July - December 2013

AIAI News

Connecting Businesses Globally

President's Desk

Dear Member,

The year 2013 was remarkable, the expectations exceeded the goals. We at the AIAI organised meetings with over 40 international delegates and put together important conferences, workshops and seminars, the most significant being the 3rd edition of the Global Economic Summit on Clusters.

The Summit witnessed participation of over 500 Senior Government officials, renowned cluster experts, cluster managers, business leaders, high level delegates and entrepreneurs from prominent States in India and across 35 countries. Panelists deliberated and exchanged views on best practices inculcated within clusters, its changing paradigm and importance to the global economy.

A handbook on clusters featuring articles from across the world illustrating perspectives on cluster management, its operations and government interventions was released during the summit.

Besides this our team put together interactive discussions on subjects of topical interest to name a few - India Micro, Small and Medium Enterprises Cyber Safety with Consular Corps , Emerging SME Scenario, Women Safety and Technology, , The Eurozone in Crisis : A view from Poland, Finance for the Non Finance Manager were some of the highlights of the year.

In addition the association during the year led business and trade missions to Moscow, Russia, Geneva Oman, Turkey, London, Catalonia and Spain. The outcome of these missions were extremely fruitful as the delegates visited important industries, Government officials and Chambers of Commerce.

Considering the importance entrepreneurship plays in the economic development of a country. AIAI now proposes to take up programs and activities which will facilitate development of entrepreneurship and promote existing SMEs in their endeavors to tap global markets. I take this opportunity to urge you to participate in the trade missions, seminars and other activities organized by the association, as members should take advantage of the AIAI's huge domestic and international network.

Besides the AIAI made several representations to government bodies and authorities on the challenges faced by trade and industry. The uncertainties on Local Body Tax, challenges faced by the Port Sector, Coal-Power Crisis, the Toll Policy, delay in implementation of the DMIC, hikes in petrol/diesel rates, transportation-bottlenecks and other setbacks were some of the existing problems that created major setbacks, in addition to this the global economic crisis multiplied the problems faced by the industry.

In spite of these challenges the Indian economy was able to build up a strong resilience, it was only due to its large domestic market the impact of the economic crisis was not critical as it was in other countries. Nevertheless it has now become imperative that the government and private sector come together to boost entrepreneurship, women empowerment and social enterprise in the country.

We also take delight to announce the 4th edition of the Global Economic Summit on Asia : Powering Global Economies, scheduled from 11th to 13th September 2014 at the World Trade Centre Mumbai.

We wish you a great year ahead and invite you to join us in the interesting journey through 2014.

Vijay Kalantri

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ONGC and Petronet LNG explore Energy Reserves of Papua New Guinea

Hon'ble Mr. Theodore Zurenuoc, Speaker, Parliament of the Papua New Guinea with Mr. Vijay Kalantri, Vice-Chairman, MVIRDC WTC Mumbai and President, AIAI and looking on is H.E. Mr. Tarcisius A Eri, High Commissioner, High Commission of Papua New Guinea in Delhi, during a interactive meeting organised by the AIAI and WTC Mumbai.

"The region of Papua New Guinea has found huge reserves of Crude oil and Gas which are being explored by leading Indian companies Petronet LNG Ltd and Oil and Natural Gas Corporation Ltd. The companies are in the final stages of signing the deal of oil extraction in the Papua New Guinea territory. Also, the region of Papua New Guinea holds huge mineral reserves of gold, copper & nickel, tropical timber and fish which may be utilised by the growing economy of India", said Hon'ble Mr. Theodore Zurenuoc, Speaker, Parliament of the Papua New Guinea during a interactive meeting organised by All India Association of Industries (AIAI) and MVIRDC World Trade Centre (WTC) Mumbai with a high level parliamentary delegation from Papua New Guinea.

The economies of India and Papua New Guinea share similar history of being colonised by the British. While India was liberalised long time back, New Guinea is a young democracy. Thus the region intends to learn from the Indian growth story. Today's interactive meet shall open doors for mutual engagement of the economies in trade, culture and tourism. In pursuant, the economies should continue to exchange parliamentary and business delegations in future.

Also, prominent Indian companies namely M/s Topaz Group of Companies and M/s Bombay Store have set up base at New Guinea. The Indian community in Guinea comprises of about 1000 persons, he added.

Elaborating on the scope for mutually beneficial trade relations, H.E. Mr. Tarcisius A Eri, High Commissioner, High Commission of Papua New Guinea in Delhi emphasised that bilateral trade between India and Guinea stood at US$ 734.38 million in FY13. The major Indian exports include rice, textile, motorcycles, biscuits, drugs, pharmaceuticals, transport equipments, paints, plastic, linoleum products and construction equipments. The major Indian imports include cashew nuts, Gold and scrap metals, etc. Going forward, the region intends to open up its economy to welcome Indian investments and utilise its abundant natural resources.

Mr. Vijay Kalantri, President, All India Association of Industries and Vice-Chairman, MVIRDC World Trade Centre Mumbai said that traditionally both the economies enjoy cordial and friendly relations. The bilateral trade is in favour of the Guinea region with exports from India worth US$ 206.07 million and imports by India worth US$ 528.31 million. However, given safe law and order situation coupled with political stability calls for investments by Indian companies into the region. All India Association of Industries and MVIRDC World Trade Centre which work towards promotion of trade and investments between economies may aid the same through exchange of delegations and signing of prospective MOUs towards economic cooperation.

The economy of Papua New Guinea remains broadly robust and businesses upbeat. The country is richly endowed with natural resources. The economy has a small formal sector, focused mainly on the export of those natural resources, and an informal sector, employing the majority of the population. Agriculture provides a subsistence livelihood for 85% of the people. Mineral deposits, including copper, gold, and oil, account for nearly two-thirds of export earnings. Natural gas reserves amount to an estimated 155 billion cubic meters. Construction on the liquefied natural gas (LNG) project tapers from its peak, activity in wholesale trade, transport, and logistics is moderating.

Bank of Asya to Expand Business with India

Mr. Mustafa Gokay Kilic, Indian Representative of Bank of Asya, Mr. Mehmet Arslan, Manager, Bank of Asya, Mr. Cenk Karacaoglu, Vice President, Bank of Asya, Mr. Vijay Kalantri, Vice Chairman, WTC Mumbai and President, AIAI, during an interactive meeting organised with the officials of Bank of Asya by the AIAI and MVIRDC WTC Mumbai

"The rapidly growing Indian economy presents huge potential for business and trade with Turkey. Currently, the Bank of Asya has recorded turnover of US$ 200 million per year and the Bank aims to further expand business with its Indian counterparts in the coming years", stated Mr. Cenk Karacaoglu, Vice President, Bank of Asya, Turkey during an interactive meeting organised by All India Association of Industries and MVIRDC World Trade Centre Mumbai. The business ties between India and Turkey are rapidly increasing. Proximity of financial institutes between the two economies shall benefit business and trade.

Elaborating on India-Turkey bilateral relations Mr. Karacaoglu added that the current bilateral trade between the economies stands at US$ 5 billion. We intend to achieve bilateral trade worth US$ 15 billion in the next five years, he said.

Mr. Karacaoglu affirmed the need for greater business and trade collaboration between the economies. Turkey has a strategic location giving access to nearly 54 nations which are in close proximity in Europe and can be used as a hub for exports.

Mr. Vijay Kalantri, President, All India Association of Industries and Vice Chairman, MVIRDC World Trade Centre Mumbai said that fostering financial ties in the form of setting up of Turkish banks in India shall benefit the two economies. The Indian banks namely State Bank of India and Axis Bank have presence in Turkey. Indian banks must work towards active participation in Turkish economy, while the same holds true for Turkish banks in Indian economy, he added.

Mr. Kalantri further remarked that some of the major products of India's exports to Turkey include cotton yarn, synthetic yarn, organic dyes, organic chemicals, denim, steel (bars and rods), granite, antibiotics, carpets, unwrought zinc, sesame seed, TV CRTs, mobile handsets, clothing and apparel while Turkey's exports to India includes poppy seed, auto components, marble, textile machinery, handlooms, denim, carpets, cumin seed, minerals (vermiculite, perlite and chlorites) and fittings and steel products.

Mr. Y. R Warerkar, Executive Director, MVIRDC World Trade Centre stated that All India Association of Industries(AIAI) and World Trade Centre Mumbai works towards increasing business and bilateral trade ties between economies through its varied activities such as organising trade promotion events, seminars, business networking, etc. Today's meet shall further enhance Indian and Turkish economic relations, he added.

Ms. Rupa Naik, Executive Director, All India Association of Industries informed that the All India Association of Industries (AIAI) and World Trade Centre Mumbai have led two trade delegations to Turkey and there exists great potential for doing business between the two nations.

Turkey and India to foster greater economic and trade ties

Mr. Sukru Atceken - Head of Department, Mevlana Development Agency, Mr. Y. R. Warerkar, Executive Director, World Trade Centre Mumbai and Ms. Rupa Naik, Executive Director, All India Association of Industries at an interactive meeting jointly organised by AIAI & WTC during the visit of a Government delegation from the Mevlana Development Agency of Turkey

"Turkey is a gateway to the European Union for India. The economy holds proximity to the consumption markets of European Union, Middle East, Central Asia and Russia. Turkey looks forward to foster greater ties with India through enhanced trade, investment and interaction," said Mr. Şükrü Atçeken - Head of Department, Mevlana Development Agency during an interactive meeting jointly organized by All India Association of Industries (AIAI) and MVIRDC World Trade Centre with a Government delegation from the Mevlana Development Agency of Turkey.

Elaborating on the prospects for enhancing India-Turkey relations Mr. Atçeken elaborated that Turkey is the 10th largest steel producer globally, 17th largest automotive producer and the sixth most visited tourism sector. Other lucrative sectors include solar energy, industrial machinery, agricultural machinery, automobiles, auto components and the shoe industry. Also, Turkey boasts of an educated and productive workforce. The economy is strategically located in proximity to consumption markets of European Union, Middle East, Central Asia and Russia. The country has 13 organized industrial zones, two free zones and one technology development zone.

Ms. Rupa Naik, Executive Director, AIAI stated that India and Turkey have enjoyed friendly and cordial relations traditionally. India's exports to Turkey stood at US$ 4.0 billion during FY13 (11.74% growth) while India's imports from Turkey stood at US$ 2.0 billion (99.06%) during the same period. The total bilateral trade stood at US$ 6.0 billion in favour of India. Principal exports of Turkey to India include gold, metalliferous ores and metal scrap, crude fertilizers and crude minerals, non-ferrous metals, power-generating machinery and equipments while Turkish imports from India include petroleum, petroleum products and related materials, textile yarn and related products, plastics in primary forms, organic chemicals, road vehicles, etc.

Memorandum of Understanding was signed between the All India Association of Industries & Mevlana Development Agency and the World Trade Centre Mumbai & Mevlana Development Agency in order to work towards fostering bilateral trade and economic relations between the two nations.

Outlook bright for Turkey's wind power industry

Massive wind and solar potential to be utilized in the next 10 years will turn Turkey into a renewable energy powerhouse in the region as the country gradually increases the use of domestic resources for power generation.

Wind power is expected to account for 20,000 megawatts (MW) of the country's planned 120,000 MW total installed capacity by 2023. In contrast with Europe, where most of the easily accessible forms of renewable energy are already tapped to the limit, Turkey and its vastly underused wind potential present lucrative opportunities for energy companies looking for long-term growth.

"Turkey's wind energy potential is 25-30 percent higher than that of Europe", according to the President of the Turkish Wind Energy Association (TÜREB), Mustafa Serdar Ataseven. Reviewing the last year from the wind power perspective, Ataseven said that 2013 was a good year in terms of capacity increases and new investments.

The country's installed capacity of 62,000 MWs as of the end of 2013 is expected to reach 120,000 MWs in 2023, a third of which will be generated from renewable sources.

Source: World Trade Center Istanbul, Inbox Newsletter Jan, 2014

Need for a Collaborative Approach Development

Dr. P.M. Mathew, Director, ISED, Mr. Madhav Lal, Secretary, Ministry of MSME, Government of India, Mr. Vijay Kalantri, President - AIAI and Vice Chairman - WTC Mumbai, Ms. Radhika Rastogi, Development Commissioner, Government of Maharashtra and Ms. Rupa Naik, Executive Director - AIAI at the launch of India Micro, Small and Medium Enterprises Report 2013 at WTC Mumbai.

"The Government has initiated multiple entrepreneurship development programme such as the Cluster Development Program, Technology Upgradation Fund, Credit link Capital Scheme amongst others which have rendered success. However, the huge unorganized sector of Micro Small Medium Enterprises (MSME) seeks scaling up of intervention from the Government. There's a pressing need for the State Government and Local authorities to join hands with the Central Government and to work towards increasing the presence of MSME's in the eco system", stated Mr. Madhav Lal Secretary, Ministry of Micro, Small and Medium Enterprises, Government Of India during the launch of "India Micro, Small and Medium Enterprises Report 2013." while addressing All India Association of Industries and World Trade Centre.

Elaborating on the vital role of MSME's, in the Indian global system Mr. Madhav Lal said that the MSME sector contributes to nearly 8% of GDP, 45% of manufacturing, 40% of exports and 60% of employment. However the contributions of MSME towards the manufacturing segment is stagnant at 16% of GDP for many years the reason being MSME's finding it difficult to articulate their problems and find solutions. The publication "India Micro, Small and Medium Enterprise Report 2013" shall present a road map for development of the sector and aid policy making as well study which he released on the occasion.

Mr. Lal stressed that if MSMEs comply with registration, it shall be more beneficial to them and have better growth. Our incubation policy for incubators have helped clusters and are doing well, besides the credit guarantee scheme and subsidies in textile sector and other sectors.

Ms. Radhika Rastogi, Development Commissioner, Government of Maharashtra agreed on the need for policy upgradation for the MSMEs. Ms. Rastogi noted that standalone MSMEs have limited power and hence the Cluster approach should be explored for the MSME sector development. Collaborate rather than compete should be the strategy for Clusters, she noted.

Ms. Rastogi stressed that only 1.76 lacs units are registered although in informal sector its more. As such there is need for them to come within the Ambit of Government for better growth and for us to assist and upgrade their facilities.

Mr. Vijay Kalantri, President, All India Association of Industries and Vice-Chairman, MVIRDC World Trade Centre Mumbai, said that MSME's are the backbone of the economy. Structural issues in the domestic economy such as current account deficit may be addressed by giving manufacturing sector a boost. For the same we need to develop the SME sector to cure regional imbalances, generate employment and promote exports. Further, Mr. Kalantri stressed upon the need for Open House discussions between office bearers and sector participants to aid the same.

There are multiplicity of laws , multiple taxes and dealing with multiple authorities which is coming in the way of the growth of MSME

Dr. K. N. Kabra, Chairman, Institute of Small Enterprises and Development remarked that the Indian economy is facing global and structural challenges. The savior for the same is the manufacturing sector. MSMEs which are at the grass root of the society need to be boosted to correct these structural imbalances in the economy. The study "India Micro, Small and Medium enterprise report 2013"gives a detailed presentation of the challenges in the sector and suggestions to address the same.

Mr. Madhav Lal released the publication "India Micro, Small and Medium enterprise report 2013."

-The Institute of Small Enterprise and Development Report outlines strategies towards MSME development in its publication "India Micro, Small and Medium Enterprise report 2013"

Meeting with the Highlevel Delegations from Omsk Region

Ms. Rupa Naik, Executive Director, AIAI, Ms. Chermoshentseva Olga, Omsk Regional Fund for Small Business Support and Development, Mr. Alexey Novikov, Consul General of the Russian Federation in Mumbai, Mr. Vijay Kalantri, Vice Chairman, MVIRDC WTC Mumbai and President, AIAI and Mr. Tarasyuk Yaroslav, Deputy Director, Department of Asia and Africa, Ministry of Economic Development of the Russian Federation and Mr. Y R Warerkar, Executive Director, MVIRDC World Trade Centre Mumbai during the visit of a high level delegation from Russia.

"India and Russia have had a history of fruitful interaction in the past decades. Traditionally, the Indo-Russian partnership has been built on five major components namely politics, defence, nuclear energy, anti-terrorism cooperation and space. Going forward, the signing of the prospective Comprehensive Economic Partnership Agreement shall enable free trade in goods and services and foster cross border foreign investment flows as well," said Mr. Tarasyuk Yaroslav, Deputy Director, Department of Asia and Africa, Ministry of Economic Development of the Russian Federation during an interactive meeting organised by All India Association of Industries (AIAI), Russia India Trade House Mumbai (RITHM) and MVIRDC World Trade Centre Mumbai with a business delegation from Russia.

In order to foster greater Indo-Russia ties it is essential that the economies hold interactive meetings and encourage exchange of business delegations in the future as well. Russia looks forward to interact with the Indian economy in the spheres of economic cooperation, trade and investment said Mr. Alexey Novikov, Consul General of the Russian Federation in Mumbai.

Mr. Vijay Kalantri, President, All India Association of Industries and Vice Chairman, MVIRDC World Trade Centre Mumbai said that the current bilateral trade between India and Russia stands at US$ 11.04 billion.

The major Indian exports to Russia are pharmaceutical, tea, coffee, spices, apparels, edible preparations and engineering goods. Main Indian imports from Russia are iron and steel, fertilisers, non-ferrous metals, paper products, coal, coke & briquettes, cereals and rubber. We intend to reach two-way trade to US$ 20 billion by 2018. All India Association of Industries, World Trade Centre Mumbai and the Russian India Trade House Mumbai are working towards achieving the same.

Ms. Chermoshentseva Olga, Omsk Regional Fund for Small Business Support and Development called upon Indian enterprises to invest in the Omsk Region of the Russian Federation. Elaborating on the bright prospects in the region Ms. Olga said Omsk region is home to industrial clusters in agro, forestry, petrochemical, silicon and machinery sectors. The region has well developed water ways, railways and roadways. The Omsk Regional Fund for Small Business Support and Development works towards development of small and medium businesses in the Omsk region. Further, the region aids entry of the small businesses sector into export markets as well. The Omsk Regional Fund shall assist in establishment of Indian small businesses in the region as well, she added.

Further, three Memorandum of Understanding were signed between All India Association of Industries & Omsk Regional Fund for Small Business Support and Development, MVIRDC World Trade Centre Mumbai & Omsk Regional Fund for Small Business Support and Development and the Russian India Trade House Mumbai & Omsk Regional Fund for Small Business Support and Development in order to strengthen trade and economic relations between India and Russia.

Over 100 business meetings between the participating Indian and Russian companies from the sectors of medical equipments, research and development in medical engineering, electronic goods, pharmaceuticals, etc were organized.

Economic Review Omsk Region

Russia is the largest country in the world, its economy ranks as the eighth largest by nominal GDP and sixth largest by purchasing power parity (PPP). Since the turn of the 21st century, higher domestic consumption and greater political stability have bolstered economic growth in the country. Russia's extensive mineral and energy resources, the largest reserves in the world, have made it one of the largest producers of oil and natural gas globally.

The Omsk Oblast situated in the south of Western Siberia is a well developed agro-industrial region. Industrial production takes a leading position in the economy of the city. The main industries of the city are oil refineries, food processing, electric power, construction machinery, petrochemical and chemical industries.

The city produces a high ratio of the total Russian output of synthetic phenol, benzene, automotive components and cultivators, synthetic rubber, as well as dairy products. The Region also leads in the production of synthetic rubber, tires and tractor drills.

Economic activity is concentrated in Omsk, with over sixty-six thousand private enterprises registered, ranging from small-scale retailers to billion-dollar manufacturing.

Foreign economic activity plays an important role in social and economic development of the Omsk Oblast. Currently the region experiences modernization of operating enterprises, opening of new enterprises and an increase in taxable basis. As a result, there is an opportunity now to finance important social projects in the Omsk Oblast

Over the last few years the volume of foreign trade turnover has increased significantly as the authorities created favorable conditions for cooperation with foreign investors.

Long term city-planning till the year 2025 is defined by the general layout of the city of Omsk. Along with this other infrastructural facilities have been put in place to support the steady development of urban territories and to attract investments in the region.

The region has a well-developed system of transport communications and is well connected through air, river, railway, road and pipeline transport . Both branches of Trans-Siberian railway passes through the city, the region also serves as a major junction for the regional highway network.

In 2008 Forbes ranked Omsk as the 6th-best city in Russia for business.

Agreements of Co-Operation during July-December 2013

- The Federation of Pakistan Chambers of Commerce & Industry (FPCCI)
- Mevlana Development Agency, Turkey
- OMSK Regional Fund for Small Business Support & Development – Russia
- National Council of Small & Medium Sized Private Enterprises in Romania
- Chamber of Commerce Mechelen (Voka), Belgium
- East Flanders Chamber of Commerce Belgium
- Chinal Council for the Promotion of International Trade Gansu Sub-Council

The signing of MoU shall encourage and promote in accordance with their respective laws and regulations co-operation between the two Association which includes:

a) Exchange of trade and investment related information in order to promote international trade and investments.

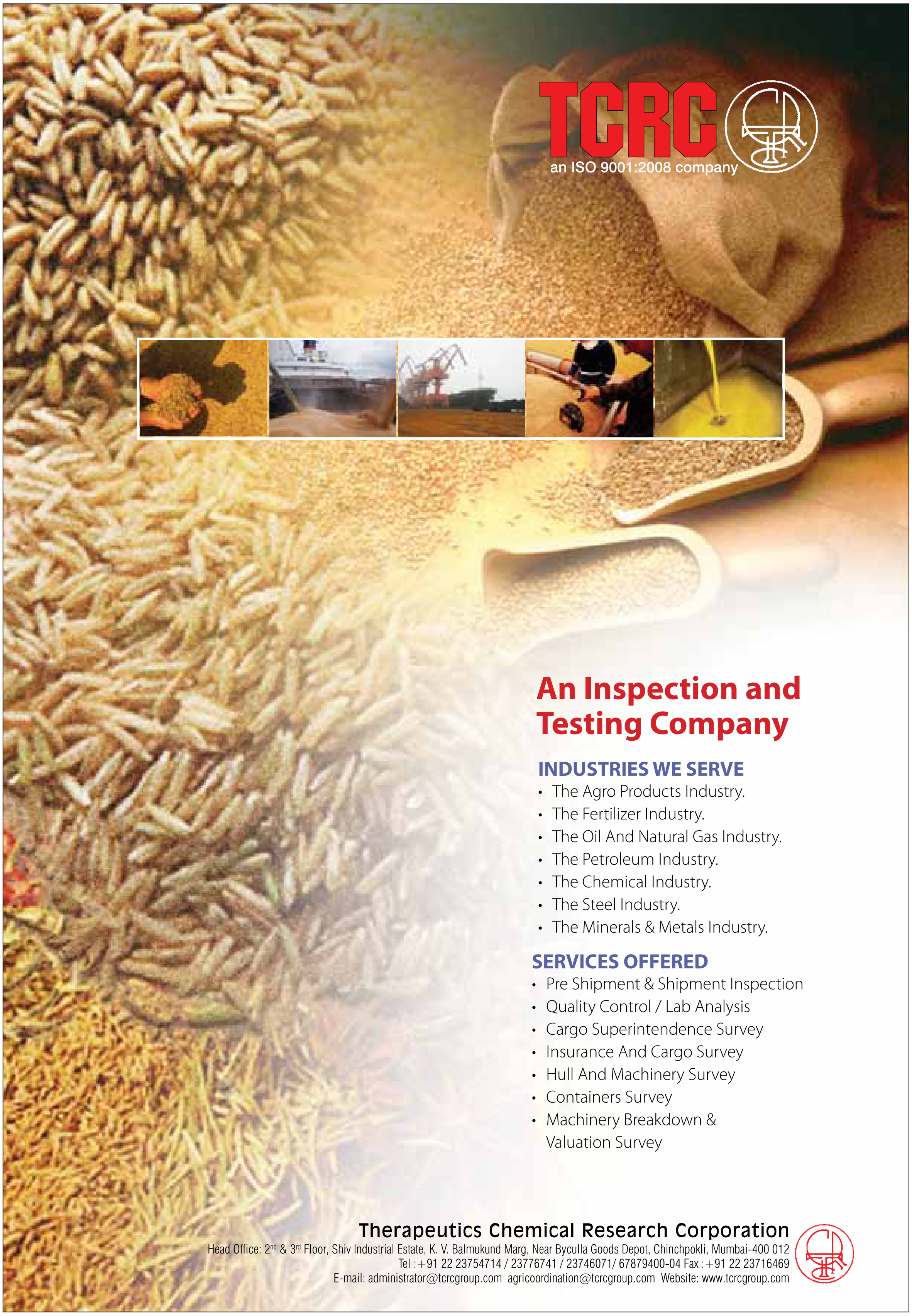
b) Exchange off business proposal for joint ventures, collaborations and technology transfers.

c) Promote the exchange of trade mission between the two countries and set up business contacts.

d) Exchange of publications and information of bilateral trade, foreign trade and investment policies of their respective countries.

e) Exchange of trade delegations.

f) To regularly exchange information and help organise exhibitions and international fairs and encourage their members in participating in such events.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Hungary seeks to enhance economic ties with India

Ms. Rupa Naik, Executive Director AIAI, Mr. Vijay Kalantri, President, AIAI and Vice-Chairman, MVIRDC WTC Mumbai , Mr. Peter Bilek, Vice President, Hungarian Investment and Trade Agency, Capt. Somesh Batra, Vice-Chairman, MVIRDC World Trade Centre Mr. Zsolt Pakozdy, Senior Economic & Commercial Counsellor, Embassy of Hungary during an interactive meeting organized by AIAI and WTC Mumbai in honour of the high level business delegation from Hungary

"As the economy of Hungary depicts gradual recovery from the aftermath of the 2008 crisis we have strategized "Opening to the East" policy in order to diverge from the European markets. In this pursuant we seek to increase our engagement with the rapidly growing Indian economy", said Mr. Peter Bilek, Vice President, Hungarian Investment and Trade Agency at an interactive meeting with a high level business delegation from Hungary being led by the H.E. Mr. Viktor Orban, Hon'ble Prime Minister of Hungary. The meeting was jointly organised by All India Association of Industries and MVIRDC World Trade Centre Mumbai. Calling upon Indian investments into the Hungarian economy Mr. Bilek said that the economy displays ease of doing business with low taxation rates, conducive business environment, subsidies and incentives to promote business.

Mr. Bilek added that there exists scope for cooperation between the MSMEs of both the economies in the sectors of agro, food processing, textiles, chemicals, technology, etc.

Present on the occasion was Mr. Zsolt Pakozdy, Senior Economic & Commercial Counsellor. Mr. Pakozdy said the Hungarian economy invites the Indian business community in Hungary with business friendly laws. Indian investors seeking to invest in Hungary may apply for the Schengen visa. Also, Indian companies investing over US$ 15,000 can register for residential visa.

Mr. Vijay Kalantri, President All India Association of Industries and Vice-Chairman, MVIRDC World Trade Centre Mumbai said that the bilateral trade between India and Hungary stands at US$ 600 million in favour of India. India's exports to Hungary include organic chemicals, machinery & appliances, pharmaceuticals products, electrical machinery & equipments, auto & auto parts. India's import from Hungary include machinery & equipments, electrical machinery, iron & steel, auto & auto parts, rubber & rubber articles, paper & paper articles, etc. However, Indian investments in the Hungarian economy stand at an US$ 1.5 billion. Today's meet shall open avenues to further mutual collaboration in trade and investment he further stated.

Business-to-Business meetings were organised with the visiting 70 Hungarian companies. Representatives from the sectors of automotive, ICT, renewable energy, bio-pharma, construction, electronic goods, education, engineering, tourism, jewellery, water management, chemicals, machinery, food processing, textiles, legal services, logistics, furniture, financial services, international trade and development, sports and social services participated in the meetings.

Hungary - Economic Outlook

Hungary a small country is one of the oldest European countries, situated in the middle of the continent in Central Europe with upper-middle-income, structurally, politically and institutionally open economy and is part of the European Union's single market. It has made the transition from a centrally planned to a market economy, with a per capita income nearly two-thirds that of the EU-27 average.

The private sector accounts for more than 80% of the Hungarian gross domestic product (GDP). Foreign ownership of and investment in Hungarian firms are widespread, with cumulative foreign direct investment worth more than $70 billion. Hungary's main industries are mining, metallurgy, construction materials, processed foods, textiles, chemicals, pharmaceuticals and motor vehicles.

Romanian economy seeks to strengthen relations with India

Prof. Ovidiu Nicolescu, President, National Council of Small and Medium Sized Private Enterprises in Romania and Mr. Vijay Kalantri, President, AIAI exchanging the Memorandum of Undestanding (MoU) at a seminar on "Doing Business with Romania" organized by the AIAI and WTC Mumbai.

"The Romanian economy depicted rapid and sustainable GDP growth between 2000 to 2008. However, the financial crisis of 2008 took toll on the nation. With the austerity measures undertaken bearing fruits, the economy registered a growth rate of 0.3% in 2012 with estimates of GDP growth of 2.6% by 2014. As Romania registers economic revival we intend to further our relations with India", said Mr. Ionut Mircea VIZIRU, Economic Counselor, Embassy of Romania in New Delhi during a seminar on "Doing Business with Romania" organised by All India Association of Industries (AIAI) and MVIRDC World Trade Centre Mumbai.

Calling upon Indian business enterprises and industries to invest in Romania Mr. Ionut Mircea VIZIRU said that the economy exhibits ease of doing business with skilled workforce, rich natural resources, competitive tax policy, financial assistance and well developed industrial infrastructure. Also, Romania offers access to the large consumption markets of Central and Eastern Europe. The nation encourages foreign investment with full ownership rights, full repatriation of capital and profits, protection against expropriation and nationalization and national treatment for foreign investors. The potential sectors for investment include manufacturing, automotive components & parts, information technology & communications, energy, electric & electronics, wood processing, construction materials, textile industry, food processing and infrastructure, he said.

Present on the occasion was Prof. Ovidiu Nicolescu, President, National Council of Small and Medium Sized Private Enterprises in Romania. Noting prospects for mutually beneficial trade between India and Romania he said that the Indian economy is a huge economic power while being a part of the BRICS nations. As the world undergoes internationalisation Romania intends to augment relations with India by enhancing bilateral trade and cross border investment flows.

Agreeing on the need for enhancing Indo-Romanian relations, Mr. Vijay Kalantri, President, All India Association of Industries and Vice-Chairman, MVIRDC World Trade Centre Mumbai said the bilateral trade between the economies stood at US$727.27 million during FY12 in favour of Romania. The principal export from India to Romania are electric machines, devices & equipment, common metals, chemical and allied industries products, plastic and rubber materials, textiles, food products, beverages and tobacco, vegetable products, paper and cardboard and its scrap, articles made of stone, cement, ceramics, glass and optical photographic, cinematographic, medical instruments and devices. The main items of import from Romania are common metals, sound and image displayers & recorders, chemical and connected industrial products, plastic, rubber materials, textiles, vegetable products, transport vehicles and mineral products. We intend to target bilateral trade worth US$ 1 billion in the years to come through exchange of delegations, business visits and meetings.

Further, All India Association of Industries & National Council of Small and Medium Sized Private Enterprises in Romania and MVIRDC World Trade Centre Mumbai & National Council of Small and Medium Sized Private Enterprises in Romania signed an MOU to strengthen economic and commercial links between Romania and India

Nearly 100 business-to-business meetings were held from the sectors of renewable energy, financial services, construction, advertising, information technology, organic agriculture, industrial machinery, oil and gas, etc.

Romania's Potential for Industrial Growth

Romania is a member of the European Union and NATO its economic freedom score is 65.5, making its economy the 62nd freest in the 2014 Index. Romania is ranked 29th out of 43 countries in the Europe region, and its overall score is higher than the world average.

Over the last 20-years, Romania's economic freedom has advanced with gains in nine of the 10 economic freedom. The country has made tremendous strides in eliminating economically repressive policies. Structural reforms to enhance regulatory efficiency and market openness have advanced the economy to "moderately free."

Deeper institutional reforms, particularly related to eradicating corruption and ensuring judicial independence, remain critical to ensuring Romania's ongoing transition to a more resilient market-oriented economy and to improved economic growth.

The government is pursuing significant privatization of major state corporations such as railway freight company CFR Marfa, chemical producer Oltchim, copper mines, and energy companies. Geostrategically positioned on the Black Sea, Romania has extensive natural resources, a productive agriculture sector, and the potential for growth in industry and tourism.

Overseas Foreign Currency Borrowings

With a view to providing greater flexibility to AD category- I bank in seeking access to overseas funds, it has been decided that they may henceforth, borrow funds from their head office, overseas branches and correspondents and overdrafts in nostro accounts up to a limit of 100 per cent of their unimpaired Tier I capital as at the close of the previous quarter or USD 10 million (or its equivalent), whichever is higher, as against the existing limit of 50 per cent (excluding borrowings for financing of export credit in foreign currency and capital instruments).

In view of the prevailing market conditions, it has been decided that AD category I banks, at their option, may enter into a swap transaction with the Reserve Bank in respect of the borrowings raised after September 10, 2013. The Swaps would be available at a concessional rate of a hundred basis points below the market rate for all fresh borrowing with a minimum tenor of one year and a maximum tenor of three years, irrespective of whether such borrowings are in excess of fifty per cent of their unimpaired Tier I capital or not. Further, while the swaps shall be for the entire tenor of the borrowing, the rate shall be re-set after every one year from the date of the swap at hundred basis points lower than the market rate prevailing on the date of re-set. While banks are free to borrow in any freely convertible currency, the swap will be available only for conversion of USD equivalent into Rupees and the USD equivalent shall be computed at the relevant cross rate prevailing on the date of the swap. The concessional swap window is open till November 30, 2013. The Reserve Bank reserves the right to decline a swap transaction or to withdraw this facility before November 30, 2013 after due notice.

Further, the borrowings beyond the hitherto permitted level of 50 per cent of the unimpaired Tier I capital will be subject to the following conditions:

(I) The bank should have a Board approved policy on overseas borrowings which should contain the risk management practices that the bank would adhere to while borrowing abroad in foreign currency;

(ii) The bank should maintain a capital to risk weighted assets ratio (CRAR) of 12.0 per cent.

(iii) The borrowings beyond the existing ceiling should be with a minimum maturity of three years.

(iv) All other existing norms (FEMA regulations, NOPL norms, etc.) would continue to be applicable.

Source: Volume X Issue 3 Sept. 2013, Reserve Bank of India (Monthly Subscription)

India should collaborate with Spain to develop its infrastructural sector

Mr. Vijay Kalantri, President, AIAI and Vice-Chairman, MVIRDC WTC Mumbai exchanging MoU with Mr. Jose Manuel Vilarino Anca, President, Autridad Port de Ferrol, Spain signed during the visit of a High level business delegation from Spain. Looking on is Ms Rupa Naik, Executive Director, AIAI and Mr. Julio Hernandez, Development Manager, Autridad Port de Ferrol, Spain during the meeting organised by AIAI & WTC.

"The Spanish economy possesses a competent infrastructural and logistics sector. India intending to invest US$ 1 trillion in infrastructure may collaborate with the Spanish economy to develop the sector", said Mr. Jose Manuel Vilarino Anca, President, Autridad Port de Ferrol, Spain during an interactive meeting organised by All India Association of Industries and MVIRDC World Trade Centre Mumbai with a business delegation from Spain. As the Spanish economy depicts revival from the European crisis of 2008 it holds bright prospects for Indian entrepreneurs.

Inviting Indian investments into the Spanish economy Mr. Jose Manuel Vilarino Anca said that the nation holds

proficient infrastructural status in the form of industrial land and well developed port capacity. The Ferrol Port is a gateway to the huge consumption markets of the European Union. Spain is home of skilled and cost-competent labour force. Also, the Government encourages foreign investments into the economy with easy availability of loans, subsidies on its tax structure and various other incentives, he said.

Mr. Vijay Kalantri, President, All India Association of Industries and Vice-Chairman, MVIRDC World Trade Centre Mumbai said the bilateral trade between India and Spain stands at US $4.7bn with India's exports worth US $2.9bn while Spanish exports worth $1.8bn. Indian exports to Spain include organic chemicals, textile and garments, Iron and steel products, automotive components, marine products, leather goods. Indian imports consist of machine and mechanical appliances, vehicles and automobiles, plastic manufactures, electrical appliances, rubber and rubber products and olive oil, etc. We intend to foster greater ties with bilateral trade worth US$ 6 bn by 2015, further stated .

Business meetings from the sectors of defence, automotive, energy, ship building, logistics, industrial machinery between Spanish and Indian Companies were also organized.

Spain leads in renewable energies

Spain has the thirteenth largest economy by nominal GDP in the world, and fourteenth largest by purchasing power parity. The Spanish economy is the fifth-largest in the European Union, and the fourth-largest in the Eurozone. In 2012, Spain was the eighteenth-largest exporter in the world and the sixteenth-largest importer.

Spain is regarded as the world's 23rd most developed country and is listed among the countries of very high human development. The country is one of the world leaders in renewable energies, both as a producer of renewable energy itself and as an exporter of such technology. In 2013 it became the first country ever in the world to have wind power as its main source of energy.

In addition, with a view to improving the competitiveness of ports, the Spanish Parliament is working on a new Ports Law that will reduce restrictions on inter- and intra-port competition. Spain is well equipped in terms of technological and industrial infrastructure and technological parks.

Spain can also boast a solid telecommunications network, with an extensive conventional fiber optic cable network (64,000 km) covering the country almost in its entirety, on top of one of the world's largest undersea cable networks and satellite link-ups spanning the five continents. Particularly noteworthy is the significant deregulation set in place some years ago in the majority of industries. The deregulation has meant a more competitive range of products on offer as borne out by costs, essential for economic development.

During the last four decades Spain's tourist industry has grown into the second biggest in the world. The climate of Spain, historical and cultural monuments and its geographic position together with its facilities make tourism one of Spain's main national industries and a large source of stable employment and development

China to collaborate with India for development of trade

Ms. Rupa Naik, Executive Director, All India Association of Industries (AIAI), Ms Wu Lixia, Vice Chairwoman, China Council for Promotion of International Trade Gansu Provincial Committee, Mr. Liu Guoyu, Commercial Counselor, Consulate General of the People's Republic of China in Mumbai, Mr. Wang Yingxin, Deputy Director, Department of Legal Affairs, China Council for the Promotion of International Trade Gansu Provincial Committee and Mr. Y R Warerkar, Executive Director, MVIRDC World Trade Centre Mumbai at an interactive meeting organised by AIAI & WTC during the visit of a business delegation from Gansu, China

"The rapidly growing Chinese and Indian economies are the growth engines of the world. China is India's largest trading partner while India enjoys a position of prominence in China's international trade. There is significant complementarity between the Indian and Chinese economies. India is the 11th largest trading partner of China (comprising a share of 2.03% in the overall trade of China), 7th largest export destination for China (comprising a share of 2.66% of total Chinese exports to the world) and 16th largest exporter to China (comprising a share of 1.34% in the total imports by China). Apart from trade, India is also the largest market for project exports from China. Going forward the economies should enhance economic cooperation towards sustainable development", said Mr. Liu Guoyu, Commercial Counselor, Consulate General of the People's Republic of China in Mumbai during an interactive meeting with a business delegation from Gansu, China organised by All India Association of Industries (AIAI) and MVIRDC World Trade Centre Mumbai.

The bilateral trade between India and China stands at US$ 66 billion in favour of China. Indian exports to China include cotton raw & yarn, non-ferrous metals, iron ore, other ores and minerals, plastic & linoleum products,

and petroleum (crude& products). Major imports from China include electronic goods, machinery, organic chemicals, project goods, fertilizers, iron and steel, transport equipments, electric machinery (except electronics) and manufactures of metals. We intend to target bilateral trade worth US$ 100 billion by 2015, he added.

Present on the occasion was Ms Wu Lixia, Vice Chairwoman, China Council for Promotion of International Trade Gansu Provincial Committee. Elaborating on the prospects for mutually beneficial relations between India and Gansu, Ms Lixia said the bilateral trade between Gansu and India stood at US$ 12 million during 2012. Gansu imports iron ores from India while exporting agricultural products such as apples, vegetables, beans, industrial products to India. Gansu is a strategic passage connecting India to the Eurasia Continental Bridge and the North-west and North-south of China. Also, the proposed "Silk Road Economic Belt" shall rapidly develop India's trade and economic relations with China.

Ms. Rupa Naik, Executive Director, All India Association of Industries remarked that the economies need to promote bilateral relations through exchange of business delegations, participation in project matching, trade fairs and forums, exhibitions and professional conferences.

Memorandums of Understandings to promote trade and cooperation between the countries were signed between All India Association of Industries & China Council for the Promotion of International Trade Gansu Provincial Committee & Chamber of International Commerce of Gansu Province and MVIRDC World Trade Centre Mumbai & China Council for the Promotion of International Trade Gansu Provincial Committee & Chamber of International Commerce of Gansu Province.

Iran and six world powers nuclear deal to benefit India

Mr. Y. R. Warerkar, Executive Director, MVIRDC, WTC Mumbai, Mr Mohammad Reza Bakhtiarti, Deputy for International Affairs, Tehran Chamber of Commerce, Industries, Mines and Agriculture, Mr Masood Ebrahimi Khaleghi, Consul General of Islamic Republic of Iran, Mr. Vijay Kalantri, Vice Chairman, MVIRDC World Trade Centre, Mr Yahya Ale-es-hagh, President, Tehran Chamber of Commerce, Industries, Mines and Agriculture, Ms. Rupa Naik Executive Director, AIAI and Capt. Somesh Batra, Vice Chairman, WTC at the interactive meeting organized in honour of a High level business delegation from Tehran, Iran

"The recently commissioned deal between Iran and six world powers to curb Tehran's nuclear programme in exchange for limited sanctions relief shall have far reaching impact on the Indian economy. India is the world's fourth-largest oil importer and a major customer of Iran's 1.7 million barrels per day of oil exports. The Indian government has had to drastically cut its energy imports to comply with international sanctions targeting Iran's financial and oil sectors. However, the nuclear deal shall remove barriers on shipping insurance while ensuring imports of contracted volume of oil", said Mr. Yahya Ale-es-hagh, President, Tehran Chamber of Commerce, Industries, Mines and Agriculture during an interactive meeting organised by All India Association of Industries (AIAI) and MVIRDC World Trade Centre Mumbai and at the backdrop of the nuclear deal.

India and Iran have enjoyed cordial relations since times immemorial. The two nations look forward to enrich their industrial and commercial relations in the years to come. However the issues in financial transactions, visa availability and slow progress of the Chabahar port have limited the prospects for mutually beneficial trade relations between the economies, he added.

Present on the occasion was Mr. Masood Ebrahimi Khaleghi, Consul General of Iran in Mumbai. Elaborating on the prospects of mutually beneficial relations between India and Iran, Mr. Khaleghi called upon Indian companies to invest in Iran. Potential Indian companies can invest in the resources of the rich Iranian economy in the sectors of trade, industries, infrastructure and services. Also, the economies should fast track the development of the Indo-Iranian gas pipeline and the International North-South Industrial corridor, he stressed.

Mr. Vijay Kalantri, President, All India Association of Industries and Vice-Chairman, MVIRDC World Trade Centre Mumbai stated that Iran is an important trading partner of India. The direct trade between the economies stands at US$ 15 billion with indirect trade crossing US$ 30 billion. India-Iran economic and commercial ties have traditionally been buoyed by Indian import of Iranian crude oil. Other imports of India include fertilizers, organic and inorganic chemicals, etc. India's exports to Iran include petroleum products, rice, machinery & instruments, manufactures of metals, primary and semi finished iron & steel, drugs/ pharmaceuticals & fine chemicals, processed minerals, manmade yarn & fabrics, tea, organic/inorganic/agro chemicals, rubber manufactured products, etc. We intend to target bilateral trade worth US$ 30 billion by 2015, he further added.

Memorandums of Understandings were signed between All India Association of Industries and Tehran Chamber of Commerce, Industries, Mines& Agriculture and MVIRDC World Trade Centre Mumbai and Tehran Chamber of Commerce, Industries, Mines & Agriculture to promote trade and economic cooperation between the two economies.

More than 200 enterprises from sector such as petrochemicals, energy, techno-engineering, farm products, banking services, oil, industrial products, etc, attended the event. Business to Business meetings were organised between Iranian companies and Indian counterparts.

Iran's Emergence as An Economic Powerhouse

Iran has the largest proven gas reserves in the world, with 33.6 trillion cubic metres. It also ranks third in oil reserves. As per the rankings of Organization of the Petroleum Exporting Countries (OPEC), Iran is the 2nd largest oil exporter and an energy superpower.

Iran also boasts of leading manufacturing industries in the fields of car-manufacturing and transportation, construction materials, home appliances, food processing and agriculture, armaments, pharmaceuticals, information technology, power and petrochemicals.

Asia and Europe's business community is abuzz with preparations to rush back into Iran, an economic powerhouse in the Middle East, as some sanctions are suspended. And the interest is welcome - Iran is all set to revive its economy after years of international isolation.

Seizing on the potential opening of Iran's economy and energy sector and keeping in view of the easing of international sanctions. India is the first of Iran's four main buyers to say it is looking to buy more oil from Iran and has plans to purchase additional oil as well as explore the possibility of joint ventures in Iran's oil sector. Although the Geneva agreement does not allow Iran to increase its oil sales for six months

FRANCE is also negotiating business deals in Iran, German and Dutch entrepreneurs are taking courses on how to do business in Tehran, and car makers are drawing up plans for investment.

For businesses, getting into Iran is a chance not to be missed. The country boasts of a well-educated population of about 75 million and some of the world's largest oil and gas reserves, much of which is still unexplored due to decades of sanctions.

As a corollary of Indian interest in Iranian oil, New Delhi is also seeking to help Iran develop its Persian Gulf port of Chabahar for oil exports, which for India will be an added advantage. The port of Chabahar will also benefit the post-Soviet Central Asian regions by giving them a port outlet once railways in Iran are expanded and upgraded.

A Workshop "Finance for Non-finance Manager"
Anuraag Gupta

The different departments of any enterprise work toward a common goal – "To increase the value of the enterprise". Generally, an operations manager will be unaware of the overall direction of the company; a sales manager's focus on revenue will ignore the profitability of the department and an IT Manager will easily ignore the financial implications of upgrading technology. No doubt that these people might be doing their jobs excellently. But, with the awareness of how each of their decisions aligns with the company's strategies and initiatives and impacts its bottom line, they would be better managers. Financial Literacy is one such important tool to increase this awareness.

The All India Associations of Industries (AIAI) and World Trade Centre, Mumbai in association with The Laymen Consultants conducted a one day workshop on "Finance For Non- Finance Manager" at the World Trade Centre Mumbai.

The Workshop was conducted by Mr. Anuraag Gupta, Chief Investment Officer at Profound Consulting. A multimillion dollar investment and financial consultancy firm. Mr. Gupta has been a part of the Wealth Management industry for more than a decade. He is also an educationist and guest lecturer at various reputed management schools like Mumbai University, IIT Mumbai and S P Jain Institute of Management & Research.

The objective of the workshop was to impart financial understanding to managers so that they understand how the company generates its revenue, how it stays in business and how they contribute to its success. The workshop focused on providing a bird's eye view to the participants to understand business from the owner's perspective

The Indo-Chinese Trade Imbalance

Ms. Rupa Naik, Executive Director AIAI, Dr. Liu Youfa, Consul General of the People's Republic of China in Mumbai, Mr. Vijay Kalantri, President, AIAI and Vice Chairman, MVIRDC WTC Mumbai and Mr. Hongyu Zhou, Vice Director, Standing Committee of Hubei Provincial People's Congress at an interactive meeting organized by AIAI & WTC with the Standing Committee of People's Congress of Hubei Province, China.

"The Indo-Chinese bilateral trade is biased in favour of China. In order to address the trade imbalance it is vital that the two economies identify more trade able goods to further prospective exchange of goods and services. India demonstrates a competitive marketing edge while China is a manufacturing led economy. The two nations must form joint ventures to explore areas of individual expertise to capture global markets. Thirdly, the economies must encourage two-way investment in the sectors of education, information technology, pharmaceuticals, R & D, etc", said Dr. Liu Youfa, Consul General of the People's Republic of China in Mumbai during an interactive meeting with the Standing Committee of People's Congress of Hubei Province, China organised by All India Association of Industries and MVIRDC World Trade Centre Mumbai. However, addressing the obstacles in the way of mutually beneficial trade shall be time consuming, he cautioned.

Elaborating on the Indo-Chinese trade relations Dr. Liu Youfa said that the current bilateral trade between India and China stands at US$ 65 billion. We intend to cross bilateral trade worth US$ 100 billion in the years to come. However, the current dismal economic prospects across the globe have restricted the growth of mutually beneficial trade, he added.

Mr. Vijay Kalantri, President, All India Association of Industries and Vice Chairman MVIRDC World Trade Centre Mumbai said trade and economic collaboration between India and China has shown rapid progress in the last few years. Indian exports to China include cotton raw & yarn, non-ferrous metals, iron ore, other ores, minerals, plastic, linoleum products, spices, Dyes/ intermediates, machinery & instruments and petroleum (crude & products). Major imports from China include electronic goods, machinery, organic chemicals, project goods, fertilizers, iron and steel, transport equipments, electric machinery (except electronics) and manufactures of metals. Going forward, the two economies must extend cooperation in the sectors of finance, education, tourism, R & D, pharmaceuticals, etc, he added.

Present on the occasion was Mr. Hongyu Zhou, Vice Director, Standing Committee of Hubei Provincial People's Congress. The rapidly growing Chinese and Indian economies are the growth engines of the world. China is India's largest trading partner while India enjoys a position of prominence in China's international trade. We call upon Indian entrepreneurs to invest in the Hubei province of China. The strategic location of the province is a gateway to the consumption markets of the European Union. Also, the province boasts of state of art infrastructure and logistics facility. We are home to skilled and educated work force. Prominent innovative centres and educational institutes are based in Hubei province, he said.

All India Association of Industries and World Trade Centre Mumbai have set an example in bringing together the government, industry and educational institutes to bring about sustainable growth and economic development of the nation. The Standing Committee of People's Congress of Hubei Province intends to foster economic development of our region on similar lines by taking lessons from AIAI and WTC Mumbai, he added.

Australia seeks to promote economic and trade linkages with India

Mr. Sharad Upasani, Vice Chairman, MVIRDC WTC Mumbai, Mr. Vijay Kalantri, President, AIAI and Vice Chairman WTC Mumbai, Hon'ble Barry O' Farrell, Premier of New South Wales, Mr. Chris Eccles, Director General, NSW Department of Premier and Cabinet, at a Luncheon meeting organised in honour of the Premier of New South Wales, Australia by AIAI & WTC.

"Australia looks forward to deepening its historic ties with India. We have signed six agreements of cooperation in the areas of agriculture, water management, waste management, health, culture and promotion of young ladies exchange program with the Government of Maharashtra to further economic cooperation between the two nations", said Hon'ble Barry O' Farrell, Premier of New South Wales during an interactive meeting organised by MVIRDC World Trade Centre Mumbai and All India Association of Industries with the Premier and his accompanying business delegation. While India is home to a competitive service industry, Australia possesses manufacturing edge thereby opening prospects for mutually beneficial linkages, he added.

Welcoming Indian business community to Australia Hon'ble Barry O' Farrell said we seek to gradually open up our economy to greater private sector participation. Promoting the private sector aids in creation of wealth, jobs and improves standards of living. Also, the multilingual and multicultural Australian economy is home of an educated and skilled workforce with low dependency ratio, he added.

Enumerating on the prospects in Australia's competitive infrastructural sector, the Premier said that Australia plans to invest US$ 60 billion in infrastructure in the next four fiscal years. However, the Government of Australia seeks private sector participation in raising these funds. We persuade Indian companies to invest in our Public-Private-Partnership model, he said.

Mr. Vijay Kalantri, President, All India Association of Industries and Vice-Chairman, MVIRDC World Trade Centre Mumbai said the bilateral trade between India and Australia stands at US$ 15.4 billion with India's exports to Australia worth US$ 2.3 billion and India's imports from Australia worth US$ 13.1 billion. India imports gold, chickpeas, coal and copper ores, lead and wool from Australia. India's major exports to Australia include pearls and gems, jewellery, medicaments and passenger motor vehicles. India's main service exports to Australia are computer & information services and tourism. Main Australian service exports to India are education, education-related travel and tourism. However, the Indo-Australian bilateral trade is largely imbalanced in favour of Australia which needs to be corrected.

New South Wales Economic Review

Located in the south east of Australia, New South Wales (NSW) offers investors a rich range of natural and human resources to help businesses grow and prosper. Since the 1970s, New South Wales has undergone an increasingly rapid economic and social transformation. Agriculture is an important sector, industries such as information technology and financial services are largely centred in Sydney. In addition to Sydney, New South Wales is divided into 13 business regions

Coal and related products are the state's biggest export. Its value to the state's economy is over a $5 billion, accounting for about 19% of all exports from NSW.

Tourism has also become important, with Sydney as its centre, also stimulating growth on the North Coast, around Coffs Harbour and Byron Bay. The tourism sector is worth over $40 billion to the New South Wales economy and employs 4.8% of the workforce

Barcelona to share its expertise in infrastructural development with India

Ms. Rupa Naik, Executive Director, AIAI, Capt. Somesh Batra, Vice Chairman, MVIRDC WTC Mumbai, Mr. Antoni Vives, Deputy Mayor for Urban Habitat, Barcelona, Mr. Domingo Manso Garcia, Consul General, Consulate General of Spain, Mr. Y. R. Warerkar, Executive Director, MVIRDC WTC Mumbai during an interactive meeting organized by AIAI & WTC with a business delegation from Barcelona.

"Infrastructure forms the building block of a developing economy. The city of Barcelona holds a competitive edge in the sectors of water management, waste management and port development. We have undertaken the task of developing the infrastructural status of Hong Kong, Florida, Miami among others. We intend to share our expertise in infrastructural development with the rapidly growing Indian economy as well", said Mr. Antoni Vives, Deputy Mayor for Urban Habitat, Barcelona during an interactive meeting organised by All India Association (AIAI) of Industries and MVIRDC World Trade Centre Mumbai with a business delegation from Barcelona.

Inviting Indian business players Mr. Vives said the city of Barcelona is a capital of the maritime corridor. The port city integrated into the economy offers opportunities to prospective business men in the sectors of logistics, housing, hotels, tourism, etc. Spain is a gateway to the huge consumption markets of the European Union besides exhibiting good quality of life. It is home of skilled and cost-competent labour force. Also, the Government encourages foreign investments into the economy with easy availability of loans, subsidies on its tax structure and various other incentives, he said.

With the aim of becoming a world reference for Smart Cities, Barcelona worked to merge urban planning, ecology, and information technology to ensure the benefits of technology reach every neighborhood and improve the lives of its citizens. Barcelona's transformational approach follows a long-term vision based on building productive, human-scale neighborhoods within a hyper-connected, high-speed and zero-emission metropolis, Mr. Vives added.

Present on the occasion was Mr. Domingo Manso Garcia, Consul General, Consulate General of Spain. Elaborating on the history of the city of Barcelona he said that the town created in the 19th century rapidly developed its maritime coastline in the 20th century. The primitive city for tourism is a treasure house of courtesy with unparallel location and beauty. Also, the city is home to an emerging fashion industry, media industry besides being a leading sea food supplier, he added.

Mr. Somesh Batra, Vice-Chairman, WTC Mumbai remarked that India and Spain have enjoyed diplomatic relations since 1956. Spain, the fourth largest economy in Europe is widely known for its tourism, real estate, fashion houses, architecture, wines, etc. The bilateral trade between India and Spain stands at US $4.7bn with India's exports worth US $2.9bn while Spanish exports worth $1.8bn. Indian exports to Spain include organic chemicals, textiles, garments, Iron and steel products, automotive components, marine products, leather goods. Indian imports consist of machine and mechanical appliances, vehicles and automobiles, plastic manufactures, electrical appliances, olive oil, rubber and rubber products, etc. We intend to foster greater ties with bilateral trade worth US$ 6 bn by 2015. The two nations must enhance interaction through exchange of business delegations and interactive meetings in this pursuit, he added.

Barcelona-14th most "livable city"

Barcelona is one of the best places in the world for trade and investment. Economically, Barcelona remains far ahead of other Spanish cities and some of the major economic hubs around the world. This is demonstrated in its GDP statistics where the city ranks 4th in the EU and 35thglobally.

According to lifestyle magazine Monocle, Barcelona is the 14th most "livable city" in the world similarly, Innovation Analysts 2thinknow validates that Barcelona occupies 13th place in the world on Innovation Cities

The city has a long-standing mercantile tradition. Less well known is that the region was one of the earliest to begin industrialization in continental Europe, beginning with textile-related works from the mid-1780s but really gathering momentum in the mid-19th century, when it became a major centre for the production of textiles and machinery.

3rd Global Economic Summit
"Clusters in One World: Perspectives from Many Nations"

"To understand the relevance of clusters in the new economic era, policy makers and experts from across regions shared their views and presented strategies for capacity building, regional growth, employment generation and technological upgradation."

The 3rd Global Economic Summit paved the way for a road map for the future development and prospects of clusters in this economically challenging era. The Summit was a path-breaking step, since clusters although recognized internationally as an important component for economic development of the region, had never been discussed on an international platform to review, and forecast the future trends in cluster development.

With over 500 participants from 30 countries including India, the two-day Summit featured sessions and workshops focused on elements of the strategic planning of clusters including: Re-engineering of clusters through innovation and finance, internationalization of SMEs through cluster initiatives, capacity-building and skill development as well as entrepreneurship and sustainable development.

The Global Economic Summit (GES) is an initiative taken by All India Association of Industries (AIAI) and World Trade Centre Mumbai (WTC) to promote Micro Small and Medium Enterprises (MSME) in India. This Annual flagship event aims to provide the SME'S a platform for exploring overseas opportunities for marketing, innovation, technology exchange as also improving products and skills. The GES is structured to bring together Indian and Overseas Manufacturers so that they can co-operate, collaborate and further their business interests as also give them an opportunity to share knowledge, best practices, emerging concepts and hold Business-to-Business meetings in a variety of formal and informal settings.

The summit addresses some of the most critical challenges that MSMEs face in todays environment of global competitiveness. It brings together Government representatives, policy makers, industry experts and industries facilitating a diversity of views and intensive dialogues on the trends that industries are adopting globally and how Governments can provide an enabling environment to do business.

This report reflects the diversity of deliberations that took place at the summit. This report's purpose is manifold. First and foremost, its aim is to document the events and debates and to provide a synopsis of the views and experiences of Govt. officials, cluster gurus, clusters and entrepreneurs. This report shall unveil, the importance of clusters in context of today's globalised economy.

The inaugural ceremony of the Global Economic Summit took place on September 23, 2014 at the Centrum, World Trade Centre, Mumbai in the presence of Mr.Narayan Rane, Hon. Minister for Industry, Port, Employment and Self-employment, Govt. Of Maharashtra and an august gathering of country representatives, Government officials, experts, technocrats and cluster Stake holders from India and overseas. Ms. Cathy Berx, Governor of Antwerp, was the esteemed guest of honour at the inaugural session.

Self Sufficiency, Entrepreneurship and Sustainable Mr. Kamal Morarka, Chairman, MVIRDC World Trade Centre Mumbai in his welcome address said that the summit is being organised in the backdrop of upheavals in the global economy and it is in these testing times that the SMEs have proved to be most competent and resilient world over.

Mr. Vijay Kalantri, President, All India Association of Industries & Vice Chairman, MVIRDC World Trade Centre Mumbai emphasized that clusters hold the potential to transform a developing economy to an advanced nation. It is essential to provide adequate thrust to this sector with friendly policies, efficient infrastructure, strong branding and facilitating market access. He also announced that more than 500 participants from across 30 countries have gathered here to participate in this important event.

Mr. Narayan Rane, Minister for Industry, Port, Employment and Self-employment, Government of Maharashtra in his key note address remarked that Maharashtra is the leading industrial state of India and has a large industrial base with diversified activities in the sectors of IT, biotechnology, automotives, food processing, general engineering, power and ports. The state pursues a highly pragmatic industrial policy and the MSME sector plays a major role in industrialization.

Mr. Apurva Chandra, Principal Secretary (Industries), Government of Maharashtra enumerated on the cluster development initiatives in the State of Maharashtra.

Theme Sessions

Participants had a rare opportunity to explore strategies for cluster development from a variety of points of view. An intensive schedule of plenaries and workshops was devoted to relevant themes on competitiveness and strategies for sustainable cluster development and economic growth.

Day 1

Ms. Cathy Berx, Governor of Antwerp, the International Guest of Honour was optimistic about the future of clusters. She specified that "Smart Specialisation" is the key to successful clusters. Clustering brings about SME development by achieving collective efficiencies and conquering markets beyond individual reach

H. E. Mr. Ernest Rwamucyo, High Commissioner of Rwanda to India presented an overview of prospects for industrial clusters in Africa with particular emphasis on the Eastern region of the continent.

Mr. Ifor Ffowcs-Williams, CEO, Cluster Navigators, New Zealand commented on the Cluster Profile of India, France, Netherlands, Germany, Sweden and Canada.

Dr. A K Krishnakumar, Executive Director, IL&FS Clusters opined that the MSME sector contributes substantially to the economy of a country

Signing of MOU

Memorandum of Understanding for the promotion of trade and industry between India and Pakistan was signed between the Federation of Pakistan Chamber of Commerce and Industries and The AIAI and Federation of Pakistan Chamber of Commerce and Industries and the WTC.

Re-engineering cluster for competitiveness through innovation

This session addressed the evolution of clusters through innovation and technological advancement. The focal point of this session was to evolve strategies for cluster development through innovation and finance.

An Overview of Indian Clusters Vis-a-Vis International Clusters

Indian states and International experts shared their experiences and views on strategies of successful clusters. Possibilities of co-operation were explored.

Ms. Radhika Rastogi IAS, Development Commissioner, Department of Industries, Government of Maharashtra stressed that clusters must collaborate rather than compete.

Mr. M. Maheshwar Rao, IAS, Commissioner for Industrial Development and Director of Industries and Commerce, Government of Karnataka opined that the Government faces innumerable constraints due to lack of coordination amongst its cluster stakeholders.

Emerging Trends in Clusters and the Future Road map

This power-packed session examined emerging trends and business models of clusters with special relevance to developing countries and prospects for cross-continent partnerships.

Day 2

Internationalization of SMEs through Cluster Initiatives

The success of clusters depends on market access and global outreach, it is important that clusters are sufficiently and appropriately equipped with technology, knowledge on markets, trade finance and an efficient supply chain management. However, with the progression of clusters, internationalisation gains paramount importance. The development of clusters depends on global outreach.

Doing Business with United Nations

The Procurement Division of the United Nations Secretariat (UNPD) is responsible for providing quality services and expert business advice to UN Headquarters in New York, to peacekeeping missions throughout the world, and to other UN organizations. Mr. Yavar Khan, Chief, Corporate Procurement Section, United Nations Procurement Division (UNPD) elaborated on the organisation's activities and key goals.

Capacity Building and Skill Development

This session assumes importance as it explored avenues for skill upgradation and manpower training in accordance with international parameters. It analysed the concept of encouraging employment opportunities by clusters, effective capacity building and skill development programmes.

Self Sufficiency, Entrepreneurship and Sustainable Development

Panellists from diverse economies such as Russia, Turkey, Serbia, Sweden, China, India, Oman, Bhutan and Bangladesh deliberated on and shared experiences, regional best practices and insights of stakeholders on sustainable models of clusters.

Release of Handbook

Clusters in One World, Perspectives from Many Nations" a handbook sharing overseas & Indian best practices in cluster management and the growth stories of successful clusters was released at the summit. The handbook includes articles and case studies from experts of over twenty countries and Indian authorities on clusters.

The Export-Import Bank of India publication "Indian Ceramic Industry: Scenario, Challenges & Strategies" was also released during the summit.

Innovation Cluster Workshop by the Scandinavian Competitiveness Group

The workshop was conducted by Dr. Lars Eklund, President, Scandinavian Competitiveness Group, Sweden. The workshop aimed at providing a micro level framework for two major issues namely shared innovation strategy and assessing the feasibility of setting up consolidated innovations. The Dialogue Workshop was conducted in a series of parallel small group discussions of 8 to 10 participants challenged with pre determined topics. The participants included Mrs. Radhika Rastogi, Development Commissioner, Department of Industries, Government of Maharashtra, district and state level regulators, cluster managers, cluster stakeholders and entrepreneurs. Nearly 100 cluster stakeholders from Maharashtra participated at this workshop.

Expo of Cluster Products and Support Service

The expo was engaged to showcase products manufactured by clusters in India and to provide an opportunity for the enterprises to have first hand information on cluster development overseas. Clusters from Leading States of India, Government Agencies, Financial institutions showcased their products, services and facilities at the expo. Nearly 30 clusters from over 15 states exhibited products and services such as handicrafts, jewellery, apparels, textiles, carpets, electronic goods etc.

Expo of Cluster Products and Support Service

Business to Business meetings were organized for the participating delegates, to facilitate cluster to cluster business collaboration from across regions and to provide the perfect ground for speed dating.

As many as 100 prescheduled meetings were arranged for the overseas delegates representing countries such as Bhutan, Denmark, France, Mexico, Netherlands, Oman, Philippines, Sweden, etc. In addition many non-scheduled business meetings with Indian entrepreneurs and SMEs were organised on request with representatives from UNPD, World Bank, Cluster Navigators, New Zealand, Scandinavian Competitiveness Group, PUM Netherlands Senior Experts, UNIDO, and International Chambers.

B2B Meetings at GES 2013

Cluster Visits

A visit to General Engineering Cluster & Auto Cluster in Pune was organised as part of the GES 2013 programme. Around 40 Indian and overseas delegates participated in the visit.

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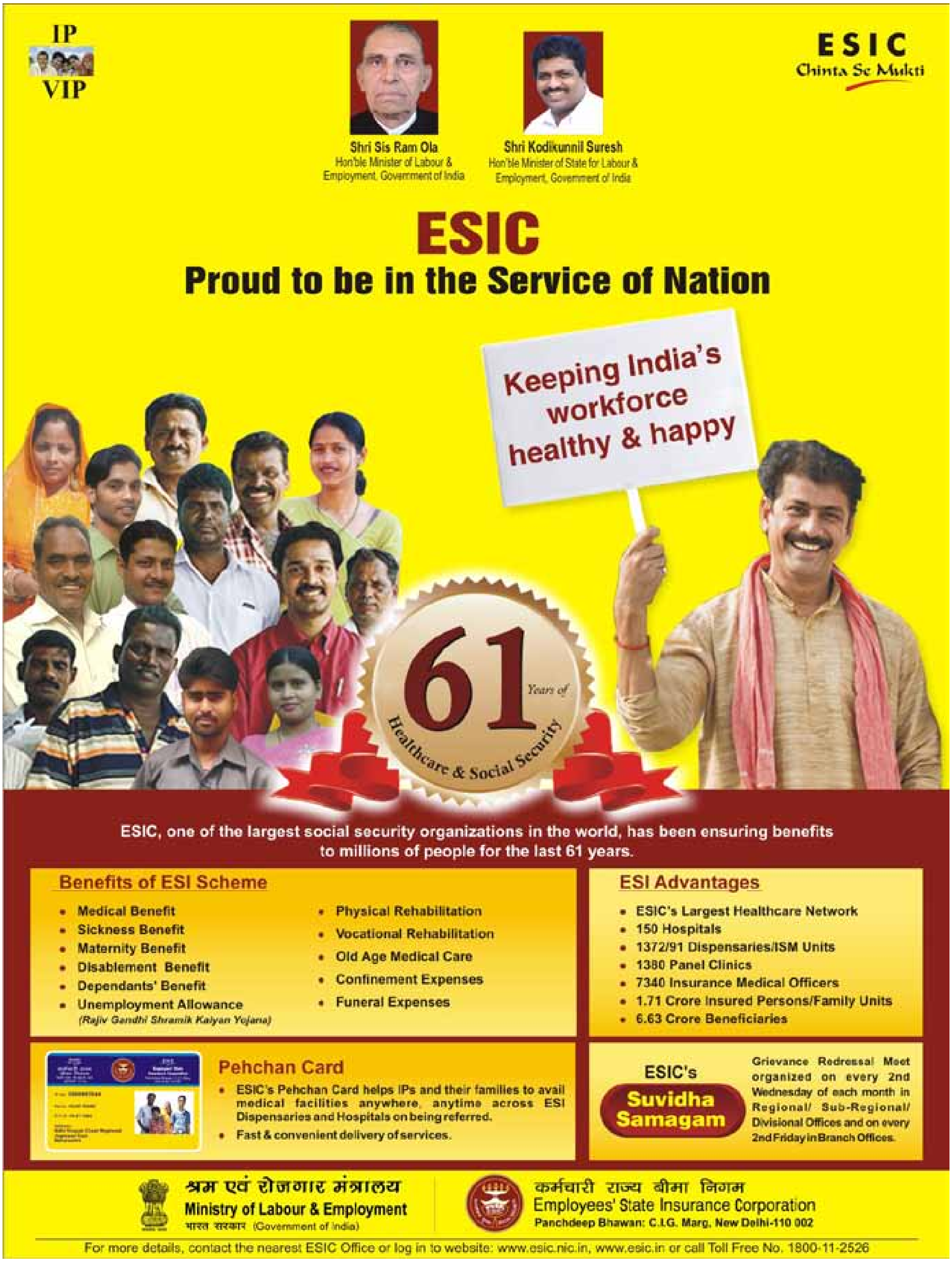
Cluster Awards

Efficient cluster management is a key requisite for its success. To applaud the efforts of the clusters, the summit presented a "Certificate of Appreciation" to its participants under three categories namely "First Generation Cluster Award", "Social Impact Award" and "Cluster Transformation Award." Commending their efforts in cluster development fifteen clusters were presented with awards under these categories.

Highlights of the Summit

- Inaugurated by Mr. Narayan Rane, Minister for Industry, Port, Employment and Self-employment, Government of Maharashtra
- Participation from over 30 Countries
- Over 45 eminent experts from 30 countries including India
- Over 150 overseas delegates and 350 Indian delegates were in attendance
- Nearly 100 pre-scheduled business to business meetings organised
- "Certificate of Appreciation" to 15 clusters categorised under: First Generation, Social Impact and Cluster Transformation
- The handbook on strategies for successful cluster development received contribution from 36 international renowned experts including India
- Nearly 120 clusters exhibited their products and services at the summit
- Organized cluster visits to 2 prominent clusters: General Engineering Cluster & Auto Cluster in Pune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AIAI Delegation to Sakarya, Turkey

A 34 member delegation was led by Ms. Renu Verma, Director, All India Association of Industries (AIAI) to attend the Sakarya Companies Event for Machinery and Metal sector.

The Sakarya Companies event was a Bilateral (B2B) match-making event in Sakarya from September 29 – October 02, 2013 organized by Sakarya Chamber of Commerce and Industry in Sakarya, Turkey.

Sakarya Chamber of Commerce & Industry was founded in 1924 by the decision of Kocaili Province General Assembly and has been working with all support on national and international platform to provide the best and the highest quality, to protect the Sakarya' and Sakarya Residents' right .

The delegation was received on September 29, 2013 by Mr. Gunay GUNES and Mr. Orhan YIGENCI, Vice Chairman of the Board and Mr. Mahmut KOSEMUSUL President of Executive Committee.

Mr. Gunay GUNES, Vice Chairman of the Board remarked that being at the cross-roads of Europe and Asia, Turkey for long, has acted as a bridge between the continents. With its rising economic stock in the region and as a gateway to CIS countries,

Mr. Gunes further highlighted the need for increasing cooperation between India and Turkey and the need to enhance bilateral exchange of business delegations. Regular trade fairs in both countries need to be encouraged. The channels of information between the two countries must be strengthened in order to boost trade and economic cooperation.

Mr. Orhan YIGENCI, Vice Chairman of the Board said that Turkey has positioned itself as an ideal partner to reach out to CIS countries and beyond. Turkish companies are actively engaged with CIS countries and are executing many projects across sectors and are seeking opportunities for exploring business partners in India. One should co-operate and establish commercial partnerships with Turkey as it means opening up directly to markets in Europe and Central Asia.

The delegates visited the Sakarya Chamber of Commerce, Mr. Mahmut KOSEMUSUL President of Executive Committee welcomed the delegates. A formal reception was organized for the delegates at the Chamber. The delegates then proceeded to visit the factories of the Turkish companies participating in the Sakarya event for Machinery and Metals Sector.

1. Kromel Makine San.Tic.Ltd.Şti

The delegates visited KROMEL. The factory is located in Adapazarı, Sakarya. KROMEL leads in Turkey for Dairy and Food products and has facilities for R & D, innovation, product development, planning and quality services.

KROMEL is into production of Pasteurized Milk, Kaskhaval, White, Gouda, Mozarella, Helloumi, Processed Cheese, Tounge & Braid Cheese, Yoğhurt, Ayran, Smetana, Kefir, Fruity Yoghurt, Butter, Cream. KROMEL's production line also includes Wine, Beer, Fruit Juice, Sugar Confectionary, chocolate, Jelly, Honey, Jam, Halva, Grape Molasses etc. KROMEL is well known for its Milk Collecting Tanks manufactured with Measurement Systems of Turkish & German technology.

The vision of the company is to be a global trademark in production and services in its sector through innovation, quality and time management.

For further enquiries : www.kromel.com.tr

2. Alnal Elektromekanik San. Tic.A. Ş.

The delegation met with Mr. Ayhan Pehlivan, Chairman of the Board. Addressing the delegates Mr. Pehlivan informed that since its inception in 1980, Alnal has been serving the production sector with its activities in the area of machine production. The organisation is also well-known in the metal sector for its sheet metal processing department set up in 1995.

Mr. Pehlivan further informed that in recent years ALNAL has also branched out in several other sectors most importantly it is very active in the production of auxiliary equipments for the railway sector, which has been evolving rapidly both in our countries and across the world.

Alnal also manufactures vacuum toilet systems, heating units, high voltage and battery boxes, chassis for air conditioning units, boxes for distribution of electrical energy, all of which are important for organizations specialized in the production of railway equipment.

With its expertise, quality management and dynamic workforce ALNAL is one of the leading organization in Turkey in the railway infrastructure sector.

Mr. Pehlivan also seeks assistance from the AIAI to assist them in coordinating with companies from India who would be interested in collaborating with ALNAL

For further enquiries: www.alnal.net

3. Yilgenci

Established in 1957, YILGENCI San. Ve Tic. A.S initially manufactured agricultural machinery. The organization today holds a leading position in the sector.

Yilgenci is known for its expertise in production of machineries and equipments for the manufacturing sectors. The organization is certified with international MEYER which is accredited by Turkish Accreditation Organization (TURKAK).

The delegates met with Mr. Orhan YILGENCI. Mr.

YILGENCI expressed to seeks assistance from the AIAI to assist them in coordinating with companies from India who would be interested in collaborating with Yilgenci.

For further enquiries : www.yilgenci.com

4. Isilsan f

Established as a heat treatment atelier in 1984, Isilsan is well-known for manufacturing auto ancillaries. Its product range includes components such as stabilizer bracket, torsion bars doors, sheer parts, pipes etc. for minibus, midibus and bus bodies.

Understanding the global manufacturing procedures and cost effective measures, Isilsan products are preferred by prominent Turkish and international auto manufacturers.

5. Karmetal Sanayi Ticaret Ltd.Şti.

he delegation met with Mr. Metin KAR. President, Karmetal Sanayi Ticaret Ltd.Şti. Mr Kar informed the delegates that Karmetal has been producing specific machines for individual inquiries and spare parts for the automotive sector since 1975.

Karmetal produces manuel, semi automatic and automatic bandsaw machines and automotive spare parts. Karmetal is one of the leading manufacturers in

the aterial cutting sector in Turkey. Their products are also exported on a large scale to UK, USA, Belgium, Holland and Russia,

Mr. Kar informed that Karmetal wishes to penetrate international markets and they would like to create a presence in India. He also mentioned that representative from Karmetal would be visiting Mumbai in February 2014 with a view to meet with companies who can outsource parts from Karmetal.

6. Mnavoglu Makina

The delegation met with Mr. Mehmet Manav ,General Manager, Mnavoglu Makina.

Mr Manav informed the delegates that the company has been established at 1986 as Manavoğlu Makine Sanayi. Since 1992 the company has been producing machining and welded parts with steel construction in various size and categories suited to all technical specifications for TCDD(Ankara), TÜVASAŞ(Adapazarı) and TÜLOMSAŞ(Eskişehir).

He futher informed that at present the range of products include rotovator mill land and stem tearing machines and specialized agricultural machineries using latest technology and less cost effective.


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Asia's Emergence as The Technological Superpower
The World Trade Organizations' (WTO) Public Forum 2013, Geneva

Mr. Alexander Stubb, Minister for European Affairs and Foreign Trade of Finland and Mr. Vijay Kalantri, President, All India Association of Industries and Vice Chairman, World Trade Centre Mumbai at WTO Public Forum 2013, Geneva

Innovation, Technology and Trade were the core issues which the World Trade Organization debated this year at its prestigious annual event held at the WTO Headquarters in Geneva from October 1-3, 2013. World Trade Centre Mumbai and All India Association of Industries organized a session at the WTO Public Forum on October 2 titled "Promoting Technological Capacity – Building and Enhancing Trade Competitiveness in Asian Economies."

Mr. Jayant Dasgupta, Ambassador and Permanent Representative of India to the WTO set the tone by sharing his perspectives on the Asian model of technological capacity -building through innovation which has brought about significant transformation in Asian economies in recent years. According to Mr. Dasgupta, Japan and the four Asian tigers namely, Hong Kong, South Korea, Singapore and Taipei were the forerunners in innovation as a plank for economic development even though there were marked variations in their approaches and practices. This model was replicated by the Newly Industrializing Economies of South East Asia namely, Malaysia, Thailand, Indonesia and others. Singapore at the forefront of innovation expanded the base of human capital by allowing universities and institutions to attract scientific talent from all over the world thus signaling a clear cut effort and strategic approach of Government's partnership to absorb technology. Hong Kong started as a training hub while others started with import substitution – a pattern referred to as the "Flying Geese Model" which relied on import substitution and thereafter moving out to outward markets. South Korea's approach was based on developing indigenous technology. Korea did not attract much FDI while Singapore seemed more inclined towards FDI.

Sharing his perspectives on the Indian experience, Mr. Dasgupta said India is systematically building human resource through teaching and research institutions. There is increasing evidence of Indigenous innovation and R&D activity in auto components and pharmaceuticals which have significantly transformed these two industries. Further, India's import of new technology and machinery accounted for 21.6 % of all imports between 2006 -08.

Mr. Dasgupta highlighted on the three –tiered structure pursued by economies. The first tier is represented by the Innovators who are at the forefront of knowledge. They are the leaders in the knowledge based economy. One step behind the Innovators are the Adopters. They are able to absorb and use technology from the innovators. At the bottom tier are the less advanced countries who are excluded from the growth process. Significantly, large developing countries like China, Brazil, Mexico and South Africa are spending more on R&D than before.

Undoubtedly, creating an enabling environment for innovation is of paramount importance. Enhanced R&D expenditure by State and incentives to private players can provide a huge impetus. Simultaneously, physical infrastructure and communications facilities must improve. Equally important is aligning Industrial Policy with Trade and Investment Policy to create a conducive framework for FDI flows and IPR protection.

Deliberating on the role of technology capacity-building as a means to unlock export competitiveness of the SMEs, Ms. Arancha Gonzalez, Executive Director, International Trade Centre Geneva explained that technology acts as a means to join the value chains, local or global. Technology adds value to products and improves productivity. It also helps improve capacity building and encourages SMEs to cross geographical barriers. ITC has taken major strides to create virtual market places to enable global SMEs to connect effectively. Ms Arancha referred to mobile solutions which is helping farmers in remote places to connect with buyers in local and regional markets. ITC is also assisting in devising payment systems supported by technology solutions. Speaking on ITC's initiatives in a least developed country Bangladesh, Ms Arancha mentioned that ITC's intervention with Dhaka Chamber of Commerce enormously improved internet connectivity of Dhaka Chamber. The Chamber now actively and effectively uses the online directory to connect sellers and buyers. In Liberia, farmers are using WhatsApp Messenger devise extensively to connect with buyers.

Referring to the heightened importance of capacity building and education, Ms Arancha stressed that it is important to create ability to use technology. Innovation or innovative idea needs to be translated into long term solutions to derive meaningful results. Transformational solutions largely depend on public policy, private sector actions, financing instruments, domestic initiatives, infrastructure and a host of other actions. ITC's objective is to ensure that transformational solutions continue even after ITC concludes its project in a target market.

Mr. Norhalim Yunus , Chief Executive Officer, Malaysian Technology Development Corporation stressed on the importance of building an ecosystem for innovation. In each stage of development of the ecosystem, there are different roles for the players and policy makers form a major pillar of the entire ecosystem. Malaysian mantra is to innovate to suit theirown requirements. Malaysia started by building an entrepreneurial ecosystem characterized by entrepreneurial endeavour. Besides entrepreneurs, the ecosystem combines policy, funding, conducive environment where entrepreneurship is celebrated. All elements of the ecosystem are ranked and then linked to form a cohesive chain. The fundamental approach under the Malaysian model is to create abilities for companies to absorb technology and to find innovative ways to solve its own problems. Malaysia works towards assisting SMEs to receive technology and build their capacities to use technology. As the next step, Malaysian entrepreneurs are encouraged to innovate the technology. Being able to absorb technology, Malaysia can invent their own technology, Mr. Yunus observed.

Global economy is characterized by global value chains and the contribution of global chains to economic growth is significant. There is a positive correlation between GVCs and per capita income. UNCTAD Associate Economic Affairs Officer Mr. Jason W. Munyan highlighted the importance of global value chains and the role of TNCs in coordinating GVCs. According to Mr. Munyan , FDI is closely related to countries participating in GVCs. There is a significant increment in the FDI stock of developing countries between 1990 and 2010 on account of increased participation in global value chains. A number of factors and conditions facilitate climbing the GVC development ladder. Effective national innovation system, R&D policies and intellectual property rules are prerequisites to building a sound innovation base. This should be supported by a pool of highly trained workers. Alongside there should be presence of TNCs capable of GVC coordination and domestic and international supplier base.

Mr. Jason Munyan, Associate Economic Affairs Officer, Division on Technology and Logistics, United Nations Conference on Trade and Development, Mr. Jayant Dasgupta , Ambassador & Permanent Representative of India to the World Trade Organization, Permanent Mission of India to the WTO, Mr. Vijay Kalantri, President, All India Association of Industries and Vice Chairman, World Trade Centre Mumbai, Ms Arancha Gonzalez, Executive Director, International Trade Centre and Dato' Norhalim Yunus, Chief Executive Officer, Malaysian Technology Development Corporation at the WTO Public Forum, Geneva

Further, the urban environment acts as the primary locus for innovation, industrial and technological progress, entrepreneurship and creativity. Examples of innovative cities are Cambridge in Britain, Helsinki, Finland, Bangalore, India, and HsinChu- Taipei, Taiwan Province of China. The elements of innovation systems, the support structures and their linkages create the right environment for innovation, patents growth and entrepreneurship, Mr. Muniyan said.

Citing examples of good practices from UNCTAD's inventory in facilitating technology exchange and innovation, Mr. Muniyan mentioned that in India, the Honey Bee Network has documented more than 10,000 ideas, innovations and traditional knowledge practices. Since 2008, the Chinese Government has implemented schemes to encourage enterprises to sell electronic products to rural subscribers at subsidized prices. Singapore's Technology Enterprise Commercialization Scheme has provided over 70 recipients with early–stage funding for R&D efforts towards commercialization of proprietary technology ideas. In Republic of Korea, the Industry- University Research Consortium Programme formed 220 consortia to support 2700 SMEs in developing new technologies. The Technology Transfer Promotion Act 2000 and Transferred Technology Development Project (2003) strengthened technology transfer from the public to the private sector.

The Session was ably moderated by Mr. Vijay Kalantri, Vice Chairman, World Trade Centre Mumbai and

President, All India Association of Industries. Mr. Kalantri said that in today's globalised world, businesses can grow and prosper only if they innovate. Technology is all about innovation and innovation brings windfall to businesses. Technology is a result of new ideas and helps sustain the business. Therefore, entrepreneurs need to develop sustainable technologies for businesses to thrive.

Asia's biggest strength is the technology advances whether it is high machines, equipments, computers and software, cars, home appliances etc. Asia has been a frontrunner in setting technology trends in the world and it is the biggest exporter to the western world. India has taken many initiatives to provide boost to technology by creating Software Technology Parks, and Special Economic Zones to facilitate the production of high technology products.

Going ahead the challenge that lies before India is the proficient and skilled manpower especially for research and development, infrastructure development and linkages with global value chains.

Official Visits

The Geneva visit included several official meetings with Mr. Dilip Sinha, Ambassador and Permanent Representative of India to the Offices of the United Nations in Geneva and Mr. Jayant Dasgupta, Ambassador and Permanent Representative of India to the World Trade Organization, Geneva. An informal pre-briefing dinner was arranged on October 1, for the

Mr. Dilip Sinha , Ambassador, Permanent Representative of India to the Offices of the United Nations in Geneva with officials of World Trade Centre Mumbai Ms Shraddha Umarji, Deputy Director- Research, Ms Debjani Chowdhury, Advisor, Mr. Vijay Kalantri, President, All India Association of Industries and Vice Chairman, World Trade Centre Mumbai, and Ms. Rupa Naik, Executive Director - All India Association of Industries and Director – Projects, World Trade Centre Mumbai

Ms. Rupa Naik, Executive Director - All India Association of Industries and Director – Projects, World Trade Centre Mumbai, Mr. Vijay Kalantri, President, All India Association of Industries and Vice Chairman, World Trade Centre Mumbai, Mr. Jayant Dasgupta, Ambassador & Permanent Representative of India to the World Trade Organization, Permanent Mission of India to the WTO, Ms Debjani Chowdhury, Advisor, World Trade Centre Mumbai

speakers and select guests which was well attended. Mr. Vijay Kalantri interacted with a large number of eminent international experts at the WTO Public Forum.

Mr. Dilip Sinha, Ambassador, Permanent Representative of India to the Offices of the United Nations in Geneva congratulated the WTC Mumbai and AIAI team for organizing and facilitating this important session at the WTO. Mr. Sinha said that technology plays an extremely important role in the development of any economy. India needs to be innovative to achieve technological excellence to drive its growing economy and industry. . In order to make India an innovative and creative society, we need to encourage and nurture grassroots innovation besides upgrading R&D & technological base. India has taken several steps in this direction, Mr. Sinha said.

Mr. Jayant Dasgupta, Ambassador & Permanent Representative of India to the World Trade Organization, Permanent Mission of India to the WTO stressed the need for greater R&D efforts in the country and sustained R&D programmes for Indian industry. Mr. Dasgupta said many initiatives have been taken by the Government in recent years to strengthen R&D activities with significant results but much more needs to be done. To build an innovative society we need to have integrated efforts through industry academia collaborations and a stronger regime of intellectual property. Innovation also drives trade and vice versa. India's auto and auto components as well as pharmaceutical industry are shining examples of how innovation helps transform industry and boost trade, Mr. Dasgupta said.

Swap Window for Attracting FCNR (B) Dollar Funds

It has been decided to introduce a US Dollar Rupee swap window for fresh foreign currency non – resident (banks) {FCNR (B)} dollar funds, mobilized for a minimum tenor of three years and above. The salient features of the new swap facility are:

(a) The swap facility will be available to scheduled commercial banks (excluding RRBs) for fresh FCNR (B) deposits mobilized in any permitted currency for a minimum tenor of three years. The swap facility with the Reserve Bank will, however, be available in US Dollars only. The tenor of the swap will be for three years or more in line with the tenor of the underlying FCNR deposits.

(b) The swap window will be operated on a daily basis on all working days in Mumbai (except Saturdays and holidays). A particular bank can, however, avail of the swap facility only once in a week. During any particular week, the maximum amount of dollars that banks would be eligible to swap with the Reserve Bank would be equal to the fresh FCNR(B) deposits of a minimum tenor of three years mobilized in equivalent US Dollar terms during the preceding week(s).

(c) Under the swap arrangement, a bank can sell US Dollars in multiples of USD one million to the Reserve Bank and simultaneously agree to buy the same amount of US Dollars at the end of the swap period. The swap will be undertaken at a fixed rate of 3.5 per cent per annum. In the first leg of the transaction, the bank will sell US Dollars to the Reserve Bank at the RBI reference Rate or any other rate as may be mutually agreed upon. The Settlement of the first leg of the swap will take place on spot basis from the date of the transaction. In the reverse leg of the swap transaction, Rupee funds will have to be returned to the Reserve Bank along with the Swap premium to get the US Dollars back.

(d) Banks desirous of availing the swap facility will have to furnish a declaration duly signed by their authorized signatories that they have mobilized the fresh FCNR (B) deposits for minimum tenor of three years during the preceding week(s).

(e) The swap facility will be operationalised by Reserve Bank's Financial Markets Department at Mumbai. The Reserve Bank will exercise the right to decide on the day of operation and the number of banks that can avail of the facility on any particular day keeping in view the market conditions and other relevant factors.

(f) The underlying deposits will have a minimum lock-in period of one year. Premature withdrawal of such deposits would, however, be permitted after one year. Accordingly, swaps undertaken with the Reserve Bank cannot be cancelled before one year. In case of premature withdrawal of deposits would, however, be permitted after one ear. Accordingly, swaps undertaken with the Reserve Bank cannot be cancelled before one year. In case of premature withdrawal of deposits after one year, banks may approach the Reserve Bank for termination of the swap. Banks desirous of terminating a swap will have to furnish a declaration duly signed by their authorized signatories that they have allowed premature withdrawal of FCNR (B) deposits. In the event of pre-termination of a swap, the swap cost would be re-fixed for the completed period of the swap at 400 bps above the concessional contracted rate of 3.5 percent offered to banks plus the prevailing USD/INR swap rate in the market for the residual tenor of the original swap (towards the replacements cost). The Reserve Bank's decision regarding re-pricing of the swap at the time of termination shall be final and no request for any modification or revision to the same would be entertained.

(g) The new swap window came into effect on September 10, 2013 and will remain open up to November 30, 2013. The Reserve Bank reserves the right to close the scheme earlier with prior notice.

Source: Volume X Issue 3 Sept. 2013, Reserve Bank of India (Monthly Subscription)

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An overview of the summit…

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- Enhance trade and investment opportunities
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E-mail: marketing@wtcmumbai.org

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Australia should pursue 'boots on the ground' policy to push trade with India

"Australia is under new management and is open for business again," declared Prime Minister Tony Abbott whose new government took charge recently. Economy is obviously high on his agenda and a number of announcements aimed at pushing up exports and attracting fresh investments can be expected over the coming weeks.

While the slowing down of China, the biggest export market, has been a worry, its neighbor and the 5th biggest export market, India, will need some urgent attention as well. After a long period of consistent growth that made it Australia's fastest growing market, exports to India have been declining. In fact, they have dropped sharply by over a quarter during the last 2 years.

Over the past 3 years, the Australian government has invested significantly into India to expand and upgrade its ground presence and elevate the bilateral relationship to that of a strategic partner. While Chennai and Mumbai were upgraded to full fledged Consulates, Austrade's network was nearly doubled, from 6 to 11 offices, to make India it's largest in the world. Last October, the government launched Oz Fest – a 3 month long cultural festival covering 18 Indian cities. It was aimed at forging closer bilateral links across education, arts, sports, business, culture & research.

With contentious issues like the ban on Uranium sales and 'attacks' on Indian students behind, and the Free Trade Agreement to look forward to, more official 'boots on the ground' were expected to help accelerate the growth in trade and investments. Julia Gillard, during her visit to New Delhi last year, had announced that the bilateral trade could double within 3 years to reach $40 billion by 2015. But things have gone a bit awry since then as Australia's goods and services exports have nosedived from $19.4 billion in 2010 to $14 billion in 2012 falling even below the 2008 figures of $16.5bn

An opportunity to re-engage

The new Trade & Investment Minister, Andrew Robb, would be well aware that India too would be heading for elections within the next 6 to 8 months. Though the top item on his agenda would be kick-starting growth soon, he would be keen to discuss and formulate a comprehensive policy focused on a more stable and sustainable growth.

Commodities underpin Australia's trade engagement with India. While this is Australia's traditional strength, it would be risky to let just 3 items, coal, gold and copper constitute 80% of the total trade. A trade strategy will not be sustainable if it is predominantly based on opportunistic sales, subjected to the vagaries of global factors. For example, India's recent policy change restricting gold imports is bound to have a significant impact on Australia's 2nd biggest export item, worth $3 billion.

Australia should try to expand and diversify its export portfolio while continuing to grow the commodities business. A significant part of the commodity trade anyway happens without much government involvement. Also, Indian businesses are increasingly considering investing into Australian assets in order to try and secure their raw material supplies. A portion of these investments will translate into exports back into India.

Change in mindset necessary

Trade policies are no more about merely shipping goods out of our ports. In the globalized world, they are as much about securing & sustaining export markets through long-term strategies& overseas investments. The government can also play a key role in helping the exporters to enhance their capability, competitiveness and profitability. In many cases, it could mean supporting businesses to establish overseas presence in order to try and leverage on advantages like cheap labor, low manufacturing cost, overcome import barriers, efficient logistics, etc.

The manufacturing sector is a good example where Australia's competitiveness is fast declining due to high costs and it's sometimes a choice between closing down the business and shifting some of their operations to a low cost country like India. As we have seen in the case of Mitsubishi, doling out taxpayer's money is not the solution. It will not stop the eventuality; can delay it, at best.

Businesses exercising the option to shift overseas at least stand a chance to plough profits back into Australia that could create high value jobs in areas such as advanced manufacturing, product design and development, Australia's competitive strengths. This approach could help businesses extend not just their product life cycle, perhaps the life cycle of the organization itself. Trade and investments are much more closely related today. This will require a bit of change in political as well as industry mindset.

Of course, establishing business overseas is a different ball game altogether and would need an entirely different set of skills, knowledge and resources than those for shipping containers from Australia. The risks involved are bigger while operating in an unfamiliar business environment. But with 3 consulates, 11

Austrade offices and state offices by Western Australia, Queensland, Victoria and New South Wales, help is on hand.

It is also time for the government to recognize that it is critical for the Australian industry to import certain key products and services for sustaining the local industries and jobs. Import is not a dirty word anymore; at least not always.

Australian businesses need better support in India

Australia has a great success story to tell in terms of its export growth to India. But, ironically, the story of individual businesses and brands is not the same. Apart from a few exceptions, there are many cases of failures and pullouts that have instilled a greater fear of India, and scare away new businesses. A number of issues right from business culture, red tape, inconsistent policies, corruption and uncertainty are quoted as the major challenges of doing business in India.

Even the likes of Australia's iconic brands such as ANZ, Telstra, AMP and Woolworths, despite their vast experience and resources, found the going tough and eventually pulled the plug. ANZ has re-entered India recently, albeit on a much smaller scale.

The Australian businesses receive excellent support from the government agencies on ground in the initial stage with information, advice, strategy, introductions, identifying partners, business opportunities, etc. But, when they progress to the next stage to implement strategies, negotiate deals, establish business, run operations, deal with local partners & authorities, etc. they often find that the ground realities are quite harsh. This is the stage where most businesses fail.

Having a good local business partner can help deal with some of these challenges. But it doesn't always work as local partners will have their own culture, interests and priorities posing a different set of challenges. It is interesting to note that Woolworths pulled out of India last year despite having the Tatas as their local partners. The reasons aren't known.

This is an area of market failure and the government needs to consider extending its in-market services into the segment where actual business happens. Of course, governments have limited direct role in the commercial space; but can work innovatively with external experts and professionals to provide the critical support businesses so desperately need.

Australia's India strategy

A few weeks ago, the previous government launched its India strategy laying strong emphasis on connecting communities, governments and businesses to achieve its goals by 2025. It is a well-intentioned document that reinforces India's position as Australia's top 5 priority countries. However, its success will depend a great deal on doing a few things differently.

Firstly, it is critical that Australia is able to get India a bit more excited about the relationship. Though there has been a closer engagement by both sides in recent years, it seems the response from the Indian side doesn't quite match Australia's enthusiasm. It could get better as India's exports to and investments in Australia grow. While India is amongst Australia's top 5 export markets, and therefore an extremely important country, Australia doesn't even figure in the top 30 export markets for India. This is perhaps just one of the reasons why Australian affairs in New Delhi are managed by a bureaucrat no senior than an undersecretary and for whom Australia happens to be just one of the 25 countries that he deals with! Perhaps the mismatch in priorities is best explained by the fact that while the Australian Prime Minister has visited India several times in recent years, the last time an Indian Prime Minister set foot on Australia was 27 years ago!

It is, therefore, critical to not just do things in and with India, but from India.

Australia's success would also depend to a large extent on the ability of its politicians, officials and businesses to connect with India & Indians better and interpret them more accurately. It goes beyond speaking a common language. There's a real risk they could get distracted and be mislead by the constant churning and chaos on the surface, which often camouflage and conceal the realities and dynamics underneath. It is crucial to know these undercurrents to be able to engage more productively.

Any attempt to judge India based on a few incidents and developments or even by extrapolating a few of those would be risky. It is India's reluctance to conform to any linear model or template that makes it so unpredictable and exciting. A strong understanding of its people, culture and priorities is critical to manage the relationship. This is the common trend with most global organizations doing business in India successfully.

Australia's new management is open for business. But if it wants to maximize its trade with India, it needs to have a policy that encourages and supports its businesses to have 'boots on the ground'. The government has already led the way by positioning enough of its own; it is for the businesses to follow now.

Source: AKT Strategic Consulting LLP

A short note on on Efficient Alternate Sources of Revenue in lieu of Octroi/LBT

A short note on on Efficient Alternate Sources of Revenue in lieu of Octroi/LBT researched and authored by Shri Subodhkumar IAS, Retired Erstwhile Principal Secretary, Government of Maharashtra, Ex. Municipal Commissioner, Ex. Sales Tax Commissioner and Shri Dilip Dixit, Retired Add. Commissioner of Sales Tax under the initiative of MEDC and FAM.

The report is very exhaustive and product of extensive research and study of indirect taxation in the State of Maharashtra. On going through the report it is observed that the committee has taken care of all the sections concerned with LBT / Octroi i.e the government of Maharashtra, the municipal corporations, the business community and the consuming public both the urban and rural. The committee has ensured that the funds so received from stamp duty as also from VAT are directly remitted to the municipal corporations taking care of their day to day need. It has elaborated merits and demerits of LBT and logically concluded that while octroi certainly needed to be abolished LBT being another version of octroi carries forward the negative features of Octroi. Rules of LBT are not only clumsy but it is tax on the inputs of trade and industry and thus at cost of business. In the open and volatile markets of 21st Century, the tax like LBT is a sheer burden. It is the industry rather than the trade which is going to be hardest hit by the new levy. It is also doubtful that 26 Corporations will be able to gear up in the immediate or near future to administered account based levy.

While dwelling on alternate source of revenue, Committee has also taken care that rural areas do not suffer on account of proposed alternate sources of revenue in fact they have allocated funds for rural areas which would help government of Maharashtra reduce their grants to rural areas.

it is reported that the total revenue collection through octroi/LBT in the year 2011-12 was Rs.12315 core. Out of this if we deduct octroi refund Rs.370 cores that is on any coverage 3% of gross octroi collection the net income will be Rs.11945 crore.

The committee has identified there alternate source of revenue to compensate the income from octroi/LBT. These are (i) Motor spirits (2)Stamp duties (3) Local Body surcharges (LBS) on VAT (4) As a bridge arrangement fungible FSI. Beside these sources the Committee has examined the Property Tax, Electricity Duty, Municipal Profession Tax, VAT on Sugar and Textiles and revision in user charges as additional future source of income resources.

The Committee has felt that it will be best to continue with octroi/LBT on motor spirits including crude oil as nowhere in India under VAT the tax levied on sales of Petrol and diesel is available as a rebate to the final consumer. Besides, the VAT on Motor spirit is not going to be subsumed in the proposed GST. Revenue from this source forms a substantial part of the aggregate octroi revenue. It is exclusively collected by the BMC.

In the year 2011-12 Rs.2428 crores was collected as octroi on crude oil. The octroi income from crude oil in Navi Mumbai and Thane was Rs.870 crores in 2011-12. So from total revenue of octroi i.e. Rs.11,945 crores if we deduct this amount (Rs.2428 + 870 =3298) 3298 then Rs.8647 crores will have to be raised from other source.

In the year 2009 State Govt. has amended Maharashtra Municipal Corporation Act by inserting Sec.149-A to provide for the levy of Additional stamp duty (w.e.f.31.8.2009). Under Bombay Stamp Act the collection from Non-judicial stamps has an impressive growth record. In the year 2011-12 the collection was of Rs.12859 crores. 60% of non judicial stamp duty comes from Real Estate transaction. If additional 2% is collected by way of surcharge from 60% of income of Rs.7715 crores (2011-12) from 60% of Non-judicial stamp duty Rs.3086 crores can be generated to compensate Octroi/LBT revenue. So only Rs. 5561 crores has to be raised from additional sources.

LOCAL BODY SURCHARGE ON VAT (LBS ON VAT)

Electricity duty and motor vehicle taxes are the other major tax sources for the State Government but Electricity duty collection does not suffice even for meeting the costs of that sector while a raise in MV taxes is very likely to lead to trade diversion. Cess on State Excise on liquor is already sufficiently high so any further increase may become counter productive. So after ruling out these tax sources the only tax source remain is VAT. A clean and transparent way to generate required additional revenue is to levy a LBS on VAT.

Since after adjusting refunds on VAT the net revenue collection is on an average is 90% of gross collection. Therefore, we have to raise Rs 6179 cores instead of Rs. 5561 cores from VAT. 62% of VAT is collected on goods having 12.5% tax rate. While 32% of VAT is collected on goods having 5% tax rate. After excluding tax income from bullion, liquor and from composition schemes the net income from VAT is Rs. 32810 cores out of Rs. 32810 cores Rs. 21640 crores is collected from items having 12.5% tax rate. Thresfore if by increasing the tax rate from 12.5% tax to 15% by way of 2.5% LBS on VAT the extra yield will be Rs. 4328 crores. To collect balance Rs.1851 croes if 8% octroi/LBT is abolished on liquors and instead of 25% Sales Tax levied on MRP if it is increased to 30% the additional revenue from liquor will be Rs.895 croes.

To collect balance Rs.956 crores the Committee suggests that if additional Vat i.e. LBS of 1% is levied on Non declared goods (leaving out declared goods) that has 5% VAT at present will yield Rs.1815 croes. So alternate to LBT/Octroi will fetch Committee suggests that if additional Vat i.e. LBS of 1% is levied on Non declared goods (leaving out declared goods) that has 5% VAT at present will yield Rs.1815 croes. So alternate to LBT/Octroi will fetch Rs.3298 + 3086 +7038 = 13422 crores. Thus Rs.1477 crores will be generated extra to take care of any refund on LBT and any unforeseen shortfall in revenues of Corporation.

The infrastructure cost of Municipal Corporation for collection of LBT would be reduced to a great extent thus reducing a lot of burden to municipal corporation and consumers.

Table

PRESENT VAT RATE (IN %)	PROPOSED VAT RATE IN (%)	ADDITIONAL YIELD (IN Rs.CRORE).
5*	6	1815
12.5	15	4328
**25	30	895
TOTAL	7038	
*On commodities other than declared goods.** Liquor rate on MRP		

TABLE 6 (Proposed additional alternate source of evenue to offset income from Octroi/ LBT)

ARTICULARS	AMOUNT (in Rs. Crore)
Octroi/LBT on motor spirits including crude oil	3298
Stamp Duty	3086
VAT	7038
Total	13422
TOTAL	7038

The committee has also gone into the implications of GST and proved that the system if implemented as suggested things would be easy when GST is imposed otherwise Maharashtra would be at disadvantage as compared to other states, when GST is imposed.

The committee has also proved that this is going to benefit business community as also the business in Maharashtra and the business community will be saved of harassment and corruption. Hence all sections affected have been taken care of and it is going to be win win situation for all.

Source: FAM Report

Sr. No	Events Supported
1	MMS 2013 International Exhibition of Manufacturing tech and production equipment 25- 28 September 2013, Mumbai
2	Franchise India 2013 19-20 October 2013, New Delhi
3	World Paper Forum Paperex 2013 24-27 October 2013, New Delhi
4	INTERMODAL India 2013 20-22 November 2013, Mumbai
5	The 11th China Products Exhibition 26-28 November 2013, Mumbai
6	AVCJ India Forum 2013 5-6 December, Mumbai
7	Clean India Pulire 2013 5-7 December 2013, Mumbai
8	10th MAHA Tech 5-8 December 2013, Pune
9	Small Business Congress 2013 16-17 December 2013, Mumbai
10	HAAT of India 21-23 December 2013, Bhopal

Union Cabinet Approves Stands taken by India at Bali Ministerial

The Union Cabinet on 19 December approved the stand taken by India at the Ninth Ministerial Conference of the WTO held in Bali, Indonesia during 3-7 December 2013.

Background:

The two key issues for the Ninth Ministerial Conference of the WTO were Trade Facilitation and a proposal on Food Security.

While the accumulation and holding of public stocks for food security purposes is classified as non trade-distorting, procurement at administered prices (Minimum Support Prices in India) is considered to be implicitly trade distorting and is, therefore, subject to a limit under WTO rules.

Since the limit can be a constraint on the procurement operations of developing countries, India, along with other developing countries submitted a proposal in the WTO for a suitable amendment in the rules to address this issue.

During the conference, ministers agreed on a decision that provides for an interim period of protection to public stockholding programmes for food security purposes of developing country members from being challenged in the WTO, on the grounds of exceeding the support which they are entitled to provide. It further provides that members must agree on a permanent solution on this issue for adoption by the 11th Ministerial Conference of the WTO.

This Decision ensures that trade rules in respect of agriculture do not come in the way of initiatives aimed at self-sufficiency in food and stabilization of domestic prices. As a result of the decision, procurement operations of developing countries will not be constrained by their existing farm support limits. Developing countries will be able to run food security programmes for their under-nourished and hungry populations without the fear of violating WTO rules under the Agreement on Agriculture.

Prior to the Bali Ministerial Conference, the Cabinet had provided directions to the Commerce and Industry Minister on the stand to be taken by India. Acting on these directions, India took the position from the beginning that food security was non-negotiable and maintained its position that until a permanent solution to the issue was found, the interim mechanism must not be terminated.

As a result of its unwavering stand and the support it was able to muster, India succeeded in getting the text on Food Security appropriately amended.

The final agreed text addresses India's core concerns. It has a firm commitment from members to work on a permanent resolution. In the interim, until a permanent solution is found, eligible members will be protected against challenge in the WTO, under the Agreement on Agriculture in respect of public stockholding programmes for food security purposes. By implication, until a permanent solution is found, countries like India will have the flexibility of providing support to its farmers without the apprehension of breaching its entitlements.

Since most of India's demands and concerns were appropriately addressed in the Trade Facilitation Agreement, India endorsed the proposed Trade Facilitation Agreement. The new agreement will create a set of disciplines that would ensure that all WTO Members not only simplify their rules and procedures, but also follow modern techniques for facilitating clearance of goods across international borders. The agreement would eventually lead to reducing dwell time, removing unnecessary formalities and documentation, and ensuring faster release and clearance of goods at international borders. This will go a long way towards improving India's trade administration and providing a more conducive business environment to traders.

On other issues being negotiated for the Ninth Ministerial Conference, India supported the broader consensus as it did not have any specific concern.

This was a landmark Ministerial Conference as the WTO has been able to conclude a multilateral agreement for the first time since its establishment. The outcome at Bali has restored faith in the WTO as a multilateral negotiating forum. It is a major step towards resuming the Doha Round of trade negotiations, especially in the agriculture sector. It has also given a clear signal to the world that while India is prepared to negotiate, it cannot and will not accept unbalanced agreements in any area, and least of all in an area of its topmost priority, namely food security and the welfare of its farmers and its poor.

[Source: PIB (Cabinet) Press Release dated 19th December 2013]