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October 2016 - March 2017

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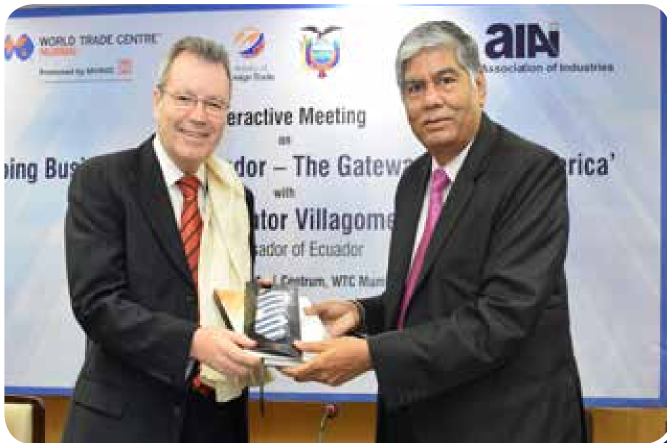

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PRESIDENT'S DESK

Last six months have been unprecedented in the history of India. Demonetisation, GST realization, merging of Railway budget into Union budget and the sustained GDP growth reasserts India's unique story.

Demonetisation in the month of November 2016 saw nearly 86% of the currency in circulation being scrapped in one go. It upset economy in a short run. The immediate impact on informal economy and MSME was massive and resulted in huge job losses. As economic activity slowed, demand contracted and lowered inflation to an average 3.5% between November 2016 and March 2017, as farmers sold their winter crop at throw away prices to run their household. This was double whammy as the lower monsoon in 2015 put stress on agriculture and the good monsoon is 2016 did not yield favours to an extent with demonetisation.

Today, after six months, economy is slowly but firmly back on track and estimates are predicting favourable rebound. AIAI was vocal in addressing concerns of MSME sector and had series of representations to the government suggesting various measures. Government of India has thereafter taken series of actions to support the fragile MSME sector – the most prominent being doubling the credit guarantee limit to small biz and inclusion of NBFC in this. It would be interesting to see the impact on MSMEs in the coming months.

On 1st February, the Hon'ble Finance Minister announced Union budget amidst high expectations. The merger of railway budget with the main budget helps the government to plan and develop holistically. Importantly, the abolition of the plan and non-plan distinction helps to look at various sectors in an all-inclusive manner. Similarly, the passage of GST bills will help the country to leap in its quest to become globally competitive. Its aim to create a 'Common Economic Market' will help Indian manufacturing and products become globally competitive. AIAI has been forthcoming in organizing various awareness and analytical programmes together with Service Tax Customs and Excise Commissions for the benefits of MSMEs.

GST is a path-breaking achievement and a unique turn around in the Indian democracy where all political parties came together for an economic reform aimed to benefit trade and commerce competitively. No doubt GST is a right decision for keeping in line with the 'Ease of Doing Business' and if implemented with proper simplification and rationalization of taxes, it will give impetus to GDP growth by approx 1% to start with. However, government must not stop here. It must also look at abolishing archaic laws and policies to further promote India as a favourable destination by encouraging higher foreign investment. We would like to quote `The Economic Survey 2017' that described GST as "a bold new experiment in the governance of India's cooperative federalism".

In the month of March, AIAI along with WTC Mumbai organised the Global Economic Summit on "Women's Empowerment" in Mumbai. This was the sixth edition and over the years, GES has become an important programme addressing various sustainable development goals (SDGs) with increased global participation. Dr. Mukhisa Kituyi, Secretary General of the United Nations Commission of Trade and Development (UNCTAD) inaugurated the Summit in presence of Ms. Dorothy Tembo, Deputy Executive Director, ITC; Mr. Yonov Frederick Agah, Deputy Director-General, WTO; Ms. Michaela Marksová, Minister of Labour and Social Affairs, Czech Republic; Ms. Nora K. Terrado, Undersecretary, Department of Trade and Industry, Philippines and Ms. Ruby Dhalla, Canadian Politician. There were speakers and delegates from more than 25 countries making it truly a global summit and emphasized the importance of women's empowerment to the social and economic benefits of the society, nation and world at large. This issue covers Dr. Kituyi's thoughts on this important topic along with several other interesting information.

I hope you would enjoy reading this insightful issue.

Thanking you,

Vijay Kalantri

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Editorial Office

New Excelsior Bldg, 6th Floor, A. K. Nayak Marg, Fort, Mumbai - 400 001

Tel: 022- 2201 9160 / 2201 9265

Fax: 022- 2201 9764 / 2201 9760

e-mail: info@aiaiindia.com

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Rediscovering India-Brazil Investment and Trade Ties to start a New Phase

Mr. Y. R. Warerkar, Executive Director, World Trade Centre Mumbai, Mr. Vijay Kalantri, President, All India Association of Industries, Ms. Rosimar da Silva Suzano, Consul General, Consulate General of Brazil in Mumbai, Ms. Lara Gurgel, Trade Promotion Division, Apex-Brasil and Mr. Gajanan Patil, General Manager-Marketing, Maharashtra Industrial Development Corporation

Brazilian delegation to Mumbai was on a mission to engage vistas for trade, commerce and investment interchange possibilities with India companies

"Brazil's trade with India has immense scope for expansion which currently accounts for a mere 1.21% of India's total trade. The total trade between India and Brazil is at USD 6.69 billion in 2015-16. The market opportunities lie in the areas of food and drinks (coffee, tea, fruits, cocoa, and confectionary products), home and building (woods), machinery and equipments (vehicles and auto parts), mineral products and chemicals. Brazil has recently launched a new infrastructure programme, called "Crescer" (meaning 'grow') which will focus on concession, privatization and public-private partnerships. Brazil and India should rather look for complementarities and synergies between their respective markets in order to increase and upgrade their business potential. I am a strong believer of people-to-people relations to cement long-term and sustainable partnerships", said Ms. Rosimar da Silva Suzano, Consul General, Consulate General of Brazil in Mumbai at the International Business Round Table organized by All India Association of Industries (AIAI), World Trade Centre (WTC) Mumbai, ApexBrasil and Ministry of Foreign Affairs Brazil at the World Trade Centre Mumbai on October 18, 2016.

Under the `Make in India´ initiative, India has initiated series of reforms that have enhanced the competitiveness of the country.

Introducing the Maharashtra Industrial Development Corporation (MIDC), Mr. Gajanan Patil, General Manager-Marketing said, "MIDC is the largest industrial development corporation in India with 264 industrial parks and approximately 73,000 hectares of land. Maharashtra attracts 29 percent (1/3rd) of the FDIs that come to India and accounts for a total of 14 percent of India's GDP".

With fiscal and non-fiscal incentives provided by MIDC and with progressive initiatives aimed at improving business environment, mega and ultra mega projects are being set up with the support of MAITRI, a single-window clearing system. The on-going projects of MIDC are AURIC City (DMIC Node in Maharashtra) which covers Shendra-Bidkin Industrial Area in Aurangabad district and Dighi Port Industrial Area in Raigad district by adopting smart city concepts. Some of the marquee projects include Navi Mumbai Airport, Pune Metro Rail Project, Nagpur Metro Rail Project, Mumbai Trans Harbour Link and Multimodal International Passenger and Cargo Hub Airport, International Financial Services Center and development of Naina, a new city. The recent investments in the DMIC project were from Foxconn (Rs 32,250 Cr - $5 billion), General Motors (Rs 6,400 crore) and POSCO (Rs 20,000 crore).

Ms. Lara Gurgel, representing Apex-Brasil, the trade promotion agency in Brazil, said that Apex-Brasil supported 80 sectors of the Brazil economy, agriculture being one of the main sectors. The main objective of the Apex-Brasil is to provide exchange of information between countries through the support of local facilitators such as the consulate and local trade promotion bodies. She introduced all the companies on the delegation that were looking forward to the business-to-business meetings, thereafter.

Mr. Vijay Kalantri, President, AIAI said, "India and Brazil share a special relationship and tremendous opportunities lie between them especially in natural resources, besides traditional areas such as agriculture, food processing, oil & gas, mining, textile, spinning etc. With the successful conclusion of the 8th BRICS Summit in Goa, individual countries should work towards the success of BRICS, going forward. Currently India is growing at a rate of 7.6 percent and aiming to increase to 8-10 percent which is possible majorty by providing concession in freight costs." Secondly, he stressed that rather than taking the whole spectrum of sectors India should have focused on five major areas of collaboration. One such sector is technology which India requires and can be fulfilled through collaborative efforts with Brazil. In conclusion, Mr. Kalantri emphasized that since India has a demographic dividend of 1.2 billion population having youth under the age of 35, we are a consumer market and Brazil must explore various business and trade opportunities with India.

AIAI hails landmark India Japan Civil Nuclear Deal

"AIAI welcomed the signing of the civilian nuclear accord between India and Japan after six years of negotiations. The accord signed between Hon'ble Prime Minister Mr. Narendra Modi and Prime Minister Mr. Shinzo Abe is an historic moment in the history of India - Japan relations" said Mr. Vijay Kalantri, President, All India Association of Industries (AIAI).

The agreement paves the way for India to access clean energy and technology for its nuclear power and atomic energy production that was long awaited. India needed this breakthrough to sustain its economic growth.

Moreover Japan is one of the finest countries in nuclear energy and it makes it easier for India to set up nuclear reactors and thereby increase the country's nuclear capacity by more than 10 times by 2032.

Mauritius to remain preferred source of FDI says Sir Jugnauth

Hon'ble Prime Minister of Mauritius the Rt. Hon. Sir Anerood Jugnauth GCSK, KCMG, QC being felicitated by Mr. Vijay Kalantri, President, AIAI at the luncheon meeting organized in honour of the Hon'ble Prime Minister of Mauritius

"The relation between India and Mauritius have always been very strong and I see no reason that it will be otherwise," Mauritius Prime Minister Sir Anerood Jugnauth said on a luncheon meet with business leaders organized by All India Association of Industries (AIAI) in association with Indo-Mauritius Chamber of Commerce and World Trade Centre, Mumbai on November 21, 2016.

The initial treaty was the double taxation avoidance. It was helpful to both Mauritius as well as India because many investments were coming to India through Mauritius. Even now, as negotiations are underway, Mauritius is hopeful of remaining the largest source of foreign Investments into India even under the new treaty, Sir Jugnauth stressed.

The Prime Minister of the island nation said economic and diplomatic ties between the two nations have been on an upswing and pointed out that there are already lots of investments by Indian businesses so he does not see any reason why it should not continue. Sir Jugnauth, further said that they had no other option but to negotiate with India after the Indian government decided to put an end to the decades old treaty, "However, we are still negotiating to have something new to replace it. The old treaty was obviously beneficial to us and since it is not there we are losing the benefit that we were making as I said we had no other option".

While detailing about the impact of the abolition of the old treaty on the country's economy, the Prime Minister said, "Mauritius is still having its financial centre which has not been affected to much extent and we are trying to diversify. We are also trying to make up for whatever loss the centre is facing. We have to live up to the reality (abolition of the treaty), we can't do otherwise." Sir Jugnauth added that the country is trying to diversity and at the same time negotiating for new treaty.

"We have already communicated to Prime Minister Mr. Narendra Modi that it (the new treaty) should not be less favourable than the treaty that India would be making with other countries," Sir Jugnauth said. Adding that "India would do everything not to make us lose therefore we are still negotiating. I can't say what will be the final result."

As per the protocol, India would be taxing on capital gains arising from sale/transfer of shares acquired on or after April 1, 2017. The protocol protects investments in shares acquired before 1st April, 2017, that is existing investments made before 1st April, 2017 have been exempted and will not be subject to capital gains taxation in April next, Sir Jugnauth added.

According to statistics, foreign Investments in India from Mauritius has been around 33 per cent since 2000 and in FY 2016, it was 21 per cent. The foreign funds owned over 28 per cent in the Sensex and Nifty stocks.

Sir Jugnauth said that the government was offering various incentives to promote film industry, as Mauritius has all the necessary infrastructure and one of the best locations for producing films.

Mr. Vijay Kalantri, President, AIAI lauded Sir Jugnauth for providing several tax benefits, holidays and invements friendly environment. "He further added, Mauritius is fast emerging as a gateway to export to African market".

Mr. Kalantri said that besides this, the second sector that Mauritius envisages to develop is the gold sector. India already has enough capabilities in terms of designs and workmanship. This will encompass a wide spectrum of high value-added activities, ranging from refinery of gold, producing gold bars, setting up top end jewellery processing units, vault facilities and to trading of gold and bullions on the new commodity exchange. The exchange is also supposed to facilitate trade in diamond and other precious metals.

Indian delegates who visited Mauritius have expressed an interest in setting up several manufacturing projects in Mauritius in automotive sector. One of this is the production of bicycles and motorcycles. This project aims mainly at exports to the African market and has the potential for creating a significant number of jobs, Mr. Kalantri added.

The meeting was attended by Mrs. K. Napaul, Consul General of Mauritius, Lady Sarojini Jugnauth - Spouse of Rt Hon'ble Prime Minister of Mauritius, Cabinet Chief - Mr. Medha Gunputh, industrialists and bankers among others.

AIAI welcomes SOPs to MSMEs

Various SOPS announced by the Hon'ble Prime Minister Mr. Narendra Modi on the eve of New Year of 2017 include enhancement of the credit guarantee limit for Micro, Small and Medium Enterprises (MSMEs) from Rs 1 crore to Rs 2 crore including NBFCs, will give much needed credit liquidity to the stressed MSMEs. He has further asked banks to increase working capital loans from 20% to 30% for enterprises that transact digitally. The higher cash credit limit for small business to 25% from 20%, will help MSMEs in light of credit crunch being faced post demonetization.

Various SOPS given to farmers, small traders along with enhanced cash withdrawals are some of the welcome features pronounced by Hon'ble Prime Minster Mr. Narendra Modi said Mr. Vijay Kalantri, President, All India Association of Industries (AIAI).

However AIAI feels there is a strong need to review and push various incentives to MSMEs that are pending since long. These should be expedited at the earliest as MSMEs are the vibrant sector and the backbone of the Indian economy.

The additional credit of Rs. 20,000 crore made available to National Bank for Agriculture and Rural Development (NABARD) for farmers is a welcome step. The interest subsidies given to farmers for availing loans from District Cooperative Banks and primary agriculture cooperative societies is an important feature to cash starved farmers.

These measures will help micro and small sectors reducing regional imbalances and productivity.

UK - Europe for Better Co-operation to Enhance Trade

Mr. Ashish Chauhan, MD & CEO, Bombay Stock Exchange presenting a momento to Lord David Evans, in the presence of Mr. Vijay Goel, Founder, Indo-EU Business Forum and Mr. Vijay Kalantri, President, All India Association of Industries

Mr. Vijay Goel, Founder, Indo-EU Business Forum while addressing the members of All India Association of Industries, Bombay Stock Exchange and World Trade Centre, Mumbai on November 21, 2016 said, "The Indo-European Business Forum is a free meeting place for business leaders and professionals to connect, network and share knowledge relating to doing business in India and the EU, IEBF has taken a big step forward in the direction of achieving its mission by opening an India chapter. The India chapter would further synergize with efforts of the UK office in order to take its activities to even greater heights. Mr. Goel led a high level business delegation of 27 delegates representing businesses from UK, Lithuania, Italy and Greece to India to promote trade.

Mr. Goel further added, "Indo European Business Forum is promoted as an open forum of like-minded people who believe in simple truth: "India can offer strong and sustained business opportunity for European Union countries".

IEBF is supported by leading personalities from India and EU from a variety of sectors. He added the aim and objective of mission is to, provide a platform to share knowledge, experience and opinions related to doing business in India and EU. As well as share information related to resources available on print media and on the internet that offer knowledge, information and expertise of doing business in India and EU. Adding that it also seeked to share relevant data amongst various UK, EU and Indian companies who wish to exploit commercial opportunities in India and EU and to organize events to share such data amongst interested participants.

Mr. Ashish Chauhan, MD & CEO, Bombay Stock Exchange said, "Bombay Stock Exchange Ltd. (BSE) is Asia's first and the Fastest Stock Exchange in world with the speed of 6 micro second and on the India's leading exchange groups. Over the past 140 years, BSE has facilitated the growth of the Indian corporate sector by providing it an efficient capital raising platform. Popularly known as BSE, the bourse was established as "The Native Share & Stock Brokers' Association" in 1875.

Mr. Vijay Kalantri, President, All India Association of Industries (AIAI) said, "We at the AIAI receive over 60 delegations during the year with an objective to promote bilateral trade between India and other countries. We should focus on sectors to promote Trade between UK and European countries for better results, as Europe and UK are not only the major investors in India, but we should facilitate exchange in technology transfers and promote joint ventures amongst UK and European countries."

Tremendous business opportunities await in Iceland

Mr. Gul Kripalani, Consul General (Vice Dean - Hon Consuls), Consulate General of the Republic of Iceland, Mumbai, Mrs. Rupa Naik, Executive Director, All India Association of Industries and H.E. Mr. Thorir Ibsen, Ambassador of Iceland, India

India and Iceland share cordial diplomatic and business relations for more than 40 years. Moreover the strong fundamental values such as democracy, universal human rights, the rule of law and the peaceful settlement of disputes makes Iceland a good investment destination stated H. E Mr. Thorir Ibsen, Ambassador of Iceland to India at an Interactive Meeting organized by the All India Association of Industries and the World Trade Centre Mumbai on November 25, 2016.

Mr. Ibsen further added that business relations with India and Iceland have been growing over the years, however the volume of trade in goods is comparatively marginal at US$ 29 million. Both countries have the highest economic growth in their respective regions with 4.2% in Iceland and 7.3% in India.

Stressing that there are ample business opportunities in the emerging business sectors and export industries including renewable energy, food processing technologies, biotechnology, environmental technologies, life style products, IT/Gaming/Apps, health related technologies, tourism and film production, Mr. Ibsen informed.

Iceland is very scenic and an excellent location for filming. A number of high profile Hollywood and Bollywood movies have been shot in Iceland like the Bond movies, Star Trek, Star Wars, Oblivion and the recently shot famous song sequence 'Geruaa' from the movie Dilwale. Iceland attracts one and half million tourists every year with a 16% to 18% growth in tourism per annum. Tourists particularly enjoy the clean air, pure water, pristine landscape and unspoiled nature. Emphasizing that the number of tourists visiting Iceland every year is 5 times greater than the population of Iceland.

Iceland is rich with renewable energy which contributes nearly 90% of hydro power. Adding that geothermal water is in abundance in Iceland and is used for many purposes such as heating, spas, melting of snow as well as in nutrient supplements.

Mr. Ibsen also informed that Iceland is an open market economy with a EU legislative framework inclusive of Schengen but is not part of the EU political region. Iceland offers a favourable business environment with low corporate tax of 20 per cent and availability of land and industrial sites at competitive rates with long term contracts. Further, Mr. Ibsen informed that the country bridges two of the world´s strongest markets, USA and EU and offers access to the EU Single Market with a population of 500 million. Iceland has Free Trade Agreements with 38 countries and negotiations underway with 8 more countries, including India.

Ms Rupa Naik, Executive Director, AIAI said that there are immense opportunities in areas for co-operation between Iceland and India. Though India share a cordial and long relationship Iceland, there are many areas that remain unexplored and there is immense scope to co-operate in sectors such as food, IT, entertainment, garments and hi-tech sectors including biotechnology, food processing and renewable energy.

Best Compliments

RARE ENTERPRISES

Ecuador - an unexplored gateway for India to Latin America

Mr. Hector Cueva Jacome, Consul General, Consulate General of Ecuador in Mumbai, H. E. Mr. Mentor Villagomez, Ambassador, Embassy of Ecuador in India and Mr. Vijay Kalantri, President, AIAI

A diversifying Ecuadorian economy invites Indian investment in sectors beyond crude oil and teak wood

"Ecuador is a promising destination for Indian investors and it's a gateway to Latin America. The present level of bilateral trade between India and Ecuador is insignificant at USD 716.97 million. But I am sure we would find opportunity to strengthen bilateral trade and investment between both the countries. Government of Ecuador is diversifying its economy from commodities to information technology, minerals and metals, shipyard, petrochemicals and so on. I welcome Indian investors to invest in these sectors and I assure them a stable regulatory regime, fiscal incentives, easy availability of credit and a stable political atmosphere," said Mr. Mentor Villagomez, Ambassador, Embassy of Ecuador in India at an interactive meeting on 'Doing Business with Ecuador – The Gateway to Latin America'. The meeting was organized jointly by World Trade Centre Mumbai, All India Association of Industries (AIAI) and the Ministry of Foreign Trade, Government of the Republic of Ecuador on December 19, 2016.

Recently, Ecuador signed a free trade agreement with European Union and hence it can also serve as a gateway for Indian companies to European countries. In the last seven years, the Government of Ecuador has invested heavily in education, healthcare and infrastructure as part of its broader diversification strategy. Ecuador is transforming into a knowledge-based economy with considerable investment in education, Mr. Villagomez added. Ecuador has competitive edge in the export of flowers, panama hat, wood, aquaculture (especially shrimp and tuna), coffee, coco beans, palm hearts and processed foods, he pointed out.

Highlighting the strengths of the Indian economy, Mr. Hector Cueva Jacome, Consul General, Consulate General of Ecuador in Mumbai said Ecuador stands to benefit from transfer of knowledge and technical know-how from India. India has advanced technologies in agriculture, information and communication technology and so on.

Mr. Vijay Kalantri, President, AIAI remarked," There is tremendous opportunity for economic co-operation between India and Ecuador. WTC Mumbai would set up a special cell to promote bilateral trade and investment among Ecuador, Peru, Columbia and India. The Indian government's Make in India campaign, along with other ambitious initiatives such as Digital India, Skill India offer tremendous opportunity for collaboration between both the countries. Moreover, in recent years, Latin America has emerged as India's focus country for doing business. I suggest all the Ambassadors of the Latin American countries to have a joint conclave to discuss trade and investment co-operation with India."

Capt. Somesh Batra, Vice Chairman, WTC Mumbai said, "AIAI and WTC Mumbai are delighted to receive the Ambassador and Consul General of Ecuador and hear them make presentation on their country. There is lot of opportunity for collaboration in film, music and other entertainment sector. We are committed to support the initiatives of your embassy to promote bilateral trade and investment."

E-Waste Management - Challenges, Prospects and Strategies

Mr. Sumit Patil, Consultant, Environmental Sustainability, Health & Safety, TCS Ltd, Mr. Raman Sharma, Director, Exigo Recycling Pvt. Ltd., Mr. Nandkumar Namdev Gurav, Regional Officer, Technical, MPCB, Mr. Piyush Sharma, Deputy Secretary, PHD Chamber of Commerce and Industry, Mr. Vijay Kalantri, President, AIAI and Vice Chairman, World Trade Centre, Mumbai, Dr. N. J. Singh, Whole Time Director (EHS) DCM Shriram Ltd, Mr. B. K Soni, Chairman & M.D Eco Recycling Ltd and Mr. Y. R. Warerkar, Executive Director, World Trade Centre, Mumbai.

Currently, 90% of e-waste is managed by the unorganized sector comprising of unskilled kabaadiwalas. There is a pressing need to integrate this unorganized sector with the organized sector through skill development.

"Creating awareness among every individual on eco-friendly recycling of electronic waste is the most important step for the successful implementation of the E-waste Management Rules 2016. It is the responsibility of every citizen to comply with these rules. Maharashtra is the first state to introduce inventorisation of e-waste in 2005. Maharashtra Pollution Control Board (MPCB) has introduced the enforcement policy for the E-Waste Management Rules 2016, however it does not allow its tribunal and officials to prosecute defaulter to prevent unfair prosecutions. A field officer can only issue a show cause notice till it is heard by an official at a higher level of the Pollution Control Board. Unlike the earlier rule of 2011, the revised e-waste management rules (2016) provides simplified procedure for authorization of e-waste recyclers, extending responsibility of waste management to refurbishers as well," said Mr. Nandkumar Gurav, Regional Officer, Technical, MPCB at a Workshop on E- Waste Management - Challenges, Prospects and Strategies.

The workshop was organized by PHD Chamber of Commerce and Industry in association with All India Association of Industries (AIAI), and supported by Ministry of Environment, Forest and Climate Change, Government of India and World Trade Centre Mumbai on November 20, 2016.

The key feature of the E-Waste Management Rules 2016 is the introduction of the provision of the Extended Producer Responsibility (EPR) for effective channelization of E-waste to the registered dismantlers or recyclers.

Dr. N. J. Singh, Whole Time Director (EHS), DCM Shriram pointed out that India has emerged as the world's 5th largest electronic waste producer and discards roughly 18.5 lakh tonne of e-waste every year where in telecom equipments alone accounts for 12%. The industry must focus on environmentally sustainable and harmonized approach for recycling.

Mr. Sumit Patil, Consultant Environmental Sustainability, Health & Safety, TCS Ltd., explained that the in-house e-waste management system adopted by the company is based on its policy on Management and Disposal of e-waste.

Mr. B.K. Soni, CMD, Eco Recycling Ltd. opined that the government must focus on the three Ts of training, transport and technology to create a sustainable formal system of e-waste management. The first T refers to imparting of skills on informal kabadiwalas about eco-friendly methods of e-waste management. The second T refers to investment in reverse logistics to transport e-waste from generation points to collection centres. The third T refers to use of cutting-edge technology to recover assets from e-waste.

Making suggestions to the government, Mr. Raman Sharma, Director, Exigo Recycling Pvt. Ltd. said the government must introduce National Pricing Strategy for people disposing electronic waste, simplify compliance and administrative procedures. The government must also make it compulsory for manufacturers to introduce deposit refund scheme to incentivize consumers to return their

Mr. Vijay Kalantri, President, AIAI greeting Dr. N.J. Singh, Whole Time Director (EHS) DCM Shriram Ltd.

old hardwares. Also, the municipal authorities must cancel tender process for awarding waste management contracts and instead choose from a panel of 3-4 recyclers, he suggested.

Mr. Vijay Kalantri, President, AIAI said, "Prosecution cannot be the only solution to solve the menace of e-waste. The government must provide amnesty scheme for micro, small and medium enterprises (MSMEs) not complying with the e-waste rules and must initiate education and awareness programme at the grassroot level for better compliance in future.

Considering that 60% of the waste is generated in around 10 cities in India, the e-waste management drive must largely focus on metros. There are over 500,000 rag pickers in Mumbai and the government must train them on efficient e-waste management practices.

The industry and government must work together to create an effective legal framework to address e-waste menace. The government must offer incentives such as tax rebate for industries to comply with e-waste rules.

The government must also appoint a celebrity ambassador to promote best practices in e-waste management. The informal e-waste recyclers must be integrated with the formal sector through training and skill development."

Hazardous waste can be better managed by empowering industries through self-regulation and self-certification

Dr. C. Srinivas, Adjunct Faculty, SIES, Mr. Vijay Kalantri, President, All India Association of Industries (AIAI), Mr. Nandkumar Gurav, Regional Officer, Technical, Maharashtra Pollution Control Board, Dr. N. J. Singh, Whole Time Director (EHS), DCM Shriram Ltd., Mr. Ulhas Parlikar, Dy. Head – Geocycle India, ACC, Dr. A.N. Vaidya, Chief Scientist and Head, Solid and Hazardous Waste Management Division, CSIR-NEERI

"The primary responsibility of the generator of hazardous waste is to prevent the generation of the same. If one cannot prevent generation, the generator must at least minimize hazardous waste. If minimization is not possible, one must try to re-use and recycle the waste. Disposal of waste should be the last option when minimization, reuse and recycle are not possible. Maharashtra Pollution Control Board (MPCB) is willing to work with trade and industry for effective implementation of The Hazardous and Other Wastes Rules 2016," said Mr. Nandkumar Gurav, Regional Officer, Technical, MPCB at a Workshop on Hazardous Waste Management Challenges, Prospects and Strategies on December 21, 2016.

The workshop was organized by PHD Chamber of Commerce and Industry in association with All India Association of Industries (AIAI), and supported by Ministry of Environment, Forest and Climate Change, Government of India and World Trade Centre Mumbai.

The key feature of the 'Hazardous and other Wastes Rules 2016' is that Government can give authorization to occupier of hazardous waste only after conducting proper field inspection on the adequacy of the facility. The rules also provides detailed provisions on the responsibility of the occupier, informed Mr. Gurav.

Dr. N. J. Singh, Whole Time Director (EHS), DCM Shriram pointed out that India is the first country to introduce constitutional provision to protect environment in July 1989. He alarmed that hazardous waste management is crucial for the sustainability of the society as even if a miniscule part of such waste leaks into water or air, it can lead to irreversible damage to environment, human and animal health. These new rules aims to make India self-sufficient in hazardous waste management. The industry must take appropriate precautions in dumping and processing of hazardous waste.

Mr. Ulhas Parlikar, Dy. Head – Geocycle India informed the audience about co-processing and its emergence as a sustainable and viable business model for cement manufacturers in managing hazardous waste. He remarked that the rules of 2016 have shifted the focus from the principle of disposal to the principle of sustainable management and utilization of hazardous waste. Generators of hazardous waste must respect the waste by recycling the same, instead of disposing it, he opined. He also explained the benefits of recycling all kinds of hazardous waste generated by different industries.

He concluded that India is moving towards a circular economy (which recycles waste) from a linear economy (which discards waste).

Mr. Vijay Kalantri, President, All India Association of Industries (AIAI) said, "Government must tackle the menace of hazardous waste through minimal legislation, effective implementation and frequent interaction with industry. Policy makers must do away with the multiple waste management legislations which only kill the spirit of entrepreneurs. There is huge business opportunity since as there are around 13.5 million industrial units to handle hazardous waste in India. The Government must empower industry by allowing them to undertake self-certification, self-regulation and also enabling them to create awareness on hazardous waste management. Industry can spend this amount through pollution control boards. The local bodies must work in co-ordination with industry bodies for sustainable hazardous waste management. "

Eminent experts such as Dr. A. N. Vaidya, Chief Scientist and Head – Solid and Hazardous Waste Management Division, CSIR-NEERI, Mr. Sunil Ojha, Manager, Environment & Health, Ramboll India, Dr. C. Srinivas, Adjunct Faculty, SIES and Mr. Somnath Malgar, Head, Mumbai Waste management Ltd also shared their views.

The session was followed by a field visit to the hazardous waste management plant of 'Mumbai Waste management Ltd' at MIDC Taloja, Navi Mumbai.

Attention Exporters!

AIAI ISSUES CERTIFICATE OF ORIGIN

AIAI has been authorized by the Government of India to issue Certificate of Origin. All exporters are requested to avail this facility from AIAI Secretariat

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6th Floor, Near Excelsior Building, A. K. Nayak Marg, Fort, Mumbai-400 001
• Phone: 91-22-2201 9265/ 9160 • Fax: 91-22-2201 9764/9760
• Email: info@aiaiindia.com • Website: www.aiaiindia.com

Canada's Mississauga: A perfect blend of stability and growth for Indian Businesses

Mr. Pappur Shankar, Vice President, Indo Canada Chamber of Commerce, Mr. Vijay Kalantri, President, AIAI Her Worship Ms. Bonnie Crombie Mayor, City of Mississauga, Canada, Mr. Jordan Reeves, Consulate General of Canada in Mumbai,

While welcoming 2017, a significant step in the direction of furthering Indo-Canadian Business ties, Mayor of Mississauga chose to visit Mumbai first on her two-week India Mission 2017, along with a high-powered business delegation.

Mississauga, a vibrant, thriving, prosperous, multicultural, multifaceted and diverse city with a significant Indian diaspora holds huge potential for Indian businesses. Our city has become a natural choice for business leaders world over who seek to access markets in North America, especially Canada. Located in the Greater Toronto Area (GTA), Mississauga is 6th largest and fastest growing city with close to 760,000 residents who command a modern lifestyle, an ever-growing economy and is governed by an innovative and smart local municipality, which is advantageous for all, more so, for the next generation of the new economy", said Her Worship Ms. Bonnie Crombie, Mayor, City of Mississauga, Canada who along with Mr. Pappur Shankar, Vice President, Indo Canada Chamber of Commerce lead a high-level business delegation representing immigration consultancy, culture, business consultancy, legal fraternity, associations and entertainment sector to Mumbai. In her honour an interactive meeting was organized by the All India Association of Industries and World Trade Centre Mumbai and the Indo Canada Chamber of Commerce at the World Trade Centre Mumbai.

In her presentation titled 'Business is a Human Race' Her Worship Ms. Crombie highlighted Mississauga' strengths, emphasizing that her city is rated AAA (Standards & Poors) with business taxes among the lowest in North America. "Ranked number 1 in FDI, having direct access to the $13 trillion NAFTA and European Union markets, it is the best place to do business. The dynamics of our extraordinary environment, business community and exceptional talent has spurred growth and innovation in Mississauga", Ms. Crombie proclaimed.

Mississauga is Canada's second largest life sciences and aerospace cluster by employment, home to over 400 life science companies employing over 25,000 people. The aerospace industry employs over 24,000 people in over 220 aerospace companies. "We have grown incredibly in almost all major sectors. Business friendliness and lowest economy costs have boosted the ease-of-doing business in Canada. Our country is the safest place for foreign direct investment. Overall Canada is ranked most cost competitive among the G7 nations and is 7.2 per cent lower than the US", Worship Crombie stressed.

Mr. Jordon Reeves, Consul General, Consulate General of Canada in Mumbai, who was present on the occasion to facilitate the event, praised the impeccable timing of the visit of the Canadian business delegation to India. Mr. Reeves said, "I believe and as mentioned by India's Prime Minister Narendra Modi that

India and Canada are made for each other. The growth of bilateral trade of both the countries brings immense opportunities for huge investments especially in infrastructure with the announcement of the Smart Cities project. The World Economic Forum has consecutively identified Canada's banking system as being sound globally over the past seven years. It is important to note that $15 billion of private equity from Canada is mainly generated by corporate Canada, to which India is a beneficiary. Currently, there are 1.3 million Canadians of Indian origin in Canada. In educational sphere, we have seen significant growth, foreign applications for studying in Canada has increased to 70%", said the proud Consul General.

Going forward, Canada will commence direct flights from Canada to Mumbai, shortly. Several ministerial visits and Canada's Prime Minister are being planned in the course of the year. Further, Mr. Reeves expressed hope that the visit of Worship Crombie to India will positively impact the bilateral relationship between the two countries and the positioning of Mississauga trade and business endeavours, would go a long way in furthering this relationship.

Mr. Pappur Shankar, Vice President, Indo Canada Chamber of Commerce, said, "We have seen India-Canada economic relations rise from nothing to reach where they are today - over $8.3 billion in merchandize trade. The bilateral trade is growing at double digit rates for the last 3 years and it grew by 29% in the last year. Creating a bridge between Canadian and Indian innovation and entrepreneurship ecosystems is one of the latest areas of growth in bilateral relationship. Education is an important sector in Canada. At the end of 2015, almost 49,000 international students from India were studying for six months or more in Canada. India is the second largest source country for foreign students in Canada", propounded Mr. Shankar.

The massive smart cities project of the Indian Prime Minister Narendra Modi is opening new doors for Canadian companies, even city administrations in Canada, who have extensive experience in creating smart cities are keen to collaborate with Indian entities, Mr. Shankar added.

Mr. Vijay Kalantri, President, AIAI said, 'the current bilateral trade between India and Canada stands at $6 billion which can double in the next 3-5 years, if concerted efforts are made towards this direction. There are tremendous opportunities in the areas of tourism, culture, filming (Bollywood) oil & gas, petroleum, agriculture and food processing, healthcare, clean technology, etc. India requires technology, investments, joint ventures from Canada as it is at the forefront of business activities. Businesses around the world prefer to invest in India which is the fastest growing economy in the world at a rate of 7-8 percent.

In order to provide further momentum to this growth, the Government of India has considerably improved the ease of doing business in the last two years and hence Canada could seize this opportunity and channelize its investment to reap great benefits and this in turn could bring about a win-win situation for all. Prime Minster Modi's initiatives such as Make in India, Digital India, Startup India etc hold great scope where Canada can partner and work together.

In conclusion, Mr. Kalantri asserted that the main agenda of such delegation visits to India is to meet and understand each other's needs and here is where World Trade Centre Mumbai and All India Association of Industries can play a major role in facilitating and fostering such meetings.

Russia seeks cooperation in Security Systems, Technology and Investments

Mr. Artem P. Cherepanov, Deputy General Director - Chief Designer on Commerce and Innovative Development, JSC Concern Morinformsystem - Agat being felicitated by Capt. Somesh Batra, Vice Chairman, WTC Mumbai. Looking on are Mr. Vijay Kalantri, President, AIAI, Mr. Roman Vorobiev, Head of Export Department from JSC Concern Morinformsystem - Agat and Mr. Y.R. Warerkar, Executive Director, WTC Mumbai.

Russia - India cooperation is all set on a new course during the 8th BRICS Summit held at Goa recently. Both Russia and India have shown renewed interest to cooperate in diverse sectors keeping in view their shared complementarities. Russia is keen to collaborate with India in the areas of security systems, technology transfer and investment opportunities.

At an interactive meeting organized by Russia India Trade House Mumbai (RITHM), a joint initiative of AIAI and WTC Mumbai on January 13, 2017, Mr. Artem P. Cherepanov, Deputy General Director- Chief Designer on Commerce and Innovative Development, JSC Concern Morinformsystem – Agat expressed his optimism over the future of India – Russia cooperation and mentioned that the Russian company had entered into a cooperation agreement for safety and security systems for the Krishnapatnam Port in Andhra Pradesh which was sealed in the presence of Hon'ble Prime Minister Mr. Narendra Modi and the Russian President Mr Vladimir Putin during the BRICS Summit. The Company is also working with ports in Gujarat in similar projects and looking for opportunities in other coastal and sensitive establishments.

The company's present line of business includes hydrofoil boats, technology in radar and robotic systems and renewable energy and the company is seeking Indian partners in these fields with technology and investment collaboration, Mr. Cherepanov mentioned.

Mr. Roman Vorobiev, Head of Export Department, JSC Concern Morinformsystem–Agat said that both Governments of India and Russia are proactive in advancing India-Russia cooperation and this can be achieved provided there is greater interaction among the businesses from both sides and exchange of business information by tapping untapped markets. Both need to explore opportunities in the areas of technology, energy, in particular alternate energy, pharmaceuticals, oil and gas, and automotives.

Mr. Vijay Kalantri, President, AIAI said that Indian Investment in Russia is estimated at about $8 billion while Russian investment in India is about $3 billion. This can be enhanced through greater cooperation in the future. On the trade side, India Russia total trade during 2015- 16 totalled $ 6.17 billion . Mr. Kalantri mentioned that RITHM would lead a business delegation to Russia in 2017.

India should be the first to adopt digital currency

In a panel discussion on 'Future of Black Money', organized by All India Association of Industries (AIAI) and World Trade Centre Mumbai, India's leading experts on digitization and economists agreed that India had the opportunity to be the first country to implement a completely digital financial framework by adopting Bharat Coin – a digital currency on the lines of Bitcoin – and by redefining the legal tender in the wake of an unexpected demonetization on January 19, 2017. The participants felt that demonetization alone would not result in reducing counterfeiting, anonymous terrorist funding or curbing the black money.

Mr. Vijay Kalantri, President, AIAI said, "The demonetization move will have a profound impact in the long run." He reminded them that it was not fair to compare the current demonetization move with that of 1978, as the latter replaced a mere 3% currency in circulation, as against 86% today. Big reforms such as demonetization needed meticulous planning and, as its success lies in effective implementation, India had a wonderful opportunity to move to the next level.

Renowned cyber security expert Mr. Vijay Mukhi spoke of the success of Bitcoin and the blockchain technology behind it. He said that many financial institutions and central banks had recognized the importance of blockchain technology and introduced pilot projects to ascertain its viability in the long term. He added, "One of the inherent advantages of blockchain technology is that it uses money intelligently and thereby tracks every single transaction."

Dr. Ajit Ranade, Chief Economist, Aditya Birla Group, said that one needed to be cautious about using Bharat Coin to counter black money. "Black money is not static. We must first correctly define and understand black money. Policy makers would also need to tackle tax evasion and widen the tax net. India's tax to GDP ratio is among the lowest and it is important to rationalize and widen the tax base by using technology."

Mr. Abhinav Trivedi, Founder, Street Journos, Dr. Ajit Ranade, Chief Economist, Aditya Birla Group, Mr. Vijay Kalantari, President, AIAI, Mr. Vijay Mukhi, Cyber Security Expert and Mr. Saurabh Mukherjea, CFA, CEO Ambit Capital

Mr. Saurabh Mukherjea, CEO of Ambit Capital, said that the government would need to use various innovative methods to promote a cashless economy by limiting the supply of cash. He expected the government to bring in a host of measures to further tighten generation of black money. These may include discouraging cash withdrawals, widening the income tax slabs and other means to discourage hoarding of cash.

The proposed Bharat Coin would use hacking-proof blockchain technology and envisages considerable investments for implementation. Dr. Ranade and Mr. Mukherjea felt that such a move would require deft handling to ensure that the burden of the cost of implementing the digital technology did not go to the unprivileged.

Mr. Mukhi felt that it would be yet another revolutionary step by the government and the RBI to introduce the proposed Bharat Coin, as it could bring in the much needed transparency in the system. He will be presenting a white paper on the concept to the government.

Empowerment of women starts with political will: Swedish Consul General

Mr. Vinod Pande, Filmmaker & Novelist, Ms. Rupa Naik, Executive Director, AIAI, Ms. Saroja Sirisena, Consul General, Sri Lanka; Ms. Samina Naz, Deputy High Commissioner, Bangladesh; Ms. Ulrika Sundberg, Consul General, Sweden; Ms. Jennifer A Larson, Deputy Principal Officer of the US Consulate, Ms. Rosimar da Silva Suzano, Consul General, Brazil and Mr. Tuhin Sinha, Novelist & Activist at the panel discussion.

"Empowerment of women in any society starts with political will and leadership, as legislative actions, self-regulatory frameworks and implementation measures are all necessary to achieve desirable results," said Ms. Ulrika Sundberg, Consul General of Sweden, at the precursor event of the 6th Global Economic Summit on Women's Empowerment (March 27-29), being organized by All India Industries Association (AIAI) and World Trade Centre Mumbai.

Recalling the progress made by Sweden in this direction in the 1970s, she said a combination of these actions was especially necessary if we wanted to transform the national society. This became clearly evident when Sweden abolished joint taxation of the family in 1971, resulting in a 160% rise in women's participation in the workforce.

The high powered discussion panel included Ms. Samina Naz, Deputy High Commissioner, Bangladesh; Ms. Saroja Sirisena, Consul General, Sri Lanka; Ms. Ulrika Sundberg, Consul General, Sweden; Ms. Rosimar da Silva Suzano, Consul General, Brazil and Ms. Jennifer A Larson, Deputy Principal Officer of the US Consulate, besides Ms. Rupa Naik, Executive Director, AIAI and Novelist & Activist Mr. Tuhin Sinha who represented India. Filmmaker & Novelist Mr. Vinod Pande moderated the discussion. The panellists unanimously agreed that technological breakthroughs were gender neutral, but they had contributed to giving women a higher degree of freedom and choices. Digitalisation and digital literacy had propelled women across the world to become more productive in various innovative ways.

Deputy High Commissioner of Bangladesh Ms. Samina Naz said that technology had a positive impact on the economic empowerment of women. She added that advancement and empowerment of women in Bangladesh had a long track record and the United Nations had acknowledged the country's remarkable achievements, with Prime Minister of Bangladesh Sheikh Hasina receiving the UN 50-50 award in 2016. "UN Gender Gap Report has ranked Bangladesh 10th out of 142 countries globally," she added.

Ms. Saroja Sirisena, Consul General of Sri Lanka said that though most women-led businesses in her country were not tech-driven or tech-intensive, all of them had easy and equal access to technology. More and more Sri Lankan women were now addressing issues using social media. She said Sri Lanka had a great tradition of treating women as equals, longer than most countries, and could achieve a lot without much affirmative action.

Ms. Rosimar Suzano, Consul General of Brazil said that the government in her country was trying to reach out to the poorest using technology. She said Brazil had made great strides in furthering women's causes and that people in the country were now discussing the concept of shared parenthood. "The country is offering incentives to businesses maintaining crèches and nurseries for children." She said that companies going through tough times used to fire women first but now supporting legislation was changing the paradigm.

She also said Brazil had set up special police stations for women and provided mobile apps for women's safety.

Ms. Jennifer Larson, Deputy Principal Officer of the US Consulate said that though technology in the US had played a gender-neutral role, it had also empowered women in various innovative ways to participate in the economy.

She said that education held the key to true empowerment. "When you educate girls, they participate in economic activity and the GDP goes up."

Novelist and Activist Mr. Tuhin Sinha said it was an interesting time to be born a woman in India, as the society was at the cusp of a progressive revolution leading to gender-neutral perspectives. The Swedish Consul General reinforced his argument by saying that gender-budgeting was a very effective tool, as it clearly spelt out how budget allocations affected women and promoted gender equality. She said Sweden had made three months 'parental leave' mandatory for men, to try to equalize career advancements and possibilities between men and women. Mr. Sinha also added that the Indian society needed a lot more role-reversal to empower women.

Moderator Mr. Vinod Pande said it was high time women's rights were not subject to male patronage. Ms. Rupa Naik, Executive Director, AIAI wrapped up the session by reminding everyone that humanity was losing out on a lot by keeping half of the world out of productive economic action. "Research reports have clearly indicated that if we can increase women's involvement in mainstream economic activity by completely bridging the gender gap, it could add as much as USD 28 trillion to the world's GDP by 2025.

Use Direct Port Export service at JNPT to clear cargo in less than 2 days

Mr. S. K. Vimalanathan, Commissioner, Central Excise, Thane I, Ms. Rupa Naik, Executive Director, All India Association o Industries (AIAI) Dr. Joseph John, Chief Commissioner of Customs, Mumbai Zone II, JNPT, Mr. Vijay Kalantri, President AIAI & Vice Chairman, WTC Mumbai, Mr. Y. R. Warerkar, Executive Director, WTC Mumbai.

"Exporters and importers should take advantage of Direct Port Delivery (DPD) and Direct Port Export (DPE) schemes of the customs to expedite cargo clearance," said Dr. John Joseph, Chief Commissioner of Customs, Mumbai Zone II, Jawaharlal Nehru Port Trust (JNPT), at an Open House Meet jointly organized by World Trade Centre Mumbai and All India Association of Industries (AIAI) on January 24, 2017.

"Exporters and importers must take advantage of the Direct Port Delivery (DPD) and Direct Port Export (DPE) systems for speedy movement of goods between the port and the factory gate. Customs allows importers to take immediate delivery of cargo, by allowing them to pay customs duty after two weeks (subject to a few qualifications). Customs authorities can clear inward cargo in one or two days, if importers opt for the DPD service," said Dr. Joseph. The DPD service helps importers save up to Rs 9,000 per box of imported cargo by making redundant movement of good to a warehouse. "We want at least 60% of import cargo to be cleared under the DPD scheme," he said.

JNPT customs authorities had taken steps to clear more than 90% of cargo within four days, a remarkable improvement over 9-10 days, a norm in the past. He also assured importers and exporters that duty drawback would be provided within 24 hours of submitting documents.

Mr. S. K. Vimalanathan, Commissioner, Central Excise, Thane, informed that customs authorities had introduced a single-window-clearance-system to clear cargo in 24 hours. Customs authorities would soon modify the electronic data interchange (EDI) system to ensure that drawback claims were settled, as soon as exporters submitted the export general manifest. India is moving towards an integrated customs management system whereby EDI, ICEGATE and Risk Management System (RMS) would be integrated to provide seamless customs service.

Mr. Vijay Kalantri, President, AIAI said "Exporters and importers, especially in the micro, small and medium (MSME) sector face a lot of operational issues complying with the customs, excise and service tax procedures. Government must rationalize the tax regime, and simplify the system by adopting digitization. These will lead to better revenue collections. The tax authorities should also set up redressal forums to ensure honest tax payers are not punished."

Make in India in Defence to boost MSME sector

"Government is attempting to boost MSME sector's contribution to indigenous manufacturing in defence from 20-30% at present to 70% in next 5 years under its ambitious Make in India programme. Further the Defence Ministry will help in promoting indigenous manufacturing from 30% to 70% in 5 years and has allocated ₹ 2500 crore per year for ammunition, "said Lieutenant General Ravi Thodge, AVSM, SM, VSM, Master General Ordnance, Indian Army (Retd.), at an interactive meeting, jointly organized by All India Association of Industries (AIAI) and World Trade Centre Mumbai on February 10, 2017 "This will not only boost opportunities for the MSME sector but also lead to job creation," he said.

At present, India is importing nearly 60% of its defence manufacturing components. The Government of India is committed to working with MSMEs focusing on import substitution, added Lt Gen Thodge.

The `Make in India´ programme puts great thrust on sustainability. Lt Gen Thodge added that the Government is reaching out to MSMEs across India to encourage them to participate in this programme. Government is also committed to introducing more clusters

Mr. Y. R. Warerkar, Executive Director, WTC Mumbai, Lt. Gen Ravi Thodge, AVSM, SM, VSM, Master General Ordnance, Indian Army (Retd.), Capt. Somesh Batra, Vice Chairman, WTC Mumbai and Ms. Rupa Naik, Executive Director, AIAI,

of defence manufacturing to help MSMEs reap the benefits of logistical efficiency, as well as to harness the benefits of innovation from all parts of the country. He informed the gathering that the Ministry of Defence is already working with the Government of Maharashtra to promote clusters in Nasik for aircraft components, forging and foundry in Kolhapur and for tank and combat vehicles in Pune. He further added that MOD was developing a testing center for Defence Procurement Assistance Center in Belgaum, Karnataka. This will also help MSMEs with testing facilities.

On the issue of procedural delays and transparency keeping MSMEs vary of participating in the Make in India programme, Lt Gen Thodge added that since 2014, the Ministry had done away with physical tendering and all tenders today were e-tenders. "Government is finalizing RFPs for procuring ammunition of the value of ₹2500 crore per year under the Make in India programme and that these would be uploaded soon. This would be a game changer," he concluded.

Budget 2017 will deepen digitization and Make-in-India initiatives

Mr. Bhupender Singh, Director, Indirect Tax, PricewaterhouseCoopers, Ms. Rupa Naik, Executive Director, All India Association of Industries (AIAI), Capt. Somesh Batra, Vice Chairman, World Trade Centre Mumbai, Mr. Frank Dsouza, Partner, Tax & Regulatory Services, PricewaterhouseCoopers and Mr. Shailesh Monani, Partner, PricewaterhouseCoopers.

"The industry has welcomed Budget 2017 because it reflects continuity and does not propose too many amendments in the tax laws. This, coupled with simpler tax compliance procedures will significantly help widen the tax base," said Mr. Frank D'Souza, Partner, Tax & Regulatory Services, PricewaterhouseCoopers (PwC), at an interactive Open House session jointly organized by All India Association of Industries (AIAI) and World Trade Centre Mumbai on February 14, 2017.

Welcoming reduction or exemption of customs duties on point-of-sale (PoS) devices, micro ATMs, iris scanners and other digital payment enabling devices to promote digitization, Mr. Bhupender Singh, Director, Indirect Tax, PwC, noted that it would help more manufacturers take the plunge into the Make-in-India initiative, besides making it easy for the common man to adopt to the changing times.

"The increased focus on irrigation, railways and other infrastructure sectors in the Union Budget should provide the necessary thrust to get back our economic engine to chug at a higher pace," remarked Mr. Vijay Kalantri, President, All India Association of Industries in his welcome speech. "Bringing down the tax rates and eliminating the fear of the tax authorities is the only sure way to expand the tax base," he added.

Rooting for enhanced tax compliance, Mr. Kalantri noted that the effectiveness of our laws depended on their implementation, which in turn was dependent on a liberal tax policy.

"The affordable housing sector, clarification on indirect tax provisions for foreign portfolio investors, and the introduction of one-page form for filing tax returns by individuals with taxable incomes of up to ₹5 lakh are welcome efforts by the government," said Mr. Shailesh Monani, Partner, PwC. It will be crucial to the government's efforts to quicken the pace of economic development.

Georgian Ambassador vows to bolster ties with India

Mr. Satinder S. Ahuja, Hon.Consul, Consulate General of Georgia in Mumbai, Mr. Mahadev Jankar, Hon'ble. Minister for Animal Husbandry, Fisheries & Dairy, Govt. of Maharashtra, H.E. Mr. Archil Dzuliashvili, Ambassador of Georgia to India, Mr. Vijay Kalantri, President, AIAI and Mrs. Rupa Naik, Executive Director, AIAI

World's 3rd safest country Georgia invites Indian companies to explore opportunities in real estate, hospitality, tourism, pharmaceuticals, food and beverages.

"As the Father of the Nation Mahatma Gandhi said – The best way to find yourself is to lose yourself in the service of others. So, I am here as a serviceman of my country," said H.E. Mr. Archil Dzuliashvili, Ambassador of Georgia to India at an interactive meeting organized by All India Association of Industries (AIAI) and World Trade Centre (WTC), Mumbai in association with the Consulate of Georgia in Mumbai on February 21, 2017.

H.E. Mr. Dzuliashvili said that "I respect India for its great history, great culture, largest democracy and major economy is a Nation of Bright Future". This year, the Embassy of Georgia in India is celebrating the 25th anniversary of the establishment of diplomatic relations with India and the Georgian Ambassador vowed to enhance consultations and explore possibilities of co-operation with India in the fields of culture, trade and economy.

H.E. Mr. Dzuliashvili added that the Government of Georgia offers investment opportunities to promote industrialization and hospitality industry. Indian companies can use Georgia as a hub for entry into the European market as the country has signed 'Deep and Comprehensive Free Trade Agreements' with the European Union. Georgia has also signed free trade agreement with Turkey and Post Soviet countries.

Some of the other advantages in Georgia are absence of import tariff on 80% of goods, low cost of power, availability of subsidized loan and free land for setting up factories, tax-free industrial zones.

Mr. Mahadev Jankar, Minister – Animal Husbandry, Diary Development & Fisheries Department, Government of Maharashtra presided over the function and felicitated H.E. Mr. Archil Dzuliashvili.

Mr. Satinder S. Ahuja, Hon. Consul, Consulate of Georgia in Mumbai said," Georgia has a liberal visa regime and manufacturing companies can set up a facility in a minimum time frame as all administrative clearances are fully integrated across government departments. The country offers tremendous scope for large industrial companies in iron ore, aluminium, steel and other energy intensive sectors as well as in food beverages, tourism, pharmaceuticals, wood, paper and textile sectors."

Mr. Vijay Kalantri, President, AIAI, said,"I hope India would improve its ties with Georgia under the leadership of the new Ambassador. Georgia is a potential hub for India's trade with the European Union. The country offers huge opportunity for entertainment industry due to its scenic beauties. The country has a liberal visa regime as it offers visa on arrival for foreigners holding visas of the USA, UK, EU and Shenzhen. Today, the bilateral trade between both the countries stand at USD 107 million and I expect it to grow higher and faster in the next five years."

AIAI, WTC Mumbai and Doordarshan felicitate women achievers

Ms. Rupa Naik, Executive Director, All India Association of Industries and Director-Projects, WTC Mumbai; Mr. Vijay Kalantri, President, All India Association of Industries Ms. Bhawna Somaya, Historian and film Critic; Ms. Grace Pinto, Managing Director, Ryan International Group of Institutions; Ms. Sonali Kulkarni, Actress, Dr. Jamuna Pai, Cosmetologist and Founder, Blush, Ms. Bala Deshpande, Senior Managing Director, New Enterprise Associates, Ms. Shibani Sharma, Wife of Mr. Mukesh Sharma, Ms. Kiran Shantaram, Former Sheriff of Mumbai, Mr. Bharat Dabholkar, Film Director.

All India Association of Industries, World Trade Centre Mumbai and Doordarshan Mumbai Kendra jointly felicitated five women of distinction, acknowledging their contribution to trade, entrepreneurship and public life on March 1, 2017. The event was a precursor to the upcoming 6th Edition of Global Economic Summit 2017 on Women's Empowerment.

The Summit would see participation of Policy Makers, NGOs, Women Leaders, Academicians and Women Entrepreneurs from more than 20 countries. They would further discuss and deliberate on issues relevant to women's empowerment across all verticals, such as leadership, woman's role in global value chains and SMEs, skill development, financing, role of stakeholders at the national and international level, education, arts and culture, as well as social entrepreneurship.

The awardees, well-known personalities in their respective spheres, included National Film Award winning actress Ms. Sonali Kulkarni; acclaimed author, historian and film critic, Padma Shri Ms. Bhawna Somaaya; noted cosmetologist and Founder of Blush World Dr. Jamuna Pai; Managing Director of Ryan International Group of Institutions, Ms. Grace Pinto and Senior Managing Director of the Indian office of the world's largest venture capitalist firm New Enterprise Associates, Ms. Bala Deshpande.

"Together we make this world a beautiful place. Men and women play their respective roles to enrich the society. However, women have to think far ahead in planning every aspect of the family," said Ms. Kulkarni, thanking the organizers and her fellow colleagues in her long journey to stardom. Ms. Somaaya said that women as a species were an empowered lot. She added that the modern women had a responsibility to uplift the lives of the rural women by citing the example of Vidya Balan's sauchalaya (washroom) message.

Dr. Jamuna Pai, known for introducing India to the age-defying ingredient of cosmetology, Botox, noted with pride the strides her women team members had been able to take in their personal and professional lives. She said that the secret behind any woman making it to the top lay in her ability to believe in herself.

Ms. Pinto spoke of the need for women to feel valued. She added that it was necessary to look forward, think big, dream big and achieve big. Ms. Deshpande spoke of the battle of perspective women to engage on everyday basis. The fight with perspectives is multi-fronted with self-belief and questioning one's abilities being the toughest to overcome.

Congratulating the women achievers, Mr. Vijay Kalantri, President, All India Association of Industries (AIAI) said, "Women's empowerment is not a peripheral subject. It is at the core of development of the society, the nation and the entire world. Women are highly consistent in most things and determined to lead. It is important to recognize the importance of empowering women."

Ms. Rupa Naik, Executive Director of AIAI said that the forthcoming Global Economic Summit on Women Empowerment would unfold many opportunities for women entrepreneurs and start-ups in global market. Ms. Naik informed that both AIAI and WTC Mumbai had been designated by the International Trade Centre Geneva as 'verifiers' for 'She Trades', an app connecting one million women entrepreneurs across the world.

"A woman of substance is a woman of power, a woman of positive influence and a woman of meaning. Empowerment isn't about making women strong. Women are already strong. It's about changing the way the world perceives that strength. The whole idea of presenting `Nayika´ by Doordarshan in collaboration with AIAI and WTC Mumbai as a precursor to GES 2017 is to extract a commitment from leaders of all sections of the society to empower women so that it paves the way for her all round success and progress in life" said Mr. Mukesh Sharma, Director, Doordarshan Mumbai.

"Nayika - Samman Pratibha Aur Netrutva Ka" was aired on March 8, 2017 on the special occasion of International Women's Day on DD National Network.

"India-Latin America and Caribbean Conclave"
June 15, 2017, Mumbai

The All India Association of Industries, World Trade Centre Mumbai and the Group of Latin America & Caribbean (LAC) are organizing "India-Latin America and Caribbean Conclave" on June 15, 2017 in Mumbai. This is being organized first time in Mumbai, the Conclave is supported by Ministry of External Affairs, Government of India

This Conclave would act as a catalyst to promote trade and investment between the two regions and will address various factors to help shape the future of India-LAC trade relations.

It would be an excellent opportunity to bilateral business community including SME entrepreneurs to take advantage of enhanced business relations between these regions.

Programme Overview

• Trade and investment opportunities in LAC • Promoting LAC as a business destination

• Opportunities and challenges for collaboration between India and LAC

Event Highlights

• Plenary Sessions • Business-to-Business Meetings • Networking Opportunities

Participants

• Investment & Trade Promotion Agencies from LAC • Senior Government officials from India & LAC

Members / Companies interested to participate in the network seminar are requested to contact the secretariat of AIAI at info@aiaiindia.com or Tel No 022-22019265

Official Mission to Poznan, Poland

The All India Association of Industries (AIAI) led an official mission to Poznan, Poland from 1st to 4th October 2016. The official delegation was led by Mrs. Rupa Naik, Executive Director AIAI. Ms. Debjani Choudhry, Advisor, WTC Mumbai and Mrs. Queenie Nair, Director, AIAI accompanied the mission.

October 3, 2016

Meeting with Marshal Leszek Wojtasiak of the Wielkopolska Region

Ms. Rupa Naik along with the AIAI and WTC officials met with Marshal Leszek Wojtasiak. The objective of the meeting was to inform Marshal Wojtasiak about the 6th edition of the Global Economic Summit on "Women's Empowerment: Through Entrepreneurship, Innovation and Capacity Building" and to seek the participation of the Wielkopolska Region as an International Partner to Summit.

The interaction centered around the role of women entrepreneurs in Poznan and the consequences of gender inequality which is a serious global issue effecting development, labour markets, productivity and GDP growth.

Ms. Naik invited Marshal Wojtasiak to be the International Guest of Honour at the GES and also sought the participation of polish women entrepreneurs to the Summit.

Marshal Wojtasiak confirmed the participation of the Wielkopolska Region at the GES along with leading a delegation.

Mr Jakub Jackowski Deputy Director of the Department of Economy, Wielkopolska Region was also present at the meeting.

October 4, 2016

Meeting with Mrs Tatiana Sokołowska, Councillor of Regional Parliament and a member of Lodge of Women in Business Wielkopolska Region

Ms. Rupa Naik along with the AIAI and WTC officials met with Mrs. Tatiana Sokołowska,. Ms. Naik informed Mrs. Sokołowska about the 6th edition of the Global Economic Summit on "Women's Empowerment: Through Entrepreneurship, Innovation and Capacity Building".

Mrs. Sokolowska opined that efficient solutions need to be implementated to facilitate smooth operation of micro, small and family businesses. She further stated an immediate need of an introduction of provisions guaranteeing women equal pay for equal work and the vital need to counter any forms of gender discrimination.

Ms. Naik shared the same opinion adding that that although there have been developments for women empowerment in the world economy, yet the global economic system and gender discrimination at the workplace and in business poses great challenges for women. She further suggested that. Mrs. Sokolowska should lead a delegation of women entrepreneurs to India.

Ms. Beata Joanna Łozińska, Director, Department of Economy, Marshal Office of the Wielkopolska Region; Dr. Marcin Turski, Faculty of English, Adam Mickiewicz University in Poznań and Magdalena Kaseja-Astriab Head of Division of Promotion, Trade and Investments, Department of Economy, Marshal Office of The Wielkopolska Region were also present at the meeting.

Women's Empowerment: Entrepreneurship, Innovation & Capacity Building

Capt. Somesh Batra, Vice Chairman, World Trade Centre Mumbai, Mr. Yonov Frederick Agah, Deputy Director-General, World Trade Organization (WTO), Geneva, Ms. Michaela Marksová, Hon'ble Minister, Ministry of Labour and Social Affairs of the Czech Republic, Mr. Kamal M. Morarka, Chairman, MVIRDC World Trade Centre Mumbai, Dr. Mukhisa Kituyi, Secretary-General, United Nations Conference on Trade and Development (UNCTAD), Geneva, Mr. Vijay Kalantri, President, All India Association of Industries Ms. Dorothy Ng'ambi Tembo, Deputy Executive Director, International Trade Centre (ITC), Geneva, Ms. Nora K. Terrado, Undersecretary (Deputy Minister), Department (Ministry) of Trade and Industry, Industry Promotion Group (IPG), Philippines and Dr. Ruby Dhalla, Canadian Politician.

All India Association of Industries (AIAI) and World Trade Centre - Mumbai (WTC) organised 6th Edition of the Global Economic Summit (GES) on March 27-29, 2017. GES focused on women's empowerment in social and economic spheres, in line with the United Nation's Sustainable Development Agenda.

The Summit, 'Women's Empowerment: Entrepreneurship, Innovation & Capacity Building' celebrated achievements of women in diverse fields. With a focus on leadership, economic and social entrepreneurship, women-led SMEs, skill development, targeted financial assistance and crucially, the role of governments, multilateral agencies and stakeholders at national and international levels, GES addressed an all-important economic independence of women in 21st century. Speakers and participants from more than 25 countries attended this 2-day Summit and deliberated with constructive inputs.

The inaugural session was a power-packed session with international speakers from WTO, ITC and UNCTAS together with prominent politicians from Czech Republic, Philippines and Canada.

Dr. Mukhisa Kituyi, Secretary-General of UNCTAD shared the role of his global organisation on trade and development in an urgent need to formulate shift in public policies to upgrade the role that women play in trade will not only help redress these inequalities – it can also help reform trade to make it more inclusive and sustainable. He was quick to add that addressing women's empowerment has become an urgent policy priority, as exclusion of women has become more costly with slow trade growth, and with globalization under fire.

Acknowledging the power of technology, Dr. Kituyi said, "There is also growing potential for e-Commerce to serve as an engine of women's empowerment. Global retail E-commerce is a powerful economic opportunity for businesses, and can be a powerful engine for women entrepreneurs." Ms. Nora K. Terrado, Undersecretary (Deputy Minister), Department (Ministry) of Trade and Industry, Industry Promotion Group (IPG), Philippines appreciated Dr. Kituyi's remarks and informed the august gathering that in order to uplift the innovative spirit of women entrepreneurs, one need appropriate policy intervention. "The Government of Philippines has taken various

Dr. Mukhisa Kituyi

measures to empower women in business. One such measure is the focus on 'Women and Technology'. In order to encourage innovation and technology adoption among start-ups, micro enterprises and women business units, Government of Philippines has introduced 'Slingshot Philippines', which is a platform for public dialogue and partnership to build and nurture the innovation ecosystem." This was the testimony of growing importance of technology in a gender neutral way to uplift women irrespective of any biasness.

Mr. Kamal Morarka

Mr. Kamal Morarka, Chairman of World Trade Centre Mumbai set the tone of the Summit by highlighting the importance of gender equality and women's empowerment. "Women constitute half of the world's working-age population but generate only 37% of the world economic output. Empowering women in political and economic decision making would go a long way in addressing some of the serious challenges facing mankind today such as poverty, hunger, inadequate access to healthcare, education and sanitation, to name a few", he said. Echoing his address, Ms. Michaela Marksová, Hon'ble Minister, Ministry of Labour and Social Affairs of the Czech Republic said, "Czech Republic is worst placed among the EU countries in terms of gender equality. Czech Republic suffers from huge gender gap in wages, poor representation of women in the Parliament."

Dr. Ruby Dhalla

Dr. Ruby Dhalla, Canadian Politician strongly advocated that women must be given equal representation and empowered to make decision at all levels, be it the family, the community, corporate sector or the government. She was the first Indian woman to be elected to the Parliament of Canada in 2004. She effectively concluded her speech while infusing inspiration to the audience by stating that a woman must have 5 Cs, namely, Confidence, Commitment to a Cause, Credentials, Courage and Conviction. Her message was to all women was to keep their dream alive and keep the flame glowing.

Mr. Yonov Frederick Agah, Deputy Director-General, World Trade Organization (WTO), Geneva shared the importance of capacity building and the role of WTO in empowering women through its trade programmes in helping the developing countries build trade capacity, access global market and increase their exports. He added "Empowering small and medium enterprises directly impacts women. One-third (10 million) of the world's

SMEs are owned by women. Since the financial crisis in 2008, WTO has been working to keep finance flowing for trade."

Ms. Dorothy Ng'ambi Tembo, Deputy Executive Director, International Trade Centre (ITC), Geneva briefed about the importance of gender equality and economic empowerment of women to boost the economy. She said, "ITC gathered its global network of company partners, government leaders, women entrepreneurs and civil society actors to agree on the key barriers facing women entrepreneurs and the actions which if taken could help more women access business opportunities and gain a greater share of the benefits from the global economy". She added that the result of these consultations is SheTrades – a global initiative aimed at connecting one million women to market by 2020. On this occasion, ITC launched SheTrades in India.

It was a special occasion for AIAI and WTC to become verifiers of women-owned enterprises who are keen to register at the SheTrades web and mobile business networking platform in India. Mr. Vijay Kalantri, President, AIAI and Vice Chairman, WTC Mumbai thanked ITC for making AIAI and WTC Mumbai as verifiers of SheTrade in India and added that this will greatly help women-led and owned entrepreneurs to reach to global customers. Acknowledging the importance of women's empowerment, Capt. Somesh Batra, Vice Chairman, WTC Mumbai concluded, "Our Prime Minister Narendra Modi has made women's empowerment an integral part of his strategy to create a Resurgent India".

During the Summit, several speakers deliberated upon important topics revolving around empowerment and capacity building with government and private sector support. These included the evolving woman in the 21st century; education, science, technology and empowerment of women; leadership and women's foray into the business domain; government and institutional support for women; women's empowerment through capacity building and social entrepreneurship and women's empowerment through diversity, arts and culture.

Many speakers emphatically spoke on the role of gender equality in promoting women empowerment. Ms. Marksova stated that Women in Czech Republic are increasingly taking up entrepreneurship as career option. This is because entrepreneurship provides freedom for women to adjust their work timing according to their family commitments. Taking forward the Government initiatives, Dr. Sonia Sethi, Addl. DGFT – Mumbai spoke about various Government of India's initiatives in bridging gender gap. Prominent among these is Trade Related Entrepreneurship Assistance and Development (TREAD) Scheme for women enterprises. Under the revamped scheme,

women entrepreneurs are offered training, counseling and grants for their business activities. However Ms. Pooja Bedi, Actor and Columnist was of the opinion that women's empowerment should not be viewed as a struggle of women against men only but it is a struggle against judicial system and a system that restricts the role of women in economy and polity. Similarly, Dr. Ella NilaKanthi Ford, Director, Integral Performance Europe and Asia advised that all women must go beyond the discourse of gender equality and addresses issues such as poverty that affect women disproportionately.

Science, technology and innovation play significant role in empowerment of women. Technological and digital fluency is fast becoming the agent that can bring about the greatest democratization of knowledge. Ms. Sangeeta Wij, President, Women in Science and Engineering (WISE) affirmed that Women have to empower themselves and the best way to be economically empowered is to pursue entrepreneurship. Adding that both educated and uneducated women can pursue entrepreneurship in different sectors. However gender inequality is grappling to both developed and developing world. While sharing her observation, Prof. Usha Haley, Professor of Management, College of Business and Economics, West Virginia University, USA said that even developed countries have various forms of gender inequality. Around 33% of MBA graduates in the USA are women. However, women constitute only 14% of senior executives in Fortune 500 companies. Women make 30% less than men in corporate jobs in the USA.

However there was a consensus that all stakeholders should work cohesively to support the women's empowerment. Ms. Karen Horting, Executive Director and CEO Society of Women Engineers, USA said, "It is the responsibility of government, business chambers and professional bodies to work with employers and enable them to recruit and retain women engineers."

Globally, gender inequality often visible in terms of wage discrimination. All speakers expressed their strong displeasures against this. According to the fifth annual "glass-ceiling index" published by The Economist in 2017, women's labour force participation has improved only marginally from 60% to 63% during the decade since 2005 in OECD countries. During this period, labour force participation of men was 80%. India has made considerable progress in representing women in the corporate sector. Ms. Chhaya Sehgal, Founder and CEO, The Winning Edge said, "According to data from Prime Database, the number of women directors in 1570 companies listed on National Stock Exchange has risen 6 times during 2011-2016. However, India still has long way to go in ensuring gender equality. Out of 147 countries, India ranks 139 in terms of economic participation and opportunity for women."

GES presented a unique opportunity for participants to listen and share experiences from more than 25 countries including developed and developing geographies. It was an opportunity to learn through shared experiences. Back home, Indian government is on a mission to empower people through various flagship programmes such as Skill India, Digital India, Make in India and so on. These programmes offer opportunities and equalities to empower people of India irrespective of gender, caste and religion.

Government of India set up National Skill Development Council (NSDC) with a mission to skill 150 million people by 2020. So far, 10 million people have been skilled under this mission. Women constituted only 34% of students trained by NSDC in 2014. This proportion improved gradually to 41% as of 2015-16 and further to 52% as of February 2017.

Sharing his experience on this, Mr. Anand Mohan Jha, Principal, National Skill Development Corporation said, "It was found that some girls hesitated to enroll in NSDC's institutes because majority of the trainees in these institutes were boys. Therefore, Government of India introduced Pradan Mantri Mahila Kaushal Kendra, which are skill training institutes exclusively for women."

Mr. Deepak Vasant Kesarkar, Minister of State for Home (Rural), Finance and Planning, Govt. of Maharashtra was the Guest of Honour at the Valedictory session. He shared Maharashtra Government's initiatives to empower women and improve their contribution in the economic value chain. He added that in several places his government is establishing factories where 95% of workers would be women. He added, "We are implementing a National Rural Livelihood Projects with the support of the World Bank. Under this project, women cadres are trained to help farmers or to do farming themselves. This cadre of women is known as Krushi Sakhis. We are also training cadre of women, known as Matsya Sakhis, in the fishing sector."

During the Summit, more than 25 women achievers were felicitated by dignitaries for their role and achievements in various walks of life. These women achievers have contributed to the ethos of their generation, in their chosen fields and have brought about significant change to the socio-economic condition of their communities.

GES was a great success that provided an insight into how diverse businesses around the world are implementing Women's Empowerment Principles (WEPs) and the measures in place to achieve the Sustainable Development Goals.

The Summit witnessed over 500 Delegates, 100 Speakers, 500 B2B meetings. There were 100 women entrepreneurs who showcased their products at the exhibition.


Shri Deepak Vasant Kesarkar


Ms. Pooja Bedi


Dr. Ella NilaKanthi Ford

Glimpses of Global Economic Summit 2017

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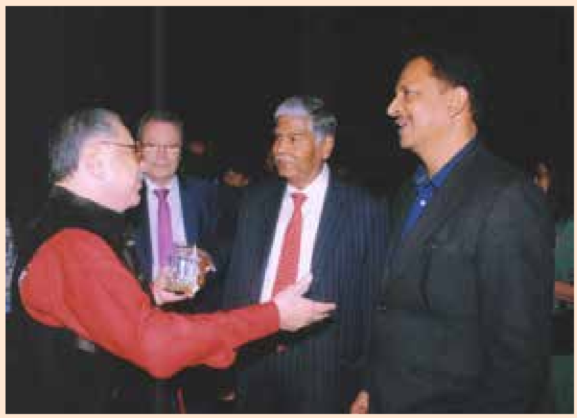
Photo Gallery

At the ' At Home' party celebrating Republic Day in the Rashtrapati Bhavan with President of India Shri. Pranab Mukherjee and Ms. Saroj Khaparde, Former Union Minister along with Mr. Kamal Morarka, Mr. Vijay Kalantri and Mr. Ravinder Manchanda

Mr. Vijay Kalantri, President, AIAI met Rt. Hon. Dr. Ruhakana Rugunda Prime Minister Leader of Government Business – The Republic of Uganda.

Mr. Subhash Desai, Hon'ble Minister of Industries, Government of Maharashtra, Mr. Kim Soungeun, Consul General of the Republic of Korea in Mumbai, Mr. Pawan Goenka, Managing Director Mahindra and Mahindra Ltd and Mr. Vijay Kalantri, President, AIAI at the inauguration of the Korean Expo 2016 in Mumbai



Mr. Vivek Burman, President, HCCD-India, H.E. Mr. Mentor Patricio Villagómez, Ambassador of Ecuador to India, Mr. Vijay Kalantri, President, AIAI and Mr. Rajiv Pratap Rudy, Hon'ble Minister of State(I/C) for Skill Development and Entrepreneurship Govt. of India at the `Diplomats Evening' on March 6, 2017

Mr. Vijay Kalantri, President , AIAI Ms. Manasvi Mamgai, Actress and Mr. Shalabh Kumar, Chicago-based Indian-American industrialist during Mr. Kumar's visit to Mumbai.

Mr. Vijay Kalantri, President, AIAI, Mr. Alexander De Croo, Deputy Prime Minister of Belgium and Minister of Development Cooperation, Digital Agenda, Telecommunication & others with Mr. Vishal Kalantri, Director, Dighi Port Ltd

India's Fiscal Budget 2017: Economic & Political Fallout

- Mr. Vijay Kalantri, President, AIAI

India's fiscal budget has always attracted global attention as India is slated to be the destination for investment. It is no longer a guessing situation for fiscal allocations and the same are based on earlier indicated propositions.

Budget allocations have been an indicator of good or bad fortunes in various sectors due to the very fact that India has been a favorite destination for landing of short term foreign capital primarily for the reason that Indian policies are volatile and there can be a random economy adjustment at any point of time apart from actual commitments at the time of budget announcements. Long term capital investments have been very few to be counted.

It has been emphasized that Indian economy gives unwanted attention to budget announcements when in practice the ground framework is highly unstable for policy or financial allocations to be of any optimum utilizations.

The budget announcement for 2016-17 has seen some major reforms in terms of time and framework. The announcement has preceded a month before the legendary one with the railway budget being scrapped and included in the main budget. The other reform is the integration of the plan and non plan expenditures and splitting the allocations sector wise. This type of framework does have lot of positives but the deviations occur due to failed implementation which is again due to the framework for implementation still inadequate and suffering. To be simple budget allocations need to be sturdy , specific and infrastructure based rather than sector or scheme based which history suggest have failed to deliver. The budget 2016-17 though in its new avatar has repeated the age old mistake of allocations made in schemes and sectors.

In context to budget 2016-17 there is a high investment in rural sector which is not a new landscape. Allocation for the crop insurance scheme, as the gap between farmers' cost on farming and their loss, if any, is huge. Higher allocation for irrigation is also a good booster to the rural economy.

Budget allocations for the rural poor have been announced but implementation is a huge issue with huge challenges in mapping the actual needy. Inspite of the allocations made the question is whether the allocations will actually reach the poor is a huge uphill task. The slogans such as green revolution and garibihatao have been in vogue for last 50 years or so but still India is in the grip of 60% poverty. Such schemes and slogans failed merely because there was no mechanism which could ensure that the benefit reached the actual needy. Most of the time budget allocations have been siphoned for the benefit of the rich capitalists making them richer.

Though digital India has received a high impetus however, realization of the same can be predicted with 40 % efficiency given the poor infrastructure in place. AADHAR based subsidies and financial transactions for the rural poor have been proposed however, it should be aptly noted that even inspite of creation 1.5 Crore Jan Dhan Accounts 40% rural India is still unbankable. There is no doubt that inspite of the allocations most of the funds would go in the pockets of undesirables or unutilized.

Projected Fiscal deficit, tax to GDP ratio and consumer spending to GDP ratio are ones which project the health of a country in context to its financial health. Fiscal deficit not only determines the contribution of exports over imports but also the inward foreign remittance. Adherence to 3.9 per cent fiscal deficit and 3.5 per cent for next year would bring comfort to FII however its implementation is a question. The former an indicator of the domestic economy and later indicator of global impact on domestic economy. Globalisation cannot be denied by a country due to the inherent fact that exports are fuelled by imports. This budget did not announce any impressive duty drawback especially on import of food items.

Inbound remittances reflect the strength of countries to import Indian labor and subsequent contribution to a positive fiscal deficit. In case of global turmoil downsizing of Indian labor leads to weakening of the domestic Indian economy in par with these international economies. Inward remittances also back and foster consumerism which in turn boosts domestic consumption. The global slowdown has forced Indian labor to come back to Indian shores this in turn effect the support of inward remittances to aide lowering of the fiscal deficit. Sticking to 3.5 pc of the fiscal deficit target reinforces the credibility of Government of India's medium term fiscal targeting. However,fiscal policy is the weakest aspect of India's credit profile relative to other "Baa3" rated sovereigns because India has larger fiscal deficits and debt but the government is moving to correct it slowly.

Monetisation through divestment of (central public sector enterprises') individual assets would augment funds for investments, and improving the target of beneficiaries for various subsidies through greater use of Aadhar is expected to result in fiscal savings over the medium term.

The need of the hour is to accelerate the economy and promote consumption and boost domestic spending, but this budget doesn't have anything substantial on this aspect. It has a lot of dampeners, and no positive sentiment. Investment in job growth is very scanty. Micro units in the SME sector were the ones most affected by the demonetization wave. This sector accounts for nearly 33% of the total jobs though in an informal way. These jobs concentrated mainly in textile, leather and auto ancillary parts, however, this sector has had no appreciable relief whatsoever in context to the budget. The decrease of 5% tax liability does not reflect any major difference to the SME sector's growth prospects.

The banking sector especially the nationalized banking sector is in deep debt crisis due to the NPA problem. Allocation of additional capital will be a temporary stop gap solution and an introduction of a sturdy infrastructure such as the bad bank and allocation of capital to such an infrastructure would have been a permanent remedy to this issue. The allocation for bank capitalisation of 25,000 crore rupees (250 billion rupees) is only a patch on the 1,80,000 crores that the Economic Survey has identified as the need of this vital sector. The banking sector has a major role to play in spurring private investment which is lacking and without which the all-round economic revival is not a possibility. Banking sector reforms and possibility of introducing the BASEL 3 reforms have found no place in the budget allocations.One of the most awaited exemption of Dividend Distribution Tax on the dividend declared by the portfolio company to REIT and InvIT has been proposed. With this amendment, all the required fiscal support for REIT and InvIT to make it a reality has been done. This will support the developer and fund managers to raise funds through REIT / InvIT and create liquidity

India has showed valued growth and inward remittance in the auto industry with this industry having some chunk of exports thus contributing positively to the CAD. However, there is not much for Auto industry in this budget. Infrastructure cess increase up to 4 per cent on passenger vehicles will definitely have an impact on the prices. The modalities of collection of TDS of 1 per cent on more than 10 lakh priced cars is yet not clear. Further, curbing incentives on in-house R&D spends from 200 per cent to 150 per cent is not very positive. There is no presentation on roadmap for GST implementation, additional incentives for Electric Vehicles and Hybrids under FAME Scheme and the plan for Vehicle Scrappage scheme which is damper. The vehicle manufacturers are being directed to get to Euro 6 by 2020 and vehicles contribute so little to pollution. Main pollutant in Delhi for example is PM 2.5, which is dust. Cars only contribute 2 percent to that according to IIT Kanpur study. So why only cars are being targeted for pollution, especially when they are being pushed to incur the higher cost for Euro 6 is something which is difficult to understand and accept as being fair and reasonable. It's disappointing that the corporate tax rate that was being talked about last year has not been reduced. Instead, the levy of the tax on dividend is disturbing because it goes against the thread of certainty and stability that the government is talking about and sends a wrong signal to investors. The measures on setting up dispute resolution panels are not yet well understood, because there are few details. The reduction of the long term capital gains period from three years to two years is however a big positive.

The budget allocations and tax reliefs to the real estate sector will boost confidence in this sector .A relief to affordable housing and is a big thing because affordable housing almost has an infrastructure status by giving 100 percent exemption on profits. That's a valued measure for affordable housing. However, one needs to bear in mind that relief for the repayment of interest as well as principal should have been to all categories of housing because one needs not only affordable housing but you need every segment to push up demand. However, the current rate of job growth hardly supports the demand for housing. Poor growth in demand for housing even after introduction of tax relief does not couple with demand in housing as there is no expectation for fall in present prices which are still too high to afford the same. Capacity generation with inadequate demand will make these tax reliefs useless.

The budget proposal to launch a new health protection scheme will ensure penetration of health insurance and promote financial inclusion. The proposal for additional Rs30, 000 health cover for senior citizens will help reduce the burden of healthcare expenditure for the aged. It's directionally progressive because of increase in insurance coverage, but what the sector needs is a roadmap. The present healthcare infrastructure either needs to be scaled up or embed in itself affordable hospitals run by charitable institutions under government subsidy scheme. The present status of government healthcare is pathetic with sub standard staff and healthcare equipment. The budget allocation towards new heath protection scheme is highly inadequate in comparison to the cost of private healthcare which is far more dependable.

Budget speech talks about job growth prominently in two sectors one of railways and the other in case of road and affordable housing structure. However, the infrastructure sector has a large appetite for private investment and the same requires top priority clearances especially in context to environment and land , acquisition which have not been provided any relief in any shape. Secondly, the railways have been running into losses and there is urgent need to increase the operating ratio of this infrastructure but there has been no strategy devised to mark up the development and profitability of this sector. This budget in the new avatar is similar to old strategies in new clothes.

The budget propositions are laid on basis of the old strategy of populist schemes subsidizing the poor while compensating the same taxing the rich. However, with only a few rich now holding nearly 50% of the total wealth will hardly make an impact in balancing this subsidized capital. Thus it's very awry how the 3.5% fiscal deficit will be contained in a scenario of surgical strikes of demonetization enforced on the economy and uncontrolle inflationary tendencies in the Indian economy.

Though emphasis has been given to skill development and boosting innovation the basic infrastructure to carry out the same has been lacking. An ambitious budget allocation to build one school and one ten bedded hospital per village would have sounded a better choice than random allocation of resources which leaves an individual clueless about its realization. Definite budgetary allocations help job seekers to acquire skills in a sector which sees boosts in infrastructure pertinent to a certain sector.

Overall the budget is not a surprising one or neither is a dynamic one. The budget should be an icing on a cake however the Indian economy has failed to make a good cake below the icing thus, however good an icing is, it will fail to make the cake taste good. The changing of the plan non plan system of expenditure or pre poning the budget so as to start work by April will hardly matter to the present state of economy. Corrections in the existing infrastructure needs solid hard work and die hard policies. Instead of a demonetization drive in midst of a recovering economy a drive for digital India , skill India, education India to remotest India was more essential. Creation of a bad bank or securitization bonds to remove NPAs from the banking system and release of fresh capital to the ailing industry was more important than a demonetization drive. Upgrading quality of railway services and creation of small budget subsidized trains, divestment of unrequired railway land, would have created more capital for the railways. Identifying sectors which involve jobs and a more convenient labor policy suiting employer and employee requirements would benefit job growth and evidently boost GDP. Allocation of funds to build schools, teachers, connecting infrastructure such as roads and bridges, food and healthcare in remotest villages was most desirable for actually promoting financial inclusion. This infrastructure could have provided as a medium to establish digital India through school programs. Adult literacy could be promoted thus making India 100% literate to understand the value of schemes and funds allocated to them. Allocation of funds most importantly in the education sector will not only boost innovation but will empower the urban and rural poor to improve their financial status and boost financial inclusion in true means

FDI have been complaining for a long regarding India's protectionist policies towards incoming foreign capital and long regulatory processes relief in prohibitions for such capital at least in the infrastructure sector would have been a good proposition and contribute to faster growth. The scrapping of the Foreign Investment Promotion Board (FIPB) will help this cause, if done the correct way. Although 90% of foreign direct investment, or FDI, currently coming into the country comes in through the so-called automatic route, this process is anything but automatic. And the government also needs to quickly clarify what will happen to the remaining 10% that needs clearances from a combination of ministries. Moreover the budget does seem to be aligned with the prospective reforms such as the GST.

Thus we can conclude that the budget has been a major fall out.

Gender equality matters for the global economy

- Dr. Mukhisa Kituyi, Secretary- General, UNCTAD

Dr. Mukhisa Kituyi
Secretary- General,
UNCTAD

World trade and the global economy are often perceived as "gender-neutral." However, gender matters for economic structures and outcomes. Trade flows, economic shocks and patterns of growth affect women and men differently.

Growth often impacts on women more than men. For example, female workers are more in demand when growth is driven by low-cost, low-skill exports, as women tend to work for cheaper wages than men. And when growth retreats, women are often the first to feel it. Austerity programs, for example, hurt mothers and children disproportionately, since health, education and other social programs, which they may rely on, are usually cut first and deepest.

Gender inequality also holds back a growing economy. When women don't participate in the labor force or when women can't access land or financing, growth and trade are more unstable and the economy performs below potential.

In today's challenging economic times, with the impact of the 2008-09 economic and financial crisis still being felt, policy choices to prevent and manage economic crises have particularly important gender implications. Declining government spending to cope with budget shortfalls, uncertainty about interest rates and capital flows, as well as the looming spectre of private and public debts all threaten to upset progress on gender equality, and impact negatively on the lives of women and girls.

Gender matters not only because of the social costs of economic policies, but also for effectiveness of the economic policies themselves. For example, when cuts in social spending make families pull young girls out of school, future growth - and future tax revenue – is put at risk.

However, consideration of gender in economic policy making remains limited. Governments increasingly talk a lot about inclusive growth and addressing inequality. But too often they miss the important point that inclusion and equality for the female half of the population is one of the easiest ways to address these issues. Instead discussions around economic policy remain focused on aggregate numbers, which overlook the social reality beneath them.

Forging a stronger understanding among economists and policy makers about the nexus between macroeconomic policies and gender will not only advance women's empowerment but will also improve economic outcomes for all of us.

One emerging area where policy can benefit from this nexus is the "care economy". Care work is work activity that involves close personal or emotional interactions between the caregiver and the person whom they are caring for. For example, in most cases, childcare is either unpaid or considered as consumption, rather than investment in the future labor force. Consequently, economists understand very little about how care and social reproduction affect economic growth and development, especially in the long term. But when care work is viewed as an investment, it moves higher up of the policymaker's list of priorities.

Unfortunately, at the policy level, care issues tend to garner attention only when they seem to threaten the smooth functioning of the economy, as when women's care responsibilities seem to limit their participation in paid labor, for example. The underlying inequalities implicit in women's primary responsibility for unpaid care work, however, are still largely ignored.

Ignoring these underlying inequalities can be at the policymaker's peril. Consider the enormous burden the HIV/AIDS crisis has made on the care resources of developing countries. Similarly, advanced countries are only now beginning to grapple with how their fertility decline threatens the financial viability of the social welfare system. But the status quo is hopefully changing. Unpaid care and domestic work are now among the social and economic issues addressed by the Sustainable Development Goals, for example. But we still have a long way to go.

In order to strengthen the gender-economic nexus for the benefit of policy makers, UNCTAD and UN Women are joining forces. Through this joint collaboration, UNCTAD and UN Women will combine their capacity in macroeconomics, gender and inclusive development in order to provide integrated policy advice and a technical framework to enable policymakers to make macroeconomic policies more economically effective and gender inclusive, and strengthen the mutually supportive roles of the care economy and economic development. This collaboration will soon bear fruit in our research work, in our technical support, and in our political dialogue. Women's equality and the global economy depend on it.

The sixth edition of the Global Economic Summit on Women's Empowerment was inaugurated by Dr. MukhisaKituyi, Secretary General of the United Nations Commission of Trade and Development (UNCTAD), Geneva, Switzerland.

Events Supported by AIAI

- **India Rooftop Solar Congress 2017**
  Date: 17-18 January, 2017
  Venue: New Delhi
- **Clean India Techonology Week**
  Date: 18-20 January, 2017
  Venue: Hyderabad
- **Food Hospitality World 2017**
  Date: 19-21 January, 2017
  Venue: MMRDA Ground, BKC, Mumbai
- **The Global Business Summit**
  Date: 17-18 February, 2017
  Venue: New Delhi
- **Global Trade Review (GTR) 14th Annual India Trade and Treasury Conference**
  Date: 22 February, 2017
  Venue: Mumbai
- **Water Today's Water Expo 2017**
  Date: 23-25 February, 2017
  Venue: Chennai Trade Centre, Chennai
- **2nd Edition of India Electronics Week**
  Date: 24 March, 2017
  Venue: Bengaluru
- **India International Tea & Coffee Expo 2017**
  Date: 3-5 March, 2017
  Venue: Kolkata
- **SISAB Portugal 2017**
  Date: 6-8 March, 2017
  Venue: Portugal
- **ConExpo 2017**
  Date: 7-11 March, 2017
  Venue: Las Vegas
- **Fifth Season - Celebrating Food**
  Date: 17-19 March, 2017
  Venue: BEC, Mumbai
- **CAPINDIA 2017**
  Date: 21-22 March, 2017
  Venue: Mumbai
- **4th Oman Plast**
  Date: 21-23 March, 2017
  Venue: Oman
- **Children Baby and Maternity Industry Expo 2017**
  Date: 11-13 April, 2017
  Venue: BEC, Mumbai

Invest in Izmir, Turkey

Izmir Chamber of Commerce (IZCC)

Izmir Chamber of Commerce which was founded in 1885 has 130 years of history and more than 70 thousand members.

IZCC helps its members to connect with foreign investors and businessmen in online platforms especially on the database of Turkish – World Partners (TWP) programme. TWP enables the matchmaking between the buyer and the seller. It provides connections for the firms that are registered to the system. TWP provides the information of registered product, services communication and other types of information for the members that are registered in the system.

IZCC also promoted foreign investment in Izmir & Turkey by providing information about pioneer sectors for the investment,

- Provide information about the investment conditions for the targeted sector,
- Land choices,
- Investment subsidies,
- Necessary documents for the establishment of the company,
- Information on the residence and work permit and the activities that we are conducing about these matters.

About Izmir

- ✓ An ancient city with more 8500 years of continuous life
- ✓ An important port city in the Eastern Mediterranean region, on the route of Ancient Silk Road, which connects Asian and European continents together,
- ✓ A great logistical destitation in the

intersection of Mediterranean, Aegean and Black Sea

- ✓ 3rd biggest city of Turkey a population of 4 million people.
- ✓ The leader city of the Aegean Region from commerce to industry, from education to art, from tourism to health in all areas.
- ✓ According to Global Metro Monitor 2014 Report prepared by Brookings Institute and JP Morgan Chase, 2nd fastest developing city of the world
- ✓ 13 Organized Industrial Zones
- ✓ 2 Free Zones
- ✓ 4 Technological Development Zones / Technopark
- ✓ More than 100 R & D Centers of which 20 performs toward industry
- ✓ Direct flight to nearly 100 cities on 3 continents
- ✓ More than 20 billion dollars export and import volume with a capacity of 40 billion dollars of total foreign trade per year according to customs data
- ✓ Izmir Alsancak Port: Turkey's biggest container port with a capacity of 10 million tons.
- ✓ In the ports of Aliağa, each year 40 million tons of foreign trade are transactioned
- ✓ Izmir's ports have a total loading capacity of 55 million tons

Izmir's Investment Opportunities- Unique opportunities for Investment

1.1. Petro chemistry

- ✓ Sector hosting of large-scale, capital, intensive-technology and thousands of raw material producers.
- ✓ Export target in petrochemical sector on 2023: $3.5 billion
- ✓ Petrochemical industry giants operating in İzmir: Tupras and Petkim
- ✓ The sector that represents 25% of the total chemical production
- ✓ The first investment area: in the New Incentive Law (STAR – Turkey Aegean Refinery)

Map1: Direct flight from İzmir to foreign cities

1.2. Textile, confection and outfit

- ✓ Approximately 3,400 companies in Izmir
- ✓ Export of $1, 5 billion from Izmir.
- ✓ Preference of European and Arab countries in wedding dresses and evening dresses
- ✓ Buca Aegean Dress Organized Industrial Zone: an important textile organized zone in Turkey
- ✓ Studies to establish Technical Textile Research and Application Center

1.3. Food and Beverage

- ✓ From the fig to the tobacco, from the citrus fruits to milk, from the olive oil to grain, from the medical and aromatic plants to wine, from the flowers to bee products Izmir has diverse production
- ✓ A city which is promising in the sectors of organic agriculture, greenhouse, geothermal greenhouse, ornamentals, milk, citrus fruits, nuts, fruits and vegetables, wine, arboriculture , small cattle breeding and fishery products as much as cotton, tobacco, olive – olive oil, grape and fig
- ✓ 3rd city in the total value of agricultural production with 7,63 billion TL of total production
- ✓ Izmir's allocation is 12.5 % in agriculture, livestock fisheries, food products and beverage export in Turkey.
- With the production of 36.467 ton and 364 million TL production value a strategic city in the fishery products
- The capital city of milk production: Izmir produces 10% of Turkey's dairy products

1.4. Automotive

- ✓ Izmir accounts for more that 9% of Turkey's vehicle export is realized: İzmir
- ✓ The presence of small industrial sites which is serving the automotive sub-industry.
- ✓ A pioneer in the automotive sub-industry especially in rim, battery and brake lining

1.5. Renewable energy

- ✓ Third biggest city in Turkey in terms of wind energy potential
- ✓ Turkey's most efficient wind flow and most suitable region to use wind energy

Private Investment Regions

There are 3 types of private investment regions in Turkey. Those are classified as; Organized Industrial Zones, Technology Development Zone, Free Zones.

The Private Investment Zones in İzmir:

- ✓ 4 technology investment zones,
- ✓ 13 organized industrial zones,
- ✓ free zones

1.6. Advantages of Technology Development Zone

- ✓ Software development and R & D activities' incomes are exempt from income and corporate taxes until 31 December 2023.
- ✓ The software sales of, systems administrations, data administrations, business applications, different business sectors, internet, mobile telephones, military commanding control system are exempted from the value – added tax until 31 December 2023
- ✓ The salaries of the personnel that work for R&D and the support personnel up to 10% of the R & D personnel are exempted from the all kinds of taxes.
- ✓ Until 31 December 2023 50% of the employer's share of Social Security contributions will be covered by the state.

- ✓ The R&D personnel that work in the software project and / or R&D project for entrepreneurs are exempted from the income tax for the amount of 50% for the academic personnel and 25% for the R&D personnel for the revenue gained through working outside of the area. In order to benefit this exemption, personnel must take the approval of the patron company that performs in the area.
- ✓ The revenues of academic personnel from the technology development zones are exempted from the revolving fund.
- ✓ Academic personnel may establish or be a partner of a company in the technology development zones with the permission of University's Executive Board.
- ✓ Entrepreneurs may invest in order to produce the high technology related product which has been a result of a R&D project that are executed in the zones with the approval of patron company and the permission of Ministry of Science, Technology and Industry.

List of Technoparks in İzmir;

1. Izmir Technology Development Zone, IZTEKGEB
2. Izmir Scienceparc
3. Dokuz Eylül Technology Development Firm DEPARK
4. Ege Üniversitesi Technoparc Firm İdeEGE-TGB

1.7. Organized Industrial Zones

The advantages that organized industrial zones provide;

In addition to the existing incentive schemes; investors which are operating in OIZ in Turkey,

- ➢ Value added tax exemption in land acquisition
- ➢ Real estate tax exemption, valid for five years from the completion of the construction of the facility
- ➢ Lower water, natural gas and communications expenses
- ➢ Tax exemption in the process of parting and merging of parcels. Local government tax exemption in the construction and operation of facilities.
- ➢ Solid waste tax exemption in case the OIZ does not benefit from the services of the municipality.

List of organized industrial zones in İzmir

1. Aliağa Organized Industrial Zone
2. Bağyurdu Organized Industrial Zone
3. Bergama Organized Industrial Zone
4. İTOB Organized Industrial Zone (With the pioneer of İzmir Chamber of Commerce)
5. Izmir Atatürk Organized Industrial Zone
6. Izmir Buca (Agean Wear) Organized Industrial Zone
7. Izmir Kemalpaşa Organized Industrial Zone
8. Izmir Pancar Organized Industrial Zone
9. Kınık Organized Industrial Zone
10. Izmir Menemen Plastik İhtisas (Plastic Specialization) Organized Industrial Zone
11. Ödemiş Organized Industrial Zone
12. Tire Organized Industrial Zone
13. Torbalı Organized Industrial Zone

1.8. Free Zones

Free zones are the areas in which national trade, monetary and economic laws and regulations are not implemented or partly implemented and larger incentives are given for the industrial and commercial activities.

List of Free Zones in Izmir

1. Aegean Free Zone (ESBAŞ) –
2. İzmir Free Zone

2. Setting up a Business in İzmir

Turkey has a non-discrimination and equal treatment policy towards foreign investors, thus foreigners have the same rights and liabilities as locals. There are no rules requiring Turkish participation in the capital or management of a company with foreign capital; a company may be established with 100 percent foreign capital. Almost all sectors are open to foreign capital.

It is possible to establish a company in one day if necessary documents can be filled and applied to the Trade Registry Department.

3. INCENTIVES APPLIED IN İZMIR

5.1. Investment Incentives Applied in İzmir

- ➢ Regional Investment Incentive Implementation
- ➢ Large Scaled Investment Incentive Implementation
- ➢ Strategic Investment Incentive Implementation
- ➢ General Investment Incentive Implementation

5.2. Supports

- ✓ **VAT Exceptions:** Investment goods that are stated in the Investment Incentive Document that bought domestically and internationally are exempted from the value added taxes.
- ✓ **Customs duty exemptions:** Investment goods that are stated in the Investment Incentive Document which are imported are exempted from custom duty and same kind of duties.
- ✓ **Tax discounts:** Tax discount can be applied until the income or corporate tax reaches the amount of contribution for investment. These supports are supplied in accordance with incentive applications together with the incentive documents.
- ✓ **Interest support:** It is a financial support for the credits that are used in accordance with the Investment Incentive Document. Credits must be at least for one year. [...] This support applies to the R & D and environment investment and in accordance with the regional incentive application for the regions of 3, 4, 5 and 6.
- ✓ **Investment land allocation:** For the large scaled investments, strategic investments and the investments that aim to benefit from the regional investments land allocation can be supplied in accordance with the procedures of Ministry of Finance. These investments must take Investment Incentive Document.
- ✓ **Insurance Premium Employee Share Support:** The insurance premium share of employee of the extra employment for the investment stated in the Investment Incentive Document will be covered by the Ministry up to the part of minimum wage amount. The completion of incentive document must be taken to benefit for this support. This support is applied for the large scaled investments, strategic investments and regional investments.
- ✓ **Value added tax refund:** For the strategic investments whose fixed investment amount is more than 500 million TL, the construction expenses value added taxes are refunded.

5.3. First Regional Incentive Applications

İzmir benefits from the regional incentive applications from the first regional category. It covers value added tax exception, custom duty exemption, 10% investment support for the areas outside of the organized industrial zones, 15% investment support for the organized industrial zones and investment land allocation.

The sectors that can benefit from the regional supports and the minimum investment amounts for the regions

The sectors that can benefit from the regional supports	1st Region
Integrated livestock investment (Integrated breeding included) – except for the ones that are not under minimum amount that is stated in the 5th section)	1 Million TL
Fishery products growing (juvenile fish and spawn included)	1 Million TL
Food products and beverage manufacture	2 Million TL
Textile products manufacture	For the investments of finishing the textile 10 Million TL for the other investment subjects 2 Million TL
Clothing manufacture	No support
To tan the leather	1 Million TL
To tan the leather, to process the leather (Only for the Deri İhtisas Organized Industrial Zones and Tuzla Organized Industrial Zone investment)	1 Million TL
Luggage, hand luggage, footwear manufacture	1 Million TL
Tree and cork products manufacture, mat and similar product manufacture	4 Million TL
Paper and paper products manufacture	10 Million TL
Chemical product manufacture	4 Million TL
Chemical fertilizer and nitrous element manufacture	4 Million TL
Pesticide and other agro-chemical products manufacture	4 Million TL
Medicine / chemicals and botanical products that are used in the formicary and medical sciences manufacture	1Million TL
Perfume and cosmetic products manufacture	1 Million TL
Explosive product manufacture	2 Million TL
Inner and outside tire manufacture	4 Million TL
Non metallic mineral product manufacture (except for glass and glass products, tile, brick, block, construction materials, cement, ready mixed concrete)	4 Million TL
Non metallic mineral product manufacture (expect for isolation glasses, tile, brick, block, cement)	
Sheet glass, shaping the sheet glass, pit glass and fiberglass products manufacture	4 Million TL
Sheet glass, shaping the sheet glass, fiberglass glass electrolyte, electricity isolator, ceramic isolation products manufacture	
Sanitary products that are made from ceramic, insulations, ceramic square cement, paving stone product manufacture	4 Million TL

The sectors that can benefit from the regional supports	1st Region
Concrete products for construction	4 Million TL
Non metallic mineral products manufacture, concrete products, heat or voice isolate mixed products manufacture	4 Million TL
Prime iron and steel industry, metal casting industry	4 Million TL
Metal products	4 Million TL
Central heating, radiator, boilers manufacture	4 Million TL
Machinery and articles manufacture	4 Million TL
Industrial mold	4 Million TL
Bureau, accounting, IT machinery products manufacture	1 Million TL
Electricity machinery and articles manufacture	4 Million TL
Radio, television, communicating machinery manufacture	1 Million TL
Medical accessories manufacture	1 Million TL
Motor vehicles and supply industry	Investment for motor vehicles 50million TL, Investment for supply industry 4 million TL
Aerial vehicles, motor maintenance	4 Million TL
Manufacturing of bicycle and motorcycle	4 Million TL
Furniture manufacturing (expect for the one that are solely produced from metal and plastic)	4 Million TL
Furniture manufacturing (expect for the one that are solely produced from plastic)	
Hotels	3 stars or upper
Student dorms	100 students
Freezer room	1.000 m2
Licensed Warehouse	2 Million TL
Education services	1 Million TL
Hospital investment, nursing houses	Hospital: 1 Million TL Nursing Home: 100 people
Multi function technical textile	1 Million TL
Waste recycling or waste elimination facility	1 Million TL
Coil gas manufacture	50 Million TL
Greenhouse	40 decar

These sectors get support in terms of value added tax exception, customs duty exemption, 30 % investment contribution, 70 % investment contribution, 6 years of insurance premium employer support, investment land allocation, 5 points of internal credit interest rate support, 2 points of foreign currency credit insurance support.

Subject of Investment	Minimum Fixed Investment Amount (Million TL)
Refined oil product manufacture	1
Chemical Products Manufacture	200
Port and Port Services Investment	200
Motor vehicles (Land route) product manufacture	
Main Industry	200
Secondary industry	50
Railway and tram locomotive and / or wagon manufacture	50

3.1. Large Scaled Investment Incentives

For the large scaled investments, below mentioned incentives are given in İzmir;

Value added tax exception, customs duty exemption, 20 % investment contribution for the areas not in the organized industrial zones, 25 % investment contribution for the organized industrial zone, investment land allocation.

3.2. Strategic Investments

The minimum fixed investment amount is 50 million TL.

3.3. General Incentive System

This incentive system is valid for the investments that cannot be support and the ones that are not stated in one of the below mentioned incentive systems.

4. State Incentives for Export

Ministry of Economics, KOSGEB, Eximbank assist to the firms for export, marketing, becoming a brand and financing areas to solve the problems the firms face in the international markets and increase their competition capacity.

5. The Incentives for Enterpreunership

➢ Entrepreneurs Support Program: KOSGEB offers 30.000 TL non refundable and 70.000 TL repayable a monetary support program to the new entrepreneur.

➢ There are KOSGEB General Support Programs and İşkur's Education Programs for the firms during the establishment procedures without a project.

➢ KOSGEB offers rent, machinery, raw material, software and services expenses, personnel expenses, start up expenses, project development project consultancy, education, intellectual property rights, project presentation, congress/conference/fair visits abroad, technological cooperation visit, tests, analysis, documentation supports can be given non refundable or refundable.

➢ R & D Centers; the firms that has created the R & D Infrastructure and work in the Turkey in accordance with the Law numbered 5746 employs minimum 30 full time R & D personnel may acquire the supports of;

✓ Stamp duty exception,

✓ Insurance premium support (half of the premium of the employer's are covered by the Ministry of Finance)

✓ Income tax stoppage support (for the employees who acquired PhD degree 90% and for the rest 80% of income tax stoppage support)

✓ Tax reduction (all of the R & D expenses are subject to tax reduction)

✓ Ministry of Science, Industry and Technology provides rent support, 50% reduction in the social security premium, Income tax stoppage support in the context of the Law numbered 5746.

- Ministry also provides San – Tez program, Pre competition cooperation program, Technological product presentation and marketing support program. With these programs, Ministry provides 85 % of the budget of R & D and innovation project implemented by the partnership of university – industry.
- There are R & D and innovation Support Programs by the TUBİTAK

Source: Izmir Chamber of Commerce

All India Association of Industries

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Goods and Service Tax (GST) Bill

The Indian Government is very keen to come out with Goods and Service Tax (GST) Bill as approved by the Committee. The Indian economy stands apart from the world economies on the basis of its power of domestic consumption. It has withstood the ravages of depression thanks to the wide consumer base which absorbs much of the goods produced domestically which is one of the best salient features of this economy. However, it is very important to note that the Indian population or the Indian consumer has a very weak wage income as compared to the International scenario. High inflation has already eroded his paying capacity and is very much evident from the high CPI 5.6% recorded in the year 2014-15. The taxation in Asian countries is at an average of 8 ½ % whereas in the EU and other countries tax average is 16%.

The Indian consumer has been more positive towards buying Chinese made goods due to the low cost of the same as compared to the Indian goods though qualitatively better off. To square off this attitude of the Indian consumer and to promote buying of the Indian made goods an attempt was made to lower manufacturing costs which had higher costs primararily due to repetitive taxation at various junctures of the value chain observed to be 650 in general. Thus the cost of taxation is passed over to the consumer making it more costly than the Chinese goods though are imported.

It should be noted that if the Indian consumer was to consume only Indian made goods if the same available at a rate lower than the Chinese ones then a scenario would have been created wherein the there would have been a shortage in supply of goods for the export of the same. Such strong is the Indian consumer base.

If the Indian Government proposes to implement a GST it needs to first keep in mind that the same should not offset the very objective for which it has been proposed i.e. strengthening the promotion of Indian made goods and services and ease of doing business in India.

The Indian Government needs to bear in mind the capacity of an average Indian to absorb a indirect tax rate in addition to the personal tax being paid by him. The returns acquired by an average tax payer as far as government facilities of healthcare , insurance , pension or public infrastructure are concerned, the same are poorer than the ones available to the comparables abroad.

This would rather give rise to inflation as certain commodities which do not have competition would be very costly and beyond the reach of the consumer. Such situation would back fire on the Indian manufacturing industry which would develop a large inventory of goods subject to non performance in sale of the same.

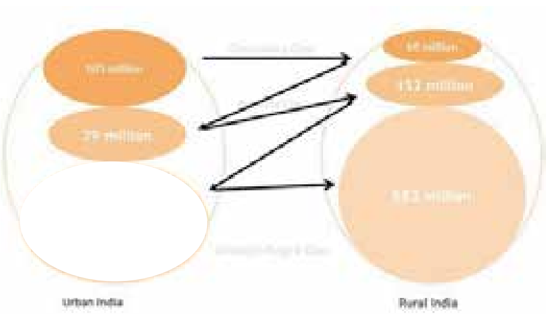
The proposed indirect tax regime should consider the capacities of the consumer to absorb such a high tax rate rather than try to insulate itself in recovering the revenue income which it did during the past years and speculated to lose, in the name of promoting the Make in India Theme.

Tax reforms like these could make or break the Indian image in the international scenario and need to be tested well enough before making them mandatory.

The Indian consumer landscape shows that the per Capita income of average Indian has been on the rise thanks to stellar performance of India's Economy. We are seeing people move from villages to towns and from towns to cities. In a short span of little over a decade, Urban pie has grown by nearly 10 percent. Juxtconsult, India based research organization recently released a survey – Indian Consumer Landscape 2010 – which gives some interesting insights on Consumers in India. Here are some of the findings...

Indian Consumer Landscape

- India is currently 30 percent urbanised, while 70 percent of consumers are still in rural India.
- As far as consumption goes, 404 Million are either consuming or are aspiring consumers. 742 Million though are still under privileged.
- 80% urban India is low/lower middle class in income terms – below Rs. 12,500 p.m
- Only 15% is middle class, 5% upper class (64 million)
- Avg. monthly family income of urban Indians is Rs. 8,910 p.m



- 2/3rd urban Indians live in the tier 3 small towns (only 20% urban Indians live in the metros)
- Metros account for only 25% of the uppermost socio-economic class
- Only urban affluents (5%) lead the popularly perceived modern lifestyle
- Household Asset Ownership
- Indian Consumer Education & Skillsets
- Only 20% urban Indians have gone to college, only 3% have had their education completely in English
- Only 1 in 3 'employed' in Metros works in the corporate world, an equally sizeable chunk are shop owners/traders/skilled workers
- Less than 3% urban Indians prefer to read in English

Household Asset	% All Families Owning (Urban)	% All Families Owning (All India)
Mobile Phones	88%	61%
Color TV	69%	56%
VCD/DVD Player	42%	29%
Fridge	30%	17%
2-Wheeler (Bikes/Scooter)	30%	20%
Computer	14%	5%
Cars	13%	5%
Portable MP3 Player, Walkman	10%	6%
Washing Machine	8%	3%
Digital Camera	4%	3%
Microwave	4%	1.4%
Air Conditioner	3%	1.2%

- Indian Consumers Employment
- 'Gen Now' (roughly 30 to 45 yrs of age) is the biggest generation group in India (308 million individuals).
- 'Gen Next' (roughly 15 to 30 yrs of age) is a close second at 300 million individuals
- Only 16% 'Gen Next' are gainfully employed (2/3rd are students)
- 'Gen Yest' (roughly 45 to 60 yrs) are the most employed (60%) and have the best individual incomes (avg. of Rs. 4,985 or USD 110).
- 'Gen Yest' also have the highest penetration of credit cards, life insurance, and takes leisure holidays somewhat more frequently.
- There are only 40 million working women in India (9% of all women). 260 million are housewives.
- 2 out of 3 working women are also working moms.

We feel the Government should comprehensively review the concerns raised before putting in effect the GST tax system.

If GST is higher than India will be known as one of the highest taxation country a label that will be a huge deterrent for the FDI in our country. This also will result in unfair practices in view of the high tax rates. This will enhance the previous practices of fudging and it will prove to be a revenue loss to the exchequeror and can result in a cascading effect on economic growth, business and inflation.

There is a vital need to consider its implication on business before taking any final decisions or necessary amendments be considered.

Educational Purpose

In developing countries GST is not applicable on educational purpose like cess on schools, colleges and institutions, also on garments for children below 10 years. The Government should consider these pertinent issues.

Further in trade and business issues such as Credit and Debit notes are prevalent due to various factors such as quality of material, rejection, defects in goods and services. Also in case of Debit notes and Credit notes service tax will be levied which will further be detrimental to business and the economic viability of the company besides adding to the cost.

Barter Transactions and Free Gifts

There are some areas of concerns which includes valuation of barter transactions, definition of some transactions.

Further in trade and business issues such as Credit and Debit notes are prevalent due to various factors such as quality of material, rejection, defects in goods and services. Also in case of Debit notes and Credit notes service tax will be levied which will further be detrimental to business and the economic viability of the company besides adding to the cost.

There is a vital need to consider this view point and its implication on business before taking any final decisions or necessary amendments be considered.

E-Commerce

Heavy compliance burden imposed on e-commerce operators by introduction provisions of Tax Collection at Source. Monthly reporting of all supplies to be made by the e-commerce platform operator under each GST legislation.

Stringent provisions with potential to cause undue harassment to entrepreneurs continue to find their way into the GST law in respect of access to business premises, inspection of goods vehicles carrying the consignment, detention of vehicles, scrutiny of returns filed, etc.

For example, it is the onus of the buyer to conform whether the seller has paid the tax on inputs. Also, the benefits given to employees are not eligible for claiming input tax credit. However, there are more contentious issues that need to be ironed. These include issue of dual control by central and state governments, the determination of revenue neutral rate and so on.

Pharma and Medicines

It is assumed that pharma companies will pay 80% more taxes on average medicines in the new indirect tax regime, as a result medicine prices will rise about 4% which will ultimately be extracted from consumers.

A medicine starts its journey from active pharmaceutical ingredients (APIs) supplier to formulation manufacturer, then to the wholesaler and finally, to the consumer via the retailer. This chain includes value addition and indirect taxes like excise duty and Value Added Tax (VAT).

In the pharma sector, excise duty on raw materials is 12.5% and 6% on finished dosage while the VAT rate is 5%. In contrast, post GST, excise duty or VAT will be replaced by two kinds of taxes — State GST (SGST) and Central GST (CGST).

Besides the revenue loss to states and a proper mechanism for dispute resolution should also be re-examined.

Moreover a definite revenue neutral rate (RNR) and structure should be ensured so that it is not a burden for the common man and as well is advantageous for the revenue of states it should also ensure that simultaneously the incidence of tax on the common man is significantly reduced.

In light of the above, we suggest that the Government may start with Goods Services Tax (GST) i.e. only with excise, customs and service tax as one Tax, and it can be known as Central GST. These efforts will not require a major breakthrough as only a minor change in the Central Amendment Act needs to be made which can be very well handled by the government at the center itself.

However it should be noted that the tariff should not be more than 16%. This will help to reduce the 3 forms to single form reducing time for processing thus adding to a better investment climate. This will make a way for the proposed GST Bill, which is pending. This could be a good thought and idea to move ahead which bring in investors and business confidence.

Although, India is growing it is quite clear that we have a long way to go before we can even remotely become a developed nation. Close to 70 percent of our population is still under-privileged. Considering the extrapolations of the sample surveyed it is very clear that India has a large consumer base.

Now any type of taxation whether indirect or direct the consumers have always taken its burden as it is off loaded by exactly those who were expected to bear it. Any taxation thus proposed by the Government even in case of GST there is absolutely no doubt that the same would be off loaded to the consumer. The 90% of the Indian consumer is already burdened with inflation and is paying through his nose for it, in addition to the marginal increases in indirect tax rate that happened this year rising from 12.36% to 14%. There is a further rise expected @ 18% as declared by the finance minister in his budget speech from April 2016. Considering the RNR eventually means that the consumer is going to be hit after adding direct income tax to it.

The average Indian salaries have not been enhanced with the employers giving reason's for poor economic conditions and the consumer has shown fortitude and forbearance in dealing with the situation and coping for the erosion in his income which has been sharply indicated in the degradation of savings of an individual Indian.

It is very clear that an Indian consumer having an average income below 100$ pm will be heavily subjected to be paying a high indirect taxation rate for consumer products. More than 15to 16% of GST will also give rise in prices for essential medicines making healthcare very difficult.

It is very clear that the government is trying to achieve 2 things

1. To simplify the taxation process and boost the manufacturing sector removing breaks at the various junctures and boosting competitiveness of the products and
2. It is trying to ensure itself against any kickbacks after launching the GST in terms of revenue addition to the national treasury. This indicates that the homework made by the government entities while drafting the plan for implementation is not full proof in delivering the proposed objective of simplification perfectly, without affecting the Government treasury.

The draft speculates a probable drop in revenue after implementation of the GST which will only be confirmed after a year of its implementation and thus we observe that the risk is being transferred to the consumer.

The government needs to bear in mind that the consumer is also the voter and a mal effect of Government policies will directly implicate on the voting pattern. In such a case like this, when the already stressed consumer will be subjected further stresses giving rise to inflation.

Thus it is suggested that,

- Ceiling should not be above 18% and to start with it should be 15 or 16%. If we initiate a higher tax ceiling, India will be known as one of the highest Taxation country which will result in unfair practices in view of the high rates, as a consequence of which there can also be revenue loss to exchequer.
- High taxation will also be one of the deterrents for FDIs into the country.
- Developing countries GST is not applicable on educational material for schools and colleges and on garments for children below 10 years, This should also be considered by the Government.

AIAI feel the Government should comprehensively review these issues before putting in force the GST system.

Trade Facilitation: The Way Forward for India

India has taken major steps to strengthen and streamline India's customs and border procedures with the ratification of the Trade Facilitation Agreement (TFA) of the World Trade Organization. The instrument of Acceptance of Trade Facilitation Agreement was handed over to WTO Director- General by India on April 22, 2016. The ratification of the WTO's Trade Facilitation Agreement will help in improving border procedures, and also help India to boost economic growth by reducing trade costs, improve trade flows and reap benefits from international trade. India joined the consensus in agreeing to the outcomes of Nairobi Ministerial Conference after ensuring that its interest were protected.

AIAI presented views and recommendations to the Government of India so as to realize its goal of strengthening trade facilitation in compliance with the recent ratifications of the Trade Facilitation Agreement (TFA) of the World Trade Organization.

The Trade Facilitation Agreement contains provisions for expediting the movement, release and clearance of goods, including goods in transit. It also sets out measures for effective cooperation between customs and other appropriate authorities on trade facilitation and customs compliance issues.

It further contains provisions for technical assistance and capacity building in this area. The Trade Facilitation Agreement will enter into force once two-thirds of the WTO membership has formally accepted the TFA. As on October 31, 2016 over 87 per cent of the ratifications needed for entry into force have been received by the WTO. The implementation of the Trade Facilitation Agreement has the potential to increase global merchandise exports by upto $ 1 trillion per annum. According to the WTO, developing countries will benefit significantly from the TFA, capturing more than half of the available gains.

The TFA sets out the parameters for developing and least- developed countries in the way it will be implemented. It is understood that the requirement to implement the Agreement is directly linked to the capacity of the country to do so. In addition, the Agreement states that assistance and support should be provided to help them achieve that capacity.

The Agreement contains unique special and differential treatment (SDT) measures that link the requirement to implement with the capacity of developing countries and least developed countries (LDCs) to do so. The Agreement also recognizes the need for donor Members to enhance assistance and support for capacity building.

The SDT provisions allow each developing country to determine when they will implement each of the individual provisions for which they will need technical assistance and support for capacity building in order to implement. To take advantage of these SDT facilities a Member must place each provision of the Agreement into one of the three categories A, B, or C as defined in the Agreement. Members must notify WTO members of these categorizations in accordance with specific timelines outlined in the Agreement. They must also provide indicative, and later definitive, dates for implementation for the provisions they have designated in categories B and C. India has submitted its category A notification to the WTO indicating which provisions of the TFA it intends to implement upon entry into force of the Agreement.

A Trade Facilitation Agreement Facility (TFAF) was also created at the request of developing and least developed country members to help ensure that they receive the assistance needed to reap the full benefits of the TFA and to support the ultimate goal of full implementation of the new agreement by all members.

In the light of the stringent TFA mandate and the commitments made by India, the country is faced with many challenges. India's trade continues to encounter severe constraints in respect of border transactions and procedural hurdles. Year after year, the Ease of Doing Business Report points to the weaknesses in India's handling of the border procedures and trade transactions.

To compound matters trade infrastructure is still dismal rendering India's trade uncompetitive in international markets. With $322 billion exports in 2015, India's trade is languishing with a meager 1.7 per cent share in total global exports. It is believed that the TFA initiative will help India to further boost its trade growth through the reduction of trade costs while meeting India's ambition to reach USD 900 billion in export volume by 2020, which is considerably twice higher than today's export volume. This no doubt is an ambitious target given India's present trade infrastructure and border facilitation.

The most recent World Bank Report on 'Ease of Doing Business' stated that India has improved its ranking from 134 (revised) in 2015 to 130 in 2016. However, there is no room for complacency. The Government of India has set a time limit of December this year to roll out more investor- friendly measures and achieve a ranking in the top 50 within a period of two years. There is little doubt that unless bold reforms are initiated and sustained this target may remain out of reach.

In the spirit of the TFA, a slew of reforms have been implemented to improve the customs clearance procedures. One of these actions is to reduce the number of documents required for export and import further demonstrating India's strong commitment by adding additional measures for ease of doing business.

Additionally, India is subsequently phasing out the submission of manual documents enabling exporters, importers, shipping lines and airlines to file customs documents online with a digital signature. As part of the "Ease of Doing Business" initiatives, the Central Board of Excise and Customs (CEBC) launched Customs SWIFT (Single Window Interface for Facilitating Trade).

SWIFT provides a single-point interface for Customs clearance transactions and is expected to reduce the amount of documentation and costs. It is expected to cover and benefit over 97% of India's imports.

The single window will connect over 50 offices of six government agencies with the Indian customs department. With the roll-out of SWIFT, the CBEC also introduced an Integrated Risk Management facility forPartner Government Agencies (PGAs), which will ensure that consignments are not selected by agencies routinely for examination and AIAI VIEWS AIAI Newsletter October 2016 - March 2017 testing, but based on the principle of risk management.

With this development, Indian Customs is poised to be amongst a few select countries that have functional Single Window clearances.

These are but a few changes the Indian government is taking to implement efficiencies in the country's import and export procedures.

The expectation is to save large sums of money for importers and exporters through the reduction of trade-related costs and delays and change the rankings of India in a positive way for "Ease of Doing Business".

Suggestions for Facilitation on Trade & Export

MSMEs play a pivotal role in India's exports as well as in 'Make in India' Programme, exports are vital for the success of the Make in India initiative. There is need for efficient and effort less movement of import and exports. The compliance monitoring system requires excessive documentation and repetitive submissions of data already available in the government domain. Keeping the above in context we submit our suggestions on procedural and tax reforms aimed at increasing resource mobilisation, i.e., revenue buoyancy and removing anomalies and distortions through restructuring, simplification and rationalization of taxes as well as tax compliance both direct and indirect.

Exemption Notifications & Circulars: Under Current Tax regime, CBEC has issued enormous numbers of notifications on various exemptions. Similarly, large numbers of circulars have been issued for clarification on various points. It suggested that these exemptions should be clubbed under single mega exemption notification or exemption notifications should be clubbed into bare minimum. Clarification issued under various circular should be incorporated into tax provisions itself so as to remove ambiguity for such cases.

Compliance cost: Tax administration should focus on lowering taxpayer's cost of compliance. This can be done by minimizing number of returns to be filed by Assessee. Further requirement of various permissions and intimations should be done away with or alternatively it should be reduced to minimum and only in exceptional circumstances.

Simple Tax Structure: Tax structure in India is much complex leading to non-compliance, tax evasion, litigations etc. Tax structure should be simple, easy to understand and easy to implement. Further tax structure should be unambiguous, clear and stable. Tax provisions should contain minimum conditions and restrictions. As low rates of taxation have expanded tax revenues, the simplification of tax laws and procedures could further enhance revenue coffers. Since India depends heavily on inward capital flows a simplified approach of friendliness would go a long way.

NPA's: To give impetus and boost growth in MSME and infrastructure sector, there is need to resolve the NPA crisis being faced by the banks as industries are looking forward for better growth. Earlier also the Government in 2000-01 had come out with Package scheme of settlement to resolve NPA and we saw growth after 2-3 years and turn around in all the sectors.

The Indian Banking System has been acknowledged as one of the sturdiest structure in the world economic crisis and it is appropriate to note that it is still under the tight grips of the country's inflationary tendencies. In the global weakening economic scenario Indian banks are the only ones to provide the necessary respite to the capital thirsty sectors of manufacturing, SME and infrastructure.

Along with Tax reforms AIAI suggested that:-

1. The trade credit sector in the banking industry has seen a steep rise in financial infirmities and NPAs and needs attention. The main reason, for this issues not being in the center stage of deliberations is due to the non-availability of correct and reliable data on TC distortions due to the huge size of the informal economy in the country. Thus, there is an urgent need for RBI intervention on a priority basis before the issue transforms into a major crisis. Currently, the Indian economy is in a trend

is to institutionalize vital policy changes and this presents the most opportune time to ring in reforms in the trade credit sector too.

2. The Indian banking system is interlinked with each and every Development Agenda of the Indian Government. Government's initiative on Make in India, Ease of Doing Business, Start Ups and Digital India needs special dispensation and boost from financial sectors to achieve its optimum purpose to boost economic growth, employment and exports.

3. Finance policies have been formulated but their reach to the beneficiaries is still restricted. In event of same a pro policy structure can be adhered to and ways and means be devised to aggressively fund the manufacturing, SME and Infrastructure sector and thus ensure the much needed growth in economy.

4. With the near failure of SDR scheme, there is no other way but to subsidize potential infrastructure and manufacturing projects by availing them lower interest rate for repayment or fifty percent reduction in interest load. A similar process had already been implemented in 2009-2014, at the time of policy paralysis and no growth in manufacturing and infrastructure sector.

The Indian inflation has been on control at the cost of growth, however this will again lead to policy paralysis if this strategy remains in vogue for a longer time. Thus we strongly suggest in overall view and support of the MSME, Infrastructure and other sectors a more compliant and innovative policy catering to different economic scenarios needs to be addressed and formulated so that the stakeholders do not have to wait in lurch given the fact that all being part of the growth agenda.

Customer Grievance Cell: Taxpayer is a customer for the tax administration, and tax administration must give prominence to 'customer focus'. Further, the tax administration's activities must be designed to improve the 'experience' of taxpayers with the tax department. Special Customer Grievance cell should be formed to take care of issues faced by Tax payer.

Duty Structure: In order to boost the domestic manufacturing in line with 'Make in India' campaign, the government should alter the import duty structure of inputs and finished goods to make domestic manufacturing cost effective and cost competitive. Further, duty structure should be designed in such a way that it will encourage value addition in India and discourage import of finished goods from abroad.

Ambiguity & Restrictions in Cenvat Credit Rules: The current tax regime poses challenges to the industry due to various ambiguities relating to availability of CENVAT credit against certain goods such as steel structures etc. goods and services used at R&D centres etc. Further, the CENVAT credit rules are restrictive in nature disallowing credit against services of construction, renting of vehicles etc. which are actually used for providing output services. As these issues have led to additional cost burden on the industry, the government should consider amending the credit rules to allow credit of all inputs, input services and capital goods used in provision of output services or manufacture of goods without any restrictions.

Valuation issues: There are multiple issues concerning valuation of goods and services in composite contracts, resulting in duplicity of taxes on the same amount, and numerous litigations at all levels. Further there are valuation issues with respect to free issue material or free services received from customer. Since these issues have been prevalent for a long time, it is imperative that appropriate valuation principles are laid down to put these issues to rest.

Departmental Co-ordination: Co-ordinated reforms should be undertaken at the central, state and local levels. Broadening the base of both central and state taxes and keeping the tax structure simple and in line with international standard and by adopting modern technology.

Agricultural Constrains: Many of the newer generation valuable organic inputs of agriculture like soil extracts, bio pesticides, bio fertilizers are not properly classified under Tariff codes of Central Excise and Central Excise is considering them under chemical pesticides and charging huge rates of duties. Due to which the prices of these valuable organic inputs are going up and beyond reach of poor farming communities. Farmers are reluctant to use these organic products to price factor and thereby the basic inputs of productivity are degrading day by day. It is suggested that the exemption of all organic inputs from Central Excise and their proper/ separate classification by notification under NIL duty) on proper platform will give a boost to farming community.

Dispute Resolution & Management: Retrospective amendment in legislation should be avoided. A special drive should be started for review and liquidation of cases currently clogging the system by setting up dedicated task forces. A separate dispute resolution and management vertical should be set up. In addition, the process of pre-dispute consultation before issuing a tax demand notice should be implemented.

Doing Away with the Cost Recovery Charges at Non Major Ports: Inspite of the Government/ Customs are getting over Rs. 100 crores of revenue from Non Major Ports in Gujarat and others are not subjected to Cost Recovery Charges. In Maharashtra, Non major ports have to still pay Cost Recovery charges. We suggested that these charges are done away with as its an additional burden on Ports and increases the transaction cost for exporters/ importers.

Advance Ruling Facility: There should be a facility of an Advance Ruling in DGFT as provided by customs, excise and income tax so that an exporter/foreign supplier who wish to be clear on any provision of the Foreign Trade Policy before venturing into exports activity under a particular Scheme can obtain a statutory ruling in the form of Advance Ruling. This will give push to technology transfer as well since, Indian importers of technology can obtain ruling which will be binding on DGFT. This will be a step in Ease of Doing Business.

Minimum import price (MIP) hurting exports and MSME units in manufacturing: Government needs to strike a balance between the interest of few large companies at the cost of thousands of micro, small & medium units which together provides huge number of jobs with different industries. The imposition of MIP has resulted in anomalous situation as manufacturing units catering to both exports and domestic market may import at international price for exports while for domestic production at MIP from the same supplier and the huge differential in the two prices may subsequently land them in the net of investigating authorities.

Indian exporters are facing tough competition globally, particularly MSME segment: The MSME segment have limited resources. Delay in refund of state levies adversely affect the liquidity position of small exporters. States should ensure to put in place a mechanism for timely clearance of such dues. In any case online filing, tracking and refund would be a part of State GST also and thus such action will prepare States to address GST concerns as well.

Hike in Steel Prices: This year has seen the steepest increase in steel prices over the past five years. However, the minimum import price has impounded the market to rise to a level of Rs. 38000 per ton which has hampered the prospects of the steel industry and made it uncompetitive for the steel sector.

The government's imposition of provisional safeguard duty of 20 % on import of steel with a view to protecting domestic producers from the recent surge in inward shipments is a welcome measure and suits the requirement of certain sections of the industry. In this context we also we suggest that a ceiling on pricing should be imposed on steel plants.

We agree that measures should be taken to protect Indian industry but the cost of import should not be so high that others suffer. Indian manufacturers are welcome to the fact that they need protection however, protection should not be allowed to override competitiveness and definitely not at the cost of others. Besides there are multiple other factors which are responsible and most of the factors are external to India.

This action besides effecting MSMEs will no doubt create serious implications on infrastructure such as road, port, power plants etc. In addition, small business segments like auto components, cycle and cycle parts, industrial or electrical machinery, which at present function on low margins, will be forced to procure raw material at escalated rates for survival and as such will have a crippling effect on the small industry sector.

Keeping the above in view the Government should relook at Minimum Import Price. Last few years the steel industry was running below capacity and interest rates were high with poor logistics adding to the cost. This new implication will further demotivate circumstances in the Make in India and Start up India scenario

Zero% duty on Export of Bauxite and Iron Ore: The duty on export of Iron Ore Fines (for all the grades and specifically for grades above Fe 58%) has not been removed and made to Zero in the Union Budget 2016 despite of our several earlier representations to your good office.

We once again request you to kindly consider your decision keeping in view the various facts and reasoning submitted vide our above referred letters.

Further, we would also to bring to your kind attention that export of iron ore fines (above 58% Fe grade) is unlikely to be viable based on the Future Prices of Iron Ore Fines (Fe 62%) quoted on the CME Group's CFR China Future (TSI) Future Quotes – Globex.

We have attached herewith statement of Profit & Loss from Export of Iron Ore Fines (Fe 62%) on CFR China basis at the Average Future Prices for the Financial Years 2016-17 to 2018-19 and statement showing future prices of Iron Ore Fines (Fe 62%) CFR China Terms for the same period.

On perusal of the same, you may observe that Average Future Prices for the financial years 2016-17, 2017-18 and 2018-19 are as under:

US$

Average of Future Prices for FY 2016 - 17	45.41
Average of Future Prices for FY 2016 - 17 & 2017 – 18	41.19
Average of Future Prices for FY 2016 - 17 & 2017 - 18 & 2018 - 19	39.21

Hence, considering the above Average Future Prices in the range of US$ 39.21 to 45.41, it would be inappropriate to consider the viability of export of iron ore fines (above Fe 58%) at the present spot price of around US$ 55 per Mt.

Further, it may also be observed from the attached Statement of Profit & Loss from Export of Iron Ore Fines (F3 62%) on CFR China basis that at the Average Future Prices of US$ 45.41, Export of Iron Ore is marginally viable if export duty is reduced to Zero, as tabulated herein below:

Statement Showing Profit / Loss from Export of Iron Ore (Fe 62%) to China on CFR Terms [Prices @ Avg. of Futures for FY 2016-17]

Sr.	Particulars	Export Duty @ 30% (In INR)		Export Duty @ 10% (In INR)		Export Duty @ 0% (In INR)	
		Ministry	Private	Min.	Pvt.	Min.	Pvt.
A	**Export Price @ $45.41/t @ INR 66.47**	**3,018**	**3,018**	**3,018**	**3,018**	**3,018**	**3,018**
B	**Total CFR Cost**						
1	Cost of Production:	922	1,140	922	1,140	922	1,140
2	Transport Cost by Rail Siding to Port + DBC	900	1,000	900	1,000	900	1,000
3	Port Handling Charges	121	200	121	200	121	200
4	Handling Loss	-	125	-	125	-	125
5	FOB Cost (1 to 5)	1,943	2,465	1,943	2,465	1,943	2,465
6	Export Duty	583	739	194	246	-	-
7	Vessel Freight & Insurance @ USD 7/Ton	465	465	465	465	465	465
8	Total CFR Cost (5 to 7)	2,991	3,669	2,602	3,176	2,408	2,930
	Exporters' Gross Profit / (Loss) [A – B]	**28**	**(651)**	**416**	**(158)**	**611**	**89**

The Government to should consider the withdrawal of 100% of export duty on iron ore fines (above Fe 58%) and call for duty free export of iron ore fines.

AIAI applauds passage of GST Bills in Lok Sabha

'Common Economic Market' is closer to become reality

All India Association of Industries congratulates Lok Sabha for passing 4 crucial GST Bills, viz. CGST, IGST, UTGST and Compensation Bill. Post India's economic liberalization 1991, GST promises to create a 'common economic market' to help Indian manufacturing and products globally competitive.

Mr. Vijay Kalantri, President, All India Association of Industries (AIAI) while congratulating Mr. Arun Jaitley, Finance Minister, Government of India for this path-breaking achievement said, "This is an unique achievement in the Indian democracy where all political parties came together for an economic reform aimed to benefit trade and commerce to create a common economic market and in turn help Indian manufacturing becoming globally competitive." No doubt, GST Bill is a right decision for keeping in line with the Ease of Doing Business and if implemented with proper simplification and rationalization of taxes will give impetus to growth of GDP by at least 1% to start with added Mr. Kalantri.

Mr. Kalantri further emphasized that after the successful passage of GST Bills, Government must ensure that all stakeholders in the economic value chain are adequately supported with a robust information network and infrastructure to smoothen transition to GST. AIAI is looking forward to GST Council's approval on composition, valuation, input tax credit and transitions to GST.

Mr. Kalantri further emphasized that the Government should take this opportunity to accelerate the simplification of various archaic laws and regulations pending with the Government to attract domestic and foreign investment that will ultimately generate exports and employment and would promote 'Ease of Doing Business' in India.

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1, Turf View, Seth Motilal G. Sanghi Marg, Off Annie Besant Road,
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CITY WORKSHOP (PRABHADEVI)
77A Palki Gully, Off Veer Savarkar Marg,
Prabhadevi, Mumbai 400 025
Tel:+91 (22) 24229747, Fax +91(22) 24360511
Email:ws_prabhadevi@vitesseltd.com

WORKSHOP (ANDHERI)
Shah Industrial Estate, Plot 11, Link Road,
Andheri West, Mumbai 400 058
Tel:+91 (22) 26730787, Fax:+91 (22) 26730192
Email: ws_andheri@vitesseltd.com

WORKSHOP (VAPI)
Survey No. 137/1, 148/1NH No-08,
Near Karambele Station, Village Valvada,
Pin- 396105 (Via Vapi)
Tel:+91 (260) 2707301, Fax:+91 (260) 2707065
Email:ws_vapi@vitesseltd.com

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