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# CII COMMUNIQUÉ

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## UNION BUDGET TARGETS

# GROWTH

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CII Missions to  
Japan and Malaysia

CII -BCG Report

19th Edition of IETF

Corporate  
Governance Series

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# India and Japan sign CEPA

**INDIA AND JAPAN** formally signed the Comprehensive Economic Partnership Agreement (CEPA) on 16 February, during the visit of Mr Anand Sharma, Minister for Commerce and Industry, India, to Japan.



Seiji Maehara, Foreign Minister, Japan; and Anand Sharma, Commerce and Industry Minister, India; with Hari S Bhartia, President, CII, and Co-Chairman & MD, Jubilant Bhartia Group; at the signing ceremony of the CEPA between India and Japan, in Tokyo

opportunities and improving the investment environment, besides ensuring protection of Intellectual Property Rights.

Coinciding with the visit of Mr Anand Sharma to Japan, CII organised a

Expressing his optimism on the signing of CEPA between the two countries, Mr Hari S Bhartia, President, CII, said "The CEPA signed between India and Japan is essentially the first step towards the process of building a strong, sustainable and a mutually beneficial economic relationship between the two countries. We are confident that the CEPA will catapult the bilateral economic relationship between India and Japan to a higher trajectory."

The India - Japan CEPA, after its implementation, is expected to eliminate tariffs on 94% of India-Japan bilateral trade flows over the next 10 years. The CEPA also aims at liberalizing the trade in Services. The pact would also help in increasing investment

16-member business delegation to Japan from 15-16 February. The CII delegation, comprising of top business leaders, was led by Mr Hari S Bhartia, and included Mr Amitabh Kant, MD & CEO, DMICDC, Mr. Rajesh Shah, Past President, CII, Mr. Ramesh Adige, President, Ranbaxy Laboratories Ltd, Mr Rahul Desai, MD, Religare Enterprises Ltd. and Mr. Chandrajit Banerjee, Director General, CII, amongst others.

The members of the delegation also participated in a Business Conference in Tokyo organized by Nippon Keidanren, a leading industry chamber of Japan and a MoU Partner of CII. Mr Anand Sharma delivered the keynote address at this conference. ■



CEOs delegation to Japan with Anand Sharma in Tokyo

# India - Malaysia Bilateral CECA

**MR ANAND SHARMA**, Union Minister of Commerce & Industry, India, and his Malaysian counterpart, Mr Mustapa Mohamed, Minister for International Trade & Industry, signed the India-Malaysia Comprehensive Economic Cooperation Agreement (CECA) in the presence of Malaysian Prime Minister, Mr Mohd Najib Tun Razak at Putrajaya in Malaysia on 18 February. The signing of this Agreement concludes the processes for implementing the CECA from 1 July 2011.



Y.B Datuk Seri Mustapa Mohamed, Minister of International Trade & Industry, Malaysia; and Anand Sharma, Minister of Commerce & Industry, India; exchanging the CECA documents while Dato' Sri Mohd Najib Tun Abdul Razak, Prime Minister of Malaysia, looks on

The India-Malaysia CECA is a comprehensive and ambitious agreement that envisages liberal trade in goods and services and a stable and competitive investment regime to promote foreign investment between the two countries. The goods package under the CECA takes the tariff liberalization beyond the India-ASEAN FTA commitments on items of mutual interest for both countries.



B Muthuraman, President-Designate, CII, and Vice Chairman, Tata Steel Ltd

Under the agreement, India will get market access in Malaysia for goods including fruits such as mangoes, banana and guava, basmati rice, two wheelers and cotton garments. At the same time, protection continues to be provided for the sensitive sectors. Under the services agreement, India and Malaysia have provided commercially meaningful commitments in sectors and modes of interest to each other which should result in enhanced services trade. Sectors such as accounting and auditing, architecture, urban planning, engineering services, medical and dental, IT and ITES, management consulting services, etc. would get Malaysian market access. Two - way flow of investments are also expected to get a boost.

Malaysia has offered a comparatively higher level of FDI in key sectors of interest to India such as construction services (51%), computer and related services (100%), management and consultancy services(100%). This is a breakthrough, given that Malaysia has a Bhoomiputra

policy which mandates 30% equity participation by local companies.

The Agreement will come into effect on 1 July 2011 and the first review will be held within a year of coming into force.

Malaysia is the 3rd largest trading partner of India amongst the ASEAN (Association of South East Asian Nations) countries. India-Malaysia trade increased from US\$ 3.52 billion to US\$ 9.03 billion between

2005 and 2010 after reaching a peak of US\$ 10.65 billion in 2008.

Mr Sharma led a high-level business delegation to the event, including CEOs of top CII member companies in India, Mr B Muthuraman, President-Designate, CII, and Vice Chairman, Tata Steel, Mr Deep Kapuria, Chairman, Hi-tech Gears, Mr. Ranganathan Venkata Sheshan, CEO, MAS GMR Aerospace Engineering Company Ltd, Mr. Manish Singhal, Executive Director – International Business Division, Bharat Earth Movers, Dr Debashis Sarkar, General Manager,

Coal India, Mr P. S. Nair, CEO- Corporate (Airports Sector), Delhi International Airport, and Mr Umang Sharma, CEO & Director, Bry-Air Asia Pvt Ltd.

Earlier, Mr Anand Sharma called on the Malaysian Prime Minister to apprise him of the steady growth in bilateral economic engagement and the excellent relations between the two countries. Mr Sharma expressed the hope that the bilateral trade target of US\$ 15 billion by 2015 set during the visit of the Indian Prime Minister to Malaysia last October would be achievable with the signing of the bilateral CECA.

During his meeting with Mr Mustapa Mohamed, MITI Minister, Mr Sharma discussed a wide range of bilateral and regional matters including the Delhi-Mumbai Industrial Corridor project, the progress under the India-ASEAN Services & Investment Agreement negotiations, and the Comprehensive Economic Partnership in East Asia (CEPEA). ■

## Financial Inclusion

# From **Obligation** to **Opportunity**

The task is Herculean, and challenges infinite, in taking basic financial services to the Indian masses. But innovative paradigms can help convert 'Obligation' into 'Opportunity', finds the CII-BCG Report on Financial Inclusion



B Muthuraman, President-Designate, CII, and Vice Chairman, Tata Steel Ltd; Pranab Mukherjee, Finance Minister of India; Hari S Bhartia, President, CII, and Co-Chairman & MD, Jubilant Bhartia Group; and Chandrajit Banerjee, Director General, CII

**MR. PRANAB MUKHERJEE**, Finance Minister of India, released the Confederation of Indian Industry (CII) and the Boston Consulting Group (BCG) Report on 'Financial Inclusion– From Obligation to Opportunity' on 5 March in New Delhi.

The report is based on a nation-wide survey covering around 12,000 customers, to understand their needs in terms of credit and financial products and the difficulties they face in meeting these. It aptly brings home the extent and nature of financial exclusion in India through select customer profiles, that range from a rickshaw puller in New Delhi earning Rs. 36,000 per annum to a shop owner in Ultadanga, West Bengal, earning Rs. 60,000 per annum.

The survey reveals that the extent of financial inclusion

in India is 47% of Indian households, the criteria being the household owning a bank account. The situation is grimmer in rural India because, despite having 80,500 bank branches spread across the length and breadth of the country, only 5% of India's over 600,000 villages have a bank branch. Thus, the task of inclusion is Herculean, and challenges infinite in taking the basic financial services to the masses.

But obligation is just one side of the coin. The other side constitutes nothing less than a profitable business opportunity hidden in the process of including the vast multitudes in the financial ambit. The late management guru, Prof C. K. Prahalad asserted that fortune lies at the bottom of the pyramid. Indeed, ample business potential lies at the bottom of the Indian financial pyramid, given



the vast untapped population, argues the report.

The report observes that daily wage earners, monthly wage earners, seasonal earners and a part of the self-employed generally constitute the financially excluded lot, who, on account of their low income, face constraints in saving and look out for short term consumption loans. Interestingly, they opt for borrowing at higher costs due to the mere easy accessibility of the local money lender, friend or relative. Here, the banks have traditionally come to the rescue of the under-privileged, but at costs amounting to 10 to 12 times the revenues generated. The report indicates that continuing with this model would cost the central exchequer a whopping Rs. 20,000 crores annually. However, recently, with RBI Business Correspondent (BC) Guidelines – one of the most liberal guidelines in the world, the payment disbursements cost just 3 to 4 times the revenues. Hence, the challenge for corporates and the government is to transform this obligation to an opportunity.

According to the report, the journey from social obligation to business opportunity in the financial inclusion exercise runs through two routes – the ‘**Opportunity**’ paradigm and the ‘**Enabling**’ paradigm. The opportunity paradigm implies that financial service providers need to adopt certain cost reduction initiatives like technology, efficient distribution and minimum manpower employment coupled with revenue enhancement initiatives in terms of product targeting and new business models.

The report suggests that the opportunity paradigm would not only enhance the extent of financial inclusion from 47% to 65% but would also fetch extra profits worth Rs. 1,500 crores to the service providers annually. Besides, marginal new customers would pay charges far lesser (22-28% interest rates against 50-60% previously, and just 5 to 10% remittance charges against 30 to 100% previously) than what they paid while dealing with informal sector service providers, though these would stand typically higher than those for the bank’s existing higher ticket size customers. Thus, it’s a win-win situation for both the service providers as well as the customers! The report, however, cautions that in this paradigm the customers would pay higher service charges than they currently pay, and this may not be welcome in India. Further, it cautions that the opportunity paradigm could still leave some space for further financial inclusion as service providers would target selectively.



To overcome the odds of the opportunity paradigm, the CII-BCG report suggests combining this opportunity paradigm with the enabling paradigm, wherein policy makers would usher in a conducive and enabling environment through adequate regulatory and policy initiatives. In this regard, the policy

makers could support further reduction in interest rates and remittance costs, than those incurred in the opportunity paradigm. This could further augment the extent of financial inclusion to 80%.

The report observes that financial inclusion could be a reality given the support of policy makers and a proactive role by the financial service providers. It precisely outlines a fifteen point agenda for the service providers, the government and the regulator.

#### **Agenda for Market Participants**

- Cut on human resource costs
- Build a low-cost network
- Adopt cost effective technology
- Use ‘ADHAR’ platform
- Create targeted products and services
- Move from float-based economics to ‘pay- per-use’ model
- Conduct aggressive customer awareness programmes

#### **Agenda for the Market, the Government and the Regulator**

- Dedicate funds for literacy drives and vocational training
- Disburse government payments through ADHAR-enabled system
- Promote inter-operability
- Maintain adequate credit history records
- Create a Financial Inclusion Index (FII)
- Facilitate rural infrastructure development
- Incentivise financial inclusion efforts

Facilitate easier regulatory norms.

RBI aspires to achieve 100% financial inclusion in India. The onus lies not only with the government and the regulators but also with the service providers and the end customers by exploring the paradigms of opportunities and enablement. This could definitely pave the way to opportunity.



# Understanding Budget 2011-12

Budget 2011 - 12 comes at a time when the Indian economy has rebounded to its pre-crisis growth trajectory, but inflation has emerged as a major concern



Hari S Bhartia, President, CII, and Co-Chairman & MD, Jubilant Bhartia Group; Shereen Bhan, News Anchor, CNBC-TV18, Vinayak Chatterjee, Chairman, CII Urbanisation & Future Cities Council, and Chairman, Feedback Venture Pvt Ltd., and Sunil Kant Munjal, Past President, CII, Chairman, CII Economic Policy Council and, Chairman, Hero Corporate Service Ltd.

**IN AN ATTEMPT** to address the structural nature of inflation, the Finance Minister stated in his budget speech that the major focus for 2011-12 will be to remove production and distribution bottlenecks for key food items, which kept inflation stubbornly high in 2010-11. In India, 40% of total food produce is wasted due to lack of adequate infrastructure such as warehouses, cold storage and transportation. Thus, the measures proposed to build infrastructure for the agriculture sector by approving 15 Mega Food Parks, sanctioning 24 new cold storage facilities and increasing storage capacity by 40 lakh tonnes are indeed welcome.

Another major focus of the Budget was investment in infrastructure. The allocation of Rs 214,000 crore is an increase of 23.3% over 2001-11 and amounts to around 49.0% of the total plan allocation.

Other measures to enhance the flow of funds to the sector

include increase in FII limits for investment in corporate bonds and provision of tax free status to infrastructure bonds. Tax rates on interest paid on overseas borrowing in infrastructure debt funds have been reduced to 5% instead of the regular withholding tax rate of 20%. This is in line with the CII recommendations that stressed that infrastructure development is a pre-requisite for manufacturing and agricultural sector growth.

What is truly impressive is that the fiscal consolidation measures were able to moderate fiscal deficit, bringing it down to 5.1% of GDP in 2010-11, lower than the budget estimate of 5.5%. The target for 2011-12 is set at 4.6%. If achieved, this would check the rise in inflation and interest rate, and facilitate larger credit availability to the private sector. However, there are some risks to this estimate. The buoyancy in gross tax revenue, assumed to grow at 18.0% in 2011-12, depends on the



Dhruv M Sawhney, Past President, CII, Chairman, CII International Council, and CMD, Triveni Engineering & Industries Ltd; Sunil Kant Munjal; Venu Srinivasan, Past President, CII, Chairman, CII Manufacturing Council, and MD, Sundaram-Clayton Ltd; B Muthuraman, President-Designate, CII, and Vice Chairman, Tata Steel Ltd; Hari S Bhartia; and Chandrajit Banerjee, Director General, CII

overall growth scenario. Given that many improvements are taking place in the tax environment, this estimate is probably achievable. More importantly, the estimates on the expenditure side are a cause for concern. The Budget assumes that the overall subsidy bill is likely to fall by 12.5% and has budgeted a fall of 9.1% in fertilizer subsidy and a huge 38.4% fall in petroleum subsidy, which appear unrealistic.

### Sectoral Initiatives

The sectoral focus of the Budget is aligned to priorities for longer-term growth. The three key elements are:

- Addressing constraints on industrial growth due to infrastructure and skill deficits
- Incentivizing agriculture to expand rural incomes
- Incentivizing value addition in the export sector

### Agriculture

The agriculture sector was the major beneficiary in this budget that saw the deepening of older schemes and the announcement of new ones. Some key initiatives:

- Removal of production and distribution bottlenecks of items like fruits and vegetables, milk, meat, poultry and fish, which account for more than 70 per cent of the WPI basket for primary food items through an expansion of the ongoing Rashtriya Krishi Vikas Yojana (RKVY).
- Expansion of the on-going initiative to extend the Green Revolution to Eastern India, with Rs. 400 crores to improve the rice-based cropping system of Assam, West Bengal, Orissa, Bihar, Jharkhand, Eastern Uttar Pradesh and Chhattisgarh
- Deepening the government's initiative on pulses and oil-seeds, with Rs. 300 crores for the integrated development of 60,000 pulses villages in rainfed

areas, and Rs 300 crores to bring 60,000 hectares under palm oil plantation

- Rs. 300 crores for a new initiative to develop vegetable clusters, especially near urban areas.

### Agro-sector Logistics

With rising food price inflation, the government is now serious about addressing supply-side constraints in agriculture. Thus, capital investment to create modern storage capacity is now eligible for viability gap funding, and cold chains and post-harvest storage have been recognized as infrastructure sub-sectors.

Full exemption on excise and customs duty for a lot of farm storage and refrigeration equipment and their parts has been announced.

### Farm Sector Credit

This budget has raised the target of credit flow to farmers to Rs 4,75,000 crores, and has extended the existing interest subvention scheme of providing short term crop loans to farmers.

### Infrastructure

The Budget has made infrastructure a development a priority, allocating 48.5 per cent of the gross budgetary support to plan expenditure for this.

To address capacity constraints in key infrastructure such as ports, railways, and highways, the government will allow tax-free bonds of Rs. 30,000 crore to be issued by various Government undertakings. If such sums are raised efficiently and projects conceptualized, they will not only add much-needed capacity in core infrastructure, but also generate demand for private sector construction and infrastructure related services.

The budget also proposes to create a Special Purpose Vehicle (SPV) to attract foreign funds for infrastructure.



Interest payment on such borrowings would be subject to a much reduced withholding tax of just 5%, and income from this fund would be exempt from all taxes.

**Urban Transport and Housing**

Urban transport and low cost housing have the potential to create considerable additional demand for private infrastructure firms. Work will start on Delhi Metro Phase-III and Mumbai Metro Line III, while the on-going Metro projects of Bengaluru, Kolkata and Chennai will get financial assistance for speedy implementation.

The Finance Minister will also offer investment linked deduction to developers of affordable housing under a notified scheme.

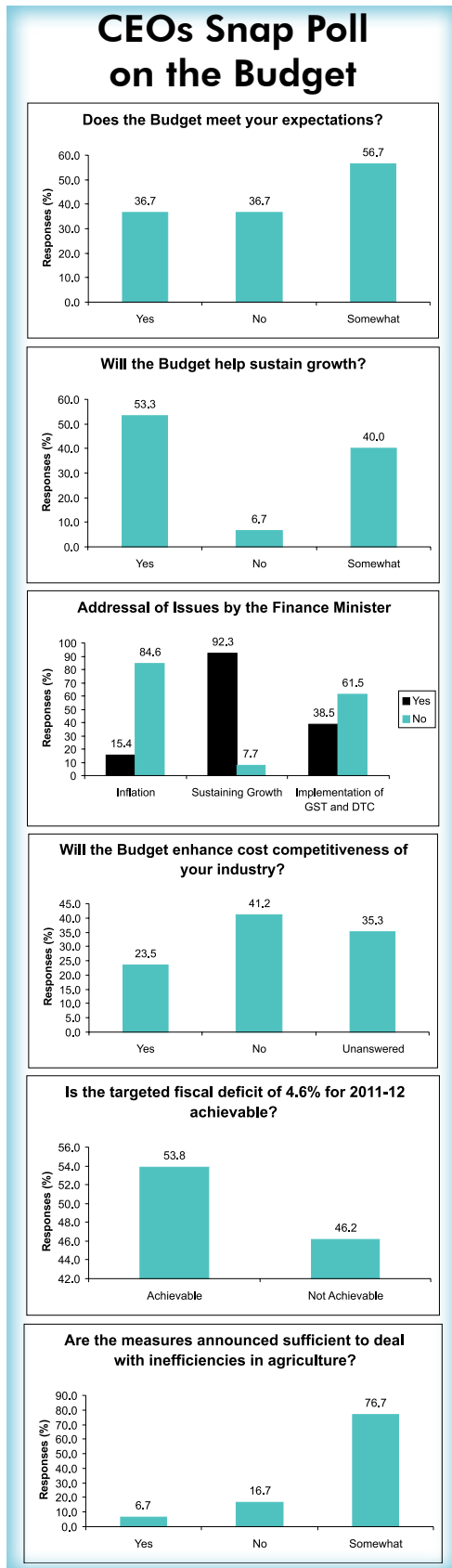
**Skilling**

While the entire Education sector received a significant 24 % increase over last year, a key development is the focus on Vocational Training, with a revised centrally sponsored scheme for 'Vocationalisation of Secondary Education' to improve the employability of India's future workers. An additional Rs. 500 crore has been allocated to the National Skill Development Fund.

**Manufacturing**

The Government wants the manufacturing sector to contribute 25% of India's GDP in ten years time, from the current 16%. Mr Mukherjee has promised a National Manufacturing Policy to bring down the compliance burden of Indian industry through self-regulation.

The budget also included more concrete proposals for a strategic trade policy to develop value-



addition and minimize the exports of raw materials. Some key proposals are:

**Textiles:** Reduction in basic customs duty for raw silk, cotton waste and for certain intermediates used for technical fibre and yarn.

**Chemicals:** Reduction in the basic custom duty for intermediate chemicals.

**Metallurgy:** Reduction in basic customs duty for ferrous and some non-ferrous raw materials and scrap metals. The high export duty on iron-ore will also aid domestic value addition.

**Paper and Wood:** Reduction in basic customs duty for rayon grade wood and waste paper.

**Electronic Devices and Machinery:** Domestic demand is rapidly expanding, creating economies of scale that could be leveraged to turn India into a global manufacturing hub for such products. Some key initiatives for this sector are the reduction in basic customs duty on intermediate parts and components used for mobile handsets and battery chargers, and custom duty exemption for specified raw materials used in the electronics/IT industry. LEDs have been fully exempted from special duty of customs.

**Capital Goods for Power Sector:** Excise duty exemption has been extended to the domestic capital goods industry to balance the advantages enjoyed by capital goods imported for the expansion of existing mega or ultra mega power projects.

**Environmental Goods:** Towards sustainable governance and India's commitment to reduce carbon intensity, the Budget



Dhruv M Sawhney; Hari S Bhartia; B Muthuraman; Rajive Kaul, Past President, CII, Chairman, CII Trade Fair Council, and Chairman, Nicco Corporation Ltd.; Sunil Kant Munjal; Vikram Kirloskar, Chairman, CII National Committee on Technology, and Vice Chairman, Toyota Kirloskar Motor Pvt Ltd.; and; Malvinder Mohan Singh, Chairman, CII National Committee on Public Health, and Group Chairman, Fortis Healthcare Ltd & Parkway Holding Ltd.

reduces the duty on environmental goods. While encouraging from an environmental perspective, such a move could impair the fledgling domestic environmental goods industry. Some of the key measures are:

- Full exemption on customs and excise duty on batteries used in electric vehicles, including two-wheelers
- Concessional excise duty of 10 per cent to vehicles based on hydrogen cell technology
- Full exemption from basic customs duty and special CVD for specified parts of hybrid vehicles. In addition, a concessional rate of excise duty of 5 per cent prescribed to incentivize their domestic production
- Basic customs duty on solar lanterns reduced from 10 per cent to 5 per cent; on inputs used to manufacture solar modules/ cells, duty reduced to zero. This might expose domestic industry, especially SMEs, to foreign competition, without giving it the time to leverage the zero duty on imported inputs.

### Services

The key feature for the services sector has been the inclusion of new services within the ambit of services tax. This will increase the price for services such as hotel accommodation (2-star and above), air-conditioned restaurants (serving liquor), air travel, and high end hospitals (i.e. with central air-conditioning).

### IT and ITES

While there are no new proposals for the IT and ITES industry, the levy of 18.5% MAT on developers of SEZs, as well as units operating in these zones will have a

negative impact on this sector. However, the reduced tax on dividends received by an Indian company from its foreign subsidiary would benefit this sector the most.

### Inclusive Development

Inclusive growth and development, by its very definition, implies an equitable allocation of resources with benefits accruing to all sections of society. Budget 2011-12 not only significantly augments funds available to various schemes, but also proposes a number of new initiatives to create employment and increase rural incomes. The allocation of Rs 1,60,887 crore for the social sector (36.4 per cent of the total plan allocation) is an increase of 17 per cent over the current year. The National Food Security Bill is also proposed to be introduced in Parliament this year.

From an industry perspective, rising rural incomes are a source of increased demand that has tempered the shocks of the global economic crisis. However, there is some concern that some of these schemes might not be fiscally sustainable.

Some of the major social initiatives are:

**Bharat Nirman:** The allocation for Bharat Nirman has gone up to Rs 58,000 crore. It is proposed to provide rural broadband connectivity to all 2,50,000 panchayats in the country in three years.

**MGNREGA:** In an attempt to keep the real wages of employees constant under the scheme, the Government will index the wage rates notified under the MGNREGA to the Consumer Price Index for Agricultural Labour, resulting in a significant enhancement of wages for the beneficiaries across the country.

**Education:** The Budget has allocated Rs 52,057 crore, an increase of 24 per cent over the previous year, to universalize access to secondary education, increase the percentage of scholars in higher education and provide skill training.

The allocation of Rs 21,000 crore, up 40 per cent, for the Sarva Shiksha Abhiyan to implement the right of children to free and compulsory education is a step in the desired direction. The SC and ST communities, many of whom are still unable to access education opportunities, would avail a scholarship benefit in Std 9 and 10, which is expected to cover about 40 lakh students.

**Skill Development:** The Finance Minister said that the National Skill Development Council is well on course to achieve its mandate of creating 15 crore skilled workers two years ahead of 2022. While the Budget has allocated an additional Rs 500 crore to further boost skill development programmes, given the substantial skill shortage in the country, the scheme should be rolled out at a much larger level.

**Health:** For health, the plan allocation has been increased by 20 per cent to Rs 26,760 crore. The Rashtriya Swasthya Bima Yojana is being further extended to cover unorganized sector workers in hazardous mining and associated industries.

**Financial Inclusion:** The previous budget had advised banks to provide banking facilities to habitations with a population of over 2000 by March 2012. The banks have identified about 73,000 such habitations. This year, banks will cover 20,000 villages, and the remaining, next year. Financial inclusion will not only mobilize capital for industry by harnessing hitherto

untapped savings, but also increase the ability for availing credit, and add to consumption and investment-led demand, to act as a positive multiplier for industry.

**Unorganized Sector:** The Budget has several positive measures for the unorganized sector. Given the success of the co-contributory pension scheme 'Swavalamban' announced last year, this budget will relax the exit norms, allowing subscribers to exit at 50 years instead of 60 years, or a minimum tenure of 20 years, whichever is later. Similarly, the on-going Indira Gandhi National Old Age Pension Scheme will make its BPL beneficiaries eligible for pension at 60 years, versus the earlier 65 years. The pension amount is also being raised from Rs 200 to Rs 500 per month for people aged 80 years and above.

**Regional Development:** To boost development in the North Eastern Region and Special Category States, the allocation for special assistance has been almost doubled to Rs 8,000 crore. Special support to Jammu & Kashmir is anchored in the Rs 28,000 crore Prime Minister's Reconstruction Plan. In addition, for the current year, about Rs 8,000 crore has been provided for the State's development needs. The allocation under the Backward Regions Grant Fund has been increased by 35 per cent to Rs 9,890 crore.

As India embarks on the path of higher growth, sustainability and inclusion have become key imperatives. The focus in this budget is on building infrastructure, including agriculture infrastructure, and tackling inflation. Budget 2011-12 also seeks to put income in the hands of the rural economy to further augment domestic demand, which will help sustain India's high growth.





# Sustaining the High Growth Trajectory

**WELCOMING THE OPPORTUNITY** to receive feedback from industry on the Budget presented a few days ago. Mr Pranab Mukherjee, Finance Minister of India, met the members of CII's National Council on 5 March in New Delhi. The Finance



Pranab Mukherjee, Finance Minister of India, with B Muthuraman, President-Designate, CII, and Vice Chairman, Tata Steel Ltd; and Hari S Bhartia, President, CII, and Co-Chairman & MD, Jubilant Bhartia Group

Minister expressed confidence in sustaining a high growth trajectory.

Mr Mukherjee said his Budget has five short term objectives:

- Fiscal consolidation
- Improving supply response of agriculture
- Boosting the Financial Sector, and the Manufacturing Sector
- Promoting Inclusive Development
- Streamlining the taxation, trade, and tariff administration.

The Current Account Deficit, he said, would remain around the level of 2009-10, while Fiscal Deficit, which stood at 5.1% of GDP in 2010-11, was expected to fall to 4.6% in 2011-12. The Net Market Borrowing, expected to be Rs 3.43 lakh crore in 2011-12, said Mr Mukherjee, is lower in absolute terms compared to the previous year.

For infrastructure, the Finance Minister pointed out that the allocation of Rs 214,000 crore, amounting to

48.6% of the total Plan expenditure, was a 23.3% increase over the previous year. Quality and pace of infrastructure development would be stepped up, he assured.

He sought industry's help in bringing about a

convergence views on various reforms such as GST, labour laws and financial sector legislations.

Mr Hari S Bhartia, President, CII, pointed out that agriculture was the key to Inclusive Growth. Supply side issues are hindering growth, he said, noting that clearing these bottlenecks would bring in investment.

The Manufacturing Sector, Mr Bhartia said, can grow only if issues such as poor infrastructure and high transaction costs are dealt with effectively. The CII President described the Direct Transfer of cash subsidies as a forward looking move.

Mr Mukherjee responded to questions on a variety of issues flagged by members, spanning education, infrastructure, agricultural productivity, and corporate affairs.

Secretaries from the Ministry of Finance who were also present included Ms. Sushama Nath, Finance Secretary, Mr. Sunil Mitra, Revenue Secretary, Mr R Gopalan, Secretary, Economic Affairs, Mr. Sumit Bose, Secretary, Disinvestment and Mr. Shashi Kant Sharma, Secretary, Financial Services.



Sunil Mitra, Revenue Secretary; Sushama Nath, Finance Secretary; B Muthuraman; Pranab Mukherjee; Hari S Bhartia; Chandrajit Banerjee, Director General, CII; R Gopalan, Secretary, Economic Affairs; Sumit Bose, Secretary, Disinvestment; and Shashi Kant Sharma, Secretary, Financial Services

# Post-Budget Interaction



Dr. Kaushik Basu, Economic Advisor; Sunil Munjal, Past President, CII, Chairman, CII Economic Policy and Chairman, Hero Corporate Service Ltd; Sunil Mitra, Revenue Secretary; and S.D. Majumdar, Chairman, Central Board of Excise and Customs

**IN A SPECIAL** Post Budget Interaction organized by CII on 3 March, senior officials from the Ministry of Finance interacted with Industry representatives. The panel included Mr. Sunil Mitra, Revenue Secretary, Mr. S.D. Majumdar, Chairman, Central Board of Excise and Customs, Dr. Kaushik Basu, Economic Advisor, and Mr. Sunil Munjal, Past President, CII, Chairman, CII Economic Policy and Chairman, Hero Corporate Service Ltd. The interactive session was chaired by Mr. Chandrajit Banerjee, Director General, CII.

This budget has laid out part of the reforms agenda, setting the tone for much-awaited long term reforms such as fast-tracked introduction of GST, DTC, subsidy reforms and tackling black money/corruption etc; which are crucial for streamlining the overall fiscal situation, said Mr Munjal. He felt that the implementation of GST and DTC next year is heartening.

Appreciating the budget's special thrust on agriculture, infrastructure and social sectors, which are pivotal for ensuring inclusive growth in real terms, he however warned that constant monitoring and auditing of spending, particularly on social sectors, was imperative. He also urged the government to seek private participation in monitoring or implementation of policies/schemes for better efficiency and knowledge sharing, and called for strengthening the partnership between government and private players, like in the UID project.

Addressing the subsidy issue, Mr. Munjal said the introduction of direct cash transfer to people below the poverty line is a major step in the direction of inclusive

growth and fiscal prudence. This would ensure better targeting, with necessary checks on funds leakage, he said, suggesting that the scheme be widened to include all types of subsidies, as is done in other countries.

On Financial Inclusion, Mr. Munjal appreciated the government's assiduousness in not affecting sturdy consumption and investment drivers. Consumption as an economic driver has been maintained by providing tax exemptions. He also noted the measures to boost the rural economy, such as indexation of MNERGA's wages to inflation and raising the income of Anganwadi workers and helpers. Several incentives offered to industry directly or indirectly are directed towards increasing the share of manufacturing from 16% currently to 25% of GDP in the next ten years.

Mr. Mitra elaborated that the main aim of the Budget was to broaden the tax base, moderate tax burden and encourage voluntary compliance. He said there has been deliberate attempt to not raise excise duty in order to promote partnership with industry for overall economic growth. Furthermore, the hike in MAT should not be seen as significant, rather as an offset of the reduction in corporate surcharge. On non-abolition of CST to avoid double taxation, he pointed out that once the GST rolls out, CST will be automatically rolled back. But if CST was brought down to zero prior to the implementation of the GST, the states would have raised strong opposition, as it is one of their major sources of revenue.

However, he expressed apprehensions on the timely introduction of GST and DTC next year, observing that,

"Ideally, the government would have liked to bring both DTC and GST together...But the legislation cannot be voted upon until the ratification is completed...There may be problem on the time factor (1 April 2012)."

Mr. Majumdar explained that an attempt has been made in the budget to revise tax rates downward, barring a few exceptions, with the objective that extra profits earned by companies would be ploughed back to foster investment and overall economic growth; widen the tax base by trimming the exemption list; widen the scope of tax on services, and finally, redefine some services and inputs to avoid ambiguity and plug tax loopholes. In addition, measures have been taken to cut down the transaction cost incurred in tax realization by putting greater emphasis on automation, facilitating electronic filing and other IT initiatives.

Inflation has reduced, but is still at an elevated level. Dr. Kaushik Basu explained that the budget has taken steps to address this grave issue without hampering the pace of economic growth by measures like retaining excise and service tax at 10% level, pumping money into agriculture, lowering of basic customs duty on agriculture machinery, and aligning of the retail sector to agricultural products. These initiatives would aid in containing the elevated food inflation, he said, while pointing out that inflation is not affecting India alone, but is a common scenario in most emerging economies. It is more of a tradeoff between growth and inflation. Resorting to monetary tightening, according to Dr Basu, was not a long term viable solution to tame inflationary pressures,

as increasing the interest rates would put undue pressure on industry, which could result in unemployment and retardation of growth. He suggested other ways to tackle this concern – simplification of multiple layered tax structure to address supply side bottlenecks, and free movement of food items across states to reduce divergence in retail prices and farm gate prices, as the current inflation is not because of supply side constraints, but rather a issue of a long supply chain with lots of intermediaries, which artificially escalates food prices. This would help reduce the bloated food subsidy bill as well, he said.

Dr. Basu stressed that fiscal consolidation is critical for inflation management. The reduction in fiscal deficit to 4.6% in 2011-12 and further to 3.5% by 2013-14 has been much appreciated, he said. Further, the increase of about 3.0% in total expenditure for FY 2011-12 over 2010-11 will be well funded by the bounty received from the 3G auctions and hence within the comfortable zone of the government. A part of this revenue will be used for fiscal consolidation.

Allaying industry's concerns over the fiscal deficit numbers for 2011-12 and 2013-14, given the rising subsidy bill, Dr. Basu assured that the target is not over-ambitious and is well within reach, given the buoyancy seen in both revenue (tax and non tax) and capital receipts. He also assured that in the next 4-5 years, India could be on par with China in terms of economic growth, if the current rate of economic growth prevails.



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# Budget Televiewing Sessions

**CII ORGANIZED TELEVIEWING** sessions of the budget presentation for its members in all the four regional headquarters, as well as in a large number of locations across the country. These were followed by media interactions and discussions on the salient features of this year's budget.

CII members in the **Eastern Region** felt that Budget 2011-12 has taken commendable initiatives to improve the overall macroeconomic conditions of the Indian economy. It is a balanced and growth oriented budget, said Mr Ranaveer Sinha, Deputy Chairman CII (ER). "We are delighted that the Budget keeps the growth momentum of the economy going by not reverting excise duties to pre-crisis levels".

The members expressed the view that the increased focus on skill development, education and innovation would help in ensuring long-term economic competitiveness.

In the **Northern Region**, CII members welcomed the focus on infrastructure, agriculture and greater transparency. Mr R M Khanna, Chairman, CII Northern Region, described the budget as 'balanced.' He welcomed the Rs 100 crore allocation for meeting the infrastructure needs of Ladakh and Rs 150 crore for Jammu, and the inclusion of Jalandhar and Kanpur in the seven leather clusters proposed in this budget.

The handicraft cluster at Jodhpur will help leverage the rich tradition of the state, felt CII members. They also looked forward to the allocation of some of the 15 proposed Mega Food Parks to the Northern Region.

Members in the **Southern Region** termed the Union Budget as forward looking and growth oriented.

The move to bring down the fiscal deficit to 4.6% in 2011-12 is in the right direction to sustain the growth momentum. Maintaining the peak rate of customs duty at 10 per cent and central excise duties unchanged in many items would give a fillip to the manufacturing sector, said Mr T T Ashok, Deputy Chairman, CII Southern Region. The greater focus on social development measures, micro enterprises, agriculture sector etc would ensure inclusive growth, he felt.

Welcoming the additional allocations to education and skill development and the vocationalisation of secondary education, members expected more reform in the private sector education.

There was a positive response to measures such as the 23% rise in infrastructure spending, the increase of export duty to 20% on iron ore; shift from

optional to compulsory excise duty for branded garments; focus on green vehicles; and the move to bring in technology in governance. The members are also looking forward to the implementation of GST this year.

CII members in the **Western Region** welcomed the tabling of the GST Bill, the Companies Bill and other bills for financial sector reforms in the current session of Parliament. However, while welcoming the signal to bring in better governance, they felt that more could have been done for the education and health sectors.

This year's Union Budget, said Mr Arun Nanda, Chairman, CII Western Region, has been largely in line with industry expectations. He appreciated the Government's commitment to bring down the fiscal deficit to 4.6%, and noted that the increased allocation on infrastructure, health and agriculture reiterates the Government's focus on inclusive growth. ■



Budget Televiewing Sessions in (clockwise from top) Kolkata, Chennai, Mumbai and Chandigarh



Anand Sharma, Minister of Commerce & Industry, India, inaugurating IETF 2011, as Hari S Bhartia, President CII; and Sheikha Lubna Al Qasimi, Minister of Foreign Trade, UAE, look on



Vincent H Pala, Union Minister of State for Water Resources & Minority Affairs, inaugurating Water India 2011, a concurrent show at IETF 2011



**THE INTERNATIONAL ENGINEERING** and Technology Fair, or IETF, as the flagship event of CII since 1975 is widely known, has over the years achieved the status of a comprehensive international B2B event in this part of the world. Segmented into well-defined technological sections of the engineering/manufacturing industry and services sector, a number of focused sector specific shows are successfully organized concurrent with IETF.

The 19th edition of IETF hosted around 250 exhibitors spread over an area of 25000 sqm, and generated business enquiries worth Rs 1400 crores. As many as 25,162 business visitors visited the fair, along with overseas business delegations from Japan, UAE, Singapore, Iran, UK and China in large numbers.

The three-day fair was inaugurated by Mr Anand Sharma, Union Minister for Commerce & Industry, on 10 February in New Delhi. "The fair provides a platform for a wide range of business opportunities by showcasing technological strength in different sectors

of the economy as well as state of the art environment friendly technologies and products" he said.

Pointing out that India's manufacturing sector has great potential to expand, Mr. Sharma explained the steps being taken by the government to boost the sector. He informed that India's first 'National Manufacturing Policy', will soon be unveiled, which aims to increase the contribution of the manufacturing sector in India's GDP from the current 17 percent to around 25 percent.

The Minister also talked about the need for creating gainful employment opportunities for a large section of India's population and felt that the manufacturing sector should be made the "bulwark" of employment generation in India. He called for increased investment in training and skills development; investment in increasing manufacturing capacity and increased investment in R & D, to help boost employment in the manufacturing sector. Noting that India's investment in innovation is miniscule at around one percent of GDP, he hoped it would double in the near future.





A. Sai Prathap, Union Minister of State, Heavy Industries & Public Enterprises; Hari S Bhartia; Agatha Sangma, Union Minister of State for Rural Development; and Chandrajit Banerjee, Director General, CII



Anand Sharma with Dr. Ryoichi Yamamoto, Chairperson, Preparatory Committee for Establishment of Eco-product Database

The Minister pointed out that while the world became inward looking and protectionist during the recent financial crisis, India continued to engage with the globe through trade and partnership agreements. Mr. Sharma also said that in the next two decades, three of the world's five largest economies will be in Asia.

Ms. Sheikha Lubna Bin Al Qasimi, Minister of Foreign Trade, UAE, said UAE the focus country at this IETF, is India's leading trade partner. During the first ten months of 2010, bilateral trade between the two countries stood at US\$ 35.8 billion, up from US\$ 29.4 billion reached during the same period in 2009. Stressing that engineering and technology are crucial for accelerating and sustaining a country's economic growth, she called for conservation of natural resources and the environment, and complimented CII for including eco products at this year's IETF.

Mr. R P Singh, Secretary, DIPP, called for greater learning

from Japan in the area of sustainable development. He said India has significantly adapted from Japan in building Smart Cities along the Delhi Mumbai Industrial Corridor.

Mr. Hideaki Domaichi, Ambassador of Japan to India, expressed his pleasure over the participation of a large number of Japanese companies in IETF.

Mr. Hari S Bhartia, President, CII, described the five pronged strategy being adopted by the government and industry in India to sustain high economic growth:

1. Investment in education and skills development
2. Higher investment in infrastructure
3. Increasing the share of manufacturing in India's GDP
4. Improving agricultural productivity
5. Rationalisation of tax system through the introduction of Goods and Services Tax (GST).

While showcasing the depth and range of the engineering industry and high quality competitive products, IETF 2011







At the International Conference on Green Productivity



Roundtable Session on Solid Waste Management

had a number of concurrent Fairs. It also featured an exclusive Contemporary Indian Art Exhibition. Various conferences and events were held concurrent to the mega fair, these included

- EPIF 2011 International Conference with the theme 'Green Productivity for Sustainable Energy and Environment' organized by National Productivity Council
- IGet 2011-New Product Development Conference
- CEO's Meet on Water
- Roundtable Sessions on Inclusive Integrated Solid Waste Management

- International Conference on Water
- Osaka Business Promotion Seminar
- Seminar on Procurement of Auto Components in North India, organized by JETRO

The interactive sessions at IETF 2011 were

- UAE Interaction with Indian Industry
- Japan Interaction with Indian Industry
- Argentinean Journalists' Interview
- Launch of 'Greenco' Rating system for companies

The 20th edition of IETF would be held in New Delhi from 25-27 February 2013.

## Focused Concurrent Shows

**IETF Global:** IETF Global featured Japan as the Partner Country, and UAE as the Focus Country. Participation from China, France, Germany, Italy, Malaysia, Thailand, Singapore, Slovak Republic, and South Africa showcased the business potential of these countries across industry sectors.



**Manufacturing:** The Manufacturing pavilion at IETF 2011 had a focus on Automation and Instrumentation, Technovision and Innovation, and Welding.

**Inclusive Integrated Solid Waste Management:** The event focused on information exchange for solutions, effective waste management strategies, innovative technologies, enhanced public-private partnerships, modern waste management infrastructure and waste minimization. The fair showcased the latest in waste management-related technologies, products and services.



**Eco-Products International Fair:** This show focused on eco products, renewable energy, bio mass, bio fuels, and new and alternate fuels, with the theme of 'Green Productivity for Sustainable Energy & Environment.' It was organized in partnership with the Asian Productivity Organization, Tokyo, and the National Productivity Council, with the support and guidance of the Department of industrial Policy and Promotion, Union Ministry of Commerce and Industry. The show on eco-

products worked as a catalyst for new partnerships in the development and transfer of environmentally sound technologies to help to adapt to and minimize climate change.

**Water India 2011:** Water India 2011 highlighted the need for better infrastructure and management of issues regarding Water, with an emphasis on standardization of equipment/systems in this sector, as well as quality testing laboratories and their rating.



**Stainless Steel Pavilion:** This pavilion presented the emerging uses of stainless steel and its applications, showcasing opportunities for downstream industries to set up businesses with new levels of technical sophistication.

**Partmart & Autocare:** This show dealt with automotive maintenance/ care, automotive services, spare parts and replacement products, aftermarket products and ancillary goods.



# The India Show Singapore



**THE INDIA SHOW** was recently organized in Singapore, to promote Brand India and provide a platform to Indian companies to showcase their strengths and capabilities in both developed and emerging markets. The show was organized by CII, jointly with the Union Ministry of Commerce & Industry, India, and the High Commission of India in Singapore. It was



Anand Sharma, Minister of Commerce and Industry, India; and Lim Hng Kiang, Minister of Trade and Industry, Singapore, inaugurating the India Show, as B Muthuraman, President Designate, CII; Chandrajit Banerjee, Director General, CII; and Rajive Kaul, Past President, CII, and Chairman, CII Trade Fairs Council, look on

supported by India Brand Equity Foundation (IBEF). Over 90 companies representing a wide array of products and services participated in the India Show.

Concurrent events held during the event included a three days exhibition, one to one business meetings, the India Symposium, a high level CEOs delegation, a cultural evening and a food festival.

The Show was inaugurated by Mr Anand Sharma, Union Minister of Commerce and Industry, India and Mr Lim Hng Kiang, Minister for Trade & Industry, Singapore.

India and Singapore need to ensure that their bilateral trade and investment is integrated into the wider India-ASEAN economic engagement framework. This would be the key to their future success of their economic partnership, said Mr Sharma, in his inaugural address. He pointed out that the Comprehensive Economic Cooperative Agreement (CEPA) signed by Singapore and India in 2005 has more than doubled the bilateral trade between the two countries.

“We are in negotiations for a CEPA with the Republic of Korea and similar agreements have been signed with Malaysia and Japan. India views Singapore as the first step for forging broader economic integration into East Asia, and remains committed to this process,” he added.

“Last year our bilateral trade was about 30 billion Singapore dollars. This is a rebound from the dip during the recent global financial crisis and has exceeded the pre-crisis high in 2008,” said Mr Lim Hng Kiang. “Singapore’s investments into India have quadrupled to almost \$13 billion Singapore dollars since 2005, and

we are now India’s second largest foreign investor, after Mauritius. India is also a major investor in Singapore,” he added.

Mr B Muthuraman, President – Designate, CII, highlighted Infrastructure as a high potential sector for Singapore companies to collaborate with India.

The other key area of focus should be manufacturing, where many Indian

companies have demonstrated global excellence, supported by innovation, entrepreneurship and highly skilled workforce, he said.

Mr Chandrajit Banerjee, Director General, CII, said the India Show aims to increase SME engagement by raising awareness on opportunities for Indian SMEs in the Singapore Market.

Ambassador Gopinath Pillai, Chairman, iSAS, Singapore, and Dr TCA Raghavan, Indian High Commissioner to Singapore, also spoke.

A MoU was signed between CII and the Singapore International Foundation (SIF) launching the India Young Business Ambassadors (YBA) Programme.

Mr Anand Sharma also released the IBEF report titled ‘Innovations from India: Harbingers of Change’ during the inaugural session.

An 18 member CEOs delegation, led by Mr B Muthuraman, joined the high level Ministerial delegation from India for the Show.

Coinciding with the Show, CII organized an India Symposium, which was also inaugurated by Mr Anand Sharma and Mr Lim Hng Kiang. Built around the theme ‘Innovations - India’s ideas for the world’, the symposium focused on key areas of the Indian economy such as manufacturing, services and infrastructure.

The India Evening included a dance performance conceived and choreographed by the well-known Shovana Narayan. The guests also had the opportunity to taste Indian wines and special Indian cuisine prepared by chefs flown in from the Taj Group in India. ■

# CII GOVERNANCE SERIES



**THE SUBJECT OF** corporate governance is fundamental to our economy, financial markets and corporate responsibility; and it has always been on top of the agenda for CII. Way back in 1998, CII released country's first-ever Corporate Governance Code for voluntary adoption by companies with the objective of establishing high standards of probity and corporate governance in the country. Through the years, CII has advocated that the best-in-class corporate governance is voluntary - of companies taking conscious decisions of going beyond the mere letter of law. In this context, it released the Voluntary Guidelines for Listed Companies in 2009.



**"We need to practice good corporate governance. There is no trade-off between doing well and doing good."**

- Deepak Parekh  
Chairman, HDFC

Under the aegis of the CII Governance Series, sessions are organised with leaders of corporate India to understand their perspective on corporate governance challenges. The Series for the year 2010-11 was initiated on 13 December 2010 in Mumbai with an address by the forerunner in the domain, Mr Deepak Parekh, Chairman, HDFC Ltd.

Urging the need to walk the talk, Mr. Parekh advocated that the need of the hour is to practice governance. He explained that there is no trade-off between doing well and doing good.

Mr Parekh spoke extensively on the requirements for good corporate governance. Beginning with the role of the CEO, he said, "The role and expectation from a new age CEO has changed. In today's post crisis world, companies prefer a person with sound strategic thinking rather than aggression - CEOs need to be more cerebral than competitive. The new CEO has also

to be aware of the world, as he has to build a diverse global pool of people. Hence, the CEOs needs have also changed: they do not need yes men, but those who question them."

Highlighting the importance of presentation of details to audit committees, Mr Parekh quoted the examples of banks and said that banks see petty frauds everyday. But these need to be reported to the RBI and discussed with the audit committee. Anything that is written-off has to be reported to the audit committee and the Regulator, he said.

Mr. Parekh recapitulated the imperatives for good corporate governance: scrutiny of stakeholders, self-imposed good corporate governance practices, shortening time for legislation change and revamp of rules, appointment of qualified people with deep industry experience as independent directors instead of people merely based on their reputation, effective whistle blower policies in companies with checks and balance in place for them to reach the board, etc.

Mr. Parekh said, "Good corporate governance is not about rules or compliance. It is not what you leave behind when you leave office. It is about your inner conscience that tells you the difference between what you have a right to do and what is right to do. Its principles are unchanging. It is about values but values have a value only if the value is valued."

Continuing the Series, the next appointment with leaders of corporate India was organised on 1 February in Mumbai, with Mr Rahul Bajaj, Past President, CII, and Chairman, Bajaj Auto Ltd as the key speaker.

Mr Bajaj elaborated on the need for Indian industry to grow and offer competition to the biggest global companies. He stressed that unnecessary and excessive regulation would prevent India Inc from reaching its full potential. Clarifying that India Inc is not against regulation entirely, he said, "We have to have some regulations,





**“Why would a reputed member of a company’s board stake his reputation by condoning corruption or bad corporate governance in a company?”**

- Rahul Bajaj  
Past President, CII &  
Chairman, Bajaj Auto Ltd

but let entrepreneurship and innovation flourish. Let us trust that the majority of Chairmen and CEOs are good, not just inherently but because their wealth and reputation depends on how well they and the company does. Let’s have faith in them and then have minimal regulation to catch the crooks.”

Mr Bajaj gave the example of the captains of Indian industry who are on the board of directors of Bajaj Auto. “They will not stake their reputation by allowing me to do wrong under their noses. They will first try and prevent me from doing anything wrong since, as directors, their reputation would also be jeopardized. If

I still continue doing it, they would leave. And when three directors leave a company, everybody would and must ask questions.” He said that often the organic regulation imposed by market-pulls is a much more effective deterrent than that forcibly imposed by the government.

Ultimately the market itself has a huge role in good corporate governance. “If the top management of a company is corrupt and doing wrong, the shareholders and customers would leave the company.”

The third and last session of the tripartite Governance Series 2010-11 was organised with Mr B Muthuraman, President Designate, CII and Vice Chairman, Tata Steel Ltd on 24 February in Mumbai.

Mr Muthuraman addressed the issue of Board culture and said that there is drastic need for change in the way boards function. “How much of a board’s time is spent on taking care of compliance issues and how much is it spent in creating a vision or debating strategy of an organization”, he questioned. He asserted that there is an urgent need for companies to allocate the board’s time for strategies and debate. There is also a need for boards of our companies to be more dispassionate about who they appoint on their board, hiring them based on their ability, expertise and variety.

Mr Muthuraman also underscored the need to focus



**“India needs to add process orientation to its passion to grow better.”**

- B Muthuraman,  
President Designate, CII,  
& Vice Chairman,  
Tata Steel

on process orientation, holding it as a more reliable way to get work done, as only hard work will not achieve the goal. “If you can build process into your passion, you can achieve better results.” The way to do this, he emphasized, is through effective corporate governance.

Mr. Jamshyd N Godrej, Past President, CII, and CMD, Godrej & Boyce Manufacturing Company, who chaired the session, laid out the agenda for the discussions when he said, “Governance is all about openness and directness. The most critical thing is to speak

out on issues. Unless open societies like ours continue to speak out about these issues and debate on them to bring about resolution, better understanding and functioning, we would be failing our businesses and civil society.”

The Series was held in partnership with KPMG. Speakers from KPMG, Mr Richard Rekhy, Head of Advisory, and Mr Neville Dumasia, Executive Director in India, spoke at separate sessions on the DNA of good corporate governance: succession planning in the family, an effective board to add value, clearly defined roles for board and management, constructive board meetings, robust strategic planning, focus on risk management, robust monitoring of business performance. The role of management in enhancing corporate governance in a company was also highlighted. Good corporate governance is about making sure that there is a strong partnership between management and board, they said.

The CII Governance Series was launched in 2005 to discuss the latest trends on corporate governance with visionaries of corporate governance with a view to facilitate dissemination of the changing trends of corporate governance through interactive sessions with corporate leaders focusing on governance, accountability, transparency ethics, compliance and trust - fostering a culture of good governance. Corporate leaders such as Mr N R Narayana Murthy, Mr. Sunil Bharti Mittal, Mr K V Kamath, Mr Adi Godrej, Mr. Y C Deveshwar, Mr Uday Kotak and others have addressed the Series in the past.



Murli Deora, Union Minister for Corporate Affairs; D K Mittal, Secretary, Ministry of Corporate Affairs; R P N Singh, Minister of State for Corporate Affairs, and Petroleum & Natural Gas; and Sudhir Mital, Addl Secretary, Ministry of Corporate Affairs

**MR MURLI DEORA**, Union Minister for Corporate Affairs, interacted with senior representatives of industry on 17 February, in New Delhi, along with his team, to gain firsthand understanding of

industry's concerns. The focus was on the Companies Bill 2009 and convergence with the International Financial Reporting Standards, in the interaction organized under the aegis of the National Foundation of Corporate Governance, a PPP initiative of the Ministry of Corporate Affairs with CII and other organizations.

The Minister espoused the cause of industry and conceded that the licensing process had created substantial obstacles for industrial growth in the past. In the new transformed paradigm, all these obstacles need to be eased out, he said.

Mr R P N Singh, Union Minister of State for Corporate Affairs, urged corporate India to come forward and expand its CSR initiatives.

Mr D K Mittal, Secretary, Corporate Affairs, invited suggestions on various issues of concern to industry vis-à-vis the Companies Bill and convergence with IFRS.

Industry gave its feedback on the recommendations of the Parliamentary Standing Committee on the Companies Bill.

On the issue of Tenure of Independent Directors, which is sought to be capped under the revised Bill, CII strongly suggested that no cap on the maximum tenure should be provided. In the international scenario also, such restriction is not acceptable, it was pointed out.

Regarding the remuneration of Independent Directors, it was highlighted to the Minister that if managerial remuneration was linked with profitability, start-up ventures and small companies would not be able to adequately remunerate their Board members. This would limit the talent that such companies could attract. Members reiterated that payment of stock options to independent directors should be allowed, and the Board must be given the liberty to decide on it.

Members also suggested that minimum attendance of directors be prescribed for retaining directorships.

While the participants welcomed the suggestion of maintaining a database of independent directors either by the Ministry or any of the industry chambers, it was

asserted that this should only serve as a reference point. Selection of directors from the database should, under no circumstances, be mandated, as this would limit the democratic right of shareholders to choose their own directors.

On the issue of prescribing spend on CSR activities, industry felt that the proposal would encourage manipulative tendencies. Instead of mandating spend, concessions/incentives for CSR activities by the corporate sector should be promoted.

The proposed restriction on step-down subsidiaries, industry said, would severely affect the growth of industry, as it purports to revert to the era of the closed economy. Members pointed out that infrastructure development would be severely impacted by a limit on the number of step-down subsidiaries as JVs address the particular needs of the business and enable corporates to pool their resources in the sector.

The attention of the Ministry was drawn to the provisions of SEBI, IRDA and other regulatory bodies, which require the creation of exclusive subsidiaries for regulated businesses. Limiting the number of step-down subsidiaries shall require big corporate houses to substantially wind up their business and decrease the inflow of foreign investment in the country, it was felt.

On the recommendation of rotation of auditors, it was put forth that frequent rotation shall deeply affect the knowledge base of the auditors and consequently detailed auditing process would suffer. Members stressed that in case rotation of auditors is sought to break the alleged nexus between the management and the auditors, it could also be achieved by making auditors responsible and accountable for their work. Speaking against joint auditing process, it was pointed out that joint audits weaken the responsibility of the auditors and were time consuming and expensive.

Mr D K Mittal, took note of the suggestions and reassured industry members that their submissions would be considered during the finalization of the revised draft of the Companies Bill. ■

## Indian Members of Parliament visit Japan



Indian MPs, (L-R) Shruti Choudhry; Takam Sanjoy; Ranjitsinh Vijaysinh Mohite-Patil; and Tarun Vijay, with Shinzo Abe, former Prime Minister of Japan



Ranjitsinh Vijaysinh Mohite- Patil and Tarun Vijay with Yukio Hatoyama, former Prime Minister of Japan

**CII AND THE** Sasakawa Peace Foundation (SPF) resumed the second phase of the visits of Indian Members of Parliament to Japan, when four MPs from different parties visited Japan from 6 – 13 February. The members of the delegation were Mr. Ranjitsinh Vijaysinh Mohite-Patil (NCP), Ms. Shruti Choudhry (INC), Mr. Takam Sanjoy (INC), and Mr. Tarun Vijay (BJP),



Yasuo Fukuda, former Prime Minister of Japan, with Takam Sanjoy



Shruti Choudhry and Tarun Vijay, with Yoshiro Mori, former Prime Minister of Japan

In the first phase of this programme, six missions were undertaken between November 2004 and February 2008, involving 21 MPs.

In the first round of the second phase, five MPs from different parties visited Japan in October 2009.

This year, the Indian MPs received an orientation on Japan's socio-cultural-political history and environment, as also about Japanese etiquettes and customs, from Ms. Manjushree Chauhan, Professor, JNU, and Chairperson, Center for Japanese and North East Studies, prior to their visit. They also met the Japanese Political Attache, Mr. Naoki Ito, Minister, Political Affairs, and Mr. Naoshige Aoshima, First Secretary, Political Affairs, along with Mr. Gautam Bambawale, Joint Secretary, East Asia, Ministry of External Affairs, India;

for key inputs on the Indo-Japan relationship.

The programme in Japan was prepared to give the visitors exposure to the political system and economic environment of Japan, and also to enhance their understanding of the economic and socio-cultural environment.

The programme commenced on 7 February with a traditional Tea Ceremony, followed by a visit the Tokyo Stock Exchange. In the evening, the MPs visited the Tokyo Metropolitan Government Disaster Prevention Centre to understand the city's preparedness towards Disaster Mitigation and



response for Rescue, Relief and Rehabilitation.

The following day, the delegation visited the Minato Incineration Plant, which keeps this large city clean and disposes of waste, in the process generating usable materials and revenue.

Later, the delegation met Mr. Yukio Hatoyama, former Prime Minister of Japan, and later, Ms. Makiko Kikuta, Vice Minister for Foreign Affairs, to exchange messages of goodwill and discuss issues related to security and socio-economic development.

In the evening, the delegation was accorded a warm welcome by the Sasakawa Peace Foundation, which was attended by prominent business and political leaders of Japan.

Day three was devoted to a tour of Diet, the Japanese Parliament, and meetings with Parliamentarians and three former Prime Ministers of Japan: Mr. Mori, Mr. Fukuda, and Mr. Abe. This was followed by a meeting with the Japan-India Business Cooperation Committee.

A strong desire was visible in all these meetings for

enhancing trade and economic ties with India and also to further improve trade and investment between the two countries, which share a strong cultural connect, and reciprocal respect. It also came out that although the larger corporations are able to find their way in doing business in India, Japanese SMEs, who are very keen to work with India, need to be guided at the initial stage in identifying suitable and compatible partners.

The dinner hosted by Mr. Sanjay Panda, Charge d' Affaires of the Indian Embassy in Tokyo, was also attended by the new Ambassador of India to Japan, Mr. Alok Prasad, who had arrived in Tokyo the same day.

On day four, 10 February, the visitors moved out of Tokyo to visit the Headquarters of Suzuki Motors, where they were received by Mr. Osamu Suzuki, Chairman & CEO, a great friend of India, who revolutionized the life of the Indian middle class with his small car.

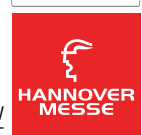
The delegation visited the Shinto Shrine at Miyajima, a World Heritage Site, and Hiroshima, on 11 February. ■



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# Aero India 2011

**THE VISION BEHIND** Aero India has changed over the years. From showcasing defence aerospace products from India and abroad in earlier shows, the event has grown in tune with the aspirations of India to become a major aerospace sector hub in the world.

The record participation of 675 exhibitors from 45 countries across the globe made the 8th edition of Aero India the biggest of its kind in South Asia. The biennial aero show was organized by the Union Ministry of Defence, between 9-13 February in Bangalore, and managed by CII.

Major country level delegations from USA, France, Germany, UK, Russia, Italy, Belgium, and Israel, besides others, visited the show to view the best in aviation and related technologies. The displays included military and civil aircraft, vital components for aircraft engines, avionics systems and sub systems and airfield radars. Civil aviation has been introduced in Aero India 2011 along with Aerospace sector.

Significantly, the number of domestic and international aircraft



Dr. B S Yediyurappa, Chief Minister, Karnataka, and A K Antony, Union Minister of Defence, at the inauguration of Aero India 2011 in Bangalore, with (L-R) Chandrajit Banerjee, Director General, CII, Pradeep Kumar, Secretary, Defence, and Raj Kumar Singh, Secretary, Defence Production



participating in this show soared to 93, against 67 in 2009.

Host State, Karnataka, which has earmarked over 900 acres near the Bengaluru International airport to develop aerospace industries, participated as an exhibitor for the first time.

Aero India 2011 also provided impetus to the indigenous industry by facilitating better interaction with global experts in aviation technologies, equipments, components and systems, with greater focus on SMEs.

## CII-KPMG Aerospace & Defence Industry Report

Mr MM Pallam Raju, Union Minister of State for Defence, released a CII-KPMG report titled 'Unlocking the potential of the Indian Aerospace and Defence Industry' on 10 February at Aero India 2011 in Bangalore.

The report suggests critical success factors based on analysis of the best global practices in the aerospace and defence industry. India's aerospace sector has emerged as the fastest-growing one in the world. The report goes on to suggest that the nascent industry has now a foothold to catapult into becoming a leading aerospace and defence hub.

It is an assessment of the global opportunity trigger points and critical success factors for making India a participant in the global aerospace and defence sphere. The CII-KPMG report indicates that, in the past



Martin W Phillip, Global Head, Aerospace & Defence, KPMG; Pallam Raju, Minister of State for Defence; Robert P Garrett, Auditor, KPMG New York; and Gurpal Singh, Deputy Director General, CII

48 months, the Indian Ministry of Defence has signed deals worth approximately US\$24.66 billion with global integrators. It also goes on to suggest that deals worth another \$41.99 billion are in the process of getting signed.

The report says that indigenization of the industry and acquiring of advanced technologies will facilitate lowering of dependence on imports. Issues of supply chain integration, technological inferiority and funding are some of the needs to

be addressed.

Mr AK Antony, Defence Minister of India, his inaugural speech at Aero India-2011 had stated that the defence expenditure, currently at 2.5% of GDP, will increase over the next two decades. The report presents India as one of the biggest markets for aerospace and defence. ■

## Solar Advisory Model



Deepak Gupta,  
Secretary,  
Ministry of New  
& Renewable  
Energy

**CII, ALONG WITH** the Solar Energy Centre, Ministry of New & Renewable Energy, and the National Renewable Energy Centre, Department of Energy, USA, organized a three day workshop on Solar Advisory Model (SAM) from 15 -17 February in New Delhi.

SAM is a computer programme developed by the US Department of Energy's National Renewable Energy Laboratory, that facilitates the analysis of technical and financial feasibility of Renewable Energy (RE) projects.

The workshop projected SAM as an appropriate tool for the analysis of a solar energy project, identification

of resources for India-appropriate input data, including weather data, financial assumptions, project costs, and system parameters, interpretation of results for analysis of photovoltaic and parabolic trough solar energy systems, and identification and use of resources for technical support during project execution. ■



Deepak Puri, Chairman, CII National Committee on Renewable Energy, and Chairman, Moser Baer India Ltd; Dr B Bandyopadhyay, Director, Solar Energy Centre, MNRE; and Shannon Cowlin, Senior Project Leader, NREL

## 'Reaping Through the Clouds'

**THE CII CONFERENCE** on Cloud Computing, titled 'Concurrent Technologies 2011 – Reaping Through the Clouds' was held in New Delhi on 4 February. The conference focused upon the managerial aspects of this new form of delivery, in a scenario where an organization adapts this strategy to manage its IT related activities.

Good governance of any nation requires the decision makers to be sensitive and transparent to the needs of the common man. The use of cloud computing in e-governance will lead to meaningful and sustainable inclusive growth, stated Mr Shankar Aggarwal, Joint Secretary, Department of IT, Union Ministry of Communications & Information Technology.

Mr Sanket Akerkar, MD, Microsoft Corporation (India) noted that Cloud Computing is gaining momentum in India with some 7000 applications by developers in India on the Microsoft platform alone, and more than 2000 commercial customers for its Cloud services in India.

Lt Gen (Retd) PC Katoch, Former Director General, Information Systems, Indian Army, discussed both the advantages and the challenges in Cloud adoption. Key security issues like trust, multi-tenancy, encryption, and compliance also need to be examined and addressed, he warned.

Dr Ganesh Natarajan, Chairman, CII National Committee on IT & ITES, and Vice Chairman & CEO, Zensar Technologies, shared that the trend of moving towards managed services is providing continued growth to the



Sanket Akerkar, MD, Microsoft (India); Dr Ganesh Natarajan, Chairman, CII National Committee on IT & ITES, and Vice-Chairman & CEO, Zensar Technologies; and Lt Gen PC Katoch, PVSM, UYSM, AVSM, SC, Former Director General, Information Systems, Integrated HQ of Ministry of Defence (Army)

Indian IT industry. He felt that SMEs would dominate the Cloud market in India with 40% CAGR growth.

The first session of the Conference dwelled upon the methodologies for implementing a Cloud roadmap in an organization, since the roadmap will explore the implications of Cloud on how firms can look to leverage SaaS offerings in the market and the risks and challenges in doing this.

The next session, with the theme 'People and the Cloud' focused upon the various organizational initiatives that are required to drive Cloud adoption and change management.

The final session, 'The Cloud and My Enterprise', featured discussions on the economics and technology feasibilities of the Cloud across various business segments. The ROI on Cloud will vary across industry type, application type and the long term business strategy of an organization, said speakers. ■





## Ports and Maritime Investment & Business Conclave 'New Policy on Coastal Shipping Soon'

"THE MINISTRY OF Shipping is working on a new policy to promote coastal shipping and is also in the process of formulating a package for promoting the Indian ship building industry" said Mr. G K Vasan, Union Minister for Shipping, inaugurating CII's Ports and Maritime Investment & Business Conclave' in Chennai on 4 February.

Mr Vasan said that the Maritime Agenda released

by the Ministry recently, which is a vision document for the next 10 years, has set some important goals like increasing port capacity to around 3200 million tonnes - which will require an investment of about Rs. 3 lakh crore; to enhance the Indian tonnage four-fold to 43 million GT by 2020, improving India's share in global shipbuilding to 5%, and increasing the share of Indian seafarers to at least 10 %.

In the last two years, nearly 22 public private partnership projects have been awarded at a total investment of about Rs. 9077 crores. To facilitate private sector investment, we have put in place a favourable and investor friendly policy framework, which includes 100 % FDI in the shipping and port sector, said Mr Vasan.

The Minister said that the Government is proposing to develop Colachel Port, which has a deep draft and is strategically located close to the international maritime routes. The Shipping Ministry has brought out a new land policy and a policy to prevent monopoly in ports, he added.

Mr. K Mohandas, Secretary, Shipping, shared that India had recently reached a milestone of 10 million tonnes port capacity. The target is to reach 43 million tonnes by 2020, he added. The Secretary said that India needs huge private sector investment to enhance the commercial development of its ports. Indian tonnage needs to be stronger than the present value. Also the present comparison of tonnage handling of major vs minor ports which is 2:1 has to become 1:1 by 2020,



Rajiv Agarwal, CEO & MD, Essar Shipping, Port & Logistics Ltd.; S. Hajara, Chairman, CII National Committee on Shipping, and CMD, Shipping Corporation of India; B.K Chaturvedi, Member, Planning Commission; G.K. Vasan, Union Minister for Shipping; and N Kumar, Past President, CII, Chairman, CII Institute of Logistics, and Vice Chairman, The Sanmar Group

**'Twenty-two public private partnership projects have been awarded at a total investment of about Rs 9077 crores in the last 2 years.'**

**- G K Vasan**

which is the target set by the Shipping Ministry, he added.

Achievement in the port and maritime sector is good, as per the 11h plan. Factors like deregulation of tariff, fiscal policy proposed for enhancing capacity and promoting manufacturing in ship building and other port related sectors will be looked into in the 12th year plan, said Mr. B K Chaturvedi, Member, Planning Commission.

Mr. N Kumar, Past President, CII, Chairman, CII Institute of Logistics, and Vice Chairman, The Sanmar Group, observed that India's economy is greatly

depended on external trade, which hugely depends on ports and shipping sector. We need world class infrastructure, he said.

Mr. S Hajara, Chairman, CII National Committee on Shipping, and CMD, The Shipping Corporation of India wanted the government to accord more importance to enhancing and developing ports and the shipping sectors. EXIM trade accounts for 40 % of our GDP, he pointed out.

Presenting the stakeholder's perspective, Mr. Rajiv Agarwal, CEO & MD, Essar Shipping, Port & Logistics Ltd. urged the government for access to foreign currency funds, loans and also exemption of MAT. Mr. B Sridhar, Vice Chairman, CII Institute of Logistics and Director, Bengal Tiger Line (India) Pvt Ltd pointed out two key issues: Infrastructure, and fiscal measures, in terms of access to competitive funds and relief in taxes.

# National Regulatory Conclave

## TERMING THE REGULATORY

Reform Bill as “work in progress,” Dr. Montek Singh Ahluwalia, Deputy Chairman, Planning Commission, said that detailed discussions have taken place within the government and a final decision on the Regulatory Reforms Bill will be taken soon. He appealed to the private sector to share their views on the proposed bill urgently, so that government could take a holistic view before it is introduced. Dr Ahluwalia was speaking at the National Regulatory Conclave organized by CII on 15 February in New Delhi.

The Bill, which encompasses principles critical to the institutional design of regulation, would, he said, address the many grey areas in the present regulatory structure. He specially mentioned the accountability of regulators to Parliament, which is lacking at present. He also expressed concern over the uneven approach adopted by regulators with lack of cross-learnings and no sharing of knowledge across sectors. He expressed the view that suitable people, including experts from the private sector, should be allowed to apply for the post of regulator.

The Government is keen to bring transparency in procurement, including PPP contracts, and has recently constituted a committee which is contemplating for a common legislation, he added.

Mr. Dhanendra Kumar, Chairman, Competition Commission of India (CCI) threw light on the role of the Commission which was set up by the government in 2003 to help frame a more robust and over-arching regulatory framework in the country. Being a young agency (compared to 126 such bodies around the world), it already has about 150 cases under its purview with adequate built up capacity and skilled professionals.

He focused on the underlying theme of competition which envisages consultation between sectoral regulation and CCI, delineating specific areas of responsibility. Clear distinction prevails between sectoral regulators



Dr. Montek Singh Ahluwalia, Deputy Chairman, Planning Commission with G V Sanjay Reddy, Chairman, CII National Council on Infrastructure and Vice Chairman, GVK Power & Infrastructure Ltd

and CCI, with the latter having the power to monitor the ex-post performance based on the prevalent behavioural market conditions. He felt that the entry of private players in infrastructure development would go a long way in building capacity, offering more and better choices to consumers, increasing investment inflow and ultimately improving efficiency.

Mr. Gajendra Haldea, Advisor to the Deputy Chairman, Planning Commission, emphasized upon the need for revamping the whole infrastructural regulatory framework as it has acquired a new dimension after the entry

of private players across sectors. Contrary to popular perception, regulators in some of the leading countries in the world, including UK and USA, are not independent, he said.

Mr. Haldea stressed that common overarching principles need to be applied across sectors. A consensus should be evolved to build good and sound competition which is necessary for the next stage of PPP and funding infrastructure development in the country.

Mr. GV Sanjay Reddy, Chairman, CII National Council on Infrastructure, stated that while there is no doubt that an independent regulatory framework is critical to balance the interest of all stakeholders and build their confidence, the approach so far adopted by various sectors in infrastructure is uneven and hence worrisome. There are several complex issues with regard to their role and functions, autonomy, empowerment, accountability and their interplay with other institutions. In this context, the Regulatory Reforms Bill is an extremely important initiative of the Planning Commission to improve regulatory effectiveness in the Indian Infrastructure Sector, he said.

Mr. Vinayak Chatterjee, Chairman, Feedback Ventures Pvt Ltd, stressed on the need to create a uniform and effective regulatory framework on an urgent basis. He said that both industry and civil society are looking to the government with huge expectations in this regard. ■

# Indian SMEs Strengthening Global Ties

## USA

SMEs form the backbone of both the Indian and US economies. Creating a favourable business and policy environment for SMEs is crucial to strengthening economic recovery, stimulating

growth and creating jobs in both countries, said Mr Uday Kumar Varma, Secretary, Ministry of MSME, at an interaction organised with a SME delegation from USA, visiting India along with Mr Gary Locke, US Commerce Secretary, in New Delhi on 7 February.

Calling for more intense engagement between industry in India and the US, with a specific focus on enterprise-to-enterprise cooperation, Mr Varma named ICT and Defence Procurement as priority sectors for US companies, while exploring commercial opportunities in India.

SMEs represent a good low-investment, high-return opportunity. There are many synergies between the two sides, said Mr Varma, pointing out that Indian SMEs are flexible, reliable, quality conscious and adaptable, and Intellectual Property Rights are respected in India as well.

Mr Dale Tasharski, Commercial Counselor, Embassy of the United States in India, said that the next phase of growth in Indo-US bilateral economic relations will come from SMEs. The US Department of Commerce has initiated a Growth in Emerging Metropolitan Sectors (GEMS) programme to provide impetus and, take Indian and US businesses to the next level of partnership, he said.

Mr Nalin Kohli, Chairman, CII SME Task Force on Technology, International Cooperation and Government Procurement, described the SME initiative as a 'win-win' opportunity for both sides. It enriched the global value chain by encouraging companies to explore beyond the well-known cities.

## Japan

A New Global Cooperation (NGC) scheme has been launched by CII and the Association of Overseas Technical Scholarship (AOTS), Japan, to strengthen ties between Indian and Japanese SMEs.

The scheme will be a model case of Human Resource



Dale Tasharski, Commercial Counselor, US Embassy; Uday Kumar Varma, Secretary, Ministry of MSME; Nalin Kohli, Chairman CII SME Task Force on Technology, International Co-operation & Govt Procurement, and Amarendra Sinha, Jt Secretary, Ministry of MSME

Development for developing countries with the active engagement of SMEs, taking Indian and Japanese businesses to the next level of partnership, said Mr Kazuo Kaneko, President, AOTS, Japan, at an interaction organised by CII in New Delhi on 17 February. He outlined the five focus areas of the scheme as Business Empowerment, Green for Growth, Creating Green Energy, Globalisation of Japanese Businesses, and Business Value Breakthrough.

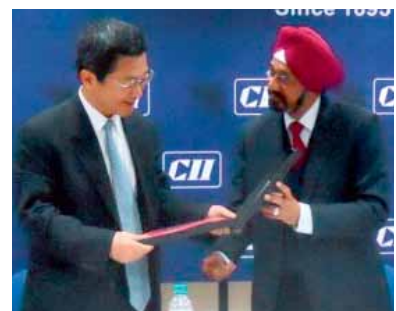
Also present on the occasion was Mr Yasumi Suzuki, General Manager, AOTS, New Delhi.

Mr Gurpal Singh, Deputy Director General, CII, said the NGC scheme will complement the ratification of the Comprehensive Economic Partnership Agreement) between India and Japan, as the 5 key features of the scheme are aligned to meet the needs of industry in both countries.

Noting that, in AOTS, CII has found a natural ally, he said the NGC initiative presents a 'win-win' opportunity for both sides. It will enrich the global value chain, and encourage Indian SMEs to understand the latest trends of Japanese Small Businesses, enter Japanese markets and explore business opportunities.

CII has been working closely with AOTS over the years. It has organised various technical and

management training programmes on a collaborative basis for Indian SMEs as per industry needs at different levels. The training programmes offered by AOTS disseminate Japanese Management methods/techniques among Indian organizations.



Kazuo Kaneko, President, AOTS; and Gurpal Singh, Deputy Director General, CII



## CII Content Summit

# Adapting from Wired to Wireless

**CONTENT IS THE** major driver in today's world of media and entertainment: be it television, music, animation, gaming, radio, print, films or comics. With rapid innovation in Communications and Information Technology, newer media platforms have emerged, resulting in enormous opportunity for Content creators. In an endeavor to address and discuss some of the key content-related issues including those of the New Media, CII organised the **Content Summit: Adapting from Wired to Wireless** on 18 February in New Delhi.

Content has to be balanced with the prevalent diversity in the country, the existence of multiple channels, the suitability and tastes of different target audiences and the nuances of the regional media, said Ms Ambika Soni, Union Minister for Information & Broadcasting, who was the Chief Guest. As the volume of programming has increased, self-regulation is the way forward, keeping in mind the fact that television was becoming increasingly localized, she said. The Minister pointed out that a self-regulatory mechanism would ensure an element of objectivity in viewing and addressing issues relating to content. This body will deal with complaints from people on television content.

Ms Soni announced that the newly proposed Broadcasting Content Complaints Council (BCCC) will have 13 members, including broadcasters and civil society representatives, headed by a retired judge of the Supreme Court or High Court. Such a body would enable a process to view content through an appropriate mechanism, she felt.

On digitalisation of Cable TV broadcasting, the I&B Ministry has accepted the TRAI roadmap and new sunset dates will be announced for digitalisation in the coming months. The I&B ministry has submitted proposals to the Finance Minister related to reduction of taxes for digital headends, set top boxes and rationalization of taxes including income tax holiday for prospective investors.



Chandrajit Banerjee, Director General, CII; Ronnie Screwvvala, Co-Chair, CII National Committee on Media & Entertainment, and Chairman & CEO, UTV Software Communications; Ambika Soni, Union Minister of Information & Broadcasting; Amit Khanna, Chairman, CII National Committee on Media & Entertainment, and Chairman, Reliance BIG Entertainment; and Marcel Fenez, Global Leader Entertainment and Media Practice, PwC

Dr J S Sarma, Chairman, TRAI, in his special address, maintained that the new media era would have less regulation and the price control mechanism will end soon, empowering the consumers. He said that TRAI is gearing up to come up with recommendations on the advanced 4G technology by June this year. A consultation paper on 4G will be floated soon for discussion with the industry.

Industry is not keen on a Broadcast regulator, and the government is ready to give a chance to a self regulation mechanism. If it works well, India would have designed a unique way to tackle broadcast regulation, observed Mr Raghu Menon, Secretary, I&B. He also said the existing Cable TV Act will be rehailed completely keeping the changing media in mind. The Cinematograph Act will be amended too, and films will be censored according to viewer categories of different groups, he said.

In his inaugural address Mr Amit Khanna, Chairman, CII National Media and Entertainment Committee, and Chairman, Reliance BIG Entertainment, said the industry has the potential to grow from the current \$12 billion to \$100 billion in this decade. Mr Chandrajit Banerjee, Director General, CII, said industry would like to have an investor-friendly framework that keeps in mind the pace of change of the new digital media regime. ■



Lennart Jonsson, Executive VP and CTO, Eaton Corporation, Suresh Prabhakar Prabhu, India; Dr Arun Jaura, Chairman, CII NPD Steering Committee, and T Hongo, Head-Green Finance, JBIC

### Green Energy Technologies

Concurrent to IETF 2011, the CII AVANTHA Centre for Competitiveness for SMEs organized a unique event called i-GET India 2011 on 11-12 February, to introduce New Product Development focusing on Green Energy Technologies to MSMEs.

Inaugurating the event, Mr. Suresh Prabhakar Prabhu, MP, said the growing emphasis on green technologies would lead to an increase in demand for green products, thereby compelling companies to innovate. Urging MSMEs to take advantage of this opportunity, he suggested the use of eco-friendly methods for electricity generation viz solar-thermal, wind, and geo-thermal etc.

### Root Cause Analysis for Problem Solving



Training Programme on Root Cause Analysis

Root Cause Analysis (RCA) aims at identifying the root causes of problems or incidents, predicated on the belief that problems are best solved by attempting to correct or eliminate root causes, as opposed to merely addressing the immediately obvious symptoms. By directing corrective measures at the root causes, it is

hoped that the likelihood of problem recurrence will be minimized. RCA is considered to be an iterative process, and a tool of continuous improvement. A training programme on Root Cause Analysis was held on 17 February in New Delhi.

### Aligning HR with Organisation Strategy



Workshop on Aligning HR with Organizational Strategy

As HR strategy has become central to achieve competitive advantage, it is critical for the management of Human Resources to be in perfect fit with the management of the organization as a whole and its strategic plans. The workshop on 'Aligning HR with Organization Strategy' on 23 February in Chandigarh explained the skills needed by HR functionaries to improve HR decision-making, people outcomes, processes, customer outcomes, and link them with the business results of the organisation.

# CII Godrej Green Business Centre

## Green Company Rating System launched



Suresh Prabhu, Chairman, Council on Energy, Environment and Water, Jamshyd N Godrej, Past President, CII and Chairman, CII-Sohrabji Godrej Green Business Centre, and L S Ganapati, Chairman, Assessors Panel, Greenco Rating System

Mr Suresh Prabhu, Chairman, Council for Energy, Environment and Water, India, and former Union Power Minister, launched the Greenco (Pilot) Rating system for companies, the first of its kind in the world, on 10 February in New Delhi.

The Greenco Rating will rate companies on the eco-friendliness of their activities and products, and will adopt a cradle-to-cradle approach for evaluating the entire activities of the company, including the supply chain. The System is expected to act as a milestone for companies pursuing green initiatives.

The sectors to be covered under this system include Automobile & Engineering, Cement, Fertilizers, FMCG, Glass, Hotels, Iron, Steel & Non Ferrous Metals, IT, Hardware / Electronics, IT Services, Pharmaceutical & Chemicals, Pulp & Paper, Refineries & Petrochemicals, Service Sector, and Textiles.

As many as 45 companies have already expressed their interest to be a part of Greenco Pilot Rating.

Earlier, CII had initiated a voluntary programme titled 'Mission on Sustainable Growth' to seek voluntary commitments from companies to reduce the intensity of their emissions and optimally use natural resources. Taking this initiative forward, CII has created a comprehensive rating to analyse the performance of companies on the greenness of their operations. A Steering Committee involving industry experts has been constituted for developing a transparent and unique rating system for companies. The abridged reference guide for the pilot rating has been prepared based on the suggestions provided by this committee.

## Water India 2011



Vincent H Pala, Union Minister of State for Water Resources & Minority Affairs; Dhruv Vijai Singh, Secretary, Union Ministry of Water Resources, and Chandrajit Banerjee, Director General, CII

'Water India 2011', held on 11-12 February in New Delhi, focused on industrial water and waste water treatment, municipal water supply, water purification technologies and water saving products.

Water India 2011 shared national and international experiences in water resource management, explored trends in infrastructure development and technologies in municipal water supply and waste water, industrial water and waste water management, promoted best practices in technology applications - industry, water purification technologies, and showcased innovative water saving products for the domestic, municipal and agriculture sectors, through a concurrent exhibition. A CEOs Meet on Water was also held.

## LEED 2011 for India



Launch of LEED 2011 Green Building Rating System for India

Ms Lynn Bellenger, President, ASHRAE, Dr Prem C Jain, Chairman, Indian Green Building Council (IGBC) and Mr Mark MacCracken, Chair, US Green Building Council, launched the LEED (Leadership in Energy & Environmental Design) 2011 Green Building Rating System for India at ACREX India 2011, on 24 February in New Delhi, signifying a major milestone in the green building movement in India.

The major features of LEED 2011 are:

- Enhance energy and water efficiency baselines



- Promote naturally ventilated buildings
- Encourage passive technologies
- Keep in tune with local regulations and standards
- Adopt the latest versions of standards and codes

LEED-India, which was launched in 2007, received overwhelming response from industry. Based on the feedback and experiences of the implemented projects, the rating system has now been upgraded and will be called 'LEED 2011 for India'.

The Green Building Movement in India, pioneered by the CII-IGBC, has made significant inroads. Today, India has over 955 registered green building projects with a foot print of over 606 million sq ft. and is amongst the top 3 countries to have a large green building footprint. This has largely been possible due to involvement of various stakeholders of the building sector – architects, builders, developers, manufacturers, consultants, etc. CII-IGBC's various rating systems, covering homes, commercial buildings, commercial interiors, existing buildings, factory buildings, schools, SEZ and townships, have emerged

as the national choice of the stakeholders.

### CII-IGBC Students Chapter



Syed Mohamed Beary, Chairman, IGBC Karnataka Chapter; Syed Kirmani, former Indian Cricketer, Chandrashekar Hariharan, Member, IGBC, and CEO, BCIL; and Dr Prem C Jain, Chairman, IGBC

The CII-IGBC Students Chapter was launched in Bengaluru on 12 February. The chapter will bring awareness among engineers and architects on the need and importance of green buildings.



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**JMAC**  
JMA Consultants Inc.

## Lean Manufacturing Certificate Training Workshop

11<sup>th</sup> – 17<sup>th</sup> September 2011: JAPAN

**CII along with JMAC- Japan is organising the Lean Manufacturing Certificate Training Workshop in Japan at Management Innovation Centre-Gifu (MIC is a consulting company under Toyota Group)**

#### Workshop Features:

- Classes conducted by Consultants from MIC with more than 40 years of experience in Toyota who made Lean (TPS) successful in their shop floors
- Learn & Experience the true essence of Lean (TPS DNA)
- How they manage their resources optimally
- Visit shop floors of World class companies

#### Plant Visits:

- TOYOTA Motor Corporation
- Toyota Museum
- Gifu Auto Body Co. Ltd.



For further details contact:

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# CII-Suresh Neotia Centre of Excellence for Leadership



## NLP for Organisational Communication



NLP or Neuro-Linguistic Programming is an advanced paradigm of Communication Protocols and Learning Strategy used optimally across functions and operations in the fields of business coaching today. NLP is successfully used in professional business skills development in critical areas of business.

The workshop on 16 February explained the use of some of the major tools/techniques of NLP for day to day functions/operations, such as Milton & Meta models, Presuppositions, Matching/Mirroring and Sensory Acuity, to manage challenging behavior, build and maintain rapport, resolve conflicts and prepare a functional development plan in relevant areas. NLP is also used as a tool in leading and motivating personnel.

## Critical Chain Project Management



Developed by Prof Eliyahu M. Goldratt, the Critical Chain project network tends to keep resources levelly loaded but requires them to be flexible in their start times and quickly switch between tasks and task chains to keep the whole project on schedule. It is a method of planning

and managing projects that puts the main emphasis on the resources required to execute project tasks.

The workshop on Critical Chain Project Management on 18 February helped to enhance skills in Advanced Project Planning, Critical Path Method and PERT, and CCPM Core Tools, etc. The Workshop covered project planning, deployment of CCPM as an advanced PM tool, and developing execution/pipeline scheduling competencies.

## Strategy to Action



This workshop, held on 22-23 February, focused on the key differentiator between a high performance organization and its competitors in the ability to link strategy, people and operational processes to the corporate vision, and significantly enhance the ability to optimally execute and deliver results.

## Quality Maintenance



The mantra today on Quality Maintenance is 'Quality as described by the customer at the lowest cost.' The TPM principle of 'good machine with good input parameters produces good products' is an ideal solution. The workshop on 25 February focused on achieving zero customer complaints, reducing process rejection, orienting all employees towards follow-up of quality assurance standards, building operator assurance quality and reducing cost of quality. ■

# REACH Compliance: Challenging Times

**ONE OF THE** major recent developments having a far-reaching impact on global trade, is the promulgation of REACH regulations by the European Union. REACH, the European Regulation on Registration, Evaluation, Authorization and Restriction of Chemicals, came into force on 1 June 2007. The main aim of REACH is to ensure protection of human health and the environment from the risks that can be posed by chemicals in their substance form as well as through their presence in products. It has two main objectives:

- Make industry provide appropriate safety information to their users
- Authorize the European Union to take additional measures on highly dangerous substances, where it estimates a need.

For example, six substances of very high concern will be banned within the next three to five years unless a specific authorization has been granted to individual companies for their use.

REACH poses severe restrictions for market access within the EU block countries and is a classic example of technical regulations bottle-necking trade through non tariff barriers. The EU REACH programme has triggered responses from several other countries, who have either launched similar regulations or are in the process of doing so.

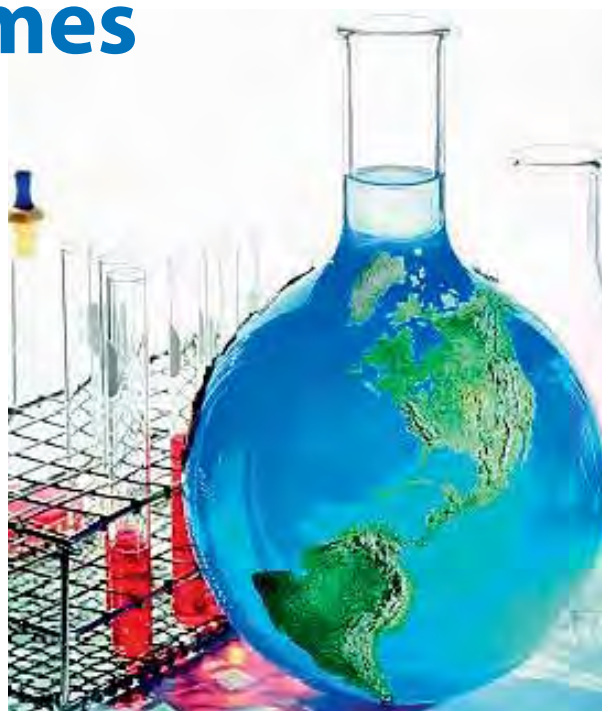
## How Does REACH Work?

Each EU member country has to ensure that the chemical substances manufactured in their territories or imported by them are registered in a common data base maintained in the EU.

A Forum has been created under the aegis of the European Chemicals Agency (ECHA) which brings together Member States enforcement authorities in a formal framework.

Enforcement on manufacturers from other countries exporting to Europe is achieved by requiring the appointment of an OR (Only Representative) who undertakes all legal liabilities on behalf of the exporter.

A 10 year timetable has been published for bringing the various provisions in force, with clear deadlines.



## Current Requirements

All manufacturers in Europe and importers of chemicals must identify risks linked to the substances they manufacture (or import) and market. For substances manufactured or imported in quantities specified by the Regulations (at present 1000 tonnes for most chemicals, which will be gradually reduced to 1 tonne per year per company as per the timetable), manufacturers and importers need to demonstrate that they have appropriately done so (identified the risks) by means of a 'Registration Dossier' which must be submitted to the ECHA. The ECHA checks that the dossier complies with the Regulation and that adequate information is provided. If required, additional testing may be necessary to generate the product (chemical substance) information.

## Future Requirements

An authorisation system will be in place to ensure that Substances of Very High Concern (SVHCs) are properly controlled, and progressively replaced by suitable alternative substances or technologies, where these are economically and technically viable. Where this is not possible, the use of the SVHCs may only be authorized where there is an overall benefit to



society in using the substance.

In addition, EU authorities may impose restrictions on the manufacture, use or placing on the market, of substances causing an unacceptable risk to human health or the environment.

Starting from June this year, REACH will also cover articles (products) in which the identified SVHCs are present above a concentration limit of 0.1% weight by weight and above 1 tonne per year. Any company supplying articles to Europe, where SVHCs are present must submit a notification to ECHA. In the absence of detailed knowledge about the presence of chemicals in industrial use materials, exporters would find it difficult to determine whether they should notify or risk actions for incorrect / non-declaration.

### What Happens on Non-compliance?

The Member States authorities are responsible for enforcement through inspections as well as penalties in case of non-compliance. Thus, each Member State has already designated the competent authority dealing with REACH enforcement.

Authorities can select substances for a broader substance evaluation to further investigate substances of concern.

The type of penalty varies among the countries. In general, the Member States have systematically included fines in their penalty systems, as a continuation of their existing systems. Other types of penalties include injunctions (including market withdrawal), prison sentences, and name-and-shame methods, where non-compliance is made public.

### Impact on Indian Exporters

The major impact on Indian exporters of chemical substances so far is the high cost of registration, by way of sharing data generation costs with the lead registrants, running into millions of Euros.

Exporters of chemical preparations to Europe also have to bear the burden of getting the ingredient substances registered (again at high cost).

Regarding the impact of REACH on Indian articles like apparel, leather articles, electrical and electronic components, auto components, handicrafts, etc, being exported to Europe, there is a grey list of very toxic substances. These SVHCs shall attract enhanced control and regulation when used for manufacturing of articles like apparel, leather products, auto components, dyes, paints, electrical and electronic components and products, metal parts

and components, plastic products, etc.

Thus, the implications on the export of articles shall be two-fold:

- Manufacturers and exporters of articles shall have to look for alternative safer chemicals; which would amount to incorporating major changes in their product profile
- The search for safer substitutes that are not readily available will involve a lot of R&D, trials and expense

These implications are further compounded by the fact that the SVHC list shall keep increasing with time. It is eventually expected to contain 500 to 600 substances.

Exporters have to appoint an OR (Only Representative) in the destination country to undertake both the registration formalities as well as legal liability on behalf of the exporter.

CHEMEXCIL, the Chemicals & Cosmetics Export Promotion Council, has set up a REACH help desk and a web portal to provide the latest updates to exporters. In order to provide professional assistance, CHEMEXCIL has appointed Sustainability Support Services, (Europe) AB, Sweden, (SSS) to represent its member-exporters in European Union as 'Only Representative'. This arrangement has helped over 700 Indian companies go through the pre-registration and registration deadlines.

Through a MoU with SSS, the CII Standards and Conformity Assessment Task Force has decided to launch a nation-wide capacity building programme across various export sectors (leather, garments, auto components, etc) to strengthen the supply chain in meeting REACH and other similar regulations. As a first step, experts from the European Chemical Agency (the nodal organization for REACH) have been invited as key speakers in two back to back symposiums on REACH Regulations and their impact on Indian industry, in Delhi and Mumbai.

The symposiums, being organized jointly by CII and the Union Ministry of Chemicals and Fertilizers, will be the first face-to-face interaction of ECHA officials with Indian industry and other stakeholders. This will be followed by extended outreach programmes targeting impacted sectors over the next year. As deadlines are fast approaching, the symposiums would provide an ideal forum to obtain clarifications and enhance understanding on coverage as well as compliance issues. ■



# Knowledge & Innovation Initiatives



## Andhra Pradesh Technology Development and Promotion Centre

### Capacity Building on IPR



CII-APTDC has been working with the National Engineering Industries (NEI) Ltd, Jaipur, for the last one year on the project of 'Building Best Practices of IP Management and setting up an In-house IP Cell.' This is an initiative of the CII National Committee of IP Owners for Capacity-building on IPR. The main objective of the project is to:

- Develop IP awareness across the organization
- Provide training on patent drafting, filing and other IPR procedures for India, US and PCT
- Create an in-house IPR resource pool
- Develop an IP Policy for the organization
- Leverage IP as a competitive tool

The project will end with the successful launch of the IPR cell at National Engineering Industries Ltd.

So far, CII-APTDC has conducted two training programmes and one IPR awareness session in the organisation. It also conducted an IP audit to analyse the present situation and propose a roadmap for IPR activities for the future. It was a great exercise for two days, involving personnel from all the departments in providing data, inputs and discussions on various processes, products and other activities. A detailed IP Audit Report has since been submitted to the company.

## Intellectual Property Rights

### IP Facilitation for MSMEs

CII, with the support of the Union Ministry of Micro, Small & Medium Enterprises, has established an Intellectual Property Facilitation Centre (IPFC) in Indore, Madhya Pradesh, under the National Manufacturing



S Vijay Kumar, Director, MSME; and Sandeep Naolekar, Vice Chairman, CII MP State Council, inaugurating the IP Cell in Indore

Competitiveness Programme (NMCP) Scheme of the Ministry.

The cell was inaugurated by Mr. S Vijay Kumar, Director, MSME, and Mr. Sandeep Naolekar, Vice Chairman, CII MP State Council, on 22 February.

The Cell will meet the Intellectual Property Service requirements of MSMEs in Indore, and all over Madhya Pradesh. Equipped with state of the art IP Search and IP Service Support facilities, the Cell will enable MSMEs to understand, identify and use Intellectual Property for competitive advantage. It will also provide services such as IP protection, IP awareness and training, as well as counselling and advisory services to hand-hold MSME to identify IP in their day to day business, and to leverage it for business advantage.

The IPFC will draw expertise from CII New Delhi, and will be supported in day to day operations through the CII IP Facilitation Cells in Hyderabad and Chennai.

## Nanotechnology

### Interactive Sessions on Nanotechnology



Session on Nanotechnology in New Delhi

CII, in partnership with the Department of Science and Technology, organized a series of interactive sessions on Nanotechnology with Dr. Anatoly Chubais, CEO, The Russian Corporation of Nanotechnologies (RUSNANO), in Mumbai, Bangalore and New Delhi, on 7, 9 and 10 February respectively.

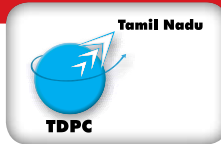
Dr. Chubais gave an overview of RUSNANO focusing on the terms of financing, support for co-investors, investment, project selection mechanism, types of projects invested into, the overall budget of RUSNANO, and how it is supporting the Nanotechnology industry.

CII members in all the three cities expressed interest in partnering with RUSNANO.

## Tamil Nadu Technology Development & Promotion Centre

### Workshop on Food Safety

The Michigan State University's (MSU) Institute of International Agriculture partners with CII for their Indian Horticulture Development Alliance (IHDA) programme. Under this initiative, a three-day workshop on Food Safety was organized on 2-4 February in Chennai through the CII-Tamil Nadu Technology Development and Promotion Centre (TNTDPC). The National Horticulture Mission also partnered this programme.



Participants at the food safety workshop

The workshop brought together the United States Agency for International Development (USAID), MSU and IHDA for a training programme on intermediate-level requirements for food manufacture. The workshop familiarized the participants with the intermediate level requirements for food manufacturing, as defined by the technical working group of the Global Food Safety Initiative (GFSI). These include good manufacturing practices and good hygiene practices, as well as the principles of hazard analysis and critical control points of the food safety management system recognized by the Codex Alimentarius Commission as the global standard for food manufacture.

These intermediate-level requirements built upon the basic-level requirements for food manufacture which were covered in a previous workshop held in Chennai in September 2009. The second level of compliance will create the foundation necessary for a company to advance to full compliance with international food safety requirements under any of the food safety management schemes such as British Retail Consortium, International Food Standard, Safe Quality Food 2000, Dutch HACCP and Food Safety System Certification 22000, which have been benchmarked by GFSI.

The workshop had 11 technical sessions addressed by eminent speakers such as Dr Leslie D. Bourquin, Professor

of Food Science and Human Nutrition, and Extension Food Safety Specialist, MSU; and Mr Kevin Swoffer, Consultant, KPS Resources, and Chair of the Global Food Safety Initiative Technical Working Groups.

## Technology

### Funding for Technology Commercialization Projects

In recent years, technology has become not only an important dimension of national development and growth but also essential for survival in this competitive world. Consequently, development and commercialization of new technologies has become a focus activity. However, technology during its up scaling, proving and commercialisation, has inherent risks and demands considerable inputs in terms of time and money.

The Technology Development Board (TDB) is the first organization of its kind within the government framework with the sole objective of commercializing the fruit of indigenous research. It encourages enterprises to take up technology oriented products.

CII has been involved in the promotion of R&D and innovation in not only industry but also in academia, working to bring technology centrestage, and make these aspects a movement in Indian Industry.

CII, in collaboration with the TDB, organized interactive sessions and one-to-one meetings to facilitate Funding for Technology Commercialization Projects for Industry, in Pune on 4 February, and in Hyderabad on 15-16 February.

In Pune, Mr. Ajay Patil, Convenor, CII-Pune Finance Panel, and Country Controller, Eaton Technologies, highlighted the importance of industry-research institute partnerships to transfer technology from laboratories to industry.

Addressing the Hyderabad workshop, Mr. H K Mittal, Secretary, TDB, said that countries which are developed today have a history of good entrepreneurs and innovations. He urged companies to carefully plan their investment and also carefully select investment partners to achieve success.

Mr. Ramesh Datla, Chairman, CII MSME Council, and MD, Elico Ltd, called for innovations and new technology development by Indian companies in today's competitive world.

Industries, research institutes, and individual innovators with innovative projects ready for commercialisation had one to one meetings with TDB officials for funding support. In Pune, there were around 27 one-to-one meetings, whereas in Hyderabad, 34 such meetings took place.



H K Mittal,  
Secretary, TDB





# Development Initiatives

## Affirmative Action

### Weaving Success Stories: Jaipur Rugs



Skills Training at Jaipur Rugs

CII adopted a Code of Conduct on Affirmative Action four years ago, to encourage industry to draw members of the Scheduled Castes and Scheduled Tribes into the country's economic growth story.

Many member companies have launched enabling and empowering programmes to act in consonance with this voluntary code of conduct. Jaipur Rugs, who manufacture a wide range of high quality, handmade carpets, is one such company.

Jaipur Rugs has undertaken various employment generating initiatives under the agenda of Affirmative Action ever since its adoption of the CII Code of Conduct on Affirmative Action in 2007. In addition to providing employment to those who belong to the Scheduled Castes and Scheduled Tribes, the company also focuses on the alleviation of poverty and women's empowerment. To this end, the company has identified key communities from the Below the Poverty Line (BPL) category, unskilled, unemployed and uneducated people, rural women, and SC/STs. As many as 40, 000 underprivileged jobless people have evolved into carpet artisans by this measure.

Jaipur Rugs works directly with the artisans to remove the middlemen from the supply chain, as exploitation of artisans by middlemen is common in the carpet industry. The company brands its products with a Rug Mark which means that the company is strictly against child labour. Over 70 percent of the weavers associated with Jaipur Rugs are women. Around 95 percent of them belong to SC/ST/OBC and 80 percent are illiterate. The majority of the target beneficiaries were BPL category before associating with the company.

Project	Area	SC/ST Beneficiaries
Carpet Weaving Unit	Jaluki, Nagaland	24
Short Term Skill Training Programme for Carpet-Finishers	4 villages in Churu District, Rajasthan	112
Thanagazi Carpet Cluster Development	Thanagazi, Alwar, Rajasthan	997
Rural Business Hubs on Carpets and Rugs (9 Villages)	24 Parganas, West Bengal	44
Carpet Weaving Cluster Development Programme	West Kameng District, Arunachal Pradesh	31
Shortterm Skill Training Programme for Carpet-Finishers	Dadabari Kacchi Basti, Pratap Vihar, Rampura District, Jaipur	224
Carpet Weaving Assistance to Rural Women in Non-Farm Development	AoyimkumVillage, Dimapur, Nagaland	24
Short Term Skill Training Programme for Carpet-Finishers	Sarai Bavri, Jaisingh Purakhod, Amer, Jaipur	13
Rural Business Hubs on Carpets and Rugs (3 Villages)	Deoghar, Jharkhand	107
Rural Business Hubs on Carpets and Rugs (3 Villages)	Sonabhadra, Uttar Pradesh	50
Computer-Aided Carpet Design Awareness Programme	Jaluki, Nagaland	36

Jaipur Rugs has a Social Entrepreneurship Model through which it has institutionalized CSR throughout its business strategies, operations, initiatives and production.

This restructuring of production processes is taking place irrespective of the costs involved if they take forward the company's commitment to provide sustainable livelihood to the underprivileged, by providing them skill development and enhancement training while adhering to global quality standards.

How does the programme work? The company identifies the underprivileged people interested in weaving who are then given training for skill building and skill upgradation until they become expert weavers. These weavers are then encouraged to form self-help groups, and a collective enterprise.

The company also assists the weavers through 15 add-on services, targeting the artisans and their families. These services include health and sanitation, education, micro-finance, solar energy based solutions, rainwater

harvesting systems, exposure visits, etc.

Jaipur Rugs has a presence in 10 states in India. It is a very good example of how CII's voluntary code of conduct on Affirmative Action has empowered and enabled those sections of our society who most need such interventions. Several projects have recently been launched so that SC/ST beneficiaries could get sustainable livelihood through employment or self-employment.

### **Carpet Weaving - Assistance to Rural Women in Non-Farm Development, Aoyimkum, Dimapur, Nagaland**

- This project provides livelihood to 24 rural women by imparting skill development training, as well as production and design training

### **Skills Development Training, Gujarat**

- Covers 30 weavers in Dabriamba
- Covers 24 weavers in Khatwani

## **ART**

### **Art Exhibition at IETF**

The Exhibition on Contemporary Indian Art, hosted by CII during the International Engineering and Technology Fair in New Delhi from 11 to 13 February with the support of the DIPP, drew a steady stream of appreciative visitors. These included Ms Kiran Choudhry, Minister for Excise, Taxation and Public Health, Haryana, Ms Sudha Pillai, Member Secretary, Planning Commission, Mr GK Pillai, Union Home Secretary, and Mr MH Khan, Director General, CAPART. Several groups of schoolchildren also viewed the exhibition.

Five major Delhi-based art galleries displayed the works of around 40 artists. The exhibits included a motorcycle fitted with a cannon titled Human Enemy Killer-the vehicle emits smoke that kills mosquitoes! Funky art-related objects such as mugs, kitschy cushions, and book lights, in addition to books on Indian art and culture, were also on offer.

The exhibition of Contemporary Indian Art demonstrated that India's new economic success has led to a new aspiration amongst Indians to engage with and acquire art.



Sudha Pillai, Member Secretary, Planning Commission with Chandrajit Banerjee, Director General, CII



## Craft Development

# Abhushan: Promoting Hand-crafted Jewellery



Subodh Bhargava, Past President, CII, and Chairman, Tata Communications Ltd & Wartsila India Ltd; Panabaaka Lakshmi, Union Minister of State for Textiles; Nina Kothari, Chairperson, Abhushan; Thiru Dayanidhi Maran, Union Minister for Textiles; Sheila Dikshit, Chief Minister, Delhi; Usha Krishna, Chairperson, World Crafts Council; and S.S.Gupta, Development Commissioner, Handicrafts, Union Ministry of Textiles

CII's theme for the year is 'Business for Livelihood' which aims at 10% growth by 2014 - growth that is inclusive and sustainable.

To further this, CII in partnership with the World Crafts Council, organized an International Jewellery Summit 'Abhushan - Design Dialogue in Jewellery' in close association with Development Commissioner-Handicrafts, Union Ministry of Textiles. This added a new dimension to CII's work in this area.

Abhushan brought craftspeople from all parts of India and the world to a common platform to expand both the domestic and international market for handcrafted jewellery using traditional skills, thereby helping to sustain and preserve the cultural heritage of handicrafts.

The International Jewellery Summit was a collaboration of artists, artisans, designers, scholars and students, to exchange ideas on the traditional and the modern, the functional and the aesthetic, in jewellery design. The seminar explored how common materials like grass, wood, bone, metal and recycled materials can be transformed into exquisite jewellery through the skills of the craftsperson /designer.

During the Inaugural Session, Ms Sheila Dikshit, Chief Minister of Delhi, said the summit would enable artisans and designers from all over the world to synergise to produce new attractive design and outstanding business, as well as innovative marketing strategies.

Thiru Dayanidhi Maran, Union Minister for Textiles, said the Indian craft industry has huge potential which needs to be harnessed in an organised manner.

Mr Subodh Bhargava, Past President, CII, and Chairman, Tata Communications Ltd & Wartsila India Ltd, explained how CII has

expanded its agenda beyond Policy and Competitiveness to embrace inclusive growth and sustainability, CII has, in the past, taken small initiatives in informal and localised instances like supporting craftsmen in North-East India. Our experience has shown that three major challenges need to be addressed by the informal sector for development: quality assurance, scaling up of micro-enterprise and financial inclusion, he said.

The faculty for the seminar included experts from the Museum of Art and Design, New York, the National Institute of Design, Ahmedabad, and the World Jewellery Museum, Seoul.

Abhushan Craft Bazaar was also organised to facilitate a direct interface between craftpersons and potential buyers. Jewellery in traditional, tribal and contemporary designs using fibre, metal, thread, terracotta, wood and recycled materials was available for sale. National awardees and international jewellery designers participated in a big way.

The Craft Exchange Programme Workshop was aimed at creating a pool of artisans and designers trained to international standards to add value to the traditional gold, silver and precious stone jewellery industry. Non-traditional

materials like natural fibre, recycled material, beads, thread, paper, horsehair, silver and copper wire etc. were used to promote design and finishing techniques through truly multinational experiences. The workshop focused on artistic jewellery in modern designs for contemporary use. Over 60 Indian craftpersons were exposed to different techniques in design, innovation and craftsmanship.

A special session was conducted for craftpersons from North East India. Ms Jayati Chandra, Secretary, Union Ministry of Development of North-Eastern Region visited the workshop.



Jayati Chandra, Secretary, Ministry of DONER (extreme right) at the Craft Exchange Programme Workshop



## Corporate Responsibility

### CSR - CSO Bridge 2011

The CSR - CSO Bridge is a flagship initiative of CII in partnership with Council for Advancement of People's Action and Rural Technologies (CAPART), to channelise the capacities of change makers, both individuals and organisations, to catalyze social development, thereby giving impetus to India's growth. The programme aims at establishing a bridge to strengthen the existing links between industry and voluntary organizations for sustained inclusive growth.

The CSR-CSO Bridge, held in Chandigarh on 1 February, put particular emphasis on fostering new partnerships between Medium & Small Enterprises and NGOs, to help these industries to fulfill their corporate social responsibilities.

Mr Mohammed Haleem Khan, Director General, CAPART, pointed out that more than 75% of Indian industry is made up of MSMEs. He urged MSMEs to take



D K Jain, Chairman, Regional Sub-Committee on CSR, CII (NR) and CMD Lumax Industries Ltd; Mohammed Haleem Khan, Director General, CAPART; R M Khanna, Chairman, CII (NR) and MD, Stanley, Engineering Pvt Ltd

up CSR as a mandate for sustainability in the long run. He also released a CSR dossier jointly prepared by CII and CAPART.

Several well-known companies presented industry's perspective on NGO-Industry partnership, while leading NGOs shared their views too. The programme focused on emerging issues on Corporate-NGO collaborations, relating to transparent and sustainable

engagement, governance, accountability and replicability. The discussion explored ways in which corporates could extend support to NGOs, share expertise, knowledge, creativity and capacity building.

'Pehal' an exposition showcasing the work of various CSOs, was held on the sidelines of the conference. This exposition enabled corporates to commit to the projects which fit into their core business and CSR models.

## North-East – Tripura

### CII Pavilion at the Tripura Industries & Commerce Fair

CII, with support from the Small Industries Development Bank of India, participated in the 21st Tripura Industries and Commerce Fair for the 3rd consecutive year, in Agartala, from 28 January to 8 February.

CII set up an Industry Pavilion at the Fair to provide a platform for marketing the products of entrepreneurs in the State. Initiatives like encouraging women entrepreneurship, young entrepreneurs and innovation were the main highlights of the Pavilion, which was well aligned with CII's theme of 'Business for Livelihood.'

The high profile visitors to the CII Industry Pavilion included Mr Jitendra Chaudhury, Industry Minister, Tripura, and Mr Pabitra Kar, Chairman, Tripura Industrial Development Corporation. A high level delegation from



CII Industry Pavilion at the 21st Tripura Industries and Commerce Fair in Agartala

Bangladesh also visited the Pavilion.

The technologies and products displayed at the Pavilion included surveillance systems, IT solutions, and specialized Cluster initiatives in areas like food processing, handlooms and fabrics. Other displays included pottery, glass painting and handicrafts. The expo registered a total footfall of approximately 4500 visitors.

## CII Tripura Rubber Convention 2011



Sawar Dhanania, Chairman, (ER) AIRIA, Dr A.K. Krishna Kumar, COO - IL&FS Clusters; Jitendra Chaudhury, Industry Minister, Tripura; Dipankar Chatterji, Chairman, CII North East Council; and Matlub Ahmed, President, Indo-Bangla Chamber of Commerce & Industry

The first-ever Tripura Rubber Convention was inaugurated by Mr Pabitra Kar, Chairman, Tripura Industrial Development Corporation (TIDC) Limited on 24 February in Agartala. The two-day event was organised by CII, with support from the Department of Industrial Policy & Promotion, Government of India, the Government of Tripura, Rubber Board and the All India Rubber Industries Association (AIRIA).

Delegates from all over the country – Uttar Pradesh, Maharashtra, Andhra Pradesh, Tamil Nadu, Kerala, West Bengal and the North East States as well as Bangladesh, actively participated in the convention. Over 300 rubber growers participated in the conference to learn about new process and products relevant for Tripura. An attractive exhibition by select companies and government agencies showcased opportunities in the Rubber Sector.

An Investors' Delegation visited the Tripura Industrial Rubber Park and rubber plantations along with local budding entrepreneurs from within the state and the region. An Investors' Meet chaired by Mr. Pabitra Kar was organized at the Rubber Park.

Addressing the Special Plenary on 25 February, Mr Jitendra Chaudhury, Industry Minister, Tripura, said the Government is committed to the growth of the Rubber Sector in Tripura, and the establishment of the Tripura Rubber Park is an important step in this direction. About 1.5 lakh tonnes of rubber is the target production output in the next 5 years. Emphasizing that Rubber is a natural asset with potential for uplifting rural and tribal development, he urged the Tripura

Rehabilitation Plantation Corporation and the Tripura Forests Development and Plantation Corporation Limited to be proactive in replicating the success stories of the Rubber Board in forming rubber producers societies.

Mr Kar said the Government is making all efforts to ensure a steady source of raw material for the proposed rubber industries in the State. Improved infrastructure, as well as a stable government, single window clearances, attractive incentives, surplus power, gas connectivity and the possible land, rail and sea access through Bangladesh, make Tripura an attractive destination for investment, he said.

The sessions covered emerging trends in rubber processing, product manufacturing and commodity trade, and small business opportunities for local entrepreneurs and planters.

Mr Dipankar Chatterji, Chairman, CII North East Council, said greater connectivity would trigger progress in the North East, especially in Tripura. Setting up of manufacturing units in Tripura will provide opportunities for upcoming entrepreneurs and manufacturers, and Tripura's close proximity with South Asian countries provides a huge opportunity for trade and commerce, he said, noting that the Kaladan multimodal project will enable export of rubber goods produced in Tripura.

Mr Abdul Matlub Ahmed, Chairman, India Bangladesh Chamber of Commerce & Industry, said that Bangladesh is looking for sourcing rubber products from Tripura.

A session on NEIIPP-2007 presented the incentives available for investment in the North East.



Sawar Dhanania and Pabitra Kar, Chairman, Tripura Industrial Development Corporation, at the Expo

## Public Health

### CII-PHFI MoU

CII and the Public Health Foundation of India (PHFI) signed a MoU on 21 February in New Delhi on policy and advocacy initiatives on key public health issues of national importance where industry can play a major role. Under the agreement, CII and PHFI will organise training workshops for capacity building in industry to address challenges in healthcare.



Dr K Srinath Reddy, President, PHFI, and S Sen, Principal Advisor, CII, exchanging the MoU on initiatives in public health

## Womens' Empowerment

### Innovative Initiative against Domestic Violence

Ms Priya Paul, Chairperson, CII National Committee for Women's Empowerment participated in the launch of an innovative initiative against domestic violence, 'Bell Bajao', created by Breakthrough, a Human Rights organisation that promotes values of equality, dignity and justice. Her message on Women's Empowerment has also been uploaded for the video van campaign.



Video Van flagging off ceremony by Sheila Dikshit, Chief Minister of Delhi

The Video Van was flagged off in New Delhi by Ms. Sheila Dikshit, Chief Minister, on 19 February. Also present on the occasion were Ms Kiran Walia, Minister for Health and Family Welfare, Delhi; Ms Indira Jaising, Additional Solicitor General of India; Mr Rajiv Kale, Director, Department of Women and Child Development, Delhi; Ms Anne F. Stenhammer, Regional Programme Director, UN Women; Ms Gauri Chaudhury, Director, Action India, and Ms. Mallika Dutt, President & CEO, Breakthrough.

The discussion on the causes and solutions to domestic violence focused on the need for attitudinal

change which have to begin in the home, and went on to include enabling legal provisions, sensitivity of law enforcement agencies etc.

'Bell Bajao!' is a signature campaign to raise awareness against domestic violence through public service announcements on TV,

radio, newspapers, video vans, websites and outdoor hoardings. This programme seeks to put an end to domestic violence by urging bystanders who witness domestic violence to intervene by stepping forward to ring the door bell.

Breakthrough has introduced a Video Van that will tour the streets of Delhi and interact with people. It

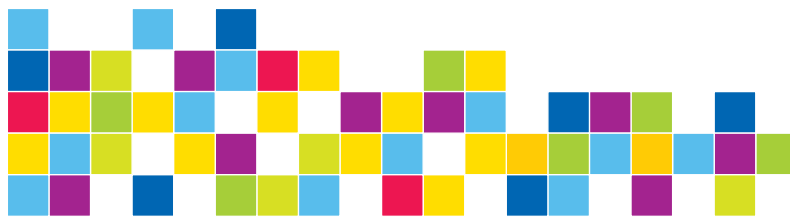
seeks to create awareness about domestic violence through street plays, puppet shows, opinion polls, interactive games and flyers. The aim is to help people identify different kinds of verbal and physical violence as also appropriate measures to deal with it.

Already launched in Uttar Pradesh and Karnataka, Breakthrough says the initiative was very well received by the public in those states. ■



Priya Paul, Chairperson, CII National Committee on Women Empowerment, and Chairperson, Apeejay Surrendra Park Hotels, at the Video Van





Yi Erode members at Maliban Biscuits Manufacturing Industry in Sri Lanka

On 1 February, Yi Guwahati organised a field visit to the kitchen of Akshaya Patra Foundation, the largest feeding programme in the world, which provides mid-day meals to underprivileged children in Government schools, in partnership with the state as well as the central government. The initiative, which started in 2000 in Bangalore with just 1,500 children now feeds over 1 million

## Erode

A 10 member Global Excellence Mission visited Sri Lanka on 10-12 February to explore trade, investment and business opportunities. Interactions were held with the High Commissioner, the Ministry of Industry & Commerce, the Board of Investments, and the Sri Lanka Ports Authority.



Pankaj Gupta, Chief Commissioner, Income Tax Department, Goa

## Goa

Mr Pankaj Gupta, Chief Commissioner, Income Tax, Goa, made a presentation on various aspects of Income Tax and the scenario in the state to Yi members on 2 February. India needs huge investments in education, healthcare and infrastructure, he said, requiring taxes to be collected at an accelerated annual growth rate to mobilize resources. The Income Tax Department, he said, has been able to multiply its collections around 5 times in a matter of only 7 years.

## Guwahati



Yi members at the Aakshya Patra Foundation, Guwahati

in 8 states and 18 locations every day.

The Guwahati Chapter, which was started in 2010, at present feeds 40,000 children in 385 schools. With a vision to ensure that "no child in India is deprived of education because of hunger" the Foundation is striving to create a human resources pool that will propel India into the league of developed nations. The visit to Akshaya Patra Foundation provided a firsthand experience of how they prepare, pack and dispatch food for thousands of children.

## Hyderabad

Yi Hyderabad, along with CII, organised a session on 'Customer Management' with Mr. Jyotin Sachdev, President, Shared Expectations on 23 February. Mr. Sachdev, who has received the Bell Laboratories President Award for Innovation and Technical Excellence, provided practical, affordable guidance on how to grow a business, retain customers, gain new markets, manage critical resources, explore new opportunities and manage the bottomline. His Voice of the Customer business model has been successfully deployed in linking customer expectations to business processes.



Jyotin Sachdev, President, Shared Expectations

## Raipur

Yi Raipur, in association with Ambedkar Hospital Model Blood Bank, organised the 11th Blood Donation Camp at the premises of R R Ispat Ltd on 11 February. Yi Raipur has collected more than 900 units of blood in ten blood donation camps organised so far.



Blood donation camp in Raipur



## Asia

### China

#### India-China Trade (January 2011)

Trade	Value	Change
China's exports to India	\$3.920 billion	39.8%
China's imports from India	\$2.739 billion	51.1%
Total trade	\$6.660 billion	44.2%
China's surplus	\$1.181 billion	

Source: <http://www.customs.gov.cn/publish/portal0/tab400/module15677/info289390.htm>

#### Economic Indicators

Current account surplus (2010)	\$306.2 billion, up 25%	FDI	\$10.03 billion, up 23.4%
PMI (Jan)	Down to 52.9%	Exports (Jan)	\$150.73 billion, 37.7%
CPI (Jan)	4.9%	Imports (Jan)	\$144.28 billion, 51%
PPI (Jan)	Up 6.6%	Total trade (Jan)	\$295.01 billion, up 44%

#### 2nd South Asia-Sichuan Seminar

CII participated in the '2nd South Asia-Sichuan Business Promotion Seminar' held on 25 February in Chengdu, the capital of Sichuan Province, China. The seminar was attended by more than 100 delegates, representing various trade promotion organizations and industry associations from the SAARC countries along with China, the host country. The business forum discussed the scope for boosting business opportunities amongst the SAARC countries to further enhance economic cooperation between the region and China, with special focus on the Sichuan Province.

Mr Zhang Zenhua, Vice Governor, Sichuan Province, delivered the keynote address. Mr Yu Ping, Vice Chairman, CCPIT, also spoke. Ambassadors, consul generals and representatives of SAARC countries spoke about the potential areas of cooperation between China and their respective countries.

Mr Inder Mani Pandey, Consul General of India in Guangzhou Province, stressed on the need for sustainable growth of bilateral trade between India and China, and invited Chinese companies to invest in India in sectors like

Infrastructure, Automotive and Construction. CII made a presentation on the Indian economy and the India – China bilateral trade and economic partnership. CII Shanghai and CCPIT Sichuan also signed a MoU on this occasion.

#### Industry Contribution to Economic Growth

Industry contributed 49.3% to the economic growth rate in 2010, an increase of 9.3 percentage points from the previous year.

#### Huawei Sales Up

Huawei Technologies' sales revenue for 2010 reached \$28 billion with an increase of 24%. Huawei has now become the world's second-largest provider of telecommunication equipment and related services. Huawei's domestic revenue was about \$10 billion in 2010.

#### FDI in Jiangsu

China's Jiangsu Province utilized \$28.5 billion of FDI in 2010, up 12.54%, the highest in China for the eighth year in continuation. About 70% of the FDI came from Asian countries and areas, up 21%. In the 2006-2010 five year period, utilization of FDI in Jiangsu totaled \$118.2 billion, double the amount during the previous five years.

#### Gold Output

China, which has been the world's largest gold producer since 2007, retained its position in 2010 by mining 340.88 tons, up 8.57%.

#### Chinese Economy Overtakes Japan

China has formally overtaken Japan as the world's second largest economy, as its GDP reached \$5.88 trillion compared to Japan's \$5.47 trillion in 2010. Japan became the world's second largest economy, after the United States, in 1968. China had overtaken Germany in 2007 to become the world's third biggest economy.

#### US Agricultural Products

For the first time, China emerged as the top market for US agricultural exports as it imported agricultural products worth \$17.5 billion from the US in 2010, which

accounted for 15.1% of the total exports of agricultural products of the US.

### Iron Ore Imports Skyrocket

Chinese iron ore imports surged 48% to a record in January, compared with a year ago, as traders replenished stocks in expectation of rising prices. Imports climbed to 68.97 million tons in January, up 18.8% from 58.08 million tons in December.

### Ocean Economic Zone

China's first ocean economic zone in the coastal province of Shandong was inaugurated on 18 February, when it signed contracts worth \$38.6 billion, signaling that China is enlarging its economic focus from the land to cover the ocean, as well. The zone covers all the offshore waters of Shandong Province, including cities - Qingdao, Dongying, Yantai, Weifang, Weihai and Rizhao - and two coastal counties administered by Binzhou.

### Rail and Road Infrastructure

China plans to spend at least US \$1.3 trillion over the next five years to ease transport and freight bottlenecks.

### Aviation Sector

China plans to invest 1.5 trillion yuan during the 12th Five-Year Plan (2011 - 2015) to uplift its aviation sector, including purchase of 700 new planes and building 45 airports.

### Import Taxes

China plans to cut import taxes on some products, including formula milk and cosmetics, as part of a series of reductions aimed at balancing international trade. China's tax revenue jumped 23% to 7.32 trillion yuan in 2010, partly boosted by import taxes. China collected 1.05 trillion yuan in value-added and consumption taxes for imported goods with a rise of 31.1%.

## Japan

### Osaka Business Seminar

CII organized a business seminar on 'India-Japan: Expanding Bilateral Cooperation – Focus on Osaka' on 10 February in New Delhi, during the International Engineering and Technology Fair (IETF) 2011.

Mr Toru Hashimoto, Governor of Osaka Prefecture, Japan, in his keynote address, called for strengthening business and economic cooperation between India and Osaka, which is one of the most advanced industrial hubs of Japan.

Mr Vikram Kirloskar, Chairman IETF 2011 Global, and Vice Chairman Toyota Kirloskar Motor Pvt Ltd, said that Japanese participation in India's growth and development



Yutaka Ienaga Chairman, International Business Committee, Osaka Chamber of Commerce & Industry, Toru Hashimoto, Governor, Osaka Prefecture, Japan, and Vikram Kirloskar, Chairman, IETF 2011 Global and Vice Chairman, Toyota Kirloskar Motor Ltd

has become stronger in all dimensions, including trade and investment, technology, R&D, infrastructure and people-to-people exchanges. Welcoming the signing of the Comprehensive Economic Partnership Agreement between India and Japan, he expressed confidence that it would facilitate new business opportunities, enhance competitiveness and lead to deeper involvement of PPPs and SMEs in infrastructure development projects.

Mr Yutaka Ienaga, Chairman, International Business Committee, Osaka Chamber of Commerce and Industry, said that many big companies from Osaka like Panasonic, Sharp, etc are already doing good business in India, and many more are interested in investing in India. He said that Japanese companies would like to strengthen their business relationship, especially with Indian SMEs, and are very keen to enter the Indian market through Joint Ventures.

### India-Japan Trade – 2010

Trade	Value
Total trade	\$14.654 billion
Exports to India	\$9.019 billion, up 42.4%
Imports from India	\$5.635 billion, up 51%

Source: [jetro.go.jp](http://jetro.go.jp)

### Sony's Plans

Sony is doing booming business in India, with the No. 1 market share in flat-panel TVs, at 34%, and a 40% share of the digital camera market. It is also No. 1 in India in home theaters and camcorders. India's TV market is expected to grow to 4.5 - 5 million units during the fiscal 2012, up from nearly 3 million now. Sony is hoping to get about 35% of those sales, which would total 1.7 million TVs.

### Consumer Prices Fall

Japan's key consumer price index fell 0.2% in January from a year earlier for the 23rd straight month of decline.

### Infrastructure Exports

The Japanese Cabinet has approved a bill to help boost Japanese firms' exports of infrastructure technologies to developing countries by strengthening the functions of a state-backed lender. The legislation, if passed by the Diet, would allow the Japan Bank for International Cooperation to spin off from Japan Finance Corp, upgrading its ability to



provide funds for Japanese companies operating abroad.

### Trade Deficit

Japan posted its first trade deficit in almost two years in January, amidst rising commodity prices and weak demand for its exports. Exports, a key driver of Japan's economy, rose just 1.4% in January - the 14th consecutive month of growth, but well off the 13% on-year surge in December.

### Debt Rises

Japan's debt in the government sector - both central and local levels - rose to 217% of nominal GDP in 2009, the largest figure since comparable data became available in 1875, according to the IMF. The IMF's latest forecasts suggest the balance will reach 232% of GDP in 2012.

### Fastest Train

Central Japan Railway is staking ¥5.1 trillion (US\$61 billion) on building what it hopes will be the world's fastest train. The magnetic levitation train with a speed of 500 km/h would run between Tokyo and Nagoya and be completed by 2027. The 290 km link will later be extended to Osaka.

### Huge Steel Merger Planned

Nippon Steel Corp. and Sumitomo Metal Industries Ltd. plan to merge by October 2012, creating the world's second-largest steel-maker in terms of crude steel production capacity. The biggest and No. 3 steel-makers in Japan are expected to take advantage of the merger to enhance their domestic bases and competitiveness and jointly explore overseas markets to counter fast-growing Chinese steel-makers and catch up with the world's leader, ArcelorMittal.

## South Korea

### India-Korea trade – 2010

Trade	Value
Total trade	\$17,109 million, up 40.75%
Exports to India	\$11,435 million
Imports from India	\$5,674 million

Source: Korea International Trade Association (KITA)

India was the 13th largest trading partner, 12th import source and 8th export destination of Korea in 2010.

### Foreign Trade - 2010

Trade	Value
Exports	\$466.384 billion, up 28.3%
Imports	\$425.212 billion, up 31.6%
Total trade	\$891.596 billion
Surplus	\$41.18 billion

Source: Korea International Trade Association (KITA)

### Foreign Investors in Pyeongchang

The Korean government has enacted a new permanent residency policy for foreign residents investing in Pyeongchang in Gangwon Province. This policy, previously exclusively available to investors on Jeju Island, aims to help support the city's third bid to host the Winter Olympics.

### Overseas Remittances

Foreign workers residing in Korea sent more than \$10 billion to their home country in 2010.

### Economy Grows by 6.1%

The Korean economy grew by 6.1% in 2010 on the strength of strong public stimulus and resilient exports. The Bank of Korea has predicted a growth of 4.5% in 2011 while the government estimates a 5% expansion.

### Current Account Surplus

Korea posted its fourth-largest current account surplus of US\$28.21 billion in 2010 based on robust exports in cars and electronics products, as against \$32.7 billion recorded in 2009.

### POSCO JV

POSCO has signed a contract with Indian Metal and Ferro Alloys (IMFA) to build a ferrochrome producing joint venture, with POSCO holding 24% and IMFA 76%. The joint venture is expected to produce 35000 tons of ferrochrome each year. POSCO will have an exclusive agreement to buy the production for next 25 years.

### Doosan buys Indian Boiler-maker

Doosan Heavy Industries and Construction Company has announced an agreement to purchase AE&E, a subsidiary of the Austrian boiler maker for US\$ 28.5 million. AE&E, located in Chennai, is engaged in the production of pressure points used in boilers, and would be Doosan's first manufacturing facility for boilers in India.

### Business Opportunities in France

A French company and an industrial site are available for sale, awaiting an Indian potential buyer.

For more details visit the CII International webpage:  
URL <http://www.cii.in/boinfrance>

## Latin America & Caribbean

### Uruguay



Jyotiraditya Scindia, Minister of State for Commerce & Industry, India; Salil Singhal, Co Chairman CII Agri Council and CMD, PI Industries Ltd; and Danilo Astori, Vice-President, Republic of Uruguay

Mr. Danilo Astori, Minister of State for Commerce and Industry, led a large Uruguayan business delegation to India. Addressing the India-Uruguay business conference, organised by CII on this occasion in New Delhi on 25 February, Mr. Jyotiraditya Scindia, Minister of State for Commerce and Industry, India, said that India is reaching out to emerging markets like Latin America as a strategic priority. The Minister pointed out that Uruguay too is following a similar strategy by

engaging large emerging markets like India.

Mr. Scindia said that India has made slow but steady progress in its liberalization process that balances growth with sustainability and inclusiveness, and the country now offers one of the most open FDI environments in the world. He also highlighted the growing outward FDI by Indian firms, and referred to such economic linkages as commercial and human bridges that connect India to the world.

Mr. Astori described his country as the gateway to the over 200 million consumer strong MERCOSUR region. He pointed out that Uruguay has an advantageous position in terms of logistics and connectivity with the rest of Latin America. The Vice-President also emphasized the democratic traditions and strong governance indicators that make Uruguay an attractive location for investors in Latin America.

Earlier, in his welcome remarks, Mr. Salil Singhal, Co-Chairman, CII Agriculture Council, and CMD, PI Industries, welcomed the largest ever business delegation from Uruguay to India as a sign of the potential growth of bilateral economic relations between the two countries.

CII signed MoUs with the Uruguay National Chamber of Commerce & Services; the Uruguay Chamber of Industries and the Uruguay Chamber of Commerce & Export of Agri Products.

## South Asia

### Pakistan

As a follow up to the Indo - Pak Business Meet organised by CII last year in New Delhi, a meeting of Indo - Pak

Textile CEOs was held in New Delhi on 17 February. The two sides discussed the potential for economic cooperation and issues hampering bilateral trade in the textile sector.



Members of the Textile Delegation from Pakistan

Mr Sushil Kapoor, President & CEO, Technical Textiles Business, SRF Ltd, who chaired the meeting from the Indian side, outlined solutions for expanding bilateral trade between India and Pakistan, such as increase in direct trade rather than routing goods through third countries, allowing of free trade by Pakistan, more steps to build

confidence and business-to-business links, etc.

Mr Iqbal Ebrahim, leader of the Pakistani delegation, and Director, Al Karam, urged India to encourage import of textiles from Pakistan. There are many non - tariff barriers imposed by India, he felt.

Mr Amin Hashwani, President, Pakistan-India CEOs Business Forum, wanted the two sides to understand each other's views, examine potentials and impediments to trade, and agree on specific initiatives to overcome them.

Both sides made brief presentations on the textile

industry, production, export, potential areas for collaboration, etc.

A six member Committee comprising of three members from each side is being set up to prepare notes on possible areas of cooperation and policy recommendations for the two Governments to implement for mutual benefit. They would take into account the current situation and the given parameters and come up with a set of recommendations.

The next meeting of the Indo – Pak Committee on Textiles will take place on 19 May in Karachi, Pakistan.

## United Kingdom

### UK-India: The Advanced Technology, Innovation and Manufacturing Agenda



Helen Alexander, President, CBI, with Anand Sharma, Minister for Commerce and Industry, India, in London

CII and the Confederation of British Industry (CBI) jointly organised a CEOs business interaction with Mr Anand Sharma, Minister for Commerce and Industry, India, on the 'UK-India: The Advanced Technology, Innovation and Manufacturing Agenda' on 4 February in London.

The interaction was organised following the first meeting of the UK-India CEOs Forum in London on 3 February, setting the agenda for business and government in the two countries.

Mr Sharma discussed the agenda with a select group of British and UK CEOs, covering diverse areas of manufacturing from the automotive sector to design and research, green technologies, infrastructure, IT for manufacturing, skills in manufacturing and Formula 1, among others. Cooperation in Manufacturing and Advanced Technology emerged as one of the key areas to be stepped up between the UK and India.

The session was chaired by Ms Helen Alexander, President, CBI. Mr Nalin Surie, High Commissioner of India to the UK, and Mr Chandrajit Banerjee, Director General, CII, also spoke.

### CII IBF UK Interaction

CII IBF UK members met with Mr Navdeep Suri, Joint Secretary, and Head, Public Diplomacy Division, Ministry of External Affairs, India, on 17 February in London, for an interactive session on 'Public Diplomacy and India's Foreign Policy- Influencing Global Thinking.' The members were interested to know how the Ministry has been reaching out globally, especially on twitter and facebook, going global in its approach to reaching out to audiences all over the world. They discussed their business expectations and shared their own experiences of businesses influencing global thinking, with Mr Suri. The session was chaired by Mr Anwar Hasan, Co-Chair, IBF-UK.



Navdeep Suri, Joint Secretary, MEA, with Anwar Hasan, Co-Chair, CII IBF-UK, and other IBF members

### India as the Soft Power

"The winning side is not the side with the bigger army but the side with the better story", observed Mr Shashi Tharoor, MP, India, speaking as the Chief Guest at the symposium on 'India as the Soft Power' on 18 February





Shashi Tharoor, MP, India; with Jo Johnson, MP, UK

in London. The University of Westminster, London, partnered with CII to organize this symposium, which was supported by the Public Diplomacy Division, Ministry of External Affairs, India, and the High Commission of India in the UK.

The symposium shared with UK businesses, academia, policy makers and media, the 'soft power' of this fast-growing economy with a vibrant, pluralist and secular polity.

Mr Tharoor emphasized the importance of "soft power as a tool to alter the behavior of others." He pointed out that as the global powers discovered the limitations of hard power of military action, soft power came into being as a tool of foreign policy. India is making use of soft power to influence global thoughts, he said, noting that India has survived because "it has managed to create a consensus on how to manage without a consensus."

Mr Kiram Karnik, former President, NASSCOM; Mr Shekhar Kapur, noted film maker and director; Mr Rajesh Prasad, Deputy High Commissioner of India to the UK and Mr Navdeep Suri, Joint Secretary and Head, Public Diplomacy Division, Ministry of External Affairs, also spoke at the symposium.

### India's Foreign Policy

CII has been working with the University of Oxford to bring to senior members of Indian industry and



At the Lecture on India's Foreign Policy

government to talk to the students on different areas of India's growth and development.

On 19 February, CII organized a guest lecture with Mr Navdeep Suri, Joint Secretary and Head, Public Diplomacy Division, MEA, on 'India's Foreign Policy.' The lecture, hosted by the Oxford Indian Society, was moderated by Prof Subir Sarkar, Rudolf Peierls Centre for Theoretical Physics, University of Oxford. The participants included students from India, the UK, USA, Russia, China and other countries, and the discussions covered a wide range of foreign policy and diplomatic relations.

### CII IBF Delegation to Ireland

A CII IBF delegation visited Ireland on the invitation of the Indian Ambassador to Ireland. The Embassy organized business events in Dublin and Cork on 23 and 24 February respectively.



Ambassador P S Raghavan, Indian Ambassador to Ireland, spoke about the opportunities present in India for Irish industry especially in sectors like IT, life sciences, advanced technology, education and skills, and invited Irish businesses to do business with India. The delegates included Mr Rajnish Kumar, Regional Head and CEO-UK, State Bank of India; Mr Udayan Guha, Vice President HCL Technologies; and VMS Kumaraguru, Director, Butterfly India Ltd.

## United States of America

### Unlocking the Potential of US-India Trade

CII organised a session with Mr Gary Locke, Secretary, US Department of Commerce, and Mr Anand Sharma, Union Minister of Commerce and Industry, on 7 February in New Delhi, to discuss the potential of bilateral trade between India and USA.

Recognizing India's growing economic and strategic role in the world, Secretary Locke said that India has become a crucial security partner and a force for global stability,

partnering with the US in fighting terrorism, assisting with the reconstruction of Afghanistan, supporting global non-proliferation efforts in Iran, and conducting more joint military exercises.

Mr Anand Sharma, Mr. Hari S Bhartia, President, CII, and Mr Chandrajit Banerjee, Director-General, CII, addressed the session.

Mr. Locke led a delegation of 24 American companies (of which 14 were SMEs) in the areas of civil nuclear,



Hari S Bhartia, President, CII; Gary Locke, Secretary, US Dept of Commerce; Anand Sharma, Minister of Commerce and Industry, India; and Chandrajit Banerjee, Director General, CII

defence and security, civil aviation, and information and communications to encourage partnerships between US and Indian businesses, specifically in areas such as infrastructure and technology. To maximize the potential of the US-India relationship, he called for addressing market access hurdles, including tariff rates and non-tariff barriers, FDI caps, and protection of IPR.

Mr. Sharma supported partnership with the US to realize and sustain India's growth targets in agriculture, infrastructure and manufacturing.

Mr. Bhartia appreciated the removal of nine Indian organisations, including ISRO and DRDO, from the US Entities list, saying this would go a long way in strengthening the strategic partnership. As the US proceeds towards its target of doubling exports in next five years, India will prove to be a valuable and exciting market, supported by rising incomes, youthful population and vibrant enterprises, he said.

### Business Opportunities in Indiana



Mitch Roob,  
Secretary of  
Commerce,  
Indiana

A high level business delegation of the Indiana Economic Development Corporation (IEDC) visited Mumbai and Hyderabad.

CII, in association with IEDC, held an interactive session for the delegates in Mumbai on 22 February to explore bilateral trade and investment opportunities between India and Indiana. Mr. E. Mitchell Roob, Jr., Secretary of Commerce, Indiana, and CEO, IEDC, highlighted the four strategic clusters that Indiana is really good at: Life Sciences, Energy, Vehicles and Agriculture. "These are also

some of the core sectors for India and there is a great opportunity for businesses in the two countries to learn from and invest in each other," he said.

Indiana, one of America's top manufacturing states, is a leading producer of pharmaceuticals and medical devices, automobiles, electrical equipment, machinery and chemical products. In September 2010, CII had organized a delegation of Indian mid-sized companies to Indianapolis, which resulted in valuable networks and business generation between India and Indiana.

### US Deputy Asst Secretary of State

CII hosted a dinner with Dr. Alyssa Ayres, Deputy Assistant Secretary at the US Department of State, on 22 February in New Delhi. At the roundtable discussion, several young Indian entrepreneurs,



Dr. Alyssa Ayres, Deputy Asst Secretary at the US Department of State and Chandrajit Banerjee, Director General, CII

including Mr. Ankur Bhatia, Executive Director, Bird Group; Ms. Anupama Arya, Director, Mobera Systems; and Ms. Bhairavi Jani, Director, SCA Group of Companies; shared their business stories. The discussions focused on entrepreneurship and innovation, healthcare opportunities, and possibilities of collaboration between India and the US in the field of education.

### US Congressional Staffers Delegation



Members of the US Congressional Staffers Delegation

CII hosted a briefing meeting for members of the US Congressional Staffers Delegation on 21 February in New Delhi. Mr. Tarun Das, former Chief Mentor, CII, briefed the delegates about the dynamics of the Indian market and economy, emerging areas of reform and



S Joe Bhatia, President & CEO, ANSI; Uday Abhyankar, Co-Chairman, CII Standards & Conformity Assessment Task Force, Sharad Gupta, Director General, BIS; K T Chacko, Director, Indian Institute of Foreign Trade; Leocadia I Zak, Director, USTDA; and Dr S K Saxena, Director, Export Inspection Council, releasing the SCCP Progress Report at the 2nd Indo-US Summit on Standards in Trade

possibilities of cooperation between India and the US. The discussion focused on working together in energy efficiency, education and means of enhancing economic relations, such as the possibility of a Bilateral Investment Treaty.

The delegation included Mr. Jedd Moskowitz, Chief of Staff to Rep. Gary Ackerman, House Foreign Affairs Sub-committee on Middle East and South Asia; Mr. Mark Brunner, National Security Adviser to Sen. Mark Warner, Co-Chair, Senate India Caucus; Ms. Laura Berntsen, Legislative Assistant to Rep. Jim McDermott, Former Co-Chair of the House India Caucus; Mr. William Gardner Todd, Legislative Assistant to Sen. Thad Cochran, Ranking Member, Senate Appropriations Committee; Mr. Jeremy Woodrum, Legislative Director to Rep. Joseph Crowley, Co-Chair of the House India Caucus; Mr. Ed Parkinson, Professional Staff Member, House Committee on Homeland Security; Mr. Jed Bhuta, Legislative Director to Rep. Heath Shuler; Mr. Jason Harris, Legislative Director to Congressman Alcee L. Hastings; Mr. Sajit Gandhi, Professional Staff Member, House Foreign Affairs Committee; Mr. Worku Gachou, Legislative Assistant on Foreign Policy to Rep. Ed Royce, Co-Chair of House India Caucus; and Mr. Hunter Strupp, Professional Staff Member, House Foreign Affairs Subcommittee on Terrorism, Non-Proliferation and Trade. CII also facilitated meetings for the delegation with the Reserve Bank of India, State Bank of India and the Mumbai Stock Exchange.

### Directory of US Standards

CII announced the launch of the much awaited standards directories on Sarthi, the CII Standards Portal that facilitates international trade, at the 2nd Indo-US Summit on Standards in Trade on 8 February in New Delhi. The Standards Portal is a deliverable of the US-India

Standards and Conformance Cooperation Program (SCCP), an initiative launched in 2009 jointly by ANSI, CII, and BIS. The SCCP consists of two complementary projects:

1. Supported with funding from US Trade and Development Agency and focusing on sectors of interest to US industry;
2. Supported by the Government of India and focusing on sectors of interest to Indian industry.

Together, these projects aim to improve market access for American and Indian industry by increasing transparency and sharing information on the standards regulatory requirements in each market. By facilitating cooperation and collaboration between industry in the US and India, the SCCP provides a mechanism to address potential trade barriers before they arise.

One of the key SCCP tools now available on the Standards Portal are the 'Standards Directories.' The five 'Directories' list the technical requirements applicable in the US market for five industry sectors: IT Equipment, Telecom Equipment, Petroleum Equipment, Water Purification Equipment and Construction Equipment, and they could be expanded to include other sectors in the future. The directory will serve a crucial need by providing a central location for information on standards, regulations, and conformity assessment that is used by US industry in the US market.

The data compiled by ANSI has all three types of requirements: market access, market acceptance, and market differentiation. This will facilitate the adoption of these approaches in international markets, leading to reduced barriers to trade.

Mr Sharad Gupta, Director General, Bureau of Indian Standards, wished success to the SCCP initiative. Ms Leocadia I Zak, Director, USTDA, stressed the importance



of Standards and Conformity. Mr S Joe Bhatia, President & CEO, American National Standards Institute (ANSI) noting that over US\$ 14 trillion in global business is affected by Standards, detailed the development work done under the SCCP programme, including five workshops to raise awareness levels. With Indo-US trade expected to touch US\$ 70 billion by 2015, he expressed confidence in the growing 'defining partnership' between India and the US.

Mr K T Chacko, Director, Indian Institute of Foreign Trade, said that it was critical to arrive at mutual agreements of standards between countries to promote international trade, and underlined the importance of harmonising domestic and international standards. However, he expressed concern over the falling Indian exports to the US. While Indian exports worldwide had grown five times, they had merely doubled with US in the last ten years. He also said that the trade-related barriers for Indian exports to the US far outnumbered those raised by India: in 1995-2010 it was 3740 US trade barriers versus 178 raised by India. Calling for greater technical cooperation, and a positive link on transfer of technology at affordable cost between the developed and developing world, he lamented the lack of proper representation by third world countries in the ISO standards formulation bodies.

Dr S K Saxena, Director, Export Inspection Council, shared the Council's role in fostering standards and conformance equivalence arrangements with trade partners, particularly in the area of food exports.

## India-US Trade and Commerce

### Bigger Opportunities in Smaller Cities

Smaller cities are scoring over metros in terms of growing urbanisation, and cities such as Jalandhar, Aurangabad, Bhubhaneshwar, Agra and Raipur are believed to be the next 'cities of opportunities'. According to the latest Morgan Stanley research report, 'AlphaWise City Vibrancy Index: A Guide to India's Urbanization', households in these cities earn more than India's average urban household. The Centre for Monitoring Indian Economy (CMIE) pegs the quarterly average household income at about Rs 45,000 per urban household, versus Rs 65,000 in cities such as Jalandhar, Bhubaneswar, Guwahati and Aurangabad.

### US India Bilateral Trade

Indo-US bilateral trade is expected to have increased by more than 30 percent in the first 11 months of 2010. According to the latest figures from the US Department of Commerce, between January to November 2010, the

total bilateral trade between India and the United States was US\$ 45,011 million.

### India, US to Discuss Trade Irritants

India and the US are set to address some of the prickly issues that have acted as major irritants in the commercial relations between both countries, to ensure greater flow of trade and investment. The issues would be raised during the next India-US commercial dialogue. The concerns relate to the recent raise in fees for professional visas by the US, imposition of a special tax on foreign companies and the introduction of tariff and non-tariff barriers.

## India-US Policy News

### Indian Model of Development

The Indian model of growth is worth emulating globally, a top Obama Administration official has said. "The India model is really one based largely on local consumption and innovation and enterprise because of the changes and the reforms that have taken place in the Indian economy over the last ten years and twenty years," said Mr Robert Blake, Assistant Secretary of State for South and Central Asia.

### Support for India-US Relationship

Given that India-US relationship has broad bipartisan support, Indians can be confident of continued close cooperation between the two nations, two top American senators have said. "The people of India can be confident that the close cooperation between our two nations will continue, because it has broad bipartisan support in America," Senators John Cornyn and Mark Warner wrote in a joint op-ed in the latest issue of the popular ethnic India Abroad newspaper. The Senators are Co-Chairs of the powerful Senate India Caucus.

### US Backs India's UNSC Bid

Describing India as a rising global power, a bi-partisan resolution introduced in the US House of Representatives has expressed support for the country's bid for a permanent seat in the UN Security Council. The resolution, introduced by Democratic Congressman Alcee Hastings, and supported by half-a-dozen other lawmakers, has been referred to the House Committee on Foreign Affairs.

### Momentum for UN Reform

With US President Barack Obama backing India's quest for permanent membership of the UN Security Council, India sees a new momentum for the expansion of the top decision-making forum of the world body. "The US

support has come at a very opportune time as this campaign (of UN Security Council reform) has been gathering momentum," said Ms Nirupama Rao, Foreign Secretary of India.

### US-India Military Cooperation

The US seeks to expand military cooperation with India on a range of issues like non-proliferation and counter-terrorism to catalyse greater security cooperation in Asia, according to a Pentagon report. "As military capability and capacity increases in Asia, we will seek new ways to catalyse greater regional security cooperation. Leveraging our convening power, we will expand the scope and participation of multilateral exercises across the region," said the report, adding "We seek expanded military cooperation with India on non-proliferation, safeguarding the global commons, countering terrorism, and elsewhere."

### Indian-Americans on US Committee

Two Indian-Americans, Mr Ganpat Mani, and Mr Vijay Sazawal, have been appointed by Mr Gary Locke, US Secretary of Commerce, to serve on the Civil Nuclear Trade Advisory Committee for two years.

### NBA and Dept of State Visit India

The US Department of State and the NBA made their first joint trip to India as part of their 2011 sports envoy programme, visiting Mumbai and New Delhi from 22 February to 2 March. They conducted clinics, met with students and attended the finals of the Mahindra NBA Challenge.

## India-US Corporate Watch

### Jubilant Foodworks and Dunkin' Donuts

Dunkin' Donuts, one of the largest coffee and baked goods chain and Starbucks' biggest competition in the US, is in talks to enter India through a franchisee deal with Jubilant Foodworks. Dunkin' Donuts will target the mass coffee segment in the country.



### Quiznos in India

Denver-based restaurant chain Quiznos plans to open its first location in India soon. It has awarded franchising rights for the restaurant in southern India to Mr Arjun Valluri, an established franchise restaurant operator, who plans to open 40 Quiznos locations in India.

### US Pharmacopeia

United States Pharmacopeia (USP), an official public

standards-setting authority for all prescription and over-the-counter medicines, is setting up a new facility at Genome Valley, in the outskirts of Hyderabad, with an investment of \$15 million. It will be the largest site for USP outside the US, housing analytical R&D, microbiology, micro-analytical and organic synthetic chemistry labs, besides boosting facilities to conduct training programmes.

### McDonald's India Plans

McDonald's Indian franchisee plans to set up 30 new restaurants in southern and western India this year.



### Bharti Infratel –IBM Tie-up

Bharti Infratel has chosen IBM to provide 'intelligent site operations' to over 32,000 Bharti Infratel tower-sites across 11 telecom circles in India.

### Dell Centre in Coimbatore

Dell is setting up a second centre, across 1,50,000 sq ft, on its 7.2 acre campus in the Coimbatore Hi-Tech Infrastructure Private Limited Special Economic Zone. With a seating capacity of 1,500, the centre will go live this year.

### Cognizant Investment

On the back of 40% revenue growth, Cognizant will invest more than \$500 million till 2014 to expand its campuses to add over 8 million sq ft to house over 55,000 employees. It will create additional software development and training facilities in SEZs in Chennai, Pune, Coimbatore and Kolkata.

### GE Aviation- Air India Pact

GE Aviation has signed a 20-year engine maintenance agreement with Air India. The agreement covers the Maintenance, Repair and Overhaul (MRO) of GE90 aircraft engines.



### Northrop Grumman -Pipavav Shipyard MoU

US defense major Northrop Grumman and Gujarat-based Pipavav Shipyard signed a MoU to co-operate and build capabilities for mutual security interests between the United States and India, at the recent Aero India Show.

### Jet Direct Flight to US

Jet Airways has sought permission to fly directly

to New York from next winter. The flights could be either from Delhi or Mumbai and the airline wants to fly on all seven days a week. The airline at present flies to New York with a stopover at Brussels.

### CIL -P& H MoU

Coal India Ltd has signed a Rs 590-core deal with the US-based mining equipment maker P&H, for buying two 42 cu m shovels and their maintenance for 17 years.

### IBF Members in the News

#### Wockhardt

Drug maker Wockhardt Ltd has inked a strategic pact with US-based Sheffield Bio-Science to supply Wockhardt's recombinant insulin to cell culture markets globally. Sheffield would have exclusive sales and distribution rights for its recombinant insulin in these markets. It estimated the potential in the cell culture markets at around \$50 million.

#### Tata JV with Lockheed Martin

Lockheed Martin Corp and Tata Advanced Systems, a wholly owned subsidiary of Tata Sons Ltd, announced the formation of a new joint venture company - Tata Lockheed Martin Aerostructures, for manufacturing aerostructures for the C-130 aircraft produced by Lockheed Martin. The facility is export oriented.

#### L&T Valves

Engineering major Larsen & Toubro said it is the first Indian industrial valve maker to receive the coveted 'N' and 'NPT' stamp from the American Society of Mechanical Engineers (ASME). L&T's valve facility in Coimbatore that focuses on high-end valves for nuclear and thermal power has received the certificate of authorisation.

#### NIIT- Zend Join Hands

IT training company NIIT Ltd has announced a strategic alliance with US-based Zend Technologies to offer training programmes and courses on PHP Web technology. PHP, a programming language used for building Web applications, runs an estimated 35% of the world's websites including Facebook and Yahoo. NIIT plans to train about 80,000 professionals on this technology over the next three years..

#### HCL Tech –Virginia Renew Contract

HCL Technologies has renewed its contract with the state of Virginia, as more government departments seek to lower costs by giving away non-core work. Government sector contracts are being outsourced to Indian IT firms as more US states look to gain greater efficiencies and reduce costs. Experts say this could get a bigger boost as the US federal budget proposes to cut more than \$61 billion from current spending levels this year.



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Workshop on Producing Zero Defect  
Through Statistical Techniques

21-22 March, Coimbatore  
Workshop on Quality Maintenance to  
achieve Zero Defect Status

23 – 25 March, Bangalore  
Competency Mapping & Assessment –  
Certification Programme

23 – 25 March, Gurgaon  
Workshop on Strengthening Management  
Representative Skills: Compliance to Excellence

25-26 March, Kolkata  
Two Day Programme for Upgrading  
Assessors to 2010

5-6 April, Bangalore  
Workshop on Assessment for Business  
Excellence for Small and Medium Businesses

6 – 7 April, Delhi  
FSCC & PAS 220 Internal Auditor Programme

7 April, Delhi  
Symposium on REACH regulations & their  
future impact on exports of chemicals and  
articles to Europe

8 April, Mumbai  
Symposium on REACH regulations & their  
future impact on exports of chemicals and  
articles to Europe

9 April, Bangalore  
Seminar on Hospital Infection Control

12-14 April, Bangalore  
Workshop on Assessment for Business  
Excellence for Large Business Organisations

15 – 16 April, Delhi  
Workshop on General Requirements on  
Hygienic and Sanitary Practices to be  
followed by all Food Business Operators

For further details, please contact:

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## East

### Bihar

#### Interactive Session on France

7 February, Patna

During his visit to Bihar, the Consul General of France in Kolkata, Mr Jean-Louis Rysto, met the representatives of leading industries and institutes of Bihar to discuss the investment scenario and potential areas of collaboration.



Satyajit Singh, Chairman, CII Bihar State Council; and Jean-Louis Rysto, Consul General of France

#### Trade with China

11 February, Patna

In an interactive session, Mr Zhang Lizhong, Consul General of China, discussed the prospects and potentials of trade and investment between India and China.



Zhang Lizhong, Consul General of China

### Chhattisgarh

#### Finex Chhattisgarh



Amitabh Khandelwal, Director, Directorate of Institutional Finance, Chhattisgarh, at Finex Chhattisgarh 2011 in Raipur

19 February, Raipur

Finex Chhattisgarh had dedicated Sessions on Policy Dimension for Financial Inclusion, Banking and Finance for Inclusive Growth, Personal Wealth Creation through Capital Market, and Recent Trends in Fund Raising.

### Jharkhand

#### Session on Indirect Taxes

10 February, Jamshedpur



Session on Indirect Taxes in Jamshedpur

The session on Indirect Taxes featured an elaborate presentation on Central Excise and Service Tax for the Manufacturing and Steel Sector.

### Odisha

#### Campus Connect

12 February, Bhubaneswar

About 135 engineering, MCA and BCA students and faculty members from major institutes of North Orissa attended a Campus Connect programme in Infosys Bhubaneswar, organized by CII to expose them to the best in class learning environment and techniques.

#### Finex Odisha 2011

12 February, Bhubaneswar

The Conference and Exhibition – 'Finex Odisha 2011' explored different financing options and avenues for wealth creation. Mr J K Mahapatra, Principal Secretary, Finance, Odisha, was the Chief Guest.

#### IT Awards

25 February, Bhubaneswar



At the IT Awards ceremony in Bhubaneswar

The 5th IT Award Competition provided a platform for both users and service providers to present their best practices

in IT implementation. The awards recognize and honour the best and most innovative use of Information Technology to enhance customer service and satisfaction.

## ICT Odisha 2011

25 February, Bhubaneswar



Dr Omkar Rai, Director General, STPI, New Delhi; Dr Ajay Kumar, Jt Secretary, IT, Union Ministry of Communication & IT; and P K Jena, Commissioner-cum-Secretary, IT, Odisha, at ICT Odisha 2011 in Bhubaneswar

Dr Ajay Kumar, Joint Secretary, IT, Union Ministry of Communication & IT, was the Chief Guest at ICT Orissa. Dr Omkar Rai, Director General, STPI, and Mr P K Jena, Commissioner-cum-Secretary, IT, Odisha, also spoke.

## West Bengal

### Infra East

3 February, Kolkata  
Various issues and challenges in urbanization, different financing structures and innovative urban infrastructures were discussed in the various sessions of the Infra East Conference. Mr Sovan Chatterjee, Mayor, Kolkata Municipal Corporation, was the Chief Guest.



Sovan Chatterjee, Mayor, Kolkata Municipal Corporation, inaugurating Infra East 2011 in Kolkata

### India-Korea: Growth Opportunities

17 February, Kolkata



CEOs' Session Growth Opportunities, in Korea

A CEOs' Session on India-Korea: Growth Opportunities, was addressed by Mr Kim Joong-Keun, Ambassador of Republic of Korea. The session highlighted the business opportunities in Republic of Korea for industry in West Bengal.

## Destination East 2011

17 – 18 February, Kolkata



Manabendra Mukherjee, Minister of Tourism, West Bengal, inaugurating Destination East 2011 in Kolkata

Destination East 2011 was held to brand and market the tourism potential of eastern and north eastern India and the Andaman and Nicobar Islands to various countries. The initiative hosted 51 buyers from Malaysia, Thailand, Singapore, Bangladesh, Vietnam, Myanmar, UK and Germany. The buyers visited tourism destinations in Odisha, Bihar, Assam and various parts of West Bengal. In Odisha and Bihar, the international tour operators and travel agents also met with the local tourism stakeholders and government officers. This was followed by a Buyer Seller Meet wherein 49 sellers from India met with the buyers over 700 pre scheduled B2B meetings.

### Roundtable Meet on Netherlands

21 February, Siliguri

CII North Bengal Zonal Council organised a Roundtable meet on Business Link Programme with Netherlands. Mr John De Bruijin, Country Coordinator of Netherlands, interacted with participants on doing business with Netherlands.

### SME East 2011

22 February, Kolkata



Dr.Arup Chattopadhyay, Chairman, MSME Sub-committee, CII Eastern Region; Dr Anup Chanda, Addl Chief Secretary, MSME, West Bengal; Kurush Grant, Chairman, CII Eastern Region; and N K Maini, Deputy MD, SIDBI, at SME East 2011 in Kolkata



SME East 2011 presented a unique multi-level approach to assist small businesses to understand the latest trends in the business environment, and market their products and services. It brought consultancy organisations, training institutes and agencies in touch with small enterprises. The focus was on Technology, Ways to Improve Credit Rating, and Vendor Development for Sourcing Opportunities. Dr Anup Chanda, Additional Chief Secretary, MSSE, West Bengal, was the Chief Guest.

### Building Healthcare Excellence

26 February, Kolkata



Sensitization Programme for Building Healthcare Excellence in Kolkata



Prof Venkat Ramaswamy

### 'Creating Value'

24 February, Kolkata

Prof Venkat Ramaswamy, Hallman Fellow of Electronic Business and Professor of Marketing at the Ross School of Business, University of Michigan, USA, addressed members on 'Co-Creating Mutual Value with Stakeholders.'

Mutual Value with Stakeholders.'

The CII Award for Healthcare Excellence has been established to promote awareness of excellence as an increasingly important element in competitiveness. Not only does the award recognizes excellent Healthcare Providers, the model also increases the understanding of the elements critical for Healthcare excellence.

CII Eastern Region Healthcare Subcommittee and the CII Institute of Quality jointly organised an Appreciation Programme on the Award.

## North

### Chandigarh

#### Interaction on Chandigarh

18 February, Chandigarh



Vikram Hans, Vice Chairman, CII Chandigarh; Scot Slessor, Consul General of Canada; V K Singh, Finance Secretary, Chandigarh Administration, and Nitin K Peshawaria, Chairman, CII Chandigarh

Mr V K Singh, the newly appointed Finance Secretary of Chandigarh, interacted with members about the development of IT Park Phase III. He also updated about the administration's plan of providing e-governance services. Mr Singh invited CII to join the administration to initiate more programmes, schemes and ITIs for skills development,

### Delhi

#### Doing Business with the UN

14 - 15 February, New Delhi



Zubain Irani, Chairman, CII Delhi

The seminar was an interactive platform between UN Procurement Division (UNPD) representatives and Indian business houses in order to encourage and increase participation in the United Nations Global Marketplace. The session highlighted the 10 principal guidelines of the UN procurement system with emphasis on best value for money, fairness, integrity and transparency, and focus on environment friendly practices.

A step-by-step process of the pre-registration and registration process to bid for contracts with more than 20 UN agencies was discussed.

### Haryana

#### Strengthening Customer Relationships

24 February, Gurgaon

The workshop helped participants learn to sell consistently and effectively and develop confidence in their customer approach and interactions.





CII members presenting the Pre-budget Memorandum to Abdul Rahim Rather, Finance Minister, Jammu & Kashmir

## Jammu & Kashmir

### Pre Budget Memorandum Presented

9 February, Jammu

CII members, led by Mr Vicky Mahajan, Chairman, CII Jammu & Kashmir State Council, called on Mr Abdul Rahim Rather, Minister for Finance, Jammu & Kashmir, to present CII's Pre Budget Memoranda for the state. The key recommendations focused on power, infrastructure, agriculture, horticulture and floriculture, tourism and taxation.

### Agri Conclave 2011

18 February, Jammu

Improved investments, better productivity and strengthening of marketing linkages are the need of the hour and can help give agriculture sector the much needed fillip, said Mr Ghulam Hassan Mir, Minister of Agriculture, J&K, while inaugurating the 2nd Agri Conclave. Inviting industry participation to help revive this sector, the Minister pointed out that this sector has immense employment potential, but low profitability and uncertainty on returns are driving the youth away.



Ghulam Hassan Mir, Minister of Agriculture, Jammu & Kashmir

A rural kiosk, a CII-Aircel initiative to provide ready information like weather updates and mandi rates to the farmers was also inaugurated. Farmers from Kathua, Samba, Udampur, Jammu and Reasi attended the Conclave.



Shivraj Patil, Governor of Rajasthan

## Rajasthan

### HR Conclave 2011

11 – 12 February, Jaipur

The 4th edition of the HR Conclave was inaugurated by Mr Shivraj Patil, Governor of Rajasthan. The conclave

featured a CEO's Workshop, conducted by Aon Hewitt, focusing on Strengthening the Corporate DNA, Employee Engagement and Team Building.

## Events

### IT / ITES Conference

16 February, New Delhi



Shashank Tripathi, Executive Director, PwC, Ronald B Allarey, Philippine Ambassador to India, and Partap K Aggarwal, Chairman, CII NR Committee on ICT & Emerging Technologies

Mr Ronald B Allarey, Ambassador of the Philippines to India released the CII-PwC Report on 'Changing landscape and emerging trends – Indian IT / ITES Industry' at the IT / ITES Conference – Changing landscape; Emerging Trends.

"The Philippines and India have unique and complementary strengths, for the IT / ITES sector", he said.

The conference focused on understanding and adopting new developments and best practices worldwide in this sector.

## South

### SAARC Trade Promotion Network Meeting

1 - 4 February, Goa

This Trade Promotion Network Meeting was held to further develop and promote regional economic integration within SAARC. A comprehensive work plan has been framed until the end of 2012, based on the deliberations made during the network meeting.

### Webinar with P&D Creative Co. Inc

4 February, Chennai

The webinar introduced the American organization P&D Creative Co., Inc, which is looking for business partnership in India.

### Auto Delegation from Japan

8 February, Chennai

The seminar on 'Procurement of Auto Components from South India' was followed by B2B meetings with the visiting Japanese Delegation. The event presented the current situation of the auto component industry in the Southern Region, and facilitated business match-making for visiting Japanese companies with Indian companies based in Southern India.

### Investment Opportunities in France

24 February, Bangalore  
25 February, Hyderabad



Guillaume Page, Inward Investment Officer, Invest in France Agency; Lionel Petit, legal expert in French migration laws, Karl Waheed, Paris; and D V Manohar, Chairman, Shri Shakti Resorts & Hotels Ltd at the Seminar in Hyderabad

Mr. Guillaume Page, Inward Investment Officer, Invest in France Agency, presented investment opportunities in his country to Indian companies.

The seminars facilitated discussions between members and the delegation from Invest in France Agency on issues pertaining to visa, work conditions and investment opportunities in France.

## Andhra Pradesh

### Let's Vote Green Rally

5 February, Hyderabad



Let's Vote Green Rally in Hyderabad

Flagged off by Mr. A K Khan, Commissioner of Police, Hyderabad, the rally involved corporates and citizens in creating environmental awareness and promoting bicycling as a way to reduce ozone depletion. About 500 cycles were distributed to poor and deserving school students.

### Balanced Scorecard

11 February, Hyderabad

The workshop helped organizations understand and adopt the Balanced Scorecard as a framework to improve both strategic performance and operational results.

### Indian Agriculture

19 February, Hyderabad



Conference on Indian Agriculture in Hyderabad

Focussing on the theme 'Are we heading for a Malthusian Crisis?', the conference brought together various stakeholders in the agricultural sector - industry, scientific community, academicians, farmer groups and government officials for cross pollination of new ideas, technologies, and methodologies to address the issue of food and nutrition security in India.

### HR Training Session

25 February, Hyderabad

As the last of the HR Training Sessions, the session

on 'Developing HR Competency Framework' helped participants understand the basics of designing a competency framework, and aligning it to various eco systems in the organization.

## Karnataka

### Workshop on Foundation for Profitability

4 & 5 February, Bangalore

The workshop addressed SME members on financial management processes which involve financial planning, cash flow and ERP. It focussed on the cash-to-cash cycle, and how IT (ERP + Business Intelligence) help run the business. Factory tours of Magod Laser and KTTML gave the participants a feel of how the implementation of these systems establishes smooth and efficient management of operations.

### Doing Business in France

8 February, Bangalore

A team from the French law firm, Franklin Societe D' Advocats, visited Bangalore to exchange ideas with members of CII Karnataka seeking to do business in and with France. They presented current business opportunities in France and discussed the prevailing economic climate.

### Roundtable on Bavaria

15 February, Bangalore

Dr Schleicher, Permanent Secretary to the Ministry of Economic Affairs for the State of Bavaria, described the investment opportunities in Bavaria with special reference to automotive, aerospace, machinery, and ICT.



Aroon Raman, Chairman, CII Karnataka, with Dr Hans Schleicher, Permanent Secretary to the Ministry of Economic Affairs, Bavaria

### Design Sensitisation Seminar

18 February, Bangalore

The seminar was organized to enhance MSME competitiveness and productivity, using Design intervention at various functional levels. It provided technical advice on design methodology, benefits of design and expert advice on solutions on real time design problems.

## CFO Conference 2011

25 February, Bangalore



Subroto Bagchi, VC & Gardener, Mindtree Ltd, Raman Uberoi, Sr Director, CRISIL Ratings, CRISIL Ltd, Indraneel Roy Chaudhury, Convenor, Policy Advocacy Panel, CII Karnataka, and S Chandrasekhar, Vice Chairman, CII Karnataka

The annual conference covered the Economic Outlook for 2011 and Beyond; Successful Strategies for Optimizing Forecasting; Optimizing Communication with Key Investors; Creating a Scalable Balance Sheet for Future Growth Potential: and Best Practices; Challenges in implementing IFRS. A Banquet Session had the theme 'Lessons from the Past, Leadership for the Future.' A CII- CRISIL report on 'Leadership Agenda for Corporate India in the Next Decade' was released.

## Kerala

### Improving Workplace Efficiency

23 February, Kochi

The workshop offered a comprehensive understanding of the 5S and 3M method and its implementation, along with acquiring self-discipline, resolving logistical problems, improving work efficiency and ensuring quality.

## Puducherry

### Supply Chain Management

22 February, Puducherry

The training programme introduced the key concepts and core requirements needed to enable a business to organize and run an efficient Supply Chain. It covered Basic Inventory Planning and Management, Warehousing and Storage, Logistics and Distribution Management, etc.

### Upgradation of ITIs

22 February, Puducherry

The meeting explained the CII Excellence Model, and the roles and responsibilities of ITI and the Industry Partner, under the upgradation of ITI scheme thru the PPP model.

### Recent Initiatives of ESIC

23 February, Puducherry

The session helped members understand various issues with respect to the recent initiatives of the Employees State Insurance Corporation. Ms. Padmaja Nambiar,



Additional Commissioner, and Mr S Sankaralingam, Deputy Director, Regional Office, ESIC, Puducherry interacted with the members.

## Tamil Nadu

### Lean Accounting

19 February, Chennai

Mr Brain H Maskell, President BMA Inc, explained the underlying principles of lean accounting and the need to change from traditional accounting, control and measurement methods to a Go-Forward plan for an organisation. Lean accounting helps an organization increase profits: it involves employees, creates accountability, and empowers the workforce to be innovative.

### SPEED

22 February, Chennai



R Dinesh, Jt MD, TV Sundaram Iyengar & Sons Ltd; T Kannan, MD, Thiagarajar Mills Ltd; K Allaudin, Principal Secretary to the Chief Minister (Monitoring), Tamil Nadu; Rajeev Ranjan, Principal Secretary, Industries, Tamil Nadu; Nandini Rangaswamy, Chairperson, CII Tamil Nadu; and Dr S Aravind, Chairman, CII Madurai Zone, and Administrator, Aravind Eye Hospital

The 3rd edition of SPEED - Southern Prosperity through Enhanced Economic Development, was organised to quantify and project the strengths of the Southern Districts of Tamil Nadu by creating hubs, satellite and corridors through business linkages. The event also witnessed the release of the report 'Destination - South Tamil Nadu.'

### Smart Eco-Systems

24 February, Chennai

The conference deliberated on factors, internal and external, towards developing smart cities as future destination to sustainable living. The discussions explored the emerging needs of global citizens vis-a-vis challenges due to the pace of development; factor limitations - transition from rural to urban; opportunities and challenges of newer cities; planning and guidelines for sustainability; localised governance, etc.

## Zones

### Chennai

#### Design Sensitisation Seminar

2 February, Chennai

The seminar enabled MSMEs understand the need for continuous improvement, and value addition for existing products and services through improvements in design methodology, with a focus on transportation, automobile design, and industrial design for engineers.

#### CII Services

7 February, Chennai

The interactive session was held to understand the needs and requirements of members and present to them the gamut of services offered by CII.

### Trichy

#### Family Business Sensitization

1 February, Trichy

The session sensitized members on how to sustain a family business and face the different challenges that may arise.

### Vijayawada & Visakhapatnam

#### Project Management

4 February, Vijayawada

The sessions covered during the workshop were practical project management skills; how to increase buy-in from individuals who execute the project work; and planning to

ensure project success.

#### Leadership and Relationship

11 February, Visakhapatnam

The workshop stressed the importance of creating and maintaining healthy relationships.

#### Session on Sri Lanka

18 February, Visakhapatnam

Mr Vadivel Krishnamoorthy, Sri Lankan Deputy High Commissioner for Southern Region, discussed possible trade and investment ties between Sri Lanka and Visakhapatnam. The session helped project Visakhapatnam as an ideal investment and tourist destination.



Vadivel Krishnamoorthy, Sri Lankan Deputy High Commissioner for Southern Region; and Capt. Sriram Ravi Chander, Chairman, CII Vizag Zone

## West

### Interactions with ANSI

9 February, Pune  
10 February, Ahmedabad



Ramani Iyer, Forbes Marshall Pvt Ltd; Leslie McDermott, Programme Manager – International Development, ANSI, USA; and Amitabha Ray, Indian Representative, ANSI, in Pune

Interactive sessions were organized with the American National Standards Institute (ANSI) to share the '5 Standards Directories' which have been developed under the Indo-US Cooperation Programme in cooperation with the Bureau of Indian Standards. These Directories highlight the technical requirements (standards, technical regulations, and conformity assessment) applicable in the US market for various industry sectors like IT equipment, water purification, petroleum equipment, construction equipment and telecom equipment.

## Gujarat

### CFO Conclave 2011

4 February, Vadodara



At the CFO Conclave in Vadodara

The conclave highlighted three key functions that are re-defining the value proposition of CFOs in the organization: corporate governance, unlocking enterprise value and managing risks.

### Best Marketing Practices

5 February, Ahmedabad

The conference identified the key challenges faced by Indian companies at every stage in the marketing process, and the strategies to be adopted to overcome these for India to emerge as a preferred global business destination.

### Workshop on Storage Techniques

10 February, Surat

The workshop discussed how to control costs in the area of storage of materials.

### Members' Meet

10 February, Bhavnagar

An interactive meeting with industry members and local Industry associations was held to discuss how CII can be more effective in the region, and the kind of activities CII should undertake for the development of the region.

### Workshop on HRM

12 February, Rajkot

The workshop discussed the practical applications of reliability engineering strategies to deal with real world problems.

### Mission from Ohio, USA

14 February, Ahmedabad



John O'Grady,  
Commissioner,  
Franklin County,  
Ohio, USA

A seven member delegation from Franklin County, Columbus, Ohio, interacted with select members on various opportunities available in the state for bilateral business relationships; focusing on alternative energy, biotechnology, and Information Technology.

### 2nd Maintenance Excellence Mission

23 February, Bhavnagar

The mission gave the participants an overview of the fundamentals of world class maintenance as a process and culture for long term organizational building.

### Investing in France

23 February, Ahmedabad

The seminar on 'France, Expect More' highlighted the latest reforms implemented by the French Government to reinforce the attractiveness of France as an investment destination, with a special focus on International mobility and the measures to facilitate the deployment of Indian employees to France.

### Manufacturing Excellence Mission

25 February, Surat

The mission to ABB and Bombardier helped participants understand the implementation of office 5s, lean management and waste reduction. It also showcased the best practices implemented in the host companies in the areas of Supply Chain and Human Resources.

### FinTelligence Series

25 February, Vadodara

The FinTelligence platform is extremely beneficial to CEOs, CFOs, and finance and accounts managers of any business enterprise. The 5th edition of FinTelligence Series- the Exchange and Networking Forum for finance decision makers, was titled 'Overview of Ratings & Outlook 2011.'

## Madhya Pradesh

### MSME Mission to Gwalior

10 February, Indore

The mission to SRF Ltd and Godrej Consumer Products Ltd in Gwalior was organised to sensitize MSME industries about a systematic approach to the Shop Floor like Production, Quality, Maintenance, Cost Reduction, Inventory and other best practices.

### MP Pharma Vision 2020

11 February, Indore



Alok Purohit, COO, Dainik Bhaskar; Uttam Ganguly, Chairman, CII MP State Council, & MD, Bend Joints Pvt Ltd; Kailash Vijayavargiya, Minister for Commerce & Industry, MP; and Mahendra Hardia, Minister for Health, MP

The Summit discussed issues and roadblocks which pharma companies are facing, and deliberated on strategies to gain significant market share in the rapidly expanding domestic pharmaceutical market.

### Corporate Governance

14 February, Indore

The session created awareness on Corporate Governance and Sustainability Accounting tools and concepts.

## Maharashtra

### Sustaining Growth through Education

31 January, Pune

Dr R K Shevgaonkar, Vice-Chancellor, University of Pune, spoke of the need to percolate the education to rural India. The fundamental subjects are the most neglected by students and more stress should be given to enhance these skills at the root level, he said.

Dr Ganesh Natarajan, Chairman, CII-WR Task Force on Higher Education & Vice Chairman and CEO, Zensar Technologies Ltd, expressed the idea of creating 50 knowledge cities and building a sustainable ecosystem to live and work there.

### Using Shainin Techniques

3 – 5 February, Pune

The programme on 'Manufacturing Process Characterization and Optimization using Shainin techniques' explained how to characterize and optimize manufacturing processes to achieve high productivity, low cost and desired quality levels and also to optimize processes with multiple quality parameters.

## CII – Symbiosis Finishing School

5 February, Pune



Launch of 11th and 12th batch of CII-Symbiosis Finishing School

As part of CII's Affirmative Action for SC/ ST students, CII in association with the Symbiosis Group, launched the 11th and 12th Batch of the Finishing School.

## Environment & Sustainability

4 February, Mumbai



Conference on Sustainable Development in Mumbai

The conference on 'Success Stories on Environment & Sustainability' spread awareness and shared best practices on Sustainable Development to build a robust business case for incorporating sustainability in business models.

## 6th Best Kaizen Competition

8 February, Nashik

There has been a massive expansion in the number of companies participating in the Best Kaizen Competition, over the years. The 6th edition of the competition drew participation from around 121 companies from the manufacturing and engineering industry.

## Doing Business in France

10 February, Mumbai



Session on Doing Business in France

The session advised Indian companies on how to structure their entry into the French market, set up subsidiaries and branches, draft and negotiate



commercial agreements, and updated on the full gamut of French law issues that affect business ventures.

### Interactive Session on Customs

15 February, Mumbai



Interaction on Customs

CII members interacted with the Chief Commissioners of Customs directly to clarify pressing issues such as choice of CFS, problem in 1.5 version of Icegate Server, RMS, and inordinate delay in customs clearance of import consignments, to name a few.

### Focused Improvement

14 -15 February, Pune

Implementation of TPM in the true essence would result in improving both the top and the bottom line of any organisation. One of the key essences of TPM is to eliminate the losses that are occurring in the organization there by incurring the bottom line, said Mr S Yuvaraj, Counsellor, TPM Club India.

### Bavarian Business Seminar

16 February, Pune



Dr Hans Schleicher, Permanent Secretary, Bavaria Ministry for Economic Affairs; Ashwini Malhotra, Vice Chairman, CII Pune, and MD, Weikfield Foods Pvt Ltd; and John Kottayil, Representative - State of Bavaria in India

Dr Hans Schleicher, Permanent Secretary, Bavaria Ministry for Economic Affairs, said that Bavaria is an Investor-friendly state in Germany, with innovation-oriented economic policies.

### Doing Business with the UN

17- 18 February, Mumbai



Seminar on 'Doing Business with the UN'

The UN Procurement Division's Business and Vendor

Registration Seminar was held to increase active vendor registration, particularly for business entities from developing countries for UN and UN agencies. Senior representatives from the United Nations Secretariat Procurement Division advised companies on how they could become successful suppliers of goods and services to the UN.

### Interaction with the Chief Minister

18 February, Mumbai



Prithviraj Chavan, Chief Minister of Maharashtra, interacting with CII members

During an interaction with select CEOs and MDs, Mr Prithviraj Chavan Chief Minister of Maharashtra, addressed various industry issues related to octroi, automobiles and automobile components, incentives to biotech units situated in private bio-technology parks, infrastructure, skill development, finance and revenue, etc.

### Interaction on Affirmative Action

23 February, Pune

The session focused on the Supplier Diversity Model which will link Scheduled Caste and Scheduled Tribe people with Corporate India. Through this model, industry will provide equal access to potential business opportunities for SC/ST candidates to participate as supplier of goods or services within the corporate supply chain without compromising on quality or cost.

### International Boating Conference

25 February, Mumbai

The first international Boating Conference was held to recognize Boating as a separate industry and optimal utilization of India's waterfront, both coastal and inland.

### Business Partners Meet 2011

26 February, Aurangabad

The meet brought buyers and vendors in contact with new market territories and offered opportunities for stakeholders to understand the requirements of today's changing and competitive business world. The focus was on the engineering, automotive, auto components and electrical sectors.