieve the vision for the state.

## Gujarati Workshop

25 October, Vadodra

The workshop discussed 'Effective Communication through Team Building' in the vernacular Gujarati language. The programme helped participants recognize communication as a two-way process and identify the characteristics of effective communication.

## Mentor Program for Women Entrepreneurs

25-27 October, Vadodra

The workshop made 25 rural SC /ST women entrepreneurs aware about the Food (Pickle) Processing Industry and trained them in the areas of standardization, packaging, preserving, costing and budgeting. The mentor programme was organized with the support of Madhav Agro Foods Pvt. Ltd.

## Hospital Tech & Health & Hospital Conclave

27-28 October, Ahmedabad

The 2nd edition of 'Hospital Tech 2012' – a two-day exhibition on medical equipments and hospital infrastructure was organized concurrently with the Health



Inauguration of Hospital Tech 2012 in Ahmedabad

& Hospital Conclave. The discussions at the two-day event, revolved around the main theme of 'Opportunities & Challenges for Healthcare Sector.'

The event was supported by various industry associations such as the National Accreditation Board for Hospitals & Healthcare Providers, the Indian Hospital Association – Vadodra Chapter, the Indian Association for Medical Informatics, and the Ahmedabad Medical Association. The exhibition on medical equipment and hospital infrastructure, 'Hospital Tech 2012,' drew participation from 70 companies. Two workshops on 'Methodology behind Cleaning & Hygiene' and 'Cloud in Healthcare' were also organized.

## Doing Business with Australia

30 October, Ahmedabad

Mr Howard Ronaldson, Secretary, Department of Business and Innovation, State Government of Victoria, Australia, on a visit to India, discussed opportunities emerging from the growing partnership between India and Australia.

## Madhya Pradesh

### Roadshow on Public Healthcare

1 October, Trivandrum

CII organized a road show for the Public Healthcare & Family Welfare Department, to promote its new policy, benefits and opportunities in investment in Madhya Pradesh in the Healthcare and Pharmaceuticals sector. Mr Pravir Krishan, Principal Secretary, Public Healthcare & Family Welfare, and Dr M Geetha, Controller Food and Drug Department, Madhya Pradesh, interacted with investors in the road shows organised at different cities.

### Roadshows for Warehousing & Logistics

9, 11, 12, 21, 22 October, Bhopal, New Delhi, Mumbai, Lucknow, and Kanpur

CII organized a series of road shows for the MP Warehousing Logistics Corporation to promote opportunities in investment in Madhya Pradesh in the Warehousing and Logistics sector. Mr Paras Chandra Jain, Minister for Food, Civil Supplies & Consumer Protection; Mr Antony De Sa, Additional Chief Secretary,

Food Civil Supplies & Consumer Protection; and Mr S S Shukla, MD, WLC, interacted with investors in the road shows in different cities.

## Sectoral Seminars

29 - 30 October, Indore

On the side-lines of the Global Investors Summit 2012, a series of knowledge forums in the form of seminars were organised, focusing on key growth sectors of the State. CII arranged sectoral seminars for the departments of Healthcare & Pharmaceuticals, Automobile & Engineering, Agribusiness & Food Processing, Urban Development, New & Renewable Energy, Textile & Apparels, Warehousing & Logistics, Tourism & Hospitality, and Technical Education & Skill Development.

## Maharashtra

### Programme for Trade Union Leaders

6 October, Mumbai

The leadership programme was designed for TU leaders to create a better working environment and communication between employees and management, to build a more profitable business. Eminent and senior HR leaders across verticals discussed about practical applications of best practices, and how to adapt them to the changing work culture and emerging practices.

### CFO Meet 2012

9 October, Pune



CFO Meet in Pune

The CFO Meet 2012, on 'Expanding Horizons in Turbulent Times' looked at the new role of the CFO in managing risk in today's increasingly integrated and evolving economic environment.

### Roadshow on Credible Chhattisgarh

10 October, Mumbai

Chhattisgarh is looking to actively promote overall industrial development with specific focus on sectors such as Minor Forest Products, IT & ITeS, Agro & Food Processing, Automotive & Engineering, Biotechnology & Pharmaceuticals, Tourism & Healthcare, Urban



Conference on Waste Management in Mumbai

Infrastructure, Handicrafts and New & Renewable Energy. A high level government delegation led by Dr Raman Singh, Chief Minister of Chhattisgarh, and other senior decision-makers from the concerned departments, visited Mumbai to discuss mutual areas of interest and partnership. CII Maharashtra facilitated industry participation for the session in Mumbai.

### Waste Management

11 October, Mumbai

The conference created awareness about the latest technologies and developments in Waste Management and key environmental and health challenges. It also facilitated the exploration of new business opportunities in green companies, e-waste management and solid waste management, etc. Experts from India's leading organizations shared their rich experience, expertise and best practices at this Conference.

### Roundtable on Strategy

16 October, Mumbai

Dr Thomas Nagle, Senior Partner Emeritus and Senior Advisor with the Monitor Group, an international strategy consultancy, is an expert on B2B pricing and the author of the classic book, 'The Strategy and Tactics



Dr Siddhartha Roy, Economic Advisor, Tata Group, and Dr Thomas Nagle, Senior Partner Emeritus and Senior Advisor, Monitor Group, at a roundtable in Mumbai

of Pricing'. The discussions at this exclusive breakfast session centered around the approaches to margin expansion, including pricing strategy, of significant interest to Indian businesses.

### Affirmative Action Initiative

16 October, Pune

CII, in association with Forbes Marshall Pvt Ltd, launched

an instrumentation course for a batch of 25 engineers. The 12 week programme is a 5 days a week full day course for technical training in Instrumentation and Control. Joint Certification by CII and Forbes Marshall Pvt Ltd will be given to the students.

### 25th QC Circle Competition

18 October, Kolhapur



QC Circle Competition winning team from Godrej Industries Ltd, in Mumbai

The 25th QC Circle State Level Competition attracted participation from 28 teams from different zones. The top three teams were from Godrej Industries Ltd, Mumbai, Minda Industries Ltd, Pune, and Tata Motors Ltd, CVBU, Pune.

### Interaction with Chief Secretary, Maharashtra

19 October, Pune

The interactive session with Mr Jayant Kumar Banthia, Chief Secretary, Maharashtra, was organised to unveil the Maharashtra State Skill Development Society's stakeholders web portal, and also to update him on the CII-Yi ITI Finishing School e-learning module

rollout in Maharashtra and pan-India.

Mr Banthia, while complimenting CII and Tata Motors for their initiatives in skill development, pointed out that the 'unemployability' market is larger than the employability one. Thus students need value-additions to the traditional diploma courses taught by ITIs.

### FM India 2012

19 - 21 October, Pune



Inauguration of FM India in Pune

FM India 2012, an exhibition-cum-conference on Facility Management, had the theme of 'New Dimension in Facility Management.' The event was supported by the Pimpri Chinchwad Municipal Corporation, as well as the Indian Pest Control Association, Indian Plumbing Association, National Solid Waste Association of India, and the Solar Energy Society of India. The Exhibition and Summit was inaugurated by Mr A S Sawant, Joint Commissioner, Pimpri Chinchwad Municipal Corporation.

The event targeted the Facility Management Services in India, which is gaining huge importance in the effective functioning of businesses today.



Jayant Kumar Banthia, Chief Secretary, Maharashtra; Anadi Sinha, General Manager – HR, Tata Motors Ltd; Vijay Kumar Gautam, Commissioner - Employment, Self-Employment & Skill Development, Maharashtra; and Pradeep Bhargava, Chairman, CII Western Region, and Director, Cummins Generator Technologies Pvt Ltd, at an interaction in Mumbai

# Retracing the Path to Prosperity

## Lessons from India – China Business Partnership

The book tells stories of companies as diverse as Infosys, Mahindra, Dr Reddy's Labs, United Phosphorus, Sterlite and Adani Power, amongst others. These stories reveal that there is no one formula which can predict how a company can establish a strong presence outside its home market. But collectively, they show that, for the two large Asian economies which are on the threshold of regaining their pre-eminent position in the world economy, there is no other option but to understand the opportunities that the 21st century presents, and make the most of them.



**B**eing in China provides Indian companies not only a platform for growth in the world's second-largest economy, but international experience that can be parlayed into opportunities in markets around the world. And for the Chinese cities, provinces and regions that are the focus of investment by Indian companies, their presence brings employment, economic growth, and a commitment to the communities and people with which they interact. These companies and investors are helping to build up a strong sense of 'Brand India' in China, showing that Indian companies and people are valuable business partners. In industries ranging from raw materials and heavy industry through information technology and consulting, nearly 200 Indian companies are already participating in China's remarkable growth story, recognizing that their presence in the country is integral to their global success. This publication distills their experience and draws valuable lessons for economic cooperation.

### Leading the Innovation Charge

As China gradually tries to move away from

investment-driven growth and an export model based on low-cost manufacturing, innovation is playing an increasingly crucial role in the country's next stage of development. In the 12th Five-Year Plan, which runs through 2015, Beijing has put a priority on advanced industries including IT, new energy, biotechnology, and energy conservation.

China has also set specific goals for innovation, including a target of 3.3 patents per 10,000 people. Government investment in key areas including scientific research, IT and environmental protection is likely to total several billion dollars over the five years, according to industry estimates. The plan is designed to move the country up the value chain in manufacturing, while also establishing it as a centre of innovation and cutting-edge companies.

Like any top-down plan, however, the key is in the implementation. Governments can help fund and create environments conducive to innovative activity, but ultimately innovation is up to the innovators themselves, be they from China or overseas. Indian companies present in China are finding that they have a strong role

to play in this process, as they bring their technology and managerial and technical expertise to the country, boosting their own innovative capabilities — and China's as well.

### Conquering Global Markets

China's strengths in manufacturing are well known, and not just with the relatively low value-added products that helped to establish it as an export powerhouse. Advanced processes and techniques have convincingly changed the concept of 'Made in China,' putting the country at the forefront of high-tech manufacturing.

Chinese manufacturing is particularly attractive to Indian firms, which may not always have a sufficiently strong manufacturing capability in India. Major Indian companies cite the advantages of manufacturing in China in providing Indian firms the perspective of operating on a larger scale and with larger volumes, as their executives note that economies of scale in China, together with significant standardisation and repetitive skills, give rise to operational efficiencies that ultimately lower the cost of production, even at the high end. The result is stronger global competitiveness.

### Grooming World-class Managers

The strength of a company ultimately lies in its people. As such, successful long-term development in China is largely dependent on finding the team who will lead the company to success. And local Chinese are increasingly considering Indian companies an attractive place to work in.

Hiring locally brings benefits in terms of local market knowledge and understanding, as well as helping to convey a message of commitment to the local market. But, despite its population of over 1.3 billion, the battle for talent in China is fierce. With over 200,000 Chinese completing tertiary studies abroad and returning to China to pursue their career, the situation is improving somewhat, but the demand for high caliber graduates still far outweighs supply. Finding effective ways to attract and retain talented employees remains a common concern for many companies operating in China.

India offers a deep pool of managerial and technical talent, as well as a strong entrepreneurial tradition. This forms a key competitive strength of Indian companies, who are able to bring this knowledge and experience to China and leverage it to establish

an equally valuable talent pool here.

### Boosting the Local Economy

For years, 8% has been China's official target for national economic growth, and for years, it has surpassed that figure. It is only recently that China's leaders have set lower targets in the hope that breakneck speeds might be replaced with more sustainable levels of growth.

Talk of a slowdown might raise doubts among potential investors into China—but the reality is that a new, lower target of 7.5% growth still represents a significant expansion. Lower growth rates also indicate that the Chinese economy may be moving into a new, more developed phase, in which heavy government investment plays a lesser role, and in which domestic consumption becomes increasingly important. While headline growth figures may be lower, the end result should be a healthier, more balanced economy, with benefits for Chinese people and foreign investors alike.

Indian companies with a presence in China have been a part of the transition through direct investment, by providing employment opportunities for Chinese citizens, and by finding and developing investment opportunities for Chinese investors to enter the Indian market.

### Giving Back to Society

For any company wishing to establish a positive reputation and build a lasting future in China, demonstrating a commitment to the country and its people is essential. Beyond localizing operations, creating jobs and contributing to the economy, it is crucial to make a meaningful contribution to society.

This became particularly evident following the Sichuan earthquake in 2008. At this time, certain multinationals came under fire from Chinese consumers with accusations that their contributions to disaster relief did not match up to the size of their presence in China. The sentiment was clear; companies making their fortune in China have a duty to give something back.

Many Indian companies have a deeply rooted sense of corporate and environmental responsibility and have been active in China; selecting projects aligned with their corporate values, or specific areas of expertise, and making valuable contributions to society.

'Retracing the Path to Prosperity – Lessons from India-China Business Partnership,' a CII - Embassy of India Beijing publication, was released at the India Show in Beijing on 26 October. For more details, please contact: [eb.rajesh@cii.in](mailto:eb.rajesh@cii.in)