

October - December 2014

aiAi NEWS

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DMIC to Create 2.3 Million Jobs

Governor Nikki Haley endorses "Make in India" "Make in Maharashtra"

WTO Public Forum 2014, Geneva

Manufacturing Sector of India – Roadblocks & Recommendation

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President's Desk

Dear Members

2014 was a landmark year, Prime Minister Narendra Modi won the general elections with an outright majority. The last few months have been eventful and has set the tone for 2015. In November the new Government of Maharashtra was sworn in with Chief Minister Devendra Phadnavis at its helm bringing in more political stability for Maharashtra. The State Government's slogan of "Make in Maharashtra" is already catching up, which augurs well for the economy and we at the AIAI are keen to be a part of this important mission.

Moreover the RBI revisited its monetary policy by reducing the repo rates reaffirming that the economy is finally on the growth trajectory. The Government in its bid to foster a strong business and investor friendly environment has introduced various reforms - government communications have improved, procedures for approvals are being streamlined and above all the powers of the inspector raj is reined in.

Yet of all the daunting tasks, much needs to be done for the manufacturing and MSME sectors, inadequate infrastructure, persistent power shortages, and environmental regulations are some of the major challenges faced by arguably the largest contributors to the country's economy.

However, there seems to be much enthusiasm about India regaining its economy and the present Government hopes that India will emerge as a global market to reckon with.

The AIAI in its endeavor to promote trade and industry on its part hosted and organized conferences, workshops, meetings and seminars significant for the growth of trade and industry, besides organizing its 4th edition of the Association's flagship event the Global Economic Summit which focused on "Asia ... The Gateway to Global Market: Vision 2025".

The AIAI also hosted high level delegations from countries which included regional representatives, senior Government officials, business leaders and entrepreneurs from Russia, Iran, Lithuania, Poland, Spain, Africa to name a few.

Besides the AIAI put together interactive discussions on subjects of topical interest such as "Delhi Mumbai Industrial Corridor" an update on Development in Maharashtra by Mr. Bhushan Gagrani, CEO



Maharashtra Industrial Development Corporation (MIDC); "Investor After Care" with Mr. Anil Swarup, Addl. Secretary & Chairman, Project Monitoring Group, Cabinet Secretariat, Government of India; "Sustainable Urban Mobility & Solid Waste Management" in association with TERI were some of the highlights of the year.

Moreover the Association jointly with the World Trade Centre, Mumbai presented a session on "Fostering Skills and Jobs through Trade Liberalization in Developing Economies" at the World Trade Organizations (WTO) Public Forum 2014 in Geneva and also participated at the World Trade Centre's General Assembly in Bucharest, Romania.

In addition the association during the year led business and trade missions to London, Rome, Poland, Russia, Geneva, Turkey and France. The outcome of these missions were extremely fruitful as the delegates visited important industries, Government officials and Chambers of Commerce to deliberate and discuss on the investment and trade opportunities between India and the host countries.

The AIAI aims to continue initiating more such programmes and activities to promote the development of trade and entrepreneurship and has planned to lead delegations to Cyprus, Russia and Philippines in the forthcoming months in addition to the other programmes and delegations organized from time to time.

We also take pleasure to announce the 5th edition of the Global Economic Summit on the theme "Enabling Food for All" scheduled from November 19 – 21, 2015 at the World Trade Centre, Mumbai.

The AIAI and its team wishes its members a Great Year ahead and looks forward to your presence in all its interesting activities organized throughout the year.

Vijay Kalantri



अपने व्यवसाय को भारत के बाहर तक पहुँचाएं

यदि आप अपने व्यवसाय का भारत के बाहर विस्तार करना चाहते हैं, तो एक्जिम बैंक सुनिश्चित करता है कि वित्त की कमी आपके लिए बाधा न बने. ओवरसीज इनवेस्टमेंट फाइनेंस प्रोग्राम मैन्युफैक्चरिंग इकाई स्थापित करने, विदेशी कंपनियों खरीदने, विदेशी बाजारों में प्रवेश करने, कच्चा माल, ब्रांड को खरीदने या अन्य निवेश कार्यों में आपकी सहायता करता है. इन अंतर्राष्ट्रीय निवेशों में वित्तीय सहायता के लिए एक्जिम बैंक विदेशी संयुक्त उद्यमों/पूर्ण स्वामित्व वाली सहायक कंपनियों में इक्विटी निवेश के 80 प्रतिशत तक का मियादी ऋण प्रदान करता है. साथ ही एक्जिम बैंक इन्हें मियादी ऋण या कार्यशील पूँजी प्राप्त करने के लिए गारंटी सुविधा भी प्रदान करता है. अधिक जानकारी के लिए हमें कॉल करें, ई-मेल लिखें या मिलें.



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Governor Nikki Haley endorses “Make in India”, “Make in Maharashtra” and “Make in South Carolina” Campaign



Mr. Thomas Vajda, Consul General of the United States of America, Mr. Vijay Kalantri, President, AIAI and Vice Chairman – WTC Mumbai, Mrs. Nikki Haley, Hon'ble Governor of South Carolina, Mr. Prakash Mehta, Hon'ble Minister for Industries and Mining, Parliamentary Affairs, Govt of Maharashtra during a business meet on “Enhancing Trade and Investment Cooperation between South Carolina and Maharashtra”, hosted in honour of Mrs. Haley at World Trade Centre Mumbai.

“India is a spectacular country. Indian business environment continues to be strong and the country is going in a pro-business direction. I am excited about the many opportunities that have unfolded as India transforms into a vibrant economy. India can achieve greater success and faster growth if the country would reduce regulations and ensure consistency in rules and regulations and focus on trust building among businesses. India needs to ensure a clean business environment to attract more investments which will improve the investment predictability for Indian companies”, said Governor H. E. Mrs. Nikki Haley, Hon'ble Governor of South Carolina. Governor Haley was addressing a business meet on “Enhancing Trade and Investment Cooperation between South Carolina and Maharashtra”, hosted in her honour by All India Association of Industries and MVIRDC World Trade Centre Mumbai on 19th November, 2014 at World Trade Centre Mumbai.

Recalling her recent meeting with Prime Minister Mr. Narendra Modi during his visit to the USA, Governor Haley recalled that “Make in India” campaign should be replicated for “Make in Maharashtra” and Governor Haley stated that she also believed in “Make in South Carolina” and all these are achievable in our respective regions provided the policies are consistent and that concessions and assurances should be adhered to.

Sharing her optimism on the business environment in India and Maharashtra in particular, Governor Haley mentioned that she would like to see more investments between Maharashtra and South Carolina and improve job prospects in both regions and also work with Indian companies. Governor Haley also emphasized on the need to improve the quality of relationship in Indian businesses to achieve greater corporate excellence.

Highlighting on the areas of cooperation between Maharashtra and South Carolina, Governor Haley mentioned that both regions could successfully engage in the sectors of pharmaceuticals, IT, energy, manufacturing, waste management and services. Governor Haley mentioned that her Government would focus on cooperation in the education sector and build collaborations between universities and training centers for skill development. Citing tourism as a sector of great promise, Governor Haley further mentioned that South Carolina ranks number one vacation destination in the country and number two vacation destination in the world and there are ample opportunities for cooperation in the tourism sector of both regions.

Governor Haley urged Indian businesses to consider South Carolina as a potential investment destination and in the same breath she invited a business delegation from Mumbai.

Addressing on this occasion, Mr. Prakash Mehta, Hon'ble Minister for Industries and Mining, Parliamentary Affairs, Government of Maharashtra emphasized that the state of Maharashtra offers investor friendly industrial and investment policies and is open to foreign investments from overseas destinations. The state welcomes industrial collaborations from South Carolina particularly in the small and medium sectors, which is a vibrant sector. Given the complementarities between Maharashtra and South Carolina, both regions could successfully collaborate in the sectors of automobiles, textiles, dyes and pharmaceuticals processed foods and fisheries besides a host of other sectors. Tourism also appears to be a promising sector and can be tapped with mutual advantage.



Mr. Mehta invited businesses from South Carolina to explore these and many opportunities that have opened up in the recent years and he expressed confidence that Governor Haley's visit to India and Maharashtra in particular will open up many vistas of cooperation in the coming years. Mr. Mehta assured his Government's sincere and continued cooperation and support in fulfilling the joint aspirations of bringing the two regions closer, economically and culturally.

Mr. Thomas Vajda, Consul General, Consulate General of United States expressed that Governor Haley has come to India at an auspicious moment following the very successful visit of Prime Minister Mr. Modi to the United States. During that visit, Prime Minister Mr. Modi and President Mr. Obama chartered a common vision for the future of US-India relationship, firmly anchored in shared values, shared democratic principles, and a shared commitment to expand trade and investment ties to the betterment of both countries' economies and people. There is already a strong foundation underpinning US-India economic ties. The US is one of India's largest foreign direct investors as well. US FDI in India totals \$28 billion, and through their foreign subsidiaries US companies have invested considerably more here.

Mr. Vijay Kalantri, Vice Chairman, World Trade Center Mumbai, Director, WTCA Board New York and President, All India Association of Industries remarked that to ensure the success of “Make in India” program, India needs to concentrate on skill development, building good infrastructure and creating a stable policy framework.

Mr. Kalantri lauded Governor Haley's initiatives to reconstruct South Carolina with good policy measures whereby unemployment was brought down from 10.6% to 5.5% generating growth, business and employment.

Further, Mr. Kalantri sought the cooperation of Governor Haley in developing good townships and smart cities as well as strengthening the infrastructure sector in India. Mr. Kalantri added that he looked forward to greater investment flows between Maharashtra and South Carolina. Both regions need to work together to achieve our common goals.

Moselle Development invites India to participate in EITS 2014



Mr. Sateesh Kulkarni, Director at Corporate Catalyst India Pvt Ltd (CCI), Mr. Thierry Perty, Business Development Officer, India, Moselle Development Agency (MDA), Mr. Claude BITTE, Vice-President, Moselle Department Council, President of the Commission for Economic Affairs, Country Planning & Transborder Affairs, Vice-President, Moselle Development Agency (MDA), Mr. Vijay Kalantri, President, All India Association of Industries, Vice Chairman, World Trade Centre Mumbai, Mr. Jacques Mambriani, Director General of MDA, Mr Philippe Bard, Secretary of MDA and Mr. Michel Gigault, Vice President of Moselle Development Agency (MDA) during the Closing Event of Euro India Technology Sourcing & Business Opportunities (EITS 2014) - Indian Promotional Tour organised by Moselle Economic Development Agency, France in association with All India Association of Industries (AIAI) and World Trade Centre (WTC) Mumbai

"Euro India Technology Sourcing (EITS) is a business meeting aiming to establish new contacts between companies from India and Europe interested to develop and boost strong trade relations in the field of materials, processes and energies. EITS is a part of the public strategy for the development of a European Materials and Energy Valley in Eastern France. EITS is organized by Moselle Development, the economic development agency of the General Council of Moselle", said Mr. Claude BITTE, Head of Moselle Delegation event held jointly by All India Association of Industries (AIAI) and MVIRDC World Trade Centre Mumbai.

EITS 2014 scheduled from 9th to 11th December, 2014 expects participation from 300 companies from India & Europe focusing on materials & processes for industry, transportation & energy. The focus sectors for the technology conference include

producing materials (metals, chemicals, plastics & natural fibers) and equipment endowed with new functions, generating power, improving energy efficiency, saving energy, storing energy, distributing energy, recycling renewable raw materials and saving of raw materials, Mr. BITTE stated.

The key features of the EITS 2014 include one-to-one meetings, company presentations, conferences, exhibition, technical site-visits, cluster matching and networking events. Attendees at EITS 2014 will benefit from new commercial opportunities, new technologies and solutions, latest information about material trends and innovations and meet potential partners and foster collaborations. It is an ideal platform to meet manufacturers, suppliers, research institutions, technology transfer organisations, Investors, government representatives and agencies from Europe added Mr. BITTE.

Mr. BITTE further added that the region confers access to cross border territory of France, Germany, Belgium and Luxembourg comprising of 11 million population. Nearly 430 foreign companies have set base in Moselle. Also, the region is well connected by roadways, railways and airways with the neighbouring cities.

Mr. BITTE also stated that the EITS 2014 seminar is expected to boost the India's trade with the European Union. Germany and France which form key hosts of EITS are leading trading partners of India with trade worth Euros 17.4 billion and Euros 7.3 billion respectively. The European participants at the EITS 2014 seek manufacturing, subcontracting, machining, R and D, logistics and transport partnerships with India.

Mr. Jean Peytregnet, Consul General of France in Mumbai said that I am glad to participate in this event which marks the end of the various roadshows which the French state of La Moselle has been organizing in India, in order to promote a business event which will be organized from the 9th to the 11th of December in Metz, its capital city.

Mr. Peytregnet mentioned that today more than 700 subsidiaries of French groups employ 250000 people in India and generate something like US\$ 18 bn turnover/year. Our bilateral trade is also storn: in 2013, French export towards India was in the range of US\$ 2.3 bn. India trade towards France is even higher and has reached US\$ 5.2 bn.

Mr. Peytregnet confirmed that the interest for the Indian market is very high in France. The French companies know that the Indian market has a lot of potential. Last year the French agency for the Promotion of Foreign Trade called Ubifrance organized altogether more than 300 business meetings between French and Indian companies in India.

But of course the main reason why you will fly to Metz is to participate in the business meeting which will be organized there during EITS, which stands for "Euro India Technology Sourcing & Business Opportunities". I am confident that this will be a good occasion for you to find new business connections in France and in Europe.

On the other side the interest of Indian companies

for the French market is also high: every year 100 Indian companies exhibit in French Trade exhibitions and more than 3000 Indian businessmen visit the French trade fairs. In October alone we had about 500 Indian visitors for the agro food exhibition called SIAL. We also expect a good participation of Indian businessmen in December at the exhibition on environment called Pollutech and in next February at SIMA dedicated to agriculture machinery he added.

Mr. Vijay Kalantri, President, All India Association of Industries and Vice-Chairman, MVIRDC World Trade Centre remarked that the US\$ 2 trillion Indian economy intends to prosper to US\$ 5 trillion in the years to come. It is imperative that India join hands with its global counterparts in this pursuit. The EITS 2014 being hosted in France lays special emphasis on technological upgradation. Technology is the need of the hour given the "Make in India" campaign being proposed by the PM Mr. Modi. India can take learning lessons from France in technology towards improving its manufacturing, logistics and infrastructural status. We perceive more than 100 Indian delegates will participate in the conference and benefit from the discussions and debates on technological innovation.

Mr. Kalantri further added that India and France enjoy cordial relations. The total bilateral trade between India and France stands at US\$ 8.8 billion with Indian exports worth US\$ 5.1 billion and Indian imports worth US\$ 3.7 billion. Also, foreign investments from France into India have been prominent contributing to nearly 2% of total foreign funds. France being the ninth largest investor in India has invested nearly Euros 2.31 billion till June, 2012. We seek to foster greater trade ties with France and participation in EITS 2014 conference lays foundation towards the same.





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Women Entrepreneurs

Last date to apply: March 20, 2015

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Duration : 18 days programme

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To know more visit : <http://goo.gl/rvQ2Ta>

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Lifting of sanctions on Iran to broaden trade and investment opportunities for India



Mr. Y R Warkerkar, Executive Director, MVIRDC World Trade Centre, Mr. Ali Hasanpour, Advisor to Managing Director, Middle East Bank (MEBank), Tehran, Mr. Firoze B. Andhyarujina, Senior Advocate, Supreme Court of India, Mr. Masood Ebrahimi Khaleghi, Consul General, Consulate General of Republic of Iran during an interactive meeting organised by All India Association of Industries and MVIRDC World Trade Centre with Mr. Hasanpour

"The election of Dr. Hassan Rohani, President of Iran in the year 2013 has raised hopes for setting up of a technocrat cabinet with liberal policies and scientific approach towards management of the economy. The development has raised expectations that the last stage of negotiations between Iran and 5+1 concludes in a win-win agreement thereby lifting the sanctions on Iran. Given the same, we invite India to broaden its trade and investment opportunities with Iran which have been restricted to traditional goods such as rice and tea", said Mr. Ali Hasanpour, Advisor to Managing Director, Middle East Bank (MEBank), Tehran during an interactive meeting organised by All India Association of Industries and MVIRDC World Trade Centre with Mr. Hasanpour.

Identifying prospective sectors to deepen Indo-Iranian bilateral ties Mr. Hasanpour informed that Iran consumes pharmaceutical products worth US\$ 4 billion annually. The domestic production stands at US\$ 2.2 billion while importing products worth

US\$ 1.8 billion. The competitive pharmaceutical industry of India exports pharmaceutical goods worth a mere US\$ 60 million to Iran and should look forward to an increasing its share.

Secondly, the recently established Iran Mercantile Exchange ensures direct supply of goods in market at competitive prices. Indian manufacturers should explore the opportunity of commodity trading on this exchange. The traded commodities range from industrial products such as copper, steel, billet, agricultural products such as rice, oilseeds and wheat and petrol chemical products such as bitumen and polymers.

Others areas to be tapped by Indian industry include the automobile sector besides energy saving products such as electric motorcycles, technology for industrial plants, etc.

The MEB-IndAsia Corporate Advisors Pvt. Ltd works towards building Indo-Iranian bilateral relations through its business networking services, trade facilitation services besides facilitating trade finance and assisting in identifying prospective business partners.

Mr. Firoze B. Andhyarujina, Senior Advocate, Supreme Court of India remarked that the India-Iran bilateral trade is worth US\$ 14.95 billion. India imports goods worth US\$ 11.6 billion mainly comprising of crude oil and exports commodities worth US\$ 3.35 billion. Other imports of India from Iran besides oil include fertilizers, organic and inorganic chemicals, etc. India's exports to Iran include petroleum products, rice, machinery & instruments, metals, primary and semi finished iron & steel, pharmaceuticals & fine chemicals, processed minerals, manmade yarn & fabrics, tea, agro chemicals, rubber, manufactured products, etc. The economies need to work towards doubling bilateral trade to US\$ 30 billion in the years to come.

Present on the occasion was Mr. Masood Ebrahimi Khaleghi, Consul General, Consulate General of Republic of Iran.

DMIC to Create 2.3 Million Jobs, Rs 20 Trillion worth Industrial Output and an Efficient Logistical Network



Mr. Bhushan Gagrani, I.A.S, Chief Executive Officer, Maharashtra Industrial Development Corporation (MIDC), Mr. Minoo Shroff, Trustee - The Indo-Japanese Association & Chairman - Economic Cooperation Council, Hon'ble Mr. Yoshimitsu Kawata, Chief Consul, Consulate-General of Japan, Mumbai, Mr. Vijay Kalantri, Vice-Chairman, MVIRDC World Trade Centre and President, All India Association of Industries at an interactive session on "Delhi - Mumbai Industrial Corridor (DMIC) - An Update on Developments in Maharashtra" jointly organized by All India Association of Industries, MVIRDC World Trade Centre, Consulate General of Japan, Mumbai and The Indo-Japanese Association

"The Delhi-Mumbai Industrial Corridor (DMIC) is a major physical infrastructural project passing through six states of India. The ambitious DMIC has received major boost with India and Japan inking an agreement to set up a project development fund. The initial size of the Fund is 10 billion (US\$162.0 million). Both the Japanese and Indian Governments contribute equally. The Corridor intends to develop industrial estates and townships in various parts of the country in order to give thrust to manufacturing. Also, the Indian economy is rapidly undergoing urbanization. However, urbanization and industrialization have to go hand-in-hand

for progress of a nation. The DMIC will play a prominent role in converging urbanization along with industrialization. The Corridor is estimated to create 2.3 million jobs, industrial output worth Rs 20 trillion along with efficient logistical network. It is expected to reduce the transit time from 60 hours to 36 hours", said Mr. Bhushan Gagrani, IAS, Chief Executive Officer, Maharashtra Industrial Development Corporation during an interactive meeting on Delhi - Mumbai Industrial Corridor - An Update on Developments in Maharashtra jointly organised by All India Association of Industries, MVIRDC World Trade Centre, Consulate General of

Japan, Mumbai and The Indo-Japanese Association. Elaborating further on the thriving importance of a corridor Mr. Gagrani commented that the Indian economy has witnessed a dip in the share of manufacturing to the GDP from 16% to 15%. The Government of India intends to give a thrust to manufacturing activity in the country through its "Make in India" campaign. The DMIC will assist in the same.

It is vital to point out that industrial estates limit themselves to manufacturing activities. The task of developing an efficient transit system for transportation of goods from warehouses to markets is thrust upon the Government. The DMIC will assist in building an organised transportation system for the nation. Secondly, industrial estates do not factor in requirements such as residence, medicine and education of their workforce. The DMIC will meet these requirements of its workforce thereby developing an "industrial township" in itself, Mr. Gagrani added.

Updating the audience on the progress of the DMIC project Mr. Gagrani stressed that the Corridor constitutes of 49% equity of DMIC Corporation (in the form of cash) and 51% equity of MIDC (in the form of land). The Government will be forming a SPV to operationalize the project. Also, the State Government lends its support in the form of tax incentives, infrastructural facilities and legislative approvals. In the state of Maharashtra the two nodes being developed on priority include the Shendra Bidkin Mega Industrial site and the Dighi region of the Raigad district.

Present on the occasion was Hon'ble Mr. Yoshimitsu Kawata, Chief Consul, Consulate-General of Japan, Mumbai. India and Japan have enjoyed cordial relations since 1952. Japan takes keen interest in the development of DMIC having spent US\$ 4.5 billion on the project. Also, nearly 100 Japanese companies have invested in the Indian economy. Following the successful completion of the DMIC project many more Japanese countries intend to set up base in the nation. Also, PM Mr. Modi has had fruitful interaction with PM Mr. Abe during his recent visit to Japan. The two nations have promised to extend cooperation to each other in the arenas of politics, industry, trade and culture.

The success of the DMIC project is of paramount importance to Japan. PM Mr. Abe, the Embassy of Japan in India and the Consulate of Japan will extend full cooperation towards the DMIC project, Mr. Kawata said.

Mr. Minoo Shroff, Trustee - The Indo-Japanese Association & Chairman - Economic Cooperation Council affirmed that the Indian economy suffers from lack of adequate infrastructure and logistic facilities. The DMIC project is expected to facilitate the same. The project is based on the foreign concept of smart cities. Although the conceptualizing of the DMIC project is good; its implementation needs to be adhered to. The successful completion of the DMIC project will transform India from a low income nation to a middle income society.

Mr. Vijay Kalantri, President, All India Association of Industries and Vice Chairman, MVIRDC World Trade Centre mentioned that the DMIC project was initiated in the year 2007 in collaboration with Japan. The Corridor will address the lack of quality infrastructure, improve road, rail & port connectivity and recover supply side logistics for the sectors such as agriculture, engineering, textiles, automobiles, IT, etc. The DMIC project will be developing two ports in the states of Gujarat and Maharashtra respectively. The one too many benefits of the Corridor range from employment generation, attracting FDI, thrust to manufacturing and impetus to exports. In all, the Corridor is expected to make doing business in India easy and friendly. In order to fast track the development of the Corridor it is necessary to set up a task force to monitor the progress of the project and resolve its bottlenecks.



India may source its energy requirement from Pennsylvania



Ms. Rupa Naik, Executive Director, AIAI, Mr. Y. R. Warerkar, Executive Director, WTC Mumbai, Mr. Vijay Kalantri, President, AIAI, Mr. Wilfred H. Muskens, Dy. Secretary for International Business Development, Pennsylvania Department of Community & Economic Development (DCED) at an interactive session on "Pennsylvania: Exploring Business Opportunities" jointly organized by AIAI, WTC Mumbai in association with Pennsylvania International Business Development.

"Shale gas in the Pennsylvania is rapidly increasing as an available source of natural gas. Led by new applications of hydraulic fracturing technology and horizontal drilling, development of new sources of shale gas has offset declines in production from conventional gas reservoirs and has led to major increases in reserves of US natural gas. The fast growing energy sparse Indian economy may source its energy requirement from Pennsylvania", said Mr. Wilfred H. Muskens, Deputy Secretary for International Business Development, Pennsylvania Department of Community & Economic Development during an interactive session on Exploring Business Opportunities with Pennsylvania jointly organised by All India Association of Industries, MVIRDC World Trade Centre and Pennsylvania International Business Development.

Exploring other avenues from mutually beneficial

cooperation between India and Pennsylvania Mr. Muskens mentioned that India has a large young population in need of quality education. Pennsylvania is an education hub being home to leading universities such as Wharton School of the University of Pennsylvania, Cairn University, California University of Pennsylvania University of Pittsburgh, etc. We call upon Indian students to benefit from Pennsylvanian education system.

Also, Pennsylvania holds expertise in technology and innovation, mining, manufacturing of chemicals, rubber, plastics, industrial machinery, steel manufacturing, etc which it intends to share with the Indian counterparts, Mr. Muskens added.

The Indian economy holds a position of prominence in the global map which is demonstrated in its GDP growth. The nation exhibits a competitive service industry besides being an attractive investment

destination for foreign investors. Also, the newly elected Modi Government has drawn world attention to India with its pro-growth policies. The US is seriously looking at India to further its economic relations, Mr. Muskens said.

Inviting Indian companies to the region Mr. Muskens affirmed that Pennsylvania exhibits ease of doing business with a competitive tax structure, proximity to low cost energy, good road, rail and air connectivity, technological expertise and access to a skilled workforce. Also, the state is strategically located giving access to consumers in the Northeast and Midwest U.S. and Eastern Canada.

Mr. Vijay Kalantri, President, All India Association of Industries Vice Chairman, MVIRDC World Trade Center Mumbai said that the US is a prominent trading partner of India with bilateral trade worth US\$ 61.6 billion with Indian exports worth US\$ 39.1 billion and India's imports worth US\$ 22.5

billion. Also, the US is the fifth largest source of foreign direct investments into India constituting nearly 5.48 % of the total FDI into India. We seek to cross bilateral trade worth US\$ 100 billion in the years to come through joint ventures, business meetings, exchange of delegations, etc.

The recent Government visits of Governor H. E. Mrs. Nikki Haley, Hon'ble Governor of South Carolina to India and the much awaited visit of US President Barack Obama to the nation demonstrates growing importance of the Indian economy in the US, Mr. Kalantri added.

An MOU was signed between All India Association of Industries & Pennsylvania Department of Community & Economic Development and MVIRDC World Trade Centre and Pennsylvania Department of Community & Economic Development to promote trade and investment between the two nations.

Agreements of Co-operation (Oct-Dec 2014)

All India Association of Industries signed Memorandum of Understanding (MoU) with:

- Bhutan Chamber of Commerce & Industry (BCCI)
- Democratic People's Republic of Korea Chamber of Commerce
- Pennsylvania Department of Community & Economic Development (DCED)
- Paphos Chamber of Commerce and Industry (PCCI)
- Indo British Trade Council
- China Council for the Promotion of International Trade Gansu Provincial Committee
- Taiwan External Trade Development Council, Taiwan

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

- a) Exchange of trade delegations / trade and investment related information in order to promote international trade and investments.
- b) Exchange of 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) To regularly exchange information and help organise exhibitions and international fairs and encourage their members in participating in such events.

Challenges in efficient waste management poses an opportunity for Indian MSMEs



Mr. U P S Madan, Metropolitan Commissioner, MMRDA, Mr. Abhay Mishra, CEO, Mumbai Metro One Pvt Ltd, Mr. Anirban Ghosh, Vice President, Sustainability, CSR and Ethics, Mahindra & Mahindra Ltd, Mr. Shri Prakash, Distinguished Fellow, TERI, Former Member (Traffic), Indian Railway Board & Former Secretary to Government of India, Mr. Rakesh Saxena, Former Chairman, Mumbai Railways Vikas Corporation Ltd. during Regional Dialogue: Mumbai, Delhi Sustainable Development Summit 2015 jointly organised by AIAI, WTC Mumbai, The Energy and Resources Institute (TERI), Agence française de développement (AFD), United Nations Procurement Division at World Trade Centre Mumbai

"Mumbai's population of two crore produces 500 gms of waste per person, with such volumes of waste to be managed, catering to its management has proved to be a failure posing both challenges and opportunities. Waste management is being mismanaged by the informal sector and to put it in order requires the involvement of the formal sector. It is thriving opportunity for the MSME sector to explore waste management", said Mr. U P S Madan, Metropolitan Commissioner, MMRDA in his opening remarks at the Regional Dialogue, Mumbai, third in the row of dialogues leading to the 15th Delhi Sustainable Development Summit (DSDS 2015).

Mumbai has made pioneering efforts in the arena of waste management making it stand out on the world map, however much remains to be done with growing urban areas, Mr. Madan added.

The DSDS has been organizing Regional Dialogues at various cities on topics such as climate change, waste management, etc. The topics identified for Regional Dialogue: Mumbai are waste management and sustainable transportation which are pertinent for the city's overall economic development and growth. The Dialogue was jointly organized by All India Association of Industries, MVIRDC World Trade Centre Mumbai, World Sustainable Development Forum, TERI, Agence Francaise of Development and United Nations Development Programme.

While broadly outlining the issues facing waste management, Mr. G. S. Gill, Distinguished Advisor, TERI and Ex. MD and VC, CIDCO said that policy issues posed a major hindrance. Public policy was not clear, guidelines made in 2000 were not revised since then, due to new emerging technologies. India was blindly following the practices adopted by the

west failing to realize that the waste produced in India was different from theirs. Rural areas produce far less waste as compared to the urban areas. While the waste in the west was more to do with plastics and was recyclable Indian waste is more organic. It is important to segregate waste prior to disposal. One has to use technology best suited to the waste being produced. Dump grounds were fast filling and the question which lingered is how would land need to be recycled. In an urban set up there is shortage of land, technology is expensive. The other challenge is how to make people to live near a dumping ground. Lastly, financing poses a major challenge. The question arises whether the waste management projects can be made viable through a PPP mode if other expensive forms of financing it are not feasible.

According to Mr. R. B. Gupte, Director, MSME Development Institute the waste management sector was a fast growing one. E-waste needed much focus. It is generated in every household with the increase of technological gadgets. So it is important to either reuse or dispose it. Although some amount of legislations has been passed in this area much still needs to be addressed. Issues that need to be addressed are hazardous chemicals that are released which need to be neutralized, skill mapping and development. There is a growing educated unemployed youth that can be engaged in this sector, which will also bring about income generation.

Mr. Suneel Pandey, Associate Director, Green Growth and Resource Efficiency, TERI spoke on the difference in treating waste here in India and abroad. The initiative in tackling the issue lies in decentralization. At the household level, there is a sense of apathy among people to segregate the waste. One needs to segregate prior to handing

over waste. Value-addition is important while converting waste into usable and fuel efficient products. Treatment of waste poses a challenge. Skilled manpower is required, which could mean introduction of a curriculum in the education system.

Mr. Shantanu Roy, Senior Vice-President, Environmental Management Centre while elaborating on the initiatives taken so far said that they were sporadic and not on a sustained basis. Waste categorization was important based on the consumption levels. Urban local bodies need to take informed decisions on how to tackle waste management. India has six climatic zones which plays an important role on the waste being produced. Technologies, structured approach, linkages between universities are some of possible solutions in addressing the issue. Also, waste was being generated from packaging of products. A possible way to address would be to either penalize or incentivize depending on who is the polluter and who is the controller. Procurement policy needs to be strategized. It was important to understand the quantum of waste, use suitable technology in managing it and propose a business case for it, Mr. Roy added.

Dr. Amiya Kumar Sahu, President & Founder, National Solid Waste Association of India addressed the basic issue of what comprises garbage and its value. Waste management is everybody's responsibility. Awareness of waste, segregation of it needs to be followed by everyone. It is essential to keep one's country clean to stay at par with developed countries. A creation of a Smart City is only possible if waste management is adhered to.

The second session deliberated on Sustainable and Smart Urban Transport for Mumbai – The Way Ahead.

Addressing the growing transportation needs of the



city Mr. U. P S Madan, Metropolitan Commissioner, MMRDA said that the Government is working towards designing a transportation system that ensures sustainable and smart mobility. The MMRDA has proposed 450 kms of metro rail corridor besides 8.9 kms of mono rail corridor. The projects aspire to offer an efficient, convenient and environment friendly transportation system. A major network of these corridors in the next 8 to 10 years shall benefit the city.

Given the changing income levels of the citizens nearly 75% of the population relies on public transportation as against 80% population dependence earlier. Trains are a cheap, environment friendly and fast mode of transportation. The inhabitants of the city must be encouraged to use this mode of transportation by enabling better quality of services, Mr. Madan added.

Earlier, introducing the session on 'Sustainable and Smart Urban Transport for Mumbai – The Way Ahead' Mr. Shri Prakash, Distinguished Fellow, TERI, Former Member (Traffic), Indian Railway Board & Former Secretary to Government of India said the term sustainable transport describes modes of transport and systems of transport planning which allows access to developmental needs of individuals, companies and societies in a consistent manner. The system needs to be affordable, operate fairly and efficiently and offer choice of transportation mode. The system needs to limit emissions and waste within the planet's ability to absorb them.

The public transportation system in Mumbai is heavily dependent on railways besides the bus provision and the much awaited metro and mono rail. However, the city needs to cater to the growing needs of the inhabitants by addressing issues such as congestion, safety concerns, discipline, etc.

Mr. Abhay Mishra, CEO, Mumbai Metro One Pvt Ltd said that an efficient public transit system should save time, be financially economical and environment friendly. The much awaited Metro rail project intends to positively impact lives of the Mumbai citizens by meeting these criteria's. However, the Government has to adopt a transit oriented planning by redesigning roads considering walking aspects, stricter parking norms, eliminating road side hawkers and unauthorized constructions. Lastly, the long term metro rail project needs to be supported with intermediate plans for expansion of suburban railways, buses, etc.

Mr. Rakesh Saksena, Former Chairman, Mumbai Railways Vikas Corporation Ltd said that the city with a population of 22 million poses mobility challenge. Over 53% of the population relies on the railways for modal transportation. It is densely occupied with nearly 7.6 million commuters daily. The city has to focus on continuous capacity creation to meet the demand-supply gap. A comprehensive roll out of metro rail, mono rail and suburban trains is required. For the same political and bureaucratic ownership of the projects and sustained Government funding is the need of the hour.

Mr. Anirban Ghosh, Vice President, Sustainability, CSR and Ethics, Mahindra & Mahindra Ltd (Auto Farm Sector) said that sustainable mobility is the growing need of the city. It can be met with rapid capacity addition. In order to fund the same, CSR activities of the corporates must divert funds towards sustainable transportation.

Capt. Somesh Batra, Vice-Chairman, MVIRDC World Trade Centre said that today's meeting is a precursor to the Delhi Sustainable Development Summit 2015. The summit will be examining topical environment and sustainable development issues



which are a major cause of concern in India and world over. The discussions and debates during the Regional Dialogue in Mumbai will identify the challenges in efficient waste management for the city and sustainable and smart urban transport for Mumbai.

Dr. Annapurna Vancheswaran, Director, Sustainable Development Outreach, The Energy and Resources Institute (TERI) said Delhi Sustainable Development Summit over the years has become the foremost platform on sustainable development and we are truly delighted that the Summit each year sees the convergence of developed and developing countries; sharing and learning from their experiences to make the planet safer and more livable for all. The 15th edition of the Summit will be truly inclusive as it will have sub-national representation through the Regional Dialogues held in Bangalore, Chennai and Mumbai.

TERI organized a Regional Dialogue titled, 'Sustainable Urban Transport and Solid Waste Management in Mumbai'. The Dialogue was organized in the run up to TERI's annual flagship event, the Delhi Sustainable Development Summit (DSDS), which will be held in New Delhi from February 5 to 7. A series of Regional Dialogues were organized in the run-up to the Summit, which come in the wake of the new Government's two major announcements--100 Smart Cities for India and Swachh Bharat Abhiyan. The first Dialogue was held in Bengaluru, which mapped smart city concepts and practices to reduce carbon footprint to ensure sustainable habitats, while the Chennai Dialogue deliberated on access to basic facilities, including clean drinking water and sanitation.

At the third and the last Dialogue in Mumbai, experts deliberated ways to tackle the ever- increasing traffic related problems in the city and also how the waste management can be streamlined.

AIAI for ESIC, PPF, Gratuity to be one Act

Mr. Vijay Kalantri, President, All India Association of Industries (AIAI) is of the view that Employees Provident Fund, Employees State Insurance Corporation (ESIC), Gratuity and Labour Statutory Payment should be combined into a Single Social Security Act.

This Act will create a conducive environment for growth of trade and Industry and bring in the much required transparency in social security benefits to help workers."

However, the percentage of all three benefits may not be combined but moderated as a single social security benefit. This Act will reduce paper work

and transactions cost. Specially the small scale sector usually a single entrepreneur and instead of promoting its business is usually involved in the futile exercise of complying with the various benefits that have to be passed on to its employees.

Mr. Kalantri further added that the MSME is a vibrant sector, manufacturing over 8000 products and employs over 60% of the country's labour force, adding to the country's export by 40% and 45% to the country's GDP. AIAI also welcomes the Prime Minister Mr. Narendra Modi's initiative on doing away with various green clearances which will give impetus to highways, ports and mining sector.

Polish Government aids institutional support in augmenting ties with India



Mr. Vijay Kalantri, President, AIAI and Vice Chairman, WTC, H.E. Jerzy Witold Pietrewicz, Minister for Economy (Secretary of State), Republic of Poland, H. E. Tomasz Lukaszuk, Ambassador of the Republic of Poland and Mr. J. J. Singh President Indo Polish Chamber of Commerce and Industries during an interactive meeting 'Enhancing Trade Cooperation between India and Poland' jointly organized by AIAI, WTC Mumbai and Indo Polish Chamber of Commerce.

"Poland has demonstrated strong economic foundations in the form of steady GDP growth, stable currency and low inflation along with a secure political framework. The country intends to integrate with the rapidly growing Indian economy. With this vision Prime Minister Ms. Ewa Kopacz has announced the formation of Polish Export Import Bank which is expected to give impetus to the two-way trade between Poland and India. Secondly, the nation is working on starting direct flights to India to enhance proximity between the nations. The passage of the renewable energy act has created business opportunities for Indian market players in Poland. Lastly, institutional support from the special economic zones and free trade zones makes Indian investment into Poland a lucrative one", said H.E. Mr. Jerzy Witold Pietrewicz, Minister for Economy (Secretary of State), Republic of Poland during an interactive meeting organised by All India Association of Industries, MVIRDC

World Trade Centre and Indo Polish Chamber of Commerce.

Elaborating on the prospects for Indian businessmen in Poland H.E. Mr. Pietrewicz affirmed that Poland exhibits ease of doing business with its strategic position giving access to the consumption markets of the European Union, competent and cheap labour supply, tax incentives, support towards land acquisition besides institutional support from the Ministry of Economy and Trade, the Embassy and Chambers of Commerce.

Affirming the views of H.E. Mr. Pietrewicz, H. E. Tomasz Lukaszuk, Ambassador of the Republic of Poland mentioned that Poland looks forward to augment ties with India. The Embassy stands equipped to help Indian businesses set up base in Poland and vice-versa and may be contacted for any assistance. Today's business matching meetings shall open avenues for boosting our

economic and trade relations between the nations, H.E. Mr. Lukaszuk added.

Present on the occasion was H.E. Mr. Leszek Brenda, Consul General, Consulate General of Republic of Poland.

Exploring areas of mutually beneficial cooperation between India and Poland Mrs. Monika Piatkowska, Vice President of Polish Information Foreign Investment Agency said that Poland is an export driven economy. The nation holds expertise in manufacturing of medicinal equipments, cosmetics, machinery, construction, food processing, etc which may be exported to India. On the other hand Poland can gain from the competent IT and BPO sector of India. The Polish Information Foreign Investment Agency supports foreign investment into Poland by assisting companies to settle in the country.

Mr. J. J. Singh, President Indo Polish Chamber of Commerce and Industries commented that Poland perceives India to be a strong partner in Asia while being an Indian gateway to the European Union. Both the economies exhibit stable macro economic prospects and conducive business climate. Given the same, both nations must share mutual complementarities with Poland exchanging manufacturing expertise for Indian technical know-how, Mr. Singh added.



Ms. Rupa Naik, Executive Director, AIAI felicitating Mrs. Monika Piatkowska, Vice President of Polish Information Foreign Investment Agency at the meeting.



Mr. Vijay Kalantri, President, All India Association of Industries shaking hands with H.E. Jerzy Witold Pietrewicz, Minister for Economy (Secretary of State), Republic of Poland, during an interactive meeting.

Mr. Vijay Kalantri, President, All India Association of Industries and Vice-Chairman, MVIRDC World Trade Centre said that the bilateral trade between India and Poland stands at US\$ 1.7 billion with India's exports worth US\$ 810.85 million and Indian imports worth US\$ 863.25 million. India's exports to Poland constitute cotton, textiles, chemical products, electromechanical appliances, vehicles, air ships and vessels. Poland exports electromechanical appliances, mineral products, chemical products, etc to India. The two economies have an ocean of opportunities to enhance cross border relations. Given Prime Minister Mr. Modi's 'Make in India' campaign in coherence with prospective opening up of the mining, IT, tourism, automotive sectors presents a plethora of opportunity for Polish companies in India. On the similar lines the manufacturing hubs in Poland may be tapped by Indian companies to produce pharmaceuticals, textiles, engineering and automotive products in the country. The two nations must join hands to increase bilateral trade to US\$ 5 billion in the years to come.

Further, Polish and Indian companies from the sectors of food processing, cosmetics, metal engineering, machine manufacturing, mining, aviation, furniture, etc participated in business matching and networking meetings.

Gansu province a conduit for India-China co-operation



Mr. Wei Qizhu, Director, China Council for Promotion of International Trade, Gansu Provincial Committee (CCPIT) Mr. Vijay Kalantri, President, AIAI and Vice Chairman, WTC Mumbai and Capt. Somesh Batra, Vice Chairman, WTC Mumbai during the signing of MoU.

Gansu province located in the North West region of China forms an integrated part of the Silk Road Economic Belt thereby unfolding many opportunities for India's cooperation with Gansu, said Mr. Wei Qizhu, Department of Exhibition and Conference Director, China Council for the Promotion of International Trade, Gansu Provincial Committee, while addressing a meeting organised by All India Association of Industries and MVIRDC World Trade Centre. Mr. Qizhu was leading a business delegation from Gansu in the sectors of construction, agro commodities and food products.

Highlighting the areas of cooperation between Gansu and India, Mr. Qizhu mentioned that there is good scope for collaborations in the areas of agriculture and food products through our respective enterprises. Gansu province has made excellent strides in the sectors of wind power and solar power with 58 wind power stations and 1 solar power station contributing 40 million units to the energy sector in the region. India is placing considerable importance to the sector of new energy and we look forward to cooperation with India in the new energy area. Mr. Qizhu opined that setting up of

new energy companies in India would be viable and cost effective.

Further, there are good opportunities for cooperation in the steel and furniture sector and Gansu is a leading importer of iron ore from India. Mr. Qizhu was hopeful of doing greater business with India from this year and he mentioned that Gansu based enterprise is already engaged in Mumbai's construction sector.

Mr. Vijay Kalantri, Vice Chairman, MVIRDC World Trade Centre and President, All India Association of Industries mentioned that India and China trade has crossed US\$ 60 billion and trade balance is in favour of China. India and China together constitute 40% of world GDP. India at present imports a large number of commodities from China from various sectors. Mr. Kalantri added that in the emerging global scenario countries are looking at India and this is an opportune moment for China to engage with India. India has pronounced 'Make in India' and China should create a hub of manufacturing and investments in India to take advantage of India's cost competitiveness. China has already committed US\$ 7 billion worth of investments in India and time is ripe for India and Gansu to explore investment opportunities in various sectors.

Capt. Somesh Batra, Vice Chairman, MVIRDC World Trade Centre highlighted that India has young population with excellence in the software sector while China has built competencies in the hardware sector. Thus both India and Gansu can work together in IT sector and together attract a lot of global business. Mr. Batra pointed out that joint ventures between both our countries can bring down costs for both sides. He also suggested cooperation between India and Gansu in the sectors of green technology, sustainable development, solar development, water resources, infrastructure, ports and power. In addition to agriculture, both sides can work together in the areas of waste management, clean environment, food technology, food preservation and warehousing. Mr. Batra assured that MVIRDC World Trade Centre and All

India Association of Industries can find suitable partners for India and Gansu to work together.

The meeting concluded with the signing of Memorandum of Understanding between China Council for the Promotion of International Trade, Gansu Provincial Committee and MVIRDC World Trade Centre and another between China Council for the Promotion of International Trade, Gansu Provincial Committee and All India Association of Industries.

The meeting was followed by B2B interactions between the Gansu delegation members, WTC



Audience at a glance

Mumbai members and AIAI members.



Mr. Vijay Kalantri, President AIAI, addressing the gathering at the 12th China Products Exhibition in Mumbai, organised by Worldex 18th to 20th December 2014 was supported by AIAI



EVENTS SUPPORTED BY AIAI

<ul style="list-style-type: none"> • Assocham Foundation Day 19th January 2015, New Delhi 	<ul style="list-style-type: none"> • Water Expo 2015 26th - 28th February 2015, Chennai at Chennai Trade Center
<ul style="list-style-type: none"> • India Sanitation & Toilet Summit 6th February 2015, Delhi 	<ul style="list-style-type: none"> • Africa Tech Expo 2015 23rd - 25th March 2015, Nairobi (Kenya)
<ul style="list-style-type: none"> • 11th Annual India Trade & Export Finance Conference February 12, 2015, Mumbai 	<ul style="list-style-type: none"> • Tea Coffee Expo 26th -28th Feb & 1 March 2015, Kolkatta,India
<ul style="list-style-type: none"> • Machauto Expo 2015 13th -16th, February 2015, Ludhiana 	<ul style="list-style-type: none"> • Surat International Textile Expo Sitex 2015 10th - 13th March 2015, Sarsana, Surat

WTO Public Forum 2014 Geneva, October 1-3, 2014



Mr. Rajesh Aggarwal, Director of the Division of Business & Institutional Support and Chief, Business & Trade Facilitation Section, International Trade Centre ; Prof Joseph Francois ,Managing Director, World Trade Institute, University of Bern; Ms Azita Berar Awad, Director, Employment Policy Department, International Labour Organization (ILO); Mr. Vijay Kalantri, President, AIAI, Vice Chairman, WTC Mumbai and Director, WTCA Board, N.Y.; Mr. Ricardo Melendez-Ortiz, Chief Executive Officer, International Centre for Trade and Sustainable Development (ICTSD); Mr. Y. R. Warkerkar, Executive Director, WTC Mumbai , Ms Rupa Naik ,Executive Director, AIAI and Mr. Ken Ash, Director for Trade and Agriculture, Organisation for Economic Co-Operation and Development (OECD)

A Report

'Why trade matters to everyone' was the main theme which the World Trade Organization discussed at the prestigious annual event held at the WTO Headquarters in Geneva from 1-3 October 2014. World Trade Centre Mumbai and All India Association of Industries organized a working session at the WTO Public Forum on October 3 titled "Fostering Skills and Jobs through Trade Liberalisation in Developing Economies."

The WTO Public Forum discussed the human story behind trade. It showcased the myriad connections between trade and people's daily lives and demonstrated how trade impacts and improves the day-to-day lives of citizens around the globe, whether in developed or developing countries. Trade creates social and economic opportunities for consumers, citizens and economic players. But are these benefits inclusive enough? Under this thematic umbrella, the following three

subthemes were discussed: Trade and Jobs, Trade and Consumers, Trade and Africa. A special session 'Rounding up the Doha Round' was organized.

Explaining the theme of this year's forum, Mr. Roberto Azevêdo, Director-General, WTO in his opening address said "trade matters to everyone because every day, for good or ill, it affects us all... and it affects the poorest the most". According to Mr. Azevedo trade is a major contributor to global growth. And that open economies tend to grow more rapidly than closed ones. By boosting development, trade has helped to cut poverty around the world. For many, trade has meant better opportunities, better healthcare, better conditions in which to raise a family and greater opportunities to lead healthy, productive lives.

Moreover, by helping to build peaceful relationships between nations the trading system helps to provide a shelter of security and stability globally. The

biggest supporters of trade today are not to be found in developed countries, as one might have expected, nor even in emerging countries - but in developing countries, Mr. Azevêdo pointed out. On every front - on trade as a force for good,



Mr Roberto Azevedo , Director General , World Trade Organization with Mr. Vijay Kalantri , President, All India Association of Industries and Vice Chairman, World Trade Centre Mumbai

as a source of jobs, as a force to lower prices and increase wages - the greatest proportion of supporters were found in developing countries. This is a major shift which can be seen even in the WTO.

In the lead up to the ministerial conference in Bali last year, the developing and least developed countries were among the leading voices in the debate, alongside the major developed economies. And this was reflected in the Bali package itself. It was reflected in the decisions members took - some of which dealt solely with developing issues. And it was also reflected in the Trade Facilitation Agreement, Mr. Azevedo stated.

While the aim of the trading system is to open markets, it is also to support less developed countries to participate, to prevent harmful practices, and to provide a fair system where rules are agreed by all, where disputes are settled in an open and transparent manner, Mr. Azevedo expressed. In the second plenary session "Why Trade Matters to Africa" on 2 October, Mr. Azevedo said that trade has an important role in realizing Africa's "sheer potential". He said that fully implementing the Trade Facilitation Agreement "will help to integrate

Africa - and cut the costs of trade significantly".

Mr. Ban Ki-Moon, UN Secretary General in his opening address at the WTO Public Forum 2014 stated "An ounce of trade can be worth a pound of aid" he further added that "International trade is essential component of an integrated effort to end poverty, ensure food security and promote economic growth.

International trade is one of the defining activities of our era. Goods, services and ideas are on the move as never before. Without trade, China could not have achieved the impressive growth that has slashed poverty. According to Mr. Ban Ki-moon, wherever we look - from Indonesia to Brazil, from Australia to Europe - trade provides a path to accelerated growth and prosperity.

History has unfolded along the routes of global trade, from Timbuktu to the Silk Road. The entrepreneurial drive is clear. The question is not whether trade matters, but how we can make trade a better driver of equitable, sustainable development. How can we make trade the foundation of a life of dignity for all? Mr. Ban Ki-Moon said.

Many least developed and land-locked developing countries have yet to fully benefit from increased global trade. Mr. Ban Ki-moon expressed that we must integrate Africa, least developed and land-locked developing countries into the global economy through open, non-discriminatory and equitable trade. He said that this is critical to diversifying their economies and making them more stable and resilient.

Trade can - and should - benefit everyone. That is why the international community needs to avoid protectionism. We need an open, fair, rules-based and development-oriented international trading regime in the spirit of the Doha Development Round. That means correcting market distortions caused by export subsidies or import tariffs. It means letting Least Developed Countries benefit from duty-free and quota-free exports. And it means addressing countries' internal impediments to trade - such as lack of productive capacity, excessive red tape or inadequate infrastructure. Referring to the Doha Development Agenda, Mr. Ban Ki-moon stressed on the need to focus on a work programme for

tackling the remaining core issues and also work to resolve outstanding issues related to the Bali package.

Let us use the power of trade to improve the well-being of people everywhere while carefully managing the planet's natural resources and ecosystems. Let us transform the way we do business by creating an enabling environment for trade and investment that will help deliver sustainable development, Mr. Ban Ki-moon emphasized.

On October 3 All India Association of Industries and World Trade Centre Mumbai jointly conducted a session at this prestigious Forum on the theme "Fostering Skills and Jobs through Trade Liberalisation in Developing Economies" The session was addressed by a competent panel of experts comprising:

The session aligned with the sub- theme of the Public Forum "Trade and Jobs" and examined the importance of skill in empowering labour and its relevance in creating employability in transitional and emerging economies. The subject dealt with the context of the impact of trade liberalization in these economies.

Addressing the issues of trade linkages with jobs, the panel focused on the aspect of skills development and its implications on jobs particularly in the context of trade liberalization. Discussing the pattern of two-way relationship of trade and skills development in the developing countries, the panelists cited a few explanations. The Stability and quality of employment created needs closer evaluation. There is high level of unemployment among skilled labour as well as high rate of turnover

reflecting a growing mis-match in trade and jobs. This needs to be rectified and one of the ways to do is to improve the investment in work culture; labor market policies are not the only contributors to the skills gap. The panel stressed that trade openness needs complementary policies to realize the benefits that trade openness brings.

Mr. Vijay Kalantri, President, All India Association of Industries Vice Chairman, World Trade Centre Mumbai, and Director, WTCA Board, N.Y. in his opening remarks said that a large number of women and men in employment and their productivity at work has a lot to do with the available opportunities to acquire and maintain relevant skills. There is consensus that prioritizing education, lifelong learning, job training and skills development strategies are linked to growth strategies.

Highlighting the approach to skill building, Mr. Kalantri said that the first is broad availability of quality education as a foundation for future training. Education for all, and children in school and not at work, is an essential foundation of future training.

Panelist **Ms. Azita Berar Awad, Director, Employment Policy Department, International Labour Organization (ILO)** said trade and jobs inter-linkages are multi- faceted and complex; trade liberalization does not systematically and automatically generate quality jobs and benefits for all. Each process brings out opportunities but also costs and constraints and some countries have been able to reap the benefits and capitalize on the opportunities better than others.

Deliberating on implementing effective skills amongst



Mr. Vijay Kalantri, President, All India Association of Industries, Vice Chairman, WTC Mumbai and Director, WTCA Board, N.Y.



Ms Azita Berar Awad, Director, Employment Policy Department, International Labour Organization



Mr. Ricardo Melendez-Ortiz, Chief Executive Officer, International Centre for Trade and Sustainable Development (ICTSD)

labourers **Mr. Ricardo Melendez-Ortiz, Chief Executive Officer, International Centre for Trade and Sustainable Development (ICTSD)** said rapid changes in technologies need to match skills with jobs. Skills vary in terms of sectors, complexity of tasks, underlying infrastructure, exposure and type of links to markets, and incentives provided through policy and regulatory frameworks. Another important aspect is that as shown by the ILO, there is a growing gap between the skills acquired in education and the nature of jobs available. **Prof. Joseph Francois, Managing Director (incoming), World Trade Institute, University of Bern**, focused on trade as a mechanism not so much dependent on labour policies but on labour market conditions. Mr. Francois emphasized on three basic trends; a) global and regional production networks or value chains; b) services, linkages



Prof Joseph Francois, Managing Director (Incoming), World Trade Institute, University of Bern



Mr. Ken Ash, Director for Trade and Agriculture, Organisation for Economic Co-operation and Development (OECD)

and industrial cost structures and; c) shifts from trade measures to focus on regulatory barriers.

Sharing his perspectives on job creation, **Mr. Ken Ash, Director for Trade and Agriculture, Organisation for Economic Co-operation and Development (OECD)** said trade restrictions stifle productivity and growth and lead to job losses in the long term while trade openness can contribute to income and job growth but complementary policies are also needed.

According to **Mr. Rajesh Aggarwal, Director of the Division of Business & Institutional Support and Chief, Business & Trade Facilitation Section, International Trade Centre (ITC)** trade liberalization contributes to growth and employment and with trade liberalization, domestic enterprises will face competition from foreign ones.



Mr. Rajesh Aggarwal, Director of the Division of Business & Institutional Support

Snippets



Meeting with Ms. Anjali Prasad Ambassador/Permanent Representative of India to the World Trade Organization, Geneva, Switzerland.



Ms Anjali Prasad, Ambassador and Permanent Representative of India to the WTO (fourth from left) seen with 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 with AIAI and WTC Mumbai delegation members

Ms. Anjali Prasad is of the stand that International trade is not as important for India as domestic trade is opening the Indian market and permitting foreign goods into the country will affect our manufacturing sector which is already experiencing a setback due to the influx of goods from China and other foreign markets. The Indian manufacturing sector is very badly in need of a boost in the form of finances, technology, taxation, R&D and other subsidies which the Indian Government needs to consider on an immediate basis.

Ms. Prasad further strongly put forth that the Government should consider India's food security act, which involves providing subsidized food grains to a large chunk of the country's population, most of which lives below the poverty line.

To provide this, the Indian government buys rice

and wheat from farmers in enormous quantities. The Trade Facilitation Agreement caps yearly subsidies in developing countries at 10 percent of the value of agricultural production. This puts India at risk.

India, has opposed this limit and should not draw back from its demand for a parallel with developing countries which allows to continue subsidizing and stockpiling food.

She further emphasized that India mainly being an agricultural nation should focus on providing contemporary agricultural training for farmers, finances and equipment to help them improve their produce.

Mr. Vijay Kalantri and the mission acquiesced with Ms. Prasad's views.

Official Mission to Rome, Italy October 4-6, 2014

The All India Association of Industries (AIAI) and the World Trade Centre Mumbai jointly led an Official Mission to Rome, Italy from 4th to 6th October, 2014. The mission was headed by Mrs. Rupa Naik, Executive Director, All India Association of Industries and Director (Projects), World Trade Centre Mumbai. The purpose of the mission was to explore the possibilities of investment and trade opportunities in Rome and in particular to meet with the senior officials of International Fund for Agricultural Development – IFAD.

Meeting with Mr. Nigel Brett, Country Programme Manager, Asia and Pacific Division, International Fund for Agricultural Development – IFAD, Rome.

The delegates informed Mr. Nigel Brett about the forthcoming Global Economic Summit on the theme "Enabling Food for All" jointly being organized by the All India Association of Industries and World Trade Centre Mumbai. The delegates discussed with Mr. Brett the importance of food and agriculture, expressing their concern that even though the world produces enough food to feed all yet due to the flawed food systems millions of people are chronically undernourished and hungry.

Ms. Rupa Naik further apprised Mr. Brett that the Summit aimed to address these issues, adding that we seek the support of IFAD to participate as knowledge partner to the Summit.

Official mission to Bhutan October 11-14, 2014



Mr. Vijay Kalantri, President, AIAI, Mr. Chen Dorji, Vice President, Bhutan Chamber of Commerce & Industry, Mr. Kamal Morarka, Chairman WTC Mumbai Mr. Sonam Tobgay Dorji, President, Bhutan Chamber of Commerce & Industry and Mrs. Nina Tshering La, Counsellor (Eco & Com) Embassy of India in Thimpu was also present on this occasion



H.E. Mr. Gautam Bambawala, Ambassador of India in Bhutan alongwith Mr. Vijay Kalantri President, AIAI, Mr. Kamal Morarka, Chairman WTC Mumbai and Mr. R. Manchanda, Council Member WTC Mumbai during their Visit to Bhutan for Promotion of bilateral Trade between India and Bhutan

Mr. Vijay Kalantri, President, All India Association of Industries (AIAI) led an official mission to Bhutan from 11-14 October, 2014. During the visit the delegation met with officials from Bhutan and delegates discussed the need to promote bilateral trade between the two countries.

MoUs for the promotion of bilateral trade were signed between Mr. Kalantri, President, All India Association of Industries (AIAI) and Mr. Sonam Tobgay Dorji, President, Bhutan Chamber of Commerce & Industry (BCCI), Mr. Kamal Morarka, Chairman,

World Trade Centre Mumbai also signed the MoU with the Bhutan Chamber of Commerce & Industry (BCCI). Mrs. Nina Tshering La, Counsellor (Eco & Com) Embassy of India in Thimpu was also present on this occasion.

Mr. Vijay Kalantri, along with Mr. Kamal Morarka, Chairman WTC Mumbai and Mr. R. Manchanda, Council Member WTC Mumbai met with H.E. Mr. Gautam Bambawale, Ambassador of India in Bhutan to discuss promotion of bilateral Trade between India and Bhutan.

Official Trade Mission to Cyprus December 5-7, 2014



Signing of MOU between All India Association of Industries and Paphos Chamber of Commerce and Industry (PCCI)

Mr. Vijay Kalantri, President, All India Association of Industries (AIAI) led an official mission to Cyprus from 5-7 December, 2014. During the visit Mr. Kalantri

met H.E. Mr. Ravi Bangar, High Commissioner of the Republic of India in Cyprus.

Mr. Kalantri and H.E. Mr. Bangar discussed their concern on Cyprus being notified as 'jurisdiction area' under Section 94 A of the IT Act of 1961 and it's implication on the trade relations between the two countries. Mr. Bangar informed Mr. Kalantri that Cyprus has responded to requests received from the Ministry and has also invited a delegation from India for another round of negotiations to resolve these issues.

Mr. Kalantri also met with Mr. Andreas Demetriades, President, Paphos Chamber of Commerce and Industry, Cyprus. MoU to promote bilateral trade relations was signed between All India Association of Industries and Paphos Chamber of Commerce and Industry, Cyprus in the presence of Indian High Commission H.E. Mr. Ravi Bangar.

UPCOMING EVENT

AIAI and World Trade Centre, Mumbai proposes to mount a delegation to attend the Business Forum in Paphos, Cyprus in the month of August 2015. The Business Forum is being supported by the High Commission of India, Nicosia

Sectors identified are Tourism, Travel agents, Real Estate companies, Developers/Investors, Manufacturing companies, law officer, I.T, Gems and Jewellery.

Participation at EITS 2014 at METZ December 9-12, 2014



Ms. Renu Verma, Director –All India Association of Industries (AIAI), Mr. Theierry Petry, Director for India, Moselle Development Agency, Metz-France and Mr. Kuruvilla, Deputy Director – World Trade Mumbai at Euro India Technology Sourcing (EITS) Metz Expo, France METZ

Euro India Technology Sourcing (EITS) 2014 organized at METZ during 9th & 10th December 2014. EITS is a business meeting aiming to establish new contacts between companies from India and Europe interested to develop and boost strong trade relations in the field of materials, processes and energies. EITS is a part of the public strategy for the development of a European Materials and Energy Valley in Eastern France. EITS is organized by Moselle Development, the economic development agency of the General Council of Moselle.

The focus sectors include materials (metals, chemicals, plastics & natural fibers) and equipment endowed with generating power, improving energy efficiency, saving energy, storing energy, distributing energy, recycling renewable rawmaterials, etc.

Ms. Renu Verma, Director, All India Association of Industries (AIAI) and Mr. A. O. Kuruvilla Dy. Director, World Trade Centre, Mumbai participated at EITS 2014.

H. E. Mr. Arun K. Singh, Ambassador of India and Mr. Anshuma Gaur, Counsellor (Economic & Commercial), Embassy of India in France were also present on this occasion. The event saw participation of 300 companies from India & Europe

focusing on materials & processes for industry, transportation & energy

The programme included round table conférences, company presentations and pre-scheduled B2B meetings. The Expo Stall displayed by All India Association of Industries and WTC Mumbai attracted many visitors.

At the inaugural addrees, H.E. Mr. Arun K. Singh, Ambassador of India in France, highlighted the trade relation of India and EU and elaborated how the new Indian Government geared up the economic activities, demonstrating restored confidence in the Indian economy. This has resulted to accelerate India's GDP growth. Industrial growth in general and growth in the manufacturing sector in particular, has shown significant improvement. Both Foreign Direct Investment (FDI) and Foreign Institutional Investments (FII) inflows have increased.

The Indian Prime Minister has signaled a new direction for India's economic growth with the launch of 'Make in India' campaign. It is a major new national program designed to facilitate investment, foster innovation, enhance skill development, protect intellectual property and build best-in-class manufacturing infrastructure, said the ambassador.

H.E. Mr. Arun K. Singh, Ambassador of India took special interest in visiting the AIAI stall. The AIAI and WTC officials presented the brochure and the information of the forthcoming event the 5th Global Economic Summit on "Enabling Food for All" in November 2015 at Mumbai.



Ms. Stephanie Vielledent, Project Manager- International Chamber of Commerce (ICC), Ms. Helene Kolmodin, Assistant to the Director- ICC, Ms. Renu Verma, Director –All India Association of Industries, Mr. Kuruvilla, Deputy Director World Trade Centre, Mumbai and Ms. Laurence Bottier-Heiderscheid, ATA Carnet Manager - ICC

December 12, 2014

Ms. Renu Verma, Director – All India Association of Industries (AIAI) and Mr. Kuruvilla, Deputy Director, World Trade Centre Mumbai visited the International Chamber of Commerce (ICC) and met with Ms. Helene Kolmodin, Assistant to the Director, Ms. Stephanie Vielledent, Project Manager and Ms. Laurence Bottier-Heiderscheid, ATA Carnet Manager - International Chamber of Commerce (ICC).

The meetings was very fruitful and discussed regarding opportunities for joint programmes and exchange of informations.

Ms. Verma and Mr. Kuruvilla gave a brief introduction about their organisation and the forthcoming event 5th Global Economic Summit on "Enabling Food for All" being organized jointly by AIAI and WTC in November 2015 at Mumbai. Ms. Verma informed that the Summit aims to discuss important segment of food and agriculture such as food security and safety, agro technology and issues pertaining to this vital sector.

Ms. Kolomodin, highlighted the need for increasing

cooperation between India and France and emphasized the need to enhance bilateral exchange of business delegations. Regular trade fairs in both countries need to be encouraged.

Ms. Kolomodin expressed that the Summit is very interesting and assured that ICC will disseminate and promote that Summit amongst their members and encourage participation.

Ms. Stephanie Vielledent, said that the channels of information between the two countries must be strengthened in order to boost trade and economic cooperation.

Ms. Renu Verma, Director - All India Association of Industries (AIAI) and Mr. Kuruvilla, Deputy Director, World Trade Centre Mumba visited the Embassy of India and met with Mr. Anshuman Gaur, Counsellor (Economic & Commercial), Embassy of India, Paris and gave a brief introduction about the forthcoming event 5th Global Economic Summit on "Enabling Food for All" being organized jointly by AIAI and WTC in November 2015 at Mumbai.

Ms. Verma informed that the Summit aims to discuss important segment of food and agriculture



Ms. Renu Verma, Director –All India Association of Industries (AIAI), Mr. Anshuman Gaur, Counsellor (Economic & Commercial), Embassy of India, Paris and Mr. Kuruvilla, Deputy Director - World Trade Mumbai visited the Embassy during their visit to France.

such as food security and safety, agro technology, food processing and food engineering and also issues pertaining to this vital sector.

Mr. Gaur appreciated the Associations participation at the METZ and showed keen interest to the forthcoming Summit and stated that through this Summit we can promote co-operation in agro, food, mining, technology, as the theme will attract participation of french companies.

Ms. Renu Verma, Director – All India Association of Industries (AIAI) and Mr. Kuruvilla, Deputy Director, World Trade Centre Mumbai visited Chamber of Commerce and Industry Pariis Ile –de-France and met with Ms. Martine Stepanek, Head of Asia America Department, International Business Development and Ms. Olivia Calvet Soubiran, India Trade Advisor, International Business Development CCI Paris Ile-de-France.

Ms. Verma and Mr. Kuruvilla gave a brief introduction about their organisation and the forthcoming event 5th Global Economic Summit on "Enabling Food for All" being organized jointly by AIAI and WTC in November 2015 at Mumbai.

The meeting was very interesting. Ms. Martine Stepanek, Head of Asia America Department, International Business Development assured that ICC would make a list of 5 SMEs based in the



Mr. Kuruvilla, Deputy Director, WTC Mumbai, Ms. Olivia Calvet Soubiran, India Trade Advisor, International Business Development CCI Paris Ile-de-France, Ms. Renu Verma, Director, AIAI and Ms. Martine Stepanek, Head of Asia America Department, CCI Paris Ile-de-France

Paris Region specialised in Agri and food sector and requested us to circulate the information amongst AIAI and WTC members .

Speech of H E. Arun K. Singh, Ambassador of India, Paris at the inauguration of the 2nd Euro-India Technology Sourcing Expo in Metz, on 9 December 2014

Senator Mr. Philippe Leroy,

Mr. Patrick Weiten, President of Moselle General Council,

Members of the Moselle Development Authority, Representatives of Indian and French Companies present here,

Ladies and Gentlemen,

It is a pleasure to be in the beautiful Lorraine Valley for inaugurating the Euro India Technology Sourcing- 2014 event.

2. India and Europe have a strong political dialogue. Our relationship has intensified with several bilateral agreements, people to people contacts, bilateral negotiation platforms, and a steadily increasing bilateral trade and investment relationship. EU is one of India's most important trade partners. EU-India trade in goods has expanded from 28.6 billion in 2003 to 72.7 billion in 2013. Similarly, Trade in



Ambassador H. E. Arun K. Singh Speaking at at the inauguration of the 2nd Euro-India Technology Sourcing Expo in Metz, on 9 December 2014

services has increased from 5.2 billion in 2002 to 22.7 billion in 2012. EU is also an important investor for India. By 2012, EU investment in India amounted to 14.19 billion while Indian investments into the EU were nearly 2 billion.

3. India and the EU have been negotiating a bilateral Broad-based Trade and Investment Agreement. This has the potential to significantly enhance the commercial relationship once implemented.

4. You are aware that a new Government has been elected in India in May this year with a strong mandate. This has unleashed tremendous optimism and hope. Economic activities have picked up, demonstrating restored confidence in the Indian economy. India's GDP growth has accelerated. Industrial growth in general and growth in the manufacturing sector in particular, has shown significant improvement. Both Foreign Direct Investment (FDI) and Foreign Institutional Investments (FII) inflows have increased.

5. The Prime Minister has signalled a new direction for India's economic growth with the launch of 'Make in India' campaign. It is a major new national program designed to facilitate investment, foster innovation, enhance skill development, protect intellectual property and build best-in-class manufacturing infrastructure. 25 sectors have been identified as focus areas, and these include sectors such as Infrastructure, Construction, Defence Manufacturing, Railways, Renewable Energy and Thermal Power. These sectors are directly related to the focus area for EITS 2014- materials, mechanics and energy for transportation and industry.

6. We in India are creating a large manufacturing base and infrastructure. This is led by Industrial corridors such as the 1300 kilometers long Delhi-Mumbai Industrial corridor. There is also a demographic shift in India as a majority of 1.3 billion Indians are likely to move to urban areas in the next 20 years. These transformations in India create a tremendous demand for industrial infrastructure, materials and sustainable energy. This also presents unprecedented opportunities for European, and particularly French companies.

7. French companies have proven expertise and strengths in some of the high growth areas that I have talked about. India-France strategic partnership enjoys support cutting across party lines both in India and France. Scientific and technological collaboration has been an area of particular focus, led by organizations such as CEFIPRA. We are certain that under the new Government in India, there will be renewed focus on revitalizing the commercial relations between the two countries.

8. I would like to thank the Moselle Development Agency for their initiative and hard-work in organizing this event. We could not have chosen a better location than Lorraine, which has become the European Valley for Materials and Energy. This area also showcases European industrial strength as well as the potential for knowledge, research and technology transfer.

9. I am certain that this business meeting will enable Indian and European companies to find new commercial opportunities, learn about new technologies and solutions and meet potential partners to foster collaborations.

10. I wish all the participants of the event productive and mutually beneficial interactions.



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International Trade and Sustainable Development Post – 2015 Development Agenda Briefing Series

International trade, when well regulated within coherent policy frameworks, can make an important contribution to sustainable development. Trade and trade policy have thus been a recurring theme in the debate around a global Post-2015 Development Agenda. In the Rio+20 outcome document, 'The Future We Want,' UN members acknowledge the importance of an enabling environment for sustainable development and international cooperation, including with respect to trade policy.¹ The 'zero draft' of Sustainable Development Goals (SDGs) and targets released on 2 June 2014 by the Co-Chairs of the United Nations General Assembly's Open Working Group on SDGs referenced a number of trade policy measures, including as means of implementation to support progress towards goals around ending hunger, sustainable and inclusive economic growth, and ending poverty.²

This policy brief explains how trade can contribute to food security and diffusing environmental technologies, underscoring the point that trade policy is relevant to many of the themes of the Post-2015 Development Agenda. Trade is not an end in itself, and is only one element of sustainable development. At the domestic level, trade policy must be part of a coherent policy framework, including effective implementation of labour and environmental standards and adjustment assistance to manage the human cost of local adaptation to a global market. In the same way, the Post-2015 Development Agenda must be a coherent framework in which environmental, social, and economic policies work together and are mutually reinforcing.

Background

Every economy in the world is involved, to a greater or lesser extent, in international trade. Trade, and the competitive pressures it creates, can help improve the productivity of natural and human resources, particularly land and labour, and the efficiency of local production, generating employment and income. According to the United Nations Conference on Trade and Development

(UNCTAD), trade remains the most reliable and productive way of integrating into the global economy and of supporting the efforts of poorer countries to become less aid dependent."³

Trade is also an essential mechanism that can enable social progress and environmental protection. Fighting communicable and non-communicable diseases requires medicines and medical devices to be traded across borders. Trade can help improve food and nutrition security by making food available and accessible in places where it would otherwise be scarce.

Without trade, environmental goods and services that reduce greenhouse gas emissions, treat waste water, and reduce fishing bycatch would be available only in the countries where they were produced.

Trade is thus relevant to the achievement of many elements of the Post-2015 Development Agenda. As the zero draft of the Sustainable Development Goals (SDGs) suggests, trade policy targets could be incorporated under various themes across the SDG framework.

Trade's contribution to food security for all

The UN Secretary General's Zero Hunger Challenge underscores the importance of "open, fair and well-functioning markets and trade policies at local, regional and international level, preventing excessive food price volatility" in achieving the goal of "100% access to adequate food all year round."⁴ A well-functioning global market for the agricultural and fisheries products that make up the world's food supply is crucial to achieving global and national food security.

In the years leading up to the creation of the Millennium Development Goals (MDGs), high levels of domestic support, export subsidies and supply management policies in many developed countries meant that global agricultural trade was characterised by production excesses and

depressed prices, disincentivising investment in developing country agriculture. The structure of global agriculture has changed significantly since then, to one of higher and more volatile prices.

Demand for food is increasing as the global population grows and is also changing. As incomes increase in developing countries, people are likely to choose to eat more varied, often imported, food.⁵ Changes in global temperatures and precipitation and more frequent and intense extreme weather events are expected to have a significant impact on patterns of agricultural production.⁶

These dramatic changes mean complete self-sufficiency in food production is an increasingly elusive goal for most countries, making trade in food products even more crucial. For net food-importing developing countries, in particular, an open and well-functioning global market for food products is critical to the country's food security.⁷ Access to markets for agricultural goods can help lift farmers out of poverty and invest in becoming more productive. An open and equitable trading system can help economies adjust to changing demands for food and changing growing patterns.⁸

Trade in fisheries products is also critical to food security and development. For developing countries, which account for over 50 per cent of global fishery exports in value terms, trade in fish products "represents a significant source of foreign currency earnings in addition to the sector's important role as a generator of income, source of employment, and provider of food security and nutrition."⁹ Demand for fish as food is likely to increase by 20-30 per cent by 2030, ¹⁰ but in 2009 only 12.7 per cent of global fish stocks had some room left for further expansions of catch.¹¹ The fact that fisheries are a renewable but depleted resource means the benefits of open global trade in fish products need to be balanced with the need to sustainably manage stocks.

Trade's contribution to the diffusion of environmental technology

Renewable energy made up about 13 per cent of the world's energy supply in 2010.¹² The UN Secretary General's Sustainable Energy for All initiative

aims to increase this to 30 per cent by 2030.¹³ Renewable energy technologies, and the products and services that make those technologies useable, are essential to achieving this goal. Environmental goods and services can reduce the pollution caused by production and consumption and, by improving the efficiency of resource use, help to 'decouple' economic growth from the current unsustainable pattern of resource consumption.

Trade is key to making environmental goods both available and accessible to consumers and producers in countries at all levels of development. As UNCTAD has argued: "It is essential that the rules of the trading system enhance the diffusion of goods, services and technologies to help address these threats [linked to "interrelated crises in food, energy and water, and the cumulative challenge associated with rising global temperatures"] as well as supporting the spread of sustainable and socially equitable production methods among countries."¹⁴

Well-functioning global markets for clean energy technologies, for example, can help producers to scale up production, reducing the unit costs of goods and increasing their accessibility across income levels.¹⁵ Fluid markets for environmental services, like maintenance of renewable energy systems, can provide employment opportunities and improve the returns on investments made by governments in sustainable energy generation.¹⁶

Trade policy across the Sustainable Development Goals

The examples above suggest that trade is an important enabler of goals as diverse as improving global nutrition and supporting a transition to a sustainable energy world. Examples of trade policy reforms that could contribute to the functioning of markets in the areas above (contributing to food security and the diffusion of environmental goods and services) are provided below.

Sustainable Energy for All

- *Reduce distortions in the market for environmental goods and services*

Work by the World Bank¹⁷ has shown that removing

tariff and non-tariff barriers¹⁸ to trade in clean energy technologies would lead to a significant increase in the volumes of these goods that are traded internationally. This could increase their diffusion throughout the global economy.

Food security for all

- *Reduce distortions in trade of agricultural products*

Reform of trade-distorting subsidies, particularly those in developed countries, could increase the competitiveness of agriculture and support livelihoods in developing countries. Governments can also take measures to ensure poor consumers in low-income food-deficit countries can access food during periods of scarcity, for example by reducing export taxes and similar restrictions.

- *Reduce distortions in the market for fisheries products*

The Rio+20 outcome encouraged UN members to eliminate subsidies that contribute to overcapacity and overfishing.¹⁹ Establishing national targets for

the gradual elimination of the most environmentally harmful fisheries subsidies would help to anchor these objectives in development plans. The Johannesburg Plan of Implementation also set a target of returning depleted fish stocks to a position where they would produce maximum sustainable yield by 2015, a target which could be extended.²⁰

Conclusion: trade policy can enable progress across the development agenda

Millennium Development Goal 8 included two targets related to the international trading system, with indicators largely focused on improving market access for exports from developing countries. These objectives are still relevant, but this paper has shown that trade policy's contribution as an enabler of sustainable development in the Post-2015 Development Agenda can and should be much wider.

Source: International Centre for Trade and Sustainable Development

AIAI's views on Labour Reforms

Mr. Vijay Kalantri, President, All India Association of Industries (AIAI) welcomed the Hon'ble Prime Minister Mr. Narendra Modi's initiative on Labour Reforms by introducing the Single Window Clearance on Labour Laws. The "Shrameva Jayate programme" initiative, this will certainly bring in the much required transparency and will avoid harassment delays and unfair practices in employment.

Mr. Kalantri further mentioned that this programme will ease the burden on employers of various compliance documentation demanded by the Labour inspectors and will simplify employment rules. The Archaic labour laws and Inspector Raj which strictly regulated hiring and firing and inundated

employers with paperwork, discouraged specially the SMEs from expanding and taking on new staff.

This change will surely benefit small firms and SMEs which employ few employees and usually do not have a huge staff for specifically taking care of labour compliances. The launch of this scheme will obliterate the bottle necks in implementation of projects and will give impetus to growth and employment since nearly 84% of India's Labourforce is employed by the SMEs

AIAI feels the SMES sector is specially benefitted with doing away with Inspector Raj and this in the true sense Minimum Government Better Governance.

AIAI welcomes Chief Minister's Make in Maharashtra Policy

The announcements to streamline and expedite the procedure for setting up industries in the state within a month period having single window clearances making "Doing business in Maharashtra" simpler. The decision comes as a welcome step but should be implemented in letter and spirit to make Make in Maharashtra a success says Mr. Vijay Kalantri, President, All India Association of Industries (AIAI).

AIAI welcomes the online and digitization of procedures for uniform growth not only in Maharashtra's

Industrial state but also in Industry clusters which will generate employment and help in setting up of businesses.

Existing issues of industries such as poor infrastructure, state highways, Road and Power shortages should be addressed on priority added Mr. Kalantri.

Also issues like LBT and Octroi should be done away with on a war footing.

Asia-Pacific ready to lead and shape sustainable trade and development

The recent and striking success of Asia-Pacific countries in boosting growth and reducing poverty is testament to the importance of trade as a driver of growth. Rapid integration of Asia and the Pacific with the global economy through trade, investment and technology transfers has lifted an average of 42 million people in the region out of absolute poverty every year since 1990.

Trade-led growth has not, however, benefited all people equally. Too many barriers to inclusion remain, especially for our poorest communities. In particular, least developed countries (LDCs), landlocked developing countries (LLDCs) and economies in transition still face daunting challenges to enhance their trade.

At the Rio+20 conference in 2012, global leaders recognized trade as a key means of implementation for sustainable development. As the world now transitions from the Millennium Development Goals (MDGs) to a post-2015 development agenda anchored by sustainability, it is time to do more to harness and nurture trade for inclusive growth.

First, governments need to accelerate the building of an 'open, rule-based, predictable, non-discriminatory

trading system' as originally envisaged in MDG 8. A global trading system that is open, equitable and accessible to all will be the single greatest contribution trade policy can make to the post-2015 agenda. A successful conclusion of the Doha Round of multilateral trade negotiations is a prerequisite to achieve these goals. The agreements in the so-called Bali Package concluded in December 2013 show that multilateral deals remain possible. As a first step, the World Trade Organization has launched its Trade Facilitation Agreement Facility to help developing countries and LDCs reap the benefits of trade facilitation. Still, greater efforts will be needed to finalize the Doha Round, to boost global trade and to deliver real gains in market access for developing country exports.

Second, developing countries need more assistance to take advantage of the opportunities offered by the multilateral trading system and by regional trade agreements. Many Asia-Pacific nations face barriers to trade and LDCs and LLDCs in particular face large obstacles, both in the form of weak infrastructure and outdated policies. Trade costs for Asia-Pacific LDCs can be more than double those of other regional developing countries (Asia-

Pacific Trade and Investment Report 2013, ESCAP, 2013). There is a pressing need to reduce these costs and eliminate unnecessary administrative burdens in trade and transit. This will require addressing behind-the-border obstacles, including simplifying customs procedures and wide-ranging trade facilitation measures.

As part of the broader push to mobilize finance for development, Aid for Trade (the share of which may rise for developing countries), has been a somewhat effective vehicle in channelling assistance to tackle these problems. However, traditional assistance alone will not be enough: we need to find new ways of using aid to catalyze private capital to play a more significant role in economic diversification and achieving efficiency gains.

Third, trade-led growth needs the right supporting policies to ensure inclusive outcomes. Rising inequality in many countries is a major concern. While trade is a powerful engine of growth, export-led growth needs to be supplemented by complementary measures and policies, not least by social protection and employment policies to make trade and investment more inclusive. These are needed to limit rising inequality, widen access to opportunities and bring excluded groups in from the margins.

Trade must be mainstreamed into the post-2015 development agenda. Accompanied by effective access to appropriate technology and supported by intellectual capital and resources, as well as property rights, trade will help integrate local industries into global value chains and create far-reaching economic gains.

Getting our approach to trade right, ensuring more equitable gains from trade for less developed countries, holding G20 members to their promise of a standstill on protectionist measures, and structuring production networks to generate jobs will have positive impacts on poverty reduction, health and climate change, to name but a few possibilities. National sustainable-development strategies need to adopt sustainable infrastructure, competitive policy environments and efficient trade facilitation systems to achieve sustainable growth in trade.

Having stepped on to centre-stage of global trade now is the time for Asia and the Pacific to lead the way in fostering multilateralism to ensure that trade helps to deliver the future we want.

Source: Shamshad Akhtar, Executive Secretary, United Nations Economic and Social Commission for Asia and the Pacific (from International Trade Centre Magazine)

Attention Exporters

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Schedule At-A-Glance

- Pro Business Laws can make Invest in India - A Thumping Reality
- Redefining Role of Regulatory Bodies like SEBI, CCI, TRAI
- Energy, Resources and Infrastructures - Control, Clearances, Trends & Challenges
- Manufacturing Industry & its Challenges: What would be the way forward to expedite Growth & opportunities
- E-commerce & Digital Markets, Challenges & The Future
- Corporate Governance, CSR and The Profit Element
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 - a) How Implementing enabling business regulations assume great significance and can help actualise the 'Make in India'.
 - b) Ease of doing business for International Companies Regulatory Hurdles, addressing recent Reforms facilitating ease
- Telecom Industry, Challenges & Way Forward
- Mergers & Acquisitions -Deal Making Trends & Challenges in 2015
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 - 100 smart ways for Dispute Resolution - Rethinking the practice of arbitration in India

The Two Day Business Leaders & Lawyers Meet 2015 will conclude with the 4th Annual Legal Era Awards 2014-15 Ceremony on 13th March 2015 at ITC Maurya, New Delhi, India Celebration of Excellence among the crème de la crème

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APPRENTICE PROTSAHAN YOJANA

GOVERNMENT OF INDIA

MINISTRY OF LABOUR & EMPLOYMENT

DIRECTORATE GENERAL OF EMPLOYMENT & TRAINING



Ministry of Labour & Employment has started a new scheme "Apprentice Protsahan Yojana (APY)" on 16.12.2014 to support manufacturing units and other establishments by reimbursing 50% of the stipend paid to apprentices by Government of India for the first two years of training for one lakh apprentices to be engaged by establishments covered under the Apprentices Act, 1961 upto 31.03.2017.

KEY FEATURES OF THE SCHEME

- Support to manufacturing units and other establishments covered under the Apprentices Act, 1961 in the form of sharing of 50% of stipend by Government of India.
- From FY 2015-16, Government of India's share of the stipend will be credited directly into the bank accounts of apprentices.
- Employers having six or more employees can avail the benefits of the scheme.
- Stipend for the first two years of apprenticeship will be shared.
- Sharing of 50% of stipend by Government of India for two apprentices per establishment.

POINTS OF CONTACT (Statewise)

States	Address
Delhi, Haryana, Rajasthan, Himachal Pradesh, Punjab, Chandigarh, Jammu & Kashmir	The Regional Director, Regional Directorate of Apprenticeship Training (RDAT) 3rd Floor, A-Wing, New CGO Bldg. NH-IV, Faridabad - 121001 Ph. No. 0129-2413890, 2421973, 9968294966 E-mail: rdatfdb@nic.in
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For more details please visit website <http://dget.nic.in/content/innerpage/apprenticeship-training-scheme-ats.php> or contact Dy. Director General (AT) / Director (AT) at 011-23718106, 23720792

Manufacturing sector of India: The Roadblocks and Recommendations

Background

Manufacturing Industry in India has gone through various phases of development over the period of time. Since independence in 1947, the Indian manufacturing sector has traveled from the initial phase of building the industrial foundation in 1950's and early 1960's, to the license-permit Raj in the period of 1965-1980, to a phase of liberalization of 1990's, emerging into the current phase of global competitiveness. It has grown at a robust rate over the past ten years and has been one of the best performing manufacturing economy. Manufacturing sector contributes about 15% of India's GDP and 50% to the country's exports. The Manufacturing sector employs nearly 60 million people (about 12% of the workforce). Studies have estimated that every job created in manufacturing has a multiplier effect, creating 2-3 jobs in the services sector. In a country like India, where employment generation is one of the key policy issues, this makes this sector a critical sector to achieve inclusiveness in growth.

Overview of the manufacturing sector

India has become one of the fastest growing economies in the world over the last two decades, undoubtedly aided in this performance by economic reforms. The striking aspect of India's recent growth has been the dynamism of the service sector, while, in contrast, manufacturing has been less robust. The Manufacturing sector's contribution to the GDP has stagnated at 16%, raising questions about India's development model, including its sustainability, especially for generating adequate employment.

Currently, India's manufacturing sector contributes about 16% to the GDP, and India's share in world manufacturing is only 1.8%. This is in stark contrast to China; where manufacturing contributes 34% to the GDP and is 13.7% of world manufacturing – up from 2.9% in 1991. India's growth has been on the back of a booming services sector which contributes 62.5% of the GDP. These statistics clearly indicate that while manufacturing has not been the engine of growth for the Indian economy, it now needs to

grow at a much faster rate. With changing global realities, the manufacturing sector will need to be the bulwark of employment creation over the next decade, in contrast to current employment of only 9% of India's working population. India's long touted demographic dividend can only then be sufficiently exploited through the systematic growth of this sector.

Setting up clear and comprehensive objectives

In order to create a paradigm shift in the manufacturing sector, it is essential to consider the objectives over a longer timeframe, such as 15 years. The National Manufacturing Policy, which was introduced in 2011, states these objectives and these are the underlying objectives that the Plan aims to achieve as well.

These objectives are:

- I. Increase manufacturing sector growth to 12-14% over the medium term to make it the engine of growth for the economy. The 2 to 4 % differential over the medium term growth rate of the overall economy will enable manufacturing to contribute at least 25% of the National GDP by 2025.
- II. Increase the rate of job creation in manufacturing to create 100 million additional jobs by 2025. Emphasis should be given to creation of appropriate skill sets among the rural migrant and urban poor to make growth inclusive.
- III. Increase 'depth' in manufacturing, with focus on the level of domestic value addition, to address the national strategic requirements.
- IV. Enhance global competitiveness of Indian manufacturing through appropriate policy support.
- V. Ensure sustainability of growth, particularly with regard to the environment

Key Strategies to boost India's manufacturing

Business Regulatory Framework

Business regulatory frameworks are indispensable in creation and promotion of successful business environments in countries. The business regulatory framework should ideally aim to simplify the regulatory system, ensure fair competition among players and reduce the cost of compliance of doing business in the country.

In India, businesses growth is hampered by myriad ambiguous and vast business regulations as well as poor enforcement. Neither is a repository of all these regulations available nor a proper stakeholder consultation mechanism for improvements in them. Also, the number of licenses required in order to start a project are too many. For e.g. the process of starting a small business requires nearly 70 licenses. The process for acquiring the licenses causes delay in starting a business which runs into many years. Also, the start-ups have to comply with the state and central government's cumbersome norms.

A national policy on Business Development and Regulation and better institutional arrangements to implement business regulations are necessary. Further, administrative and regulatory reform measures recommended before, that are awaiting implementation, must be implemented expeditiously, as must the National Competition Policy.

Business regulatory governance must be systematized by setting up and operationalizing common minimum standards across the country for Single Window Clearance (SWC) mechanisms. Regulatory Impact Assessment of new regulations must be mandated and review of existing regulations must be made more effective with compulsory stakeholder consultation.

Giving an example of faulty policy and poor regulatory environment it is vital to point out that nearly 2 lakh mega watts of power generation capacity is lying ideal for the want of coal and gas. Ban on coal mining and inefficient allocation of gas by the Government have led to these problems.

National Investment and Manufacturing Zones

Areas would be specifically delineated for the establishment of manufacturing facilities for domestic and export led production, along with the associated services and infrastructure with the objective of

promoting investments in manufacturing and ease of development of such units.

The NIMZs would be a combination of production units, public utilities, logistics, environmental protection mechanisms, residential areas and administrative services. They would have processing areas where the manufacturing facilities, along with associated logistics and other services and required infrastructure will be located, as well as non-processing areas for residential, commercial and other social and institutional infrastructure.

The key feature of the NIMZs is that they would have more efficient and business friendly procedures and approval systems along with superior physical infrastructure.

Industrial Corridors

Industrial Corridors recognize the inter-dependence of various sectors of the economy and offer effective integration between industry and infrastructure leading to overall economic and social development. Industrial corridors constitute world class infrastructure such as high-speed transportation (rail, road) network, ports with state-of-the-art cargo handling equipment, modern airports, special economic regions / industrial areas, logistic parks/transshipment hubs, knowledge parks focused on feeding industrial needs, complementary infrastructure such as townships / real estate, and other urban infrastructure along with enabling policy framework. Industrial corridor provides opportunities for private sector investment in the provision of various infrastructure projects associated with the exploitation industrial opportunity. However, the successful utilization of opportunities that arises from industrial corridors depends on availability of efficient transport and other infrastructure support systems. Corridor approach for industrial development primarily takes advantage of the existence of proven, inherent and underutilized economic development potential within the influence region. Apart from the development of infrastructure, long-term advantages to business and industry along the corridor include benefits arising from smooth access to the industrial production units, decreased transportation and communications costs, improved delivery time and reduction in inventory cost. The strategy of an industrial corridor is thus intended to develop

a sound industrial base, served by world-class competitive infrastructure as a prerequisite for attracting investments into export oriented industries and manufacturing.

An emphasis on the Delhi-Mumbai Industrial Corridor (DMIC)

The DMIC primarily involves establishment of a dedicated freight corridor (DFC) of around 1,500 km between Delhi and Mumbai with terminals at Dadri in the national capital region (NCR) of Delhi and the Jawaharlal Nehru Port near Mumbai. The area around the DFC is being developed as the DMIC. Seven states figure in the DMIC region. These are Delhi, Gujarat, Haryana, Madhya Pradesh, Maharashtra, Rajasthan and Uttar Pradesh. The DMIC-influenced area covers more than 66 per cent of the combined geographical areas of the states it runs through. It will incorporate nine mega-industrial zones of about 200-250 square km each and will have a high-speed freight line, three sea-ports, six airports, a six-lane intersection-free expressway between Delhi and Mumbai, as well as a 4,000 MW power plant. The DMIC seeks to 'create a strong economic base with a globally competitive environment and state-of-the-art infrastructure to activate local commerce, enhance foreign investments and attain sustainable development'.

An apex body, headed by the finance minister and including other central ministers and chief ministers of the respective DMIC states, is providing overall guidance, planning and approvals for the project. The Delhi Mumbai Industrial Corridor Development Corporation (DMICDC) has been established as a Special-Purpose Vehicle (SPV) to coordinate project development, finance and implementation. A state-level entity/nodal agency is coordinating

between the DMICDC, different state government entities and project implementing agencies/other SPVs belonging to the state governments, the central government and their agencies.

The development strategy for the DMIC is based on the competitiveness of each of the DMIC states and identification of high impact/market driven nodes along the DMIC. Each node is envisaged as a self-sustained region with quality infrastructure and good connectivity to the freight corridor, ports and hinterlands. In order to fully utilize potential economic benefits of the corridor, the DMIC proposes to link under-developed regions along the corridor to more developed ones. This is expected to create effective forward and backward linkages between more and less developed areas as well as enhance business and employment prospects. The market-driven nodes are proposed to be in two categories: investment regions (with an approximate minimum area of 200 sq km) and industrial areas (with an approximate minimum area of 100 sq km). Twenty four nodes, including 11 investment regions and 13 industrial areas, have been identified in consultation with state governments.

Japan is an active partner in the development of DMIC project. The Indo-Japan collaboration in the DMIC pertains to collaboration in developing eco-cities in the DMIC region and establishing a project development fund (PDF) to undertake activities such as master planning, feasibility studies, preparation of detailed project reports, obtaining necessary approvals and bid process management for projects to be taken up in the DMIC region. The fund will be set up with equal contributions from the governments of Japan and India.

Objectives of DMIC	
Industrial Infrastructure	Physical Infrastructure
1. Developing new industrial clusters	1. Developing 'Knowledge Hubs' with integrated approach
2. Upgrading existing industrial estates / clusters	2. Feeder road/rail connectivity to sea ports, hinterlands and markets

3. Developing modern integrated agro-processing zones with allied infrastructure	3. Developing existing port infrastructure and green-field sea ports with dedicated jetties for efficient cargo movement
4. Developing information technology (IT)/IT-enabled services (ITeS) hubs and allied infrastructure such as knowledge parks and high-tech service centres	4. Upgrading / modernising airports and establishing green-fields airports and airstrips
5. Providing efficient logistics chain with multi-modal hubs	5. Setting up power generation plants with transmission facilities for augmenting power supplies in the region
6. Building primary and secondary schools, colleges, polytechnics, centres of excellence in various disciplines, management and engineering institutes and multi-techno institutes	6. Ensuring effective environment protection mechanisms such as green office complexes, water recycling and re-use and use of solar energy
7. Augmenting water supply facilities by identifying and developing new sewerage and drainage projects	7. Developing integrated townships with residential zones and green buildings

Vision of DMIC

The vision for DMIC is to create strong economic base with globally competitive environment and state-of-the-art infrastructure to activate local commerce, enhance foreign investments and attain sustainable development. Stable regulations, well-developed communications, efficient transportation systems and the pro-business environment are some of the essential requirements to be fulfilled to accomplish the huge potential for growth and development. Delhi-Mumbai Industrial Corridor is to be conceived as a Model industrial Corridor of international standards with emphasis on expanding the manufacturing and services base and develop DMIC as the 'Global Manufacturing and Trading Hub', infusing worldwide technological advancements to the grass route level of local production sources and upgrade human skills of influencing region and the country. The underlying philosophy for DMIC is to establish a competitive economy, enhance regional / urban-rural connectivity, integrate inherent strengths of existing resources, upgrade human skills, attain technological advancements, enhance local trade and commerce base of the country and ensure attractive investment climate by offering not only

the incentives which are inherent in the central and respective state government's investment promotion policies, but also create physical and social infrastructure facilities of international standards.

The developmental planning for DMIC aims to achieve certain end results with implementation that would ensure realization of envisaged vision for the project and lead to economic development. Accordingly the project goals for DMIC are:

- Double employment potential in five years (14.87% CAGR)
- Triple industrial output in five years (24.57% CAGR)
- Quadruple exports from the region in five years (31.95% CAGR)

Port Network in DMIC states

Port infrastructure pertinent to Delhi-Mumbai Industrial Corridor includes review of port infrastructure in DMIC states, maritime investment plans and performance of major and minor ports of Maharashtra and Gujarat, review of traffic projections carried out by Ministry of Shipping.

The states of Gujarat and Maharashtra, being located along the Western Coast, have a coast line of 1600 km and 720 km length respectively, which together constitute about 31% of total coast length of the country.

Gujarat has one major port at Kandla and 40 minor and intermediate ports. Of which, 21 minor and intermediate ports are operating at present. These minor and intermediate ports are divided into ten groups viz. Mandvi Group (3 ports), Navlakhi group, Bedi group (4 ports), Okha group/ Rupen Beyt, Porbandar group, Veraval group (5 ports), Pipavav Group (3 ports), Bhavnagar Group (2 ports), Bharuch group (3 ports), Magdalla group (8 ports).

Maharashtra has two major ports of the country, Mumbai Port and Jawaharlal Nehru Port, and 48 minor ports. The minor ports of Maharashtra fall into 5 groups viz. Bandra Group (9 ports), Mora group (11 ports), Rajpuri group (9 ports), Ratnagiri group (11 ports) and Vengurla group (8 ports). At present only 8 minor ports are operating.

In order to provide multi-user port facilities, Maharashtra government has decided to develop seven minor ports viz. Rewas-Aware, Dighi, Jaigad, Anjanwel (Dabhol), Alewadi, Ganeshgule, Vijaydurga and Redi. Of these, the development of Rewas-Aware, Dighi ports are already in progress through private sector participation.

Major ports of Maharashtra and Gujarat together catered to 30% of overall country's cargo handling requirements at Major Ports whereas minor ports of Gujarat alone have handled over 70% of country's cargo at minor ports during the same time period.

Future Prospects for Augmentation of Port Infrastructure in DMIC

Based on the review of potential for augmentation of existing ports and development of Greenfield Ports in Gujarat and Maharashtra, following port infrastructure projects are put forward for consideration under DMIC:

- Developing Greenfield Port at Alewadi / Dighi in Maharashtra.
- Developing Greenfield Ports at Maroli and Dholera and additional developments at Dahej and Hazira Ports in Gujarat. Proper rail and road links

to these ports would also need to be developed through collaboration of the various agencies concerned - State Government, Railways, NHA and the DMIC Authority.

Greenfield Port at Dighi, Raigad District, Maharashtra

Dighi Port is located at about 45 nautical miles south of Mumbai and is being developed to handle panamax size vessels. Dighi Port has received environmental clearance. Tendering Process for construction of Port is underway. Government of India has accorded approval for setting up Dighi Port Based Multi Product Special Economic Zone inclusive of Free Trade Warehousing Zone.

Road Network in DMIC states

Observation of road network scenario indicates that DMIC states constitute about 34% of total road network of the country. Delhi has the highest density of road network (i.e. 1739km per 100 sq km of area) compared to the national average length of 75km. With respect to the length of surfaced roads, DMIC states constitute 45% of total length of surfaced road network in the country. It is observed that Rajasthan has the lowest density of road network (39km) and lowest share of surfaced road network (62%) compared to the national average (75%). It indicates the extent of transport infrastructure augmentation requirements in Rajasthan.

DMIC states constitute 41% of total length of National Highway network in the country, which also includes 213km length of expressway between Delhi-Haryana and Ahmedabad-Vadodara on NH-8 and Mumbai-Pune Expressway in Maharashtra. Further, the length of National Highway network under Project Influence Area of DMIC is estimated at 6,012km, constituting 9% of total National Highway length of the country.

Railway Network in DMIC States

Railway network is the backbone of Delhi - Mumbai Industrial Corridor (DMIC) Project. Adequate connectivity between ports/ hinterlands and the proposed dedicated freight corridor is essential for successful implementation of the project. DMIC states constitute 43% of total length of rail network in the country (63,332km). Apart from Union Territories of Diu & Daman and Dadra &

Nagar Haveli, Delhi constitutes least length of rail network length (204km). In Rajasthan, the length of rail network (5838km) is slightly higher than the respective lengths in Maharashtra and Gujarat states.

Economic Implications of DMIC

The DMIC project can significantly improve connectivity and bring down production costs, it can also generate virtuous multiplier effects by augmenting employment, industrial production and exports. The scales of these benefits are significant given that the project will cover states that account for sizeable economic output and transactions in India. These states account for almost 54 per cent of India's gross industrial output, 60 per cent of total exports and nearly half of total foreign direct investment (FDI) inflows into India during the last decade. The states also cover large parts of India's road and rail networks. Major ports coming under the ambit of the corridor cover roughly a third of total cargo handled across the country.

Potential investors – both foreign and domestic are keenly watching the progress on the project. As connectivity improves and the proposed investment regions and industrial areas are being developed, new opportunities are expected to appear in several industries within the DMIC region. These include gems and jewellery, engineering, chemicals and petrochemicals, oil and gas, textiles and apparel, food processing, IT/ITES, cars, ship repairing/building, tourism and other knowledge-based industries.

While the potential economic gains from the project are enormous, there are unavoidable challenges facing it during implementation. The sheer size of the project requires it to be implemented in phases to ensure sustainability.

Involvement of multiple agencies from central and state governments portends a major challenge for co-ordination. The issues of co-ordination are not limited to those among Indian agencies only. For the country's largest foreign-funded project, there is need to ensure effective co-ordination between foreign and domestic agencies too. This would be no less challenging given the imperatives of managing tricky aspects such as differences in work culture and approaches to project management.

Other than co-ordination, there are typical systemic domestic inefficiencies to be overcome. Foremost among these is land acquisition. Avoiding land acquisition crises such as those faced during implementation of special economic zones (SEZs) is a major challenge for the project. The success in this respect will depend on the ability of private developers and state governments to negotiate with landowners to reach mutually satisfactory outcomes.

The overall rate of progress on the project depends critically upon the capabilities of the DMIC states to proceed on their individual targets. Gaps are already visible in this regard with Gujarat appearing to be a better performer than the others in implementing the 'early bird' projects. States such as Uttar Pradesh and Madhya Pradesh do not have particularly distinguished track records in project implementation. Even more industrially advanced states such as Maharashtra and Haryana have experienced delays in implementing projects which, again, are partly on account of difficulties arising from problems of co-ordination and land acquisition, in addition to other procedural and administrative problems. Different phases of the project might take much longer than expected to finish given the uneven paces of project implementation among the states. This is unfortunate since a project of such an ambitious vision, scale and scope does not deserve to get afflicted by India's systemic traditional drawbacks.

Technology Upgradation

Developing technology is an absolute imperative for Indian manufacturing. Technological capabilities for most manufacturing firms appear to be stuck at a basic or intermediate level and there is an absence of organized technology led development initiatives. At present, R&D expenditure in the country is only about 0.9 percent of GDP, of which about three fourth is in the public sector and only one fourth is in the private sector which is stark contrast to funding trends in countries such as US and China. India needs focus on strategic investments in national technological capabilities alongside development of institutional frameworks to ensure sustainability. New technologies must be introduced through better FDI policies, especially those involving technology transfers, JV's with

international firms and introduction of PPP projects. Deployment of technology related funds that focus on development and up gradation, complemented by incentives such as tax benefits and subsidy on interest costs for R&D.

Infrastructure status

The Twelfth Five Year Plan lays special emphasis on development of the infrastructure sector as the availability of quality infrastructure is important not only for sustaining high growth but also ensuring that the growth is inclusive. The total investment in the infrastructure sector during the Twelfth Five Year Plan is estimated at Rs 56.3 lakh crore (approx. US\$1trillion). However, the progress of the sector has been bleak which has impacted the manufacturing sector of the economy.

Power:

The Eleventh Plan had targeted creation of 78.7 GW of additional capacity for grid power. Actual realization may not exceed 50 GW, largely on account of slippages in public sector projects. The shortfall in achieving the targets has been primarily due to poor project implementation, inadequate domestic manufacturing capacity, shortage of power equipment, and slow-down due to lack of fuel, particularly coal. The Twelfth Plan should, therefore, aim at capacity creation of about 100 GW.

Transportation

Rapid growth needs to be supported by an efficient, reliable and safe transport system. On the basis of past experience of the Indian economy and other developed economies demand for transport services are likely to grow significantly faster than overall GDP growth.

The public sector is expected to continue to play an important role in building transport infrastructure. However, the resources needed are much larger than the public sector can provide and public investment will therefore, have to be supplemented by private sector investments, in Public-Private Partnership (PPP) mode.

The Twelfth Five Year Plan has visualized an integrated approach for the transport sector. The vision for transport is to be guided by a modal mix that will lead to an efficient, sustainable, economical,

safe, reliable, environment friendly, and regionally balanced transport system.

Railways:

The energy efficient Indian Railways are one of the largest railways network in the world carrying 22 million passengers every day and carrying 923 million tonnes of freight a year. However, the 12th Five Year Plan outlines scope for development of Indian railways namely:

- The average speed of trains is lower as compared to other countries.
- Modernization of the railways is an urgent need.
- Need for adjustment and rationalization of tariffs. The Planning Commission recommends the establishment of an independent Tariff Regulation Commission for the Railways to fix tariffs.
- Scope for private investments in private container train operators, development of manufacturing units for locomotives and railway lines connecting the rail network to privately developed ocean ports exists.
- Lastly, the dedicated Freight Corridor will take care of the freight requirements, there is a need to have Dedicated Passenger Corridors to ensure effective and faster passenger services and modernize passenger movement system.

Roads

India has the second largest road network in the world totalling 4.2 million kms after the USA. During the 12th Five Year Plan of 2012-13 the following steps towards upgradation of Roadways must be initiated:

- The National Highways Development Programme (NHDP)-I (Golden Quadrilateral) and NHDP-II (North-South East West links) were started before the Eleventh Plan, but were effectively built in the Eleventh Plan. The more heavily trafficked part of this network has to be strengthened through conversion to six-lane roads.
- In order to ensure the inter-connectivity of districts, work in various phases of NHDP-III, IV, V will be progressively expanded. In addition, a new programme for construction of roads in the North East was begun in the Eleventh Plan, including the proposed Trans-Arunachal

Highway. The completion of this network in the North East, along with road connectivity to Myanmar and Bangladesh will help open up this route to mutually beneficial economic cooperation with Southeast Asia.

- A plan for 18,637 kilometres of expressways, with new alignments for both passenger and freight movements in high traffic density corridors based on 'access control toll' needs to be taken up.
- These single-lane national highways would have to be upgraded and augmented to two-lane standards.
- In addition to the development of the National Highway network it is essential to develop State Highways and District roads to ensure full connectivity.

Water ways:

The waterways provide a clean and efficient mechanism for transportation of goods across regions where road movement may not be feasible or may be expensive. The capacity of our ocean ports to deal effectively with growing international trade volumes has increased in the Eleventh Plan in part on account of private investment in minor ports, container terminals, dry-bulk and liquid handling facilities in the major ports. As a result, both berthing times and turn-around times have fallen.

- However, ports meet only 50.0 per cent of the Eleventh Plan target. It is imperative that the pace of expansion of the port sector is accelerated, building on the successful experience of the past few years and increased co-operation between the publicly owned ports and private container and other terminal operators, as well as the strengthening of established private ports.
- The capacity for dredging of ports in the private sector needs to be further augmented and full operational flexibility given to the ports to use it.
- Inland waterways need to be promoted in major rivers. There is also a need to bring about legislative changes to make the creation of new waterways faster after technical assessment is made.

- There is a lack of capacity/availability of rail and road networks linking ports especially the new minor ports coming up in the private sector. These connectivity projects should be identified on a priority basis and implemented using private participation wherever possible.

Civil Aviation

The Eleventh Plan saw modernisation of the airport infrastructure through a combination of public and private investment. Chennai and Kolkata airports are being modernised by the public sector along with 35 non-metro airports. The two major metro airports - Delhi and Mumbai - have been successfully modernized in the PPP mode. The new Mumbai airport is also expected to be bid out for development by the private sector. In addition, Hyderabad, Bangalore and Cochin airports offer good examples of the success of the PPP model. There is scope for utilizing this model to further upgrade the other airports. It is recommended that:

- Air connectivity is vitally important for bringing mid-sized towns into the business network, thereby enabling wider distribution of manufacturing and commercial service provisioning across the country. There are large requirements of this connectivity in North-East and Left Wing Extremism affected Districts.
- In order to include a large number of potential towns for air-connectivity 'daylight landing strips' offer one solution which is cost effective insofar as it does not require expensive night landing equipment. This can help us bring many more mid-sized towns into the air-connectivity network and facilitate the transactions of industrial and commercial business across the country.
- Special efforts are needed for the modernization of navigation control with an aim to bring greater precision and enhancement of safety of passengers and cargo as well as greater efficiency in the air traffic control.

Human Resources Development

India's demographic profile ensures an abundance of human resources, though there are serious concerns about its employability, especially in the manufacturing sector. A significant shortfall in the

present level of skill development is likely to result in a demand supply gap in the near future. This human capability challenge along with archaic labour laws and high costs of compliance are likely to retard on-going investments in the manufacturing sector. While overall skill development has acquired national importance, other constraints on growth of employment specific to the manufacturing sector must also be addressed. Foremost is simplification of labour laws that allow for greater flexibility on employment related issues without compromising on the social security of the workforce.

Skill enhancement through creation of sector specific skill councils and coordination of skilling initiatives between ministries will be essential. Improvement of on-the-job training schemes along with changes to the apprenticeship model is required. ITIs must be upgraded. Development of a comprehensive human resource market information system is necessary. The quality of supervisors / managers in the manufacturing system also needs improvement. Also, manufacturing should be made as an attractive career option for India's youth. Improvement of skill levels and business literacy of workers in the informal sector will also be critical as this sector accounts for 33% of the manufacturing output.

Clustering

Industrial clusters are increasingly recognized as an effective means of industrial development and promotion of small and medium-sized enterprises. With various ministries such as MSME, Textiles, Chemicals, Commerce and Industry using the cluster approach to improve the growth of sectors under their purview, there is an opportunity to improve cluster management by discovering and applying best practices across sectors. Cluster aggregators, mainly Cluster Associations, play a significant role in connecting the cluster participants and the government and this link has often been found to be weak.

A roadmap is needed to implement different types of clusters-big zones, local clusters for MSMEs, knowledge parks, etc. Also, the scope of soft interventions should be expanded to include capacity building of cluster associations, initiatives aimed at improving market linkages, improving product quality, improving access to credit, encouraging innovation, skill development, etc.

Boosting Exports

An increase in exports of India's manufactured products is imperative to achieve the desired growth rate in manufacturing. Share of manufacturing in India's total merchandise exports has remained largely stagnant since 61.5% in 2010-11.

India which basically began as an export led economy has witnessed a declining share in world exports. India's export in the world trade amount to nearly 2% of world trade (declining from nearly 27% earlier). Also, the import dependency in the economy has been increasing with respect to the manufacturing sector.

The challenges in increasing exports are the relatively slower rate of growth of manufacturing production, the low share of high tech exports, poor transport infrastructure and insufficient information with manufacturing about procedures and regulations of various countries affecting Indian exporters.

Provision of world class infrastructure at Indian ports and airports is an absolute must to reduce transport costs for manufacturers and ensure reliability of delivery for facilitating manufacturing exports.

Consultation with stakeholders must be improved while preparing FTAs and reforms. Market strategies must be improved to capture unexplored markets and also facilitate a move towards "high-tech" exports from current low tech exports.

Environmental Sustainability

Growth of the manufacturing sector has to be environmentally sustainable. 'Being green' must become a primary focus of businesses and not be considered as an imposition on manufacturers. This is especially challenging for MSMEs who are often handicapped by obsolete and inefficient technologies and therefore imposition of standards on them must be accompanied by institutional support. Regulations should encourage disclosure by firms of their environmental sustainability performance.

A National Waste Management and Recycling Programme must be developed with a suitable framework and guidelines for promotion of Green products. Government should promote the PPP model for waste management and recycling.

Creation of a Green Technology Fund for usage in areas such as technology up-gradation, promotion

of green entrepreneurs, and funding for R&D is recommended. Overall strengthening of regulatory institutions together with institutional reforms is required.

Going ahead:

A good manufacturing plan focuses on accelerating learning within a country's industrial ecosystem that enables enterprises within it to improve their competitiveness faster than enterprises in other countries. The implementation system for such a plan needs to focus on building broad-based capabilities across industries. The manufacturing plan for the Twelfth Plan and beyond makes many recommendations developed through a managed, participative process with structured involvement of a diverse set of stakeholders.

Policy and process interventions

- Align stakeholders in the process of development and implementation of industrial policies.
- Simplify processes for doing business in India by mandating a 'Regulatory Impact Assessment' and operationalizing single window clearance across the country.
- Create a level-playing field for Indian manufacturers through fiscal measures by correcting anomalies in duty structures.
- Boost demand for domestic manufacturing, regardless of ownership of enterprises, through public procurement backed by minimum threshold quality parameters.
- Bring down the cost of finance.

Technology upgradation measures

- Improve Government-industry and industry-academic collaboration.
- Encourage technology transfers through FDI / JVs.
- Improve technical standards and voluntary compliance, across the industry.
- Encourage adoption of 'Green technology'
- Modernize MSMEs through technology adoption and adequate access to finance.

Infrastructure creation

- Improve transport and power infrastructure.
- Set up National Investment and Manufacturing Zones (NIMZs)
- Make industrial clusters more effective by creating both, the 'hard' physical infrastructure as well as the 'soft' infrastructure for knowledge creation and sharing.
- Design an effective land acquisition process for industrial development.

Human Capital formation

- Modernize labour regulations and institutions.
- Improve skill availability through Skill Councils.
- Ensure social protection to all employees in the manufacturing sector by creating 'Sump institutions' for workers in transitory phase and develop innovative insurance systems for the informal sector.
- Improve 'Industrial Relations' through streamlining of consultative processes and representative institutions.
- Improve the quality of manufacturing managers/supervisors.

Policy vis-a-vis its implementation

- Many a times the Government passes a bill but its implementation is delayed due to cumbersome procedures, ignorance and practical difficulties. For eg. The Government has permitted FDI in the multi brand retail sector. However, with the various clauses in the Act the economy has witnessed negligible foreign investments in the sector. Secondly, the widely promoted Public-Private-Partnership model in infrastructure is facing difficulties regarding sharing of profits, bureaucratic delays, cumbersome legal procedures, etc. It is necessary to keep track of the progress of initiated policies by the government. It should be ensured that the benefits passed by the government percolate to the needy.

**GES
2015**

The 5th Global Economic Summit

19 20 21 November 2015, Expo Centre, World Trade Centre Mumbai

Theme: Enabling Food for All



Highlights

Conference • Exhibition • B2b • Industry Visits • Handbook

Food Security and Prices	Agriculture and Labour
Agriculture Technology and Engineering	Global Plans of Action
Food Chain/Cold Chains/Value Chains	Foreign Investment in Agriculture
Agriculture Risk Management	International Cooperation
Agriculture Research and Skill Development	Sustainable Agriculture Organic Farming
Food Safety - Standards and Regulation	Right to Food - Hunger and Millennium Development Goals

The world is witnessing a major shift in the way food is produced and distributed in recent years

The world now produces enough food to feed everyone. Yet one of the great flaws in current food systems is that despite significant progress in development and food production, hundreds of millions of people are hungry because they lack the means to produce or purchase the food they need for a healthy and productive life. Improving agricultural and food systems is essential for a world with both healthier people and healthier ecosystems. This means in all agricultural production systems, the transition to move to sustainable practices requires more careful harnessing of ecosystems services. Governments around the world must make fundamental changes in the governance of food and agriculture to ensure an equitable sharing of the benefits of agricultural transition. In the light of India's efforts to strengthen agriculture sector and support to the mission 'Food for All', the Summit assumes heightened importance.

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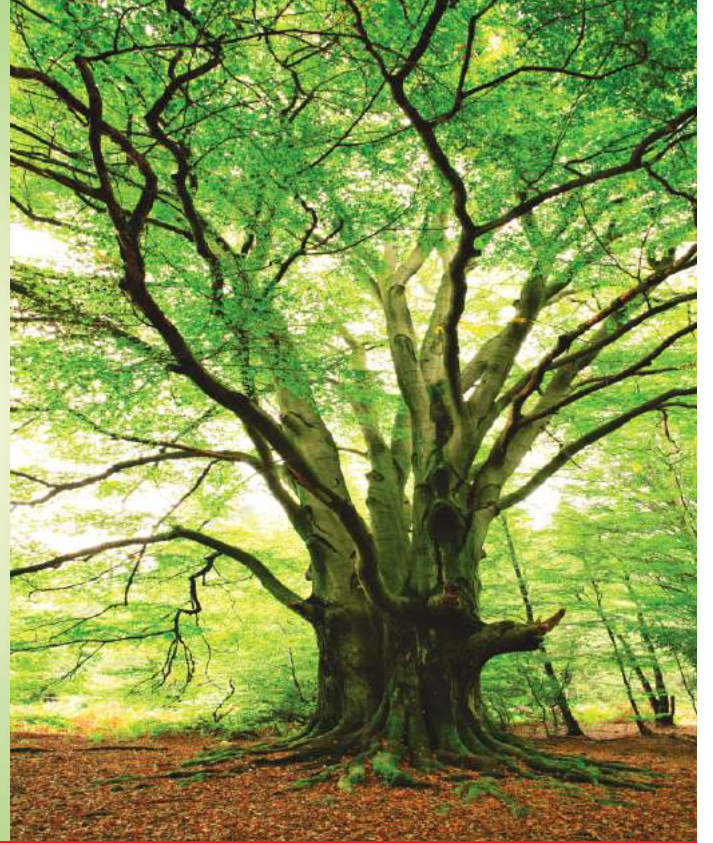
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