

# aiAi NEWS

Connecting Businesses Globally - Since 1956

April - June 2017



## *Special Feature*

**India-Latin America & Caribbean  
Partnership Conclave on Trade & Investment**



## CAPSULES



## FILMS & FOILS



Everything Capsules  
Anticounterfeit Solutions  
Gelatin Capsules Inspection  
Manufacturing Integration  
Advisory Services  
Track & Trace  
Blister Packing  
Customization Services  
HPMC Capsules  
Thought Leadership  
Granulation Packaging Films  
Everything Tablets  
Process Optimization  
Cartoning  
Tablet Press  
Tablet Coating  
Packaging Foils Capsule Filling



## MACHINES



## INSPECTION

The ACG group has deep ties and strong business operations in Latin America. The Capsules business has been present since 2010 and now has laid foundations to its first ever capsule manufacturing plant in Brazil at Pouso Alegre. The Films & Foils business, through its acquisition of Nova Nordeplast, has market leadership in different types of PVC substrates.

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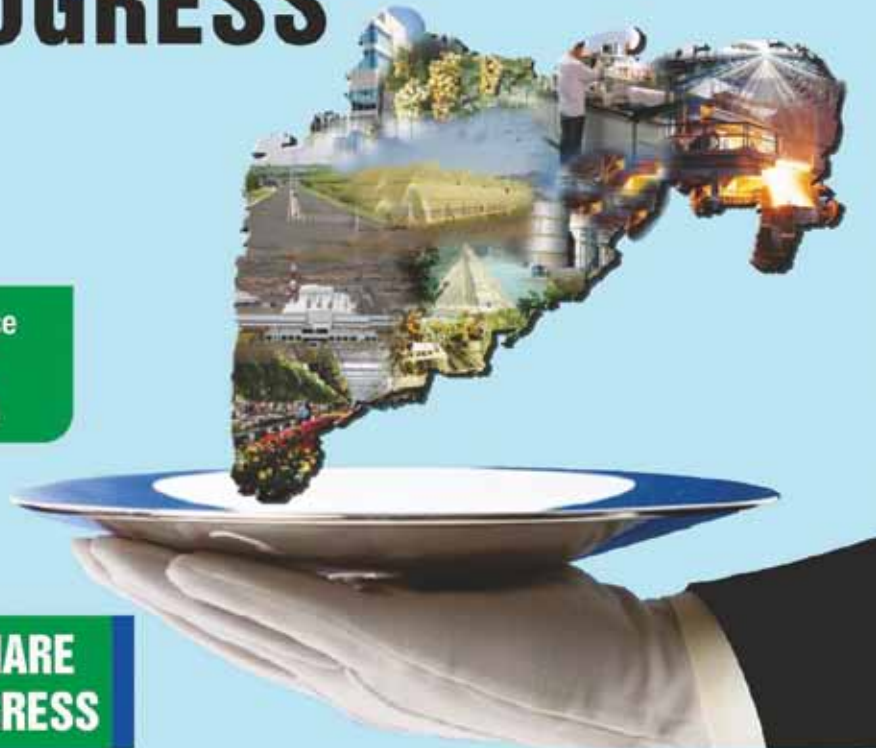


# PROMISING PROGRESS



Delivering Success.  
Maharashtra Has  
Topped the FDI.

Investors Choice  
Attracting 30%  
of the Total FDI.



## LET'S TOGETHER SHARE THE PRIDE OF PROGRESS

Strong governance and dedicated management has resulted in the grand success on the global front. Today, Maharashtra Industrial Development Corporation is spreading its wings to become one of the biggest Industrial hubs of the world. Simplified Licensing procedures with shortened issue and approval time have made MIDC the first choice of the global giants for setting-up their plants. MIDC started in 1962 with Wagle Estate, Thane as its first industrial area, today, MIDC areas are spread all over the state of Maharashtra.

### MIDC has developed specialised parks based on sectors such as:

- ▶ Automobiles and Auto Components
- ▶ Biotechnology
- ▶ Consumer Durables
- ▶ Chemicals
- ▶ Engineering
- ▶ Electronics
- ▶ Information Technology
- ▶ Petrochemicals
- ▶ Transportation
- ▶ Textile
- ▶ Waste Reprocessing
- ▶ Wine
- ▶ Food Processing
- ▶ Defence
- ▶ Logistics

### MIDC Progress at a glance :

- ▶ 403 mega projects approved with proposed investment of INR 3.2 Lacs crores & direct employment to 3.5 lacs
- ▶ Approval of Delhi - Mumbai Industrial Corridor projects Shendra - Bidkin, Aurangabad
- ▶ Exhibition and International Convention centre at Shendra, Aurangabad
- ▶ 5 years target aims 12-13% growth rate in the manufacturing sector attracting investment of over INR 5 lacs crores generating employment of 2 million
- ▶ Has the largest number of MSME units at 1,62,000
- ▶ Japanese Industrial Zone - 500 Acres of Industrial area earmarked for Japanese investors
- ▶ The largest Gems & Jewelry Park at SEEPZ, Mumbai
- ▶ 240 Industrial Zone spread over 1,55,676 acre
- ▶ Ranked 1st in receiving FDI amounting to INR 3,08,575 crore, which is 31% of the FDI inflows into India



Make in Maharashtra

## The Propeller of Business Growth

Maharashtra Industrial  
Development Corporation

Website: [www.midcindia.org](http://www.midcindia.org)

Contact Point : MIDC

## Supporting policies to sustain development

**Mr. Vijay Kalantri, President,**  
All India Association of Industries



It is a great pleasure to witness and be part of India's biggest indirect tax reform, the Goods and Services tax. Its aim to create a 'Common Economic Market' will help Indian manufacturing and products become globally competitive. AIAI welcomes the GST and reiterates its support.

The roll-out has been largely smooth and lifted the SENSEX and NIFTY to a life time high indicating its importance from global investors. Having mentioned this, the GST is not without some grey areas. Sound implementation is key to the success of GST.

Government has classified all goods and services in four categories. While majority of services that were taxed earlier at 15% are now taxed at 18%, thereby has increased tax burden on common man. There is a strong need to propagate and simplify rules in regard to 'input credit valuation and exemptions' and 'tax credit' and be made hassle free that will help reducing tax burden.

A long supporter of GST, AIAI has been active in organizing various programmes with tax authorities to facilitate ease of GST understanding among its members. AIAI is also proactive in sending recommendations on effective implementation of GST. Some of these include rationalization of GST for banking and financial services, reducing tax burden and most importantly abandoning higher (28%) GST tax slab. AIAI strongly believes that India should not have more than 3 tax slabs. It is a proven fact that higher taxes will lead to increased inconvenience and defeats the basic purpose. All in all, the success of GST

hinges on good governance, service and transparency.

Our economy is going through a consolidation phase. On one hand, government is undertaking various policy measures to promote investors' and business sentiments and on the other MSMEs, manufacturing as well as IT sector are witnessing huge pressure with technology disruptions and challenges in global economy. Inability to complete projects due to earlier policy inefficiency and job losses are putting further pressure on economy. Lately, RBI and various banks have taken a tough stand against growing NPAs.

Our banking crisis is rooted in the behaviour of banks, RBI and the Ministry of Finance. Many industries suffered due to lack of investments by corporates as well as government. Many of these that are dependent on cement, steel, power and logistics suffered heavily, as a result the infrastructure growth slowed down with cascading effects on the economy. MSME sector was severely impacted due to this.

In light of these, government should come out with soft policy guidelines to rejuvenate infrastructure and MSME sectors as witnessed during the previous NDA government that successfully rehabilitated several sectors including MSME sector and helped revive exports and employment.

I hope our members will work with AIAI in our continuous efforts to promote and strengthen presence of Indian businesses in the global value chain.

# Are you an MSME

DO YOU KNOW IT IS COMPULSORY TO REGISTER AT

[msmedatabank.in](http://msmedatabank.in)

MSME DATABANK takes only 5 minutes to register

It is in your interest as per Gazette notification of Govt. of India as per notification no. 529 Part-II, Sec3-Sub-section (i) dated 29 July 2016

Registration is necessary for getting help of different schemes of MSME

You will also get the benefit of public procurement policy

#### New Initiatives:

- Increasing Credit Guarantee limit from Rs. 1 crore to Rs. 2 Crore.
- First time the credit guarantee extended to Non Banking Financial Companies which provides loans to Micro and Small Enterprises.
- Working capital loans for Micro and Small Enterprises increased from 20% of the project annual turnover to 30% on the digital component of the turnover.

For details,  
please contact:



Email: [support@msmedatabank.in](mailto:support@msmedatabank.in)

Unemployed youth  
can avail benefits  
from PMEGP

- Benefit yourself by moving to cashless system
- Use khadi & Coir products



Government of India  
Ministry of Micro, Small & Medium Enterprises

[facebook.com/minmsme](https://facebook.com/minmsme)

[twitter.com/@minmsme](https://twitter.com/@minmsme)

<http://www.msme.gov.in>





## Common Economic Market to Global Value Chain

**Ms. Rupa Naik**, Executive Director,  
All India Association of Industries

**T**he resurgent India marched ahead with yet another achievement in the roll-out of Goods and Services Tax or GST. The new tax regime subsumes all existing indirect taxes and attempts to usher new economic era for India. This provides a unique opportunity to create a 'Common Economic Market' and will help Indian manufacturers including MSMEs.

All India Association of Industries is always forthcoming to create an effective platform between industry and government and is committed to create a sustained dialogue for industries and MSMEs in particular that will ultimately help to elevate their contribution to the global business. AIAI hosted ambassadors, trade commissioners and consul generals from Latin America & Caribbean (LAC) countries in India here in Mumbai in the month of June. This was first LAC Conclave in Mumbai. The focus was on identifying trade and investment opportunities for Indian companies in LAC. The response was overwhelming. We successfully organised more than 500 B2B meetings. This issue covers an extensive report and several features contributed by LAC embassies and consulates to promote business between India and LAC.

Earlier, AIAI hosted a business delegation led by Hon'ble President of Cyprus, Mr. Nicos Anastasiades in the month of April. AIAI organised B2B meetings in Mumbai and hosted a special reception in Delhi. AIAI also signed

a partnership agreement with the Cyprus Chamber of Commerce to enhance bilateral trade between the two countries during this programme.

Similarly we organised a programme on business opportunities in the Democratic Republic of Congo where Gen (Dr.) V. K. Singh, Hon'ble Minister of State for Ministry of External Affairs, Government of India and H.E. Mrs. Rosette Mossi Nyamale, Ambassador of the Democratic Republic of Congo in India were present. This was in line with our government's thrust and focus on expanding trade with Africa and LAC.

The growing response to these high level delegations imparts the importance that our members are increasingly looking to expand their geographical reach and are eager to make serious efforts in enhancing their contributions in the regional and global value chain. Taking a cue, AIAI and WTC Mumbai are pleased to announce the 7th Global Economic Summit (GES) on 'Global Value Chains: Accelerating SMEs growth and development' in February 2018. Over the years, GES has become our flagship event that successfully deliberates on the importance of Sustainable Development Goals with global participation. Over the next few months, you will get opportunities to participate in several programmes leading to GES.

I hope you will enjoy reading this insightful issue.

## Investment climate conducive in Congo

*Diversifying Congo economy invites Indian investment for a win-win partnership across various sectors*



*Gen (Dr.) V. K. Singh, PVSM, AVSM, YSM (Retd.) – Hon'ble Minister of State for External Affairs, Government of India, addressing members of AIAI and WTC Mumbai*

“The Democratic Republic of Congo is Africa’s 2nd largest country. In the last 5 years, it has tremendously improved its investment climate. Together with ‘ease of doing business’ especially in mining, agriculture and power sectors, Congo offers tremendous business potential for India,” said Gen. (Dr.) V. K. Singh, Minister of State for External Affairs, Government of India at a seminar on “Investment Opportunities in Democratic Republic of Congo” organized jointly by All India Association of Industries (AIAI), World Trade Centre Mumbai (WTC Mumbai) and the Federation of Associations of Small Industries of India (FASII) in association with Embassy of Democratic Republic of Congo in Mumbai on April 14, 2017.

Gen. (Dr.) Singh further added that India and Congo shares several complementarities particularly in agriculture, mining and tourism. India and Congo enjoys excellent trade, political and cultural ties stressed Gen (Dr) Singh. H. E. Mrs. Rosette Mossi Nyamale, Ambassador

of Democratic Republic of Congo in India was the guest of honour on the occasion.

H. E. Mrs. Nyamale, said that both countries share historic relations with a common struggle for the independence. She thanked Gen. (Dr.) Singh and Government of India for extending credit lines for construction of two hydroelectric dams to bring transformation in Congo. She said that both countries must develop a synergy of action, through public-private partnership and create conducive environment to accelerate co-operation between India and Congo in order to meet aspirations of Indian and Congolese people.

Further, while elaborating on tremendous potential in agriculture, mining, natural resources and tourism, she added, “The liberalization of the energy sector is aimed at promoting private investment in the fields of production, distribution and transportation of electricity. To bridge Congo’s energy deficit, Congo Government has launched various projects including construction of Inga III power plant (4,500 MW) and Grand Inga (39,000 MW) at a cumulative cost of USD 60 billion.”

Congo is also home to fauna and flora and has several UNESCO classified world heritage sites. It accommodates nearly 45% of African tropical forest with more than 1000 species of wood. Naturally, Congo is looking forward to promote tourism through several measures, said H. E. Mrs. Nyamale.

Mr. Kamal Morarka, Chairman, World Trade Centre Mumbai briefed about potential of Congo to Indian business community earlier. He said, “The 54-country African continent is almost as populous





*H. E. Mrs. Rossette Mossi Nyamale, Ambassador of Democratic of Congo to India addressing the members (L-R) Mr. Y. R. Warkerkar, Executive Director, WTC Mumbai, Mr. Vijay Kalantri, President AIAI, Gen (Dr.) V. K. Singh, PVSM, AVSM, YSM (Retd.) – Hon'ble Minister of State for External Affairs, Government of India, Mr. Kamal Morarka, Chairman, WTC Mumbai and Ms. Rupa Naik, Executive Director, AIAI*

as India with rich mineral resources, forests, wild life and other tourist attractions. However there is a lack of awareness about Africa's business potential in India." He further offered support to Embassy of Congo to build a World Trade Centre in Congo. World Trade Centre Network is a strong global trade and business network with 320 WTCs across 89 countries, opined Mr. Morarka.

Mr. Kasongo Musenga, Second Councillor (Economic Affairs), Embassy of Congo provided insights to promote Congo as the ideal business and investment destination in his lucid presentation. Congo is world's largest producer of cobalt ore and is blessed with natural and mineral resources. "The Government in Congo has taken several proactive measures to promote ease of doing business. The liberalization of economy coupled with dynamic large scale multi sectoral reforms and incentives have provided macro-economic stability. As a result in last 5 years, Congo has grown over 7.4%," he briefed to the distinguished audience. Congo has

world's second largest fresh water reserve and thereby offers potential to build nearly 10,600 MW of hydro-power.

Mr. Vijay Kalantri, President, All India Association of Industries said, "Congo with nearly 10,000 Indians and PIOs shares sound political and economic relationship with India. India is among the first countries to establish a diplomatic mission in Kinshasa, the capital city of Congo. In last few years, the bilateral trade with Congo has grown considerably to nearly USD 500 million. Conducive business environment and ease of doing business will offer great opportunity for Indian businesses to invest in Congo."

The programme was well attended by the consulates, business community and media.

## MSMEs should be more creative and innovative to reap the benefits of India's patent system



*Ms. Rupa Naik, Executive Director, AIAI, Mr. Vijay Kalantri, President, AIAI, Mr. O. P. Gupta, IAS, Controller General of Patents, Designs & Trade Marks, Mumbai and Mr. Y. R. Warkerkar, Executive Director, WTC Mumbai.*

"I encourage micro, small and medium enterprises (MSMEs) to be more creative and more innovative by reaping the benefits of latest improvement in India's patent system. The system has reached at par with the developed economies. On May 16, 2016, Government of India introduced scheme of 'Expedited Examination' for start-up enterprises under which patent application can be examined immediately. In case of trademarks, the trademark registry takes up the application for examination within 30 days, which is far lower than 6 months in Japan and 3 months in USA," Mr. O.P. Gupta, IAS, Controller General of Patents, Designs & Trade Marks, Mumbai during an interactive meeting on 'Patent Cooperation Treaty' jointly organized by All India Association of Industries and World Trade Centre Mumbai on June 2, 2017.

Mr. Gupta also mentioned that the patent office has recently recruited 458 patent examiners to reduce the pendency of application examination. With the induction of additional manpower, the patent office plans to reduce backlog of applications to 12-18 months, from the present norm of 5-6 years (depending on technology). India's Patent Office

received 46,000 patent applications last year, of which 14,000 were from Indian applicants. The percentage of applications filed by Indians has been growing year after year, Mr. Gupta added.

Mr. Vijay Doye, Assistant Controller of Patents & Designs, Mumbai in his presentation encouraged MSMEs and individual inventors to file patent application under Patent Co-operation Treaty (PCT) if they wish to protect their invention in multiple countries. "PCT is an international filing system for patents across 152 contracting countries including India. Filing PCT international application has several advantages over traditional Paris Convention route. Some of the advantages of the PCT are increased availability of time to decide on patentability, availability of international search reports and written opinion on patentability and simplified formality requirements, among others. The number of annual PCT applications with India as a receiving office has increased to 753 in 2016-17 from 684 in the previous year." said Mr. Doye. He also advised MSMEs and individual inventors to file application online through E-PCT, instead of paper mode, to get reduction in international filing fee.

Mr. Vijay Kalantri, President, AIAI said, "Innovation is the order of the day. Whoever creates innovation must get protection through patent system. As such, Patent Co-operation Treaty is a very useful to protect invention, especially for small and medium enterprises. India's Patent Office must set up a cell to guide MSMEs on the procedures for filing patents. The cell must also create awareness about patenting among small and medium enterprises."

The event was well attended by entrepreneurs, consul generals and officials from micro, small and medium industries and independent inventors.



## Cyprus keen to promote creative industries, tourism and technology sectors



*Mr. Kamal Morarka, Chairman of World Trade Centre, Mumbai presenting a Memento to H.E. Mr. Nicos Anastasiades, President of the Republic of Cyprus (L-R) Mr. Phidias Pilides, President of Cyprus Chamber of Commerce and Mr. Vijay Kalantri, President of All India Association of Industries and Mr. Arjun Mehgwal, Union Minister of State in Finance and Corporate Affairs, Government of India*

“There is great opportunity for promoting creative industries in various sectors from tourism, Medical healthcare, Bollywood and technology sectors besides financial services and Innovation & technology in Cyprus,” said H. E. Mr. Nicos Anastasiades, President of the Republic of Cyprus while addressing the programme organised in his honour by the All India Association of Industries (AIAI) and the World Trade Centre Mumbai on April 27, 2017 in New Delhi. Mr. Anastasiades led a delegation of ministers and Cypriot business leaders to India and visited Mumbai and New Delhi to promote trade and investment in Cyprus. AiAI organised B2B networking meetings during their visit

Mr. Anastasiades said Cyprus will offer various incentives and develop conducive atmosphere to

promote these sectors to a investors who are looking forward to establish bilateral trade relations with Cyprus said Hon'ble President Mr. Anastasiades.

Mr. Anastasiades met with the Hon'ble President Mr. Pranab Mukherjee and Mr. Narendra Modi Hon'ble Prime Minister of India and signed various MoU's to promote business and cultural relations in sectors of finance, technology, agriculture, shipping, energy, real estate and logistics earlier.

Mr. Anastasiades further emphasized that Cyprus is a hub for financial services and added that his Government is looking to expand its support to various other sectors and are keen to create opportunities of investments. Cyprus has 10th largest shipping industry in the world. Cyprus is working on to establish air connectivity. It is 8th largest investor in India with an investment



of nearly USD 9 billion during 2000-2016. India and Cyprus have revised their 'Double Taxation Avoidance Agreement' to boost investments.

H. E. Mr. Anastasiades added, "Cyprus is all set to extend assistance to India in improving the business environment between the two countries. We want to unlock the potential relationship by rebooting an age-old relationship in the wake of strengthening economic relations. Joint efforts of government together with trade and industry will facilitate bilateral trade and increase co-operation in fields of interest such as information technology, shipping, tourism, healthcare and even space technology."

Mr. Kamal Morarka, Chairman of the World Trade Centre Mumbai in his welcome address said, "The historical and economic legacy of India-Cyprus relationship remains strong. The statistics of the economic ties is impressive and is likely to grow exponentially in future. In India an avenue in New Delhi is named after the First President of Cyprus Archbishop Makarios and in Cyprus the Government had installed a bust of Mahatma Gandhi in the Nicosia Municipal Park near the Parliament House. It is the only bust of a foreign leader in the park, and it reaffirms India's strong ties with Cyprus", he shared.



*B2B Networking Meeting*



*H.E. Mr. Nicos Anastasiades, President of the Republic of Cyprus addressing members of AIAI and WTC Mumbai*

Mr. Morarka further added that the reforms in fiscal and investment facilitation policies are transforming investment scenario in India and it is an opportune time to invest in this liberalized investment scenario. He expressed optimism that exchange of culture and business delegations will enhance bilateral relations and will enable India and Cyprus to explore areas of cooperation.

During this occasion, AIAI and WTC Mumbai signed Memorandum of Understandings (MoU) with the Cyprus Chamber of Commerce and Industry to strengthen economic and trade relations between both the countries.

The Cypriot government is also keen to invite Bollywood producers to shoot their movies in the country. While proposing the 'Vote of Thanks', Mr. Vijay Kalantri, President, All India Association of Industries said, "The bilateral trade between India and Cyprus stands at USD 80 million annually. We could further explore opportunities specifically in exchange of high-technology along with creative and film industry. Cyprus offers scenic beauties and is a premier location after Switzerland."

Mr. Kalantri further added that Cyprus is an ideal gateway to Europe with its tax friendly policies and investment incentives. He urged Indian business leaders to create facilities thereby making Cyprus the most favourable business hub. He concluded that AIAI and WTC Mumbai would play pivotal role in promoting Cyprus as the business destination to Indian businesses vis-à-vis from Cyprus to India.

The reception was well attended by high profile dignitaries, Mr. Arjun Ram Meghwal, Minister of State, Ministry of Finance, Government of India was the Guest of Honour, H.E. Mr. Ravi Bangar, High Commissioner of India in Cyprus, H.E. Mr. Demetrios A. Theophylactou, High Commissioner of the Republic of Cyprus to India, Hon'ble Mr. Nicos Kouyialis, Minister, Ministry of Agriculture,

Rural Development and Environment; Hon'ble Mr. Yiorgos Lakkotrypis, Minister, Ministry of Energy, Commerce, Industry and Tourism; Hon'ble Mr. Marios Demetriades, Minister, Ministry of Transport, Communications and Works; Mr. Pieros Pieri, Attache Political Affairs Division, Department of Asia and Oceania, Ministry of Foreign Affairs; Ms. Rea Yiordamli, Ambassador, Deputy Permanent Secretary Political Director, Ministry of Foreign Affairs; Mr. Marios S. Kountourides, Chief of Protocol, Ministry of Foreign Affairs, Government of Cyprus; Mr. Phidias Pilides, President of Cyprus Chamber of Commerce, Mr. Ioannis Aristodemou, Vice President, Paphos Chamber of Commerce, and diplomats from various countries and business leaders were present at the reception.



## **Cabinet approves agreement between India and Cyprus on Merchant Shipping**

The Union Cabinet chaired by the Prime Minister Shri Narendra Modi has given its ex-post facto approval to the agreement between India and Cyprus on Merchant Shipping, which was signed in April 2017.

The Agreement in Merchant Shipping will pave the way for cooperation in eliminating any hindrances which may hamper the development of sea trade between the two nations. The MoU will encourage participation in the transport of goods between the countries, and also from third countries.

The MoU further seeks to enhance cooperation for employment, improvement of conditions of work and for the welfare of seafarers employed on each other's vessels.

*Source: Port Wings*

## India must take advantage of lull in TPP and TTIP to improve competitiveness



(L-R) Dr. Prabir De, Professor, Research and Information System for Developing Countries (RIS), and Coordinator of ASEAN-India Centre; Dr. Siddhartha Roy, Economic Advisor, Tata Group; Dr. Rupa Chanda, RBI Chair Professor in Economics, Economics and Social Sciences Department, IIM Bangalore; Mr. Akshay Mathur, Director, Research and Fellow of Geoeconomic Studies, Gateway House; Dr. Malini Shankar, Director General of Shipping, Ministry of Shipping, Government of India; Mr. C. A. Veeramani, Director, Royal Forwarders Pvt. Ltd.; Mr. Prakash Khakhar, Chairman, Kay Bee Group of Companies; Mr. Vijay Kalantri, President, AIAI

“The temporary eclipse of both Trans-Pacific Partnership Agreement and Transatlantic Trade and Investment Partnership has provided breathing space to Indian enterprises and policymakers to improve competitiveness of exports. This would mean improving standards in intellectual property rights (IPR), data security, sanitary and phytosanitary conditions, labeling etc. This would give us time to introduce economic reforms to make the Indian enterprises genuinely competitive,” said Dr. Siddhartha Roy, Economic Advisor, Tata Group at a panel discussion during the 1st in the series of World Trade Day Maharashtra. This programme on ‘Regional Trading Blocs and the Emerging Trading System’ was organised by World Trade Centre Mumbai in association with All India Association of Industries on May 18, 2017 at the WTC Mumbai

Dr. Roy further said, “India must broaden the scope of bilateral and regional arrangements to include services.”

Dr. Rupa Chanda, Professor, Reserve Bank of India, Economics, Indian Institute of Management said, “India must be less defensive and must have a positive and forward looking trade policy agenda, both in preferential and multilateral discussions. This will transform India into a major trading nation. Specifically, India must focus on adoption of global standards, strengthening its manufacturing sector and entering into global production networks, strengthening and broadening the source of competitiveness in its service sector and so on. Much will depend on what India does alongside, domestically to leverage its free trade agreements (FTAs).”



India must invest on trade facilitation, skilling, logistics and infrastructure. Government of India must also continue domestic reforms to create a more open, competitive and innovative economy, Dr. Chanda added.

Dr. Prabir De, Coordinator, ASEAN-India Centre of Research and Information System for Developing Countries (RIS) said, “FTAs create pathways for private sector to be globally competitive. The central government must adopt inclusive approach in involving state governments on foreign trade policy.”

Mr. Akshay Mathur, Director-Research & Analysis, Gateway House moderated the panel discussion. During his introductory remarks, Mr. Mathur said, “The emerging international trading system is characterized by the changing nature of trade in services, fragmentation of the existing trading blocs and sensitivity to trade imbalance.”

Dr. Malini Shankar, Director General of Shipping, Ministry of Shipping, Govt. of India, 'Guest of Honour' while delivering the Special Address at the event, highlighted two challenges in international trade. One of the challenges is the emergence of non-tariff barriers especially in times of downturn in international trade. Another challenge highlighted by Dr. Shankar is the lack of transparency in the tariff structure of logistics companies. She said, “Logistics companies must adopt more transparency in their tariff structure in order to benefit local manufacturers and traders.”

Mr. Vijay Kalantri, President, All India Association of Industries and Vice Chairman, World Trade Centre

Mumbai said, “This is the first time we have hosted World Trade Week in India. We must promote international trade to ensure overall economic development and prosperity of the society. We must enhance investment in infrastructure sector to improve the competitiveness of manufacturing and services sectors.” Further he added, Skill India, Digital India Startup India and Make in India are good initiatives but they have to be implemented by going all out to make the atmosphere more conducive and Ease of doing Business at all levels, cumbersome procedures and regulations should be done away with.

During the event, World Trade Centre Mumbai honoured outstanding exporters and logistics service providers by presenting them the award of honour. Mahindra & Mahindra Ltd, Tata International Ltd, Kay Bee Group of Companies, ABC Chemicals, Royal Forwarders Pvt. Ltd, and Khimji Poonja Freight Forwarder Pvt. Ltd for their contribution in exports and logistics sectors.

The event also featured the release of the "Handbook on International Trade". The Handbook is a compilation of articles on various dimensions of international trade authored by experts and industry leaders.

World Trade Centre Mumbai has taken the pioneering initiative to bring World Trade Day, which is organised by World Trade Centers and Trade Promotion Organisations across the globe, to India. The main aim of World Trade Day was to create awareness about the role of international trade in regional economic growth.



## Digital India heralds revolution in Indian Economy



*Mr. Ravindra Chavan, Hon'ble Minister for Information Technology, Ports, Medical Education, Food and Civil Supplies and Consumer Protection, Government of Maharashtra being felicitated by Mr. Vijay Kalantri, President, All India Association of Industries. Also seen are Ms. Rupa Naik, Executive Director, All India Association of Industries and Mr. Y. R. Warekar, Executive Director, World Trade Centre Mumbai*

“Every citizen in the country has a role to play in promoting Government of India’s ambitious programmes such as Digital India, Skill India and Make in India. We have to change the nation by taking a new positive direction. Government of Maharashtra is also committed to working closely with the citizens to fulfill the objectives of the above mentioned programmes,” said Mr. Ravindra Chavan, Hon’ble Minister for Information Technology, Ports, Medical Education, Food and Civil Supplies and Consumer Protection, Government of Maharashtra. The Hon’ble Minister was delivering the keynote address at the conference on ‘SMEInfocon: Digitization a game changer for SMEs’ organized jointly by All India Association of Industries and World Trade Centre Mumbai on June 1, 2017 at WTC Mumbai.

Mr. Chavan further informed that more than 50% villages in Maharashtra have so far been connected through fiber optic network under Government of India’s “Bharat Net project”. “We intend to connect all villages in Maharashtra by 2019,” the Minister added.

This was followed by a panel discussion on opportunities and challenges in the digitization and its benefits to SMEs.

Mr. Suresh M. Nair, Deputy General Manager – SME, State Bank of India, speaking on this occasion said, “In India, 87% of the credit needs of SMEs are met by commercial banks. State Bank of India is having 25% market share in the SME lending segment in India among all commercial banks. The bank has lent Rs 20,000 crore for dealer financing through virtual (online) platform. SBI also uses virtual

platform for vendor financing, fleet financing and funding for taxi aggregators. SBI is looking forward to guidelines from the Reserve Bank of India on Peer-to-peer lending(P2P).”

Mr. Hemant Mishr, Chief Executive Officer, Iloanz said, “World of payments and lending will change more in the next five years. India has received USD 687 million investments in the online lending sector in 2016, which is four times higher than the previous year. Demonetization has worsened liquidity issues for SMEs. According to McKinsey report, there is USD680 billion business opportunity in the online financing industry in India between now and 2020. Banks and financial technology companies must work together to meet the credit needs of SMEs better. Digitization will bring the unorganized SMEs into the formal sector.”

Mr. Nikhil Sawaitul, Associate Director – Payments & Digital Initiative Team, IDFC Bank, in his presentation, briefed on the emerging modes of payment in India. He said, “China is far ahead of India in online payment industry as mobile payment itself accounts for 40% of its GDP. India’s online payment industry got a fillip from demonetization measure. Various payment modes are emerging in the country after demonetization. The Unified Payment Interface has the potential to change the payment system in India. Other payment modes gaining popularity are Aadhaar pay, digital wallet, Bharat QR.”

Mr. Sushmit Bhattacharya, Director, Deloitte India highlighted the relevance of compliance, fraud detection systems and cyber security challenges in online transactions.

Mr. Dinesh Kulchandra, Chief Digital Officer, SIX INCHES Communications explained the importance



*Mr. Nikhil Sawaitul, Associate Director – Payments & Digital Initiative Team, IDFC Bank, Mr. Suresh M. Nair, Deputy General Manager – SME, State Bank of India, Mr. Dinesh Kulchandra, Chief Digital Officer, Six Inches Communications and Mr. Sushmit Bhattacharya, Director, Deloitte India*

of digital marketing for better customer engagement. Digital transformation is the convergence of physical world with Tech enabled business processes. By next year the number of people buying goods online may double to 700 million from 355 million now.”

Mr. Vijay Kalantri, President, All India Association of Industries and Vice Chairman, World Trade Centre Mumbai said, “MSME sector is the most vibrant segment of India. Even in worst times, MSMEs have grown at 11-13%. It has the potential to grow upto 16% if supported by timely and adequate finance and flexibility in doing business. Digitization will only be successful by putting in place broadband connectivity, power supply and other infrastructure in place. India made a brand name for itself in the IT sector, which could be taken further by creating right atmosphere and conducive infrastructure. Also government should incentivize SMEs to adopt digital technologies.”





## India-Georgia to complete feasibility study for proposed Free Trade Agreement in six months



*H.E. Mr. Archil Dzuliashvili, Ambassador of Georgia to India (Right) being felicitated by Mr. Vijay Kalantri, President, All India Association of Industries and Vice Chairman, World Trade Centre Mumbai. Also seen are (L-R) Mr. Satinder S. Ahuja, Hon. Consul, Consulate of Georgia in Mumbai and Mr. Scott Ferguson, Chief Executive Officer, World Trade Centers Association (WTCA), New York*

“Government of Georgia has signed an air service agreement with the Indian Ministry of Civil Aviation to connect six Indian cities with the country. Soon, we would meet Indian airline companies to launch flight services between both the countries,” said H.E. Mr. Archil Dzuliashvili, Ambassador of Georgia to India during a meeting with All India Association of Industries and World Trade Centre Mumbai on May 06, 2017.

The Ambassador also informed that India-Georgia economic relationship will expand manifold in the near future as both countries are conducting feasibility study to sign Free Trade Agreement (FTA). “Within six months, the report of the study would be ready and we would launch formal negotiation

for the agreement. Georgia already has an FTA with the European Union and it has initiated discussion on FTAs with USA and Canada,” the Ambassador added.

Indian companies can invest in Georgia and make it a gateway for their entry into European Union. Georgia is located at the crossroads of Western Asia and Eastern Europe. It is establishing rail / road connectivity with Bulgaria, Romania and other neighbouring countries in the Black Sea. Countries in the Black Sea region are emerging destinations for trade and investment to make Georgia, an International Trading hub.

Mr. Vijay Kalantri, President, All India Association of Industries (AIAI) said, “Currently, the annual bilateral trade between India and Georgia stand at USD 107 million and is expected to grow higher and faster in the next five years. In order to enhance the trade ties between both the countries, AIAI would lead a business delegation representing sectors such as food processing, pharmaceuticals, hospitality, real estate, solar energy, tourism, healthcare, shipping and logistics, tea and entertainment to Georgia.”

**“Georgia will start airline service from six Indian cities shortly”**

**- H.E. Archil Dzuliashvili**

Mr. Scott Ferguson, Chief Executive Officer, World Trade Centers Association (WTCA), New York, suggested that Georgia must set up a World Trade Center in its leading commercial city in order to catalyse trade and investment. This would place Georgia on the global map for trade and commerce. It will also encourage other neighbouring countries to set up World Trade Centers in their countries.



## Meetings Attended by AIAI

- ❖ Grievance Redressal Committee Meeting chaired by Additional DGFT, Mumbai held on 20 April 2017 in Mumbai
- ❖ Informal Tripartite Consultations on Recommendation No.71, on 4-5 May 2017 at ILO, Geneva, Switzerland .
- ❖ 48th Session of Standing Labour Committee under the Chairmanship of Shri Bandaru Dattatraya, Hon'ble Union Minister of State (Independent Charge) for Labour and Employment, held on 11 May 2017 in New Delhi
- ❖ Second Coordination meeting of Delhi Dialogue IX held on 12 May 2017 in New Delhi
- ❖ Customs Clearance Facilitation Committee (CCFC) meeting under the Chairmanship of Dr. John Joseph, Chief Commissioner of Customs, Mumbai Zone-II held on 11 May 2017 at JNPT
- ❖ Meeting on Implementation of National IPR Policy chaired by Shri Rajiv Aggarwal, Joint Secretary, DIPP, Ministry of Commerce and Industry held on 24 May, 2017 in New Delhi
- ❖ Meeting convened by Mr. Biswanath Sinha, Joint Secretary MoEFCC, GOI on "Implementation of Solid and Plastic Waste Management Rules, 2016-Duty of Manufactures or brand owners or disposable products – regd", held on 25 May 2017 in New Delhi
- ❖ Tripartite meeting with GOI Authorities, State Governments and SEZ authorities for review of Labour Practices in SEZ-Reg chaired by Ms. M. Sathiyavathy, Secretary (L&E), GOI held on May 30, 2017 in New Delhi
- ❖ Grievance Redressal Committee Meeting chaired by Additional DGFT, Mumbai held on 8 June 2017 in Mumbai
- ❖ Stakeholders Consultation Meeting regarding JFSG between India and EAEU chaired by Mr. Sunil Kumar Joint Secretary (CIS), Ministry of Commerce & Industries, GOI held on 8-9 June 2017 in Mumbai
- ❖ Meeting regarding "Offer of Electronic Goods under RCEP negotiations" under the Chairmanship of Ms.. Asha Nangia, Director, Ministry of Electronics & IT, GOI held on June 13, 2017 in New Delhi
- ❖ 26th Steel Consumers' Council Meeting under the Chairmanship of the Hon'ble Minister of Steel, Ministry of Steel, GOI held on 16 June 2017 in Bhubaneswar
- ❖ Joint hearing on Proposal received from Mumbai Port Trust (MBPT) for fixation of lease rent and way leave fees for allotment of land for bunkering terminal at MOT – JD and others relating to the Mumbai Port Trust (MBPT) held on 20 June 2017 in Mumbai
- ❖ Customs Clearance Facilitation Committee (CCFC) meeting under the Chairmanship of Dr. John Joseph, Chief Commissioner of Customs, Mumbai Zone-II held on 29 June 2017 at JNPT, Mumbai
- ❖ First Workshop to discuss the proposal to amend Rule 25, Sub rule (2), clause (iv) of the contract Labour (regulation & abolition), Central Rules, 1971 on 28 June 2017 in New Delhi
- ❖ Tenth Global Forum on Migration and Development on the theme "Towards a Global Social Contract on Migration and Development" held on 28 - 30, June 2017 in Berlin, Germany

## Tripartite meeting on Employment and Decent Work for Peace and Resilience

All India Association of Industries (AIAI) was invited by International Organisation of Employers (IOE) to participate in International Labour Organisation's (ILO) Tripartite Meeting (Governments, Workers and Employers) on the proposed recommendation No. 71 concerning Employment and Decent Work for Peace and Resilience in Geneva in Switzerland on May 4-5, 2017. On behalf of AIAI, Mr. Anil Velde, Senior Director participated in the consultation meeting.

This meeting was in the preparation of the proposed Conference on "Employment and decent work for peace and resilience: Revision of the Employment (Transition from War to Peace) Recommendation, 1944 (No. 71)". This consultation forum brought together eight representatives of each of the Employers' and Workers' groups as well as sixteen representatives of the Governments' group of constituents. AIAI was the only representative from India.

This proposed recommendation was considered with a view to broadening its scope and providing up-to-date guidance on the role of employment and decent work in prevention, recovery, peace and resilience with respect to crisis situations arising from conflicts and disasters. It was an important instrument concerning the non-discriminate and equal rights of refugees and migrants and the corresponding global efforts in helping them constructively. This informal consultations were aimed at helping mutual understandings without binding implications for the second and final round of ILC discussion in Geneva.

### AIAI view point

In deciding upon the revision of Recommendation

No. 71, ILO has stated that while the basic objectives of that instrument remained valid, there should be a change of emphasis from the aftermath of inter-state conflict to the adoption of measures to address the problems encountered in the context of recovery from disasters and conflict.

Taking forward this view, Mr. Velde mentioned that the multi-lateral cohesion is important to address conflicts. India has taken continuous steps to bring in social and financial inclusion through various steps. India's massive financial inclusion programme has enabled opening of over 200 million bank accounts for unbanked persons. India is using AADHAAR, a unique personal identification system, as a backbone for targeted delivery of financial subsidies and benefits. The linking of financial benefits to Jan Dhan system with AADHAAR is the case of success.

Sustained investment and economic growth does not often guarantee decent jobs and full and productive employment for all. Our efforts are pointed towards the fact that the economic growth is sensitive to the needs of its huge population and is able to generate enough decent and productive work for all.

The job creation and business development post recovery and resilience will help in the creation of an enabling environment that supported business and employment growth. The enabling mechanisms should include job creation, investment in SMEs, infrastructure and multinational activities, with a focus on youth.

The role of the private sector employment is critical to realize full, productive, freely chosen and decent employment.



## 10th GFMD Summit Meeting in Berlin



*Indian Delegates with Ms. Stéphanie Winet, Head of Stakeholder Engagement – GFMD Business Mechanism, International Organisation of Employers (2nd from Left)*

All India Association of Industries (AIAI) was invited by the Global Forum on Migration and Development (GFMD) in Berlin on June 29-30, 2017. On behalf of AIAI, Mr. Anil Velde, Senior Director participated. GFMD is an important global platform to discuss upon migration and its relevance in today's challenging times. The 10th GFMD Summit deliberated upon "Towards a Global Social Contract on Migration and Development".

The "New York Declaration for Refugees and Migrants" provides a platform for global deliberation and consideration of the global compact on migration through its comprehensive outline of the myriad aspects of the migration phenomena. The Declaration calls for an agreement of shared responsibility to create a global compact on safe, regular, responsible and orderly migration (GCM), consistent with the UN's 2030 Agenda on Sustainable Development and its related Sustainable Development Goals (SDGs). The work of the GFMD addresses migration goals of the SDG's

and also provides support and assistance to the development of the GCM.

AIAI was invited to share its perspectives on GFMD Business Mechanism Meetings. These Business Mechanism Meetings stressed to bring its expertise and perspective to the deliberation of the GCM and with that SDGs in mind, direct the Report of the Business Mechanism towards high-level labour migration issues critical to the GCM. The topics of discussions were Leveraging skills mobility to advance global opportunity, Innovations for migrant and refugee access to labour markets, Irregular Migration and Labour Market Solutions, Responsible recruitment and Entrepreneurship & circular migration. AIAI was part of the session on "Responsible recruitment".

Responsible recruitment hinges around ILO Convention No. 181 on Private Employment Agencies 25 and accompanying Recommendation No. 188 and are further elaborated through the ILO Fair Recruitment Initiative, launched in 2014. AIAI presented its views that it's critical to ensure that the rights of workers are not violated through the recruitment process and that workers should not be exploited in the workplace. It is important to raise awareness on fair and ethical recruitment principles, share best practices and identify barriers to implementation. Governments, institutions, NGOs, Trade Unions, Companies and the Employment and Recruitment industry need to work together effectively as per international declarations. Most importantly while migration mainly addresses low skilled labour, it's important to formulate an inclusive policy addressing all including high skilled labour especially considering global slow down.



## India-Latin America & Caribbean Partnership Conclave on Trade and Investment



(L-R) Mr. Y. R. Warerkar, Executive Director, WTC Mumbai, Mr. K.V. Nagi Reddy, Director – Department of Commerce, Ministry of Commerce & Industry, GOI, Mr. Vijay Kalantri, President, AIAI, H.E. Ms. Monica Lanzetta, Coordinator for GRULAC in India and Ambassador, Embassy of Colombia, Mr. Deepak Kesarkar, Hon'ble Minister of State, Home (Rural), Finance and Planning, Government of Maharashtra, Mr. Ankan Banerjee, Director (LAC), Ministry of External Affairs, GOI, Capt. Somesh C. Batra Vice Chairman, WTC Mumbai, Mr. Sharad Upasani, Vice Chairman, WTC Mumbai

“The landmark achievement of Latin America and Caribbean countries (LAC) in alleviating poverty from 47% to 25% between 2000 and 2014 holds great lesson for India. Government of Maharashtra is implementing livelihood mission to address the issue of poverty in the state. Maharashtra is keen to learn the technologies and practices of the LAC countries in alleviating poverty,” said Mr. Deepak Kesarkar, Hon'ble Minister of State, Home (Rural), Finance and Planning, Government of Maharashtra while delivering keynote address at the 'India-Latin America & Caribbean Partnership Conclave on Trade and Investment'. The event was jointly organised by All India Association of Industries, World Trade Centre Mumbai and GRULAC-India on June 15, 2017 at WTC Mumbai. He assured that he would

facilitate air connectivity with LAC countries very soon to improve bilateral business exchange and enhance people-to-people contact.

Mr. Kesarkar invited companies and investors from Latin America to explore trade and investment opportunities in the state. “Our Hon'ble Chief Minister Mr. Devendra Fadnavis, has focused on improving 'Ease of doing Business' in Maharashtra. Companies from LAC can explore investment opportunities in Maharashtra in sectors like smart cities, renewable energy, food processing, pharmaceuticals, skill development and so on,” he added.

The event was also graced by Dr. Malini V. Shankar, Director General of Shipping, Ministry

of Shipping, Mr. Ankan Banerjee, Director (LAC), Ministry of External Affairs, Mr. K.V. Nagi Reddy, Director – Department of Commerce, Ministry of Commerce & Industry, Government of India, Mr. Sumit Mullick, Chief Secretary, Government of Maharashtra, Mr. Sunil Porwal, Additional Chief Secretary (Industries), Government of Maharashtra, Mr. Rajgopal Devra, Principal Secretary and Chief of Protocol, Government of Maharashtra among others.

As part of the event, senior diplomatic officials of LAC countries in India shared insightful presentations on their regional trading blocs. This include H.E. Mr. Mentor Villagomez, Ambassador, Embassy of Ecuador in India on 'COMUNIDAD ANDINA'. H.E. Mr. David Pollard, High Commissioner, High Commission of Guyana in India on 'CARICOM', Mr. Alejandra Zothner Meyer, Consul General of Argentina in Mumbai on 'MERCOSUR', H.E. Mr. Andres Barbe, Ambassador, Embassy of Chile in India on Pacific Alliance, and H.E. Ms. Mariela Cruz, Ambassador, Embassy of Costa Rica in India on 'SICA' (Central American Integration System).



**Mr. Ankan Banerjee, Director (LAC), Ministry of External Affairs, Government of India said,** "India's relationship with Latin America is based on shared values and long term partnership. Government of

India has made continuous efforts to strengthen engagement with Latin American countries in the last 2-3 years. In the coming years, the government of India will open embassies in at least four more Latin American countries. Presently, India is not a major trade and investment partner of Latin America, however, going forward there is tremendous potential to strengthen co-operation in agriculture,

food processing, energy, pharmaceuticals, among others. India is also strengthening its cultural co-operation with LAC in segments such as joint film production, sports, yoga, traditional system of medicines and so on. Government of India is expediting the process of finalizing its preferential trade agreement (PTA) with Peru."

**Mr. K.V. Nagi Reddy, Director, Department of Commerce, Ministry of Commerce & Industry, Government of India remarked,** "There is abundant



opportunity to explore new markets and new horizons in Latin America. The industry bodies and chambers of commerce must take advantage of the vibrant condition and the existing trade agreements to promote bilateral trade and investment. India is working with MERCOSUR countries to expand the scope of the existing PTA to include 90% of tariff lines, from the present 65-70%. I urge the Indian industry to take advantage of the zero duty benefit with Chile on more than 500 tariff lines. Indian companies can explore business opportunities in CARICOM countries in sectors such as low cost housing, agriculture and renewable energy. India is also exploring trade agreement with Ecuador. The Central American Integration System (SICA) has signed a free trade agreement with North America. Therefore, India can consider countries in the SICA as gateway to its entry into the North American countries."



**H.E. Ms. Monica Lanzetta, Coordinator of GRULAC countries in India and Ambassador, Embassy of Colombia in India said,** "I am happy to note that this maiden

## Special Feature

conclave in Maharashtra has received overwhelming response from 18 LAC countries. This event is a timely opportunity to make significant move in diversifying our trade basket and promoting sustainable investment between India and LAC. LAC countries have received investment worth USD 12 billion from around 100 Indian companies in recent years. However, India-LAC relationship is still nascent. In a significant move to strengthen bilateral co-operation, India and the community of Latin American and Caribbean States (CELAC) decided to set up a 'Permanent Mechanism of Political Dialogue and Cooperation' in September 2016. This mechanism aims to strengthen trade and investment, co-operate in science and technology, culture, education and climate change, to name a few."

**Mr. Vijay Kalantri, President, All India Association of Industries and Vice Chairman, World Trade Centre Mumbai** said, "This is the first-ever initiative in Maharashtra and we are planning to make it an annual event. India's bilateral trade with LAC countries currently stands at USD 46 billion and it has the potential to reach USD 100 billion in the next five years. In order to realize this goal, Ministry of External Affairs is working on strengthening air connectivity and maritime transport between India and LAC. Government must address all the hindrances and irritants in bilateral economic ties through measures such as signing free trade agreement and introducing single visa for all the LAC countries. Companies in Maharashtra must invest in LAC countries in areas such as agri-commodities, pharmaceuticals, automobile & engineering, information technology and so on."

Mr. Kalantri further said that "This Conclave is the result of the co-ordinated efforts of AIAI and

WTC Mumbai and GRULAC India over the last six months. We are also planning to host similar event to promote bilateral relationship with Africa in September 2017." Further he informed that WTC Mumbai is planning to set up a dedicated desk to promote trade and investment between India and LACs.

**Mr. Sumit Mullick, Chief Secretary, Government of Maharashtra**, in his concluding remarks said "I strongly believe that India's bilateral trade with Latin America can easily expand to USD 100 billion in the next five years from the present level of USD 46 billion. Today's event will lead to more trade and investment dialogue between both the regions in future. Distance and language are no longer barriers for enhancing economic co-operation between India and Latin America. In this age of globalization, the world is becoming smaller and English is a global language.

Mr. Mullick further added it is a great honour to have 18 Ambassadors from Latin American countries attending this Conclave that is being held for the first time in Mumbai, the economic and commercial capital of India

Mr. Mullick while describing importance of Maharashtra to LAC Countries highlighted that "Maharashtra has attracted 50% of total foreign direct investment into India in the last eight months. The state, with 10% of India's population, contributes 35% to the overall export of India and 15% to the national GDP.

During this, AIAI and WTC Mumbai honoured companies that have made exemplary contribution to promote bilateral trade between India and Latin America & Caribbean countries these include

1. **United Phosphorous** – Development of superior products that translate into





*LAC Ambassadors and other Dignitaries*

1. sustainable growth for the benefit of the global agricultural sector
2. **Essel Propack** – Catering to Latin America’s growing demands for pharmaceutical and cosmetic sectors
3. **Shapoorji Pallonji Group** - Built the National Cricket Stadium at Providence in Guyana.
4. **D Y Patil Group** - Built a 500 seat Medical School at Turkeyen in Guyana
5. **Tata Consultancy Group** – Development of successful IT &ITeS solutions for Latin American government organisations and industries
6. **Techint E&C** – Developing EPC projects in energy, oil, mining and infra sectors
7. **Globant** – Promotion of IT &ITeS across regions
8. **INVAP** - Building a radioisotope plant in Mumbai to facilitate growth of nuclear medicine in India
9. **ACG Worldwide** – Development of a pharma market in Brazil
10. **AJE** – Development of a business model targeting an inclusive market for India and Peru
11. **Vistoni** –Promotion of business relations between India and Peru
12. **Lima Group** - Contribution to pursuing better understanding of the cultural values of Peru in India through the gastronomic industry

The event was concluded with a ‘Cultural Programme’ featuring Bharatanatyam depicting cultural and geographical diversity of India.

The programme was well attended by Ambassadors, senior diplomats from 18 Latin American countries with more than 250 participants, including business delegates, government officials, representatives of industry bodies and chambers of commerce from various sectors. Over 500 pre-determined Business to Business Meetings were organized during the Conclave.





## *Glimpses of India - LAC Conclave*



(In Center) Mr. Deepak Kesarkar, Minister of State, Department of Home (Rural), Finance and Planning, Government of Maharashtra with dignitaries at the panel discussion during the India-Latin America & Caribbean Partnership Conclave on Trade and Investment in Mumbai



LAC Ambassadors and Government of India officials with dignitaries at the panel discussion during the India-Latin America & Caribbean Partnership Conclave on Trade and Investment



H.E. Mr. Giovanni Castillo, Ambassador, Embassy of Guatemala addressing the session with dignitaries at the panel discussion during the India-Latin America & Caribbean Partnership Conclave on Trade and Investment



Mr. Vijay Kalantri, President, AIAI, Dr. Malini Shankar, Director General of Shipping, Ministry of Shipping, GOI, Mr. Sumit Mullick, Chief Secretary, Govt. of Maharashtra, Mr. Sharad Upasani, Vice Chairman, WTC Mumbai, H.E. Ms. Monica Lanzetta, Ambassador of Colombia, Mr. Y.R. Warekar, Executive Director, WTC Mumbai, Mr. Raj Gopal Devara, Chief Protocol Officer, Mr. Sunil Porwal, Addl. Chief Secretary - Industries, Govt. of Maharashtra and Mr. Ankan Banerjee, Director (LAC), Ministry of External Affairs, GOI.



Indian Classical Dance Performance on "Colors of India" by Ms. Revathi Srinivasraghvan, an exponent of Bharatnatyam, Founder and Director of Nriyjanani Fine Arts Academy



B2B networking meetings with the LAC Ambassadors, Commercial Attaches and other experts about various trade opportunities available in LAC region.



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## Colombia: Paving the road for Indian investors



Colombia, is amongst the top 30 destinations for foreign investment according to the United Nations Conference on Commerce and Development (UNCTAD). A fact that has not gone unnoticed by major Indian players, as this country is the base of operations of more than 40 Indian companies in sectors such as BPO, IT, vehicle assembly, agro-chemical and pharmaceutical industries and the third destination of Indian Foreign Direct Investment (FDI) in Latin America and the Caribbean (LAC).

Colombia has both attracted and fostered the trust of India and other international investors for a series of reasons. Firstly, it is geo-strategically located, offering access to the Atlantic and Pacific oceans; thus, serving as an export platform for companies looking to cover all markets in The Americas. Secondly, it itself is an attractive market with a burgeoning middle class with a growing purchase capacity, which consists of more than 30% of its 49 million inhabitants. It also is the leading country in LAC offering protection to the investor and is in the top three countries in the region in the 2016 'Ease of doing Business' Index published by the World Bank.

With a strong macro economy, economic performance in place, Colombia proceeded to implement governmental policies to attract and favor investment in various sectors of the economy. It is because of said policies that, for example, the IT and Communications (ITC) sector in Colombia can boast of having connectivity in 96% of the territory, with fiber optic networks and 11 submarine cables. Indian ITC companies with presence in Colombia include TCS, Wipro and Tech Mahindra. According to the Software Engineering Institute (SEI), Colombia is the largest producer of quality software in LAC.

Colombia has also consolidated itself as the second largest producer of motorcycles worldwide. Indian companies such as TVS, Bajaj and Royal Enfield are present in the market and continue to roll out new stores and expand their operations in the country. Moreover, Colombia is the headquarters of the first overseas manufacturing plant of Hero MotoCorp. With Colombia as its hub, the motorcycle giant aims to distribute to all of LAC; a move that has been emulated by global firms such as Mercedes Benz, General Motors and Foton. All of which have established assembly operations in Colombia to supply the regional market.







### Thrust on natural resources

Additionally, having recognized the need to promote sectors that play to the strengths of the country's many natural resources, (Colombia is the second most biodiverse country in the world and the sixth richest country in water resources), the Government has devised new incentives to lure foreign investors to help develop them. One of Colombia's biggest bets has to do with renewable energy. Given its water abundance, its power generation mainly stems from hydroelectric plants. But there is huge potential for the development of solar, biomass and wind energy projects given the country's proximity to the equator, unused agricultural land, and rich varied topography that allow for optimal conditions all year round for this type of energy generation. Hence, the government has issued a law stating that it will return 50% of any investment made in the renewable energy sector through income tax rebates. Indian companies that have had a part in making India a solar power giant should look to Colombia for the opportunity replicate their success in the sector abroad.

Another important incentive that has been rolled out by the Colombian Government that might be of interest to Indian companies is focused on

fostering research, development and innovation in the country. The government shall return 125% of all investments made in R&D and innovation via reimbursements of the income tax paid by the investing company.

Likewise, a country as biodiverse as Colombia, with 50,000 types of plants of which 17,000 are endemic, is a very attractive place for Indian pharmaceutical and cosmetic companies amongst others.

The considerable investment opportunities in Colombia are further enhanced by the advantages the country's free trade zones offer; a commercial and multi-commercial complex model that includes tax incentives and that allows for the better use of the 11 free trade agreements that the country has in force, giving it access to pretty much all of The Americas, the European Union amongst others.

### Access to Bollywood

Colombia has had great success in the implementation of a law meant for the film industry that regrettably no film production company in India has thought of taking advantage of, which is the '1556 Location Law of 2012'. This legislation stipulates that the government shall return 60% of the production costs incurred by companies that shoot the film







in Colombian territory. Some major productions shot on location and that therefore benefited from the incentives provided by this law include “The 33” with Antonio Banderas, one of Netflix’s most popular series “Narcos”, and “Mena” starred by Tom Cruise amongst other major films from French, Spanish, and American production houses.

### **Columbia – India trade relations**

Colombia was the fourth receptor of investment flows in LAC and the third receptor of Indian FDI in LAC. Regarding the advancement of its commercial ties with India, the two countries continue to steer towards growing business between them. According to ProColombia’s reports, between 2010 and 2015, business from Indian companies facilitated by this entity reached US\$210 million with the establishment and reinvestment from companies such as United Phosphorus, Wipro, Tata Consultancy Services, Sutherland, Genpact, Hinduja Global Solutions, Mann India and Hero MotoCorp amongst others. Likewise, India’s bilateral trade

with Colombia stood at US\$ 1,695.89 million with exports US\$888.11 million and imports US\$ 807.79 million during 2015-16.

Lastly, Indian companies should take note of The Pacific Alliance (PA) trade bloc comprised of Colombia, Mexico Peru and Chile, meant to provide a single platform through which the world, and particularly the Asia Pacific Region, can engage and gain access to those markets. The PA is an ideal mechanism through which India can further develop its ties with Colombia since this trade bloc creates a 225 million people market with a GDP per capita of USD 16,759. Moreover, the cooperation and economic integration between these four countries represents, according to 2015 data, 41% of the region’s combined GDP, and together has been the world’s sixth largest receptor of direct foreign investment during the last decade.

*[Contributed by Embassy of Colombia in India]*



## Interaction with H. E. Mónica Lanzetta Mutis Co-ordinator for GRULAC in India & Ambassador of Colombia



### How important is to improve trade relations with India?

It is proven fact that India is among the fastest growing economies in the world and is expected to clock an average annual growth of 7.7% during 2017-2019. It has over 1.2 billion people and the second largest consumer market in the world. Therefore, there are many incentives for LAC to improve trade and investment relations with a partner like India. On the other side, with a population of 625 million, a GDP of USD 5.6 trillion (2015), a GDP per capita of almost USD 9,000 (2015) and a growing middle class, LAC offers interesting trade and investment opportunities for Indian companies. India and LAC grow faster than the world as a whole according to various measures, not only with respect to GDP growth, but also in terms of Foreign Direct Investment (FDI) and trade. We are committed to building more diverse trade patterns, as well as more sustained investment and cooperation partnerships.

The emblematic examples of Indian investment in IT services, mining, and manufacturing reveal the potential of our relationship and how trade opportunities are likely to spur by the integration and development of value chains.

### How do you foresee trade relations with India in the next 5 years?

The relationship between India LAC is at an emerging stage, with significant room for growth in terms of international trade, FDI and cooperation between two regions. Given the current uncertainty in the world economy and its new emerging structure increasingly centered on emerging markets, our governments are redoubling efforts to identify and

capitalize on the potential complementarity created by greater integration with our group of countries.

As of now, LAC exports to India are mainly natural resource-based manufactures, while our imports from India have consisted mainly of the latter and low - medium- and high-technology manufactures and that is because together, our region contains a market with more than 600 million consumers, with higher levels of consumption than that of India.

For the medium term growth, our countries are seeking to create partnerships between our regional companies and successful Indian companies, in order to gain access to supply chains that produce more complex, technologically sophisticated inputs and services for production units. The intention is to build partnerships around chains, in order to increase the sophistication of the natural resource-based manufactures that our region could export to India.

### Share your experience in India

India's trade with LAC has grown exponentially in the past years. From less than USD 2 billion in the year 2000 to approximately USD 32.6 billion in 2015. Trade with LAC includes everything from soy beans to aircrafts and minerals and more that 100 Indian companies have invested over USD12 billion in the LAC region across a wide variety of industries such as petrochemicals, pharmaceuticals, plastic, mining, agriculture and manufacturing.

Our experience has shown that we need to continue working together to enhance awareness about the complementarities in the economic growth models of our regions, and achieve a better understanding of each other's cultural and business practices. For example, both LAC and India often view each other as a standalone market, and not a platform for accessing wider markets by taking advantage of existing trade agreements.



### Infrastructure: Key to enhance integration and cooperation between India and LAC

India and LAC have a long way to go in terms of infrastructure competitiveness to reach the levels of other emerging or developed economies. With ratings ranging from 01 to 07, LAC's infrastructure average is 3.75 with Chile leading the table, ranked 45th out of 144 countries. India has a rating of 3.69, ranking 84th. Both regions are located far behind Hong Kong, the best located with a rating of 6.77. India and Latin America could operate jointly in those areas where they have developed good practices and experiences in social or economic infrastructure.

#### Water transportation

It is recognized that LAC has developed the sector of water supply and related services of water networks and sanitary sewers in a remarkable way. Although the progress of the region in this area is not uniform, projections of studies show an average annual increase in serviced people by 3% and 1.7%, respectively, in the period 2006-2020. The countries of Latin America would reach a coverage of 97% of their population in the case of access to water and 87% in the case of sanitary sewers in the year 2020. Urban areas have been benefited by these advances, to the point that LAC countries are closer to reaching aggregate terms for the millennium development goals in these areas.

#### Synergy in infrastructure development

While Latin America has a clear advantage over India in terms of developing infrastructure for energy supply, water networks and sanitary sewers, India is showing greater momentum in strengthening multimodal transport and access to telecommunications and IT in all segments of

its society. In this regard, although "Railways of India" continues to be a state monopoly, it gets to manage one of the world's top five railway systems in terms of size and scale, with 63,327 km of rails, transporting more than 17 million passengers and 2 million tons of cargo traffic per day. It is undeniable that in this sphere India has experiences that could be of use to LAX.

The main problem in Latin America is an inadequate selection of land transport modes, leading to an increase in logistical costs that reduces competitiveness and participation in the global business flow of the internal zones of the South American subcontinent. With the old argument that rail transport is only efficient for long distances, Latin American countries have turned to the development of road transport systems to the detriment of other modes. In the case of railways, this has led to their being stagnant over time and to be used only in the traditional mineral transport sector. On the other hand, transport by rivers or watercourses, which exist in large numbers, is strikingly scarce although starting to grow faster than other forms of transportation.

As for road transport, in 2008 the Indian road network was already the second largest in the world, surpassing 3.3 million km. The extensive network is divided into National Highways, State Highways, district and rural routes. The ongoing transformation of road infrastructure in India leaves no room for doubt about the country's economic dynamics. The construction of high passages, two-, four- and six-lane routes throughout the country and investments in the management of public spaces and urban landscapes under the joint



venture scheme leads to the conviction that there is a real transformation in progress that is generating opportunities.

In LAC countries, although they have a greater participation of the private sector in the development of the necessary infrastructure, their delay in a vital sector such as that of land transport is a cause for concern. The current situation is a consequence of a lack of public investment, overlapping laws and different institutions in the same stages of infrastructure projects, limited citizen participation and the slow availability of resources, lack of incentives, lack of Planning and coordination or the lack of information or precision in it, causing serious difficulties to the necessary logistics in the region as a whole.

India is aware of its new role in the world economy. Likewise, the Indians are well aware of the challenges that must be faced in the short term. The requirements of infrastructure that India suffers cannot be compared to the needs of Latin American countries. The projects included in the five-year plans to cover the vast needs of 1.2 billion people in an economy in transition have another scope, different rhythms and greater risks of failing their results. India must continue to grow at high

rates and reforms will become increasingly urgent, inevitable. This process in India is a challenge, and as such offers new areas of economic cooperation and integration between India and Latin America, along with the articulation of value-added chains for the development of better infrastructures in both regions.

Opportunities for cooperation between private agents and the public and private sector appear every day.

“In Latin America, financial support from Indian investors would be welcome to address major deficiencies in infrastructure development and the multimodal land transportation system. The Indian experience in rail transport would also be very useful.”

Government officials, diplomats and scholars from both regions require a better and greater flow of information, analysis of public policies, incentives and models of social and economic development. Businesses and young people with the need for better jobs and opportunities to improve their quality of life compared to previous generations are waiting for better economic prospects.

*[Contributed by Embassy of Paraguay in India]*





# Investment & Trade opportunities in Bolivia

Bolivia is one of best performing economies with USD 34.0 billion GDP [2016(p)] in Latin America. The Real GDP growth in 2015(p) was 4.9% and the official estimate for 2016 was 4.3 %. The average real growth for the last ten years is 5.0% (it includes the official 2016 estimate). Population is 11.1 million (2017); USD 3,092 GDP per capita (2016). The GDP per capita has tripled in the last ten years, from USD 1,037 in 2006 to USD 3,092 in 2016. The unemployment rate in 2016 (p) is 4.1%, down from 8.1% in 2005.

### Oil & Gas

Since 2006, as a result of the nationalization process in Bolivia, *Yacimientos Petrolíferos Fiscales Bolivianos "YPFB"* owns and controls the hydrocarbon resources and operates the whole hydrocarbon chain. Bolivia is the main natural gas exporter in South America, the energy center of the Southern Cone and a reliable supplier of natural gas for Brazil and Argentina. It has about 60 TCF hydrocarbon potential in natural gas resources. Based on the synergy of public and international private investment (E&P Contracts), investment has grown from USD 246 million in 2005, to USD 2.4 billion in 2015. Since 2006 Bolivia has doubled its natural gas production. YPFB determines conditions, volumes and prices for the commercialization of hydrocarbons in the domestic and exporting market. The industrialization of natural gas is underway and Polypropylene and Polyethylene Plants are in the planning phase.

### Electricity

Government of Bolivia has put emphasis on development of higher power generation

infrastructure by 2025, to satisfy domestic demand (3,000 MW) and export electricity (10,000 MW). It has also stressed on strengthening and development of alternative and renewable energies (hydro, geothermal, biomass, photovoltaic, wind, solar, etc.). These measures together electricity exports will help to positioning Bolivia as the South American energy center.

### Tourism

There are opportunity to develop tourism activities:- alternative centers, hotels and lodging, touristic theme parks, convention centers and tourist entertainment. Bolivia has developed new cultural and natural stage destinations Tiahuanaco, Lake Titicaca, Wonderful La Paz city, Roboré, Aguas Calientes, Toro, Uyuni Salt Flats, Villa Tunari and others. Government offers credit incentives for lodging and tourism activities.





### Mining

Bolivia has abundant natural reserves. Mining is its one of the main industrial activities. Government promotes investment in activities around the whole mining and metallurgical production cycle: prospection, exploration, concentration, refining, smelting, processing and commercializing with adding value. It helps in development and diversification policies of the country's potentials in mining and metallurgical resources- gold, silver, tin, zinc, copper, antimony, iron, etc. Further targets promotion of discovery of new mineral deposits, increase in existing reserves and implementation of processing plants. Government stresses on positioning Bolivia in the global market for lithium, potassium and derivatives (pilot plant of batteries). Only 35% of the Bolivian territory has been prospected, so there is huge potential to explore and benefits to reap.

### Industry

Strengthening of economic diversification within the plural economy with a clear focus on incorporating greater value added will help Bolivia to attract higher FDI. Its strength includes productive model with emphasis on industrialization and incorporation of high-quality domestic Bolivian products. In the manufacturing sector, Bolivia is encouraging the development of territorial production complexes linked to food security, employment generation, technology adoption and import substitution, taking advantage of the growing domestic demand, and the Bolivia's strategic geographic position in the region.

“Strengthening of economic diversification within the plural economy with a clear focus on incorporating greater value added will help Bolivia to attract higher FDI.”

*[Contributed by Embassy of Bolivia in India]*



### Ecuador: Huge growth potential for India in auto, engineering and agri business

Trade and investment between Ecuador and India are far from reaching their real capacity. Currently, bilateral trade is barely USD 1.1 billion annually, with a chronic surplus (750 vs. 350 million) in favor of India. If we do not take into account the oil of Ecuadorian origin imported by the latter country. There are currently no Ecuadorian investments in India and only very few Indian companies have settled in Ecuador.

This situation, however, generates a multiplicity of opportunities for diligent entrepreneurs in both countries. Ecuador imports a great variety of products, such as agricultural machinery, vehicles, chemicals, medicines, plastics, etc. and exports some products of agricultural origin and agribusiness, such as woods, edible oils, processed and unprocessed foods. Ecuador has presented in different occasions a portfolio of development projects valued at more than USD 37,000 million, in which Indian companies can invest.

The Joint Economic and Trade Committee (JETCO) was established in 2015 and its first meeting was



held in Guayaquil, Ecuador, on May 17, 2017, with the presence of the Mrs. Rita Teatota, Secretary, Department of Commerce, Ministry of Commerce & Industry, Government of India. As a result, a joint study will be launched shortly to determine the feasibility of entering into a trade agreement

**“With proactive measures, the bilateral trade between Ecuador and India has grown by 300% in near terms. It has huge potential to grow further.”**

between the two countries, with the aim of strengthening and boosting mutual trade and investment.

*[Contributed by Embassy Ecuador in India]*





## Peru – India relations



Peru, situated on the west central coast of South America, has diverse characteristics including a variety of climates, a vast territorial extension, significant natural resources, people with great skills and high academic standards and a solid economic and industrial background. Today, Peru is considered one of the world's leading emerging markets, with a solid economic stability based on an uninterrupted annual growth over the past 16 years of its Gross Domestic Product (GDP). These factors make Peru an excellent partner in trade, tourism and the best destination for foreign investment.

Peru economic development boost has much to do with the monetary and fiscal policies applied over the past two decades, reducing the debt level (from

32.3% of the GDP in 2006 to and less than 19% in 2016) and ensuring consistent fiscal surpluses. Peru is also reaping the benefits of the increasing size of its market and domestic consumption and the development of its financial sector. Likewise, net international reserves are situated around the 30.5% of its GDP.

In one single generation, the Peruvians have made a transformation based on the consolidation of democracy, stable and open economy and the creation and development of a policy of social inclusion with economic growth.

Having an early achieved of the United Nations millennium goal and with a Purchasing Power Parity (PP) estimated over USD13,000, Peru is just beginning its “demographic bonus” period, where 65% of its population between the ages of 15 and 64 reaches their highest record of production, consumption, savings, and investment.

It is within this context that all the Peruvian foreign economics, commercial and investment activities are fully guaranteed. Peru fulfils its commitments and offers the same treatment to both national and foreign investors. As a result, Moody's Investor rank Peru in the highest investment category (A3).

In terms of projection in the international economic sphere, Peru have made considerable progress in economic integration, within the scope of the ‘Pacific Alliance’ that includes the most dynamic economies of the Americas, based on shared vision of the world and on the movement of goods, capitals, services and persons. Furthermore, Peru is determined to continue expanding and deepening its trade relations with the world, strengthening the



## Special Feature

free trade agreements that covers 95% of its foreign commerce. Among other negotiations, including a comprehensive trade agreement with India, Peru is firmly committed its relations with Asia through its active participation in the Asia Pacific Economic Forum (APEC) and the seeking of a successful conclusion of the Trans-Pacific Partnership Agreement (TPP), with a view to upgrading the projection and presence in this important region and, thereby, promoting economic growth.

From a physical viewpoint, the strategic location of Peru makes the projection of the country as a natural, productive and commercial hub in Latin America. To this effect, Peru is promoting private participation in infrastructural projects and utilities that will raise its competitiveness and consolidate it as an efficient bridge between South American markets, Asia and the United States.

With a population of 31.2 million (the estimate 2015) Peru's economy reflects its varied geography. The abundance of resources is found mainly in mineral deposits in the mountainous regions



(gold, copper, silver, lead, zinc, among others) while its extensive maritime territory has always traditionally yielded excellent fishing resources. Despite the fluctuations of the world economy, the administration has resisted pressures for fiscal and has used the savings generated by the high prices of commodities between 2006 and 2008, investing in infrastructure and in social aid programs, paying all part of the public debt, and increasing assets.

Peru has achieved significant progress in its macroeconomic performance in recent years, with very dynamic GDP growth rates, stable currency exchange rates and low inflation. In fact, over the past decade, the Peruvian economy has had the lowest annual average inflation rate in Latin America. There is also its impressive dynamism and diversification of the exportable supplies which gives the country the privileged ranking of one of the fastest-growing economies in the region, consistently achieving an accumulated annual average growth.

“According to the International Monetary Fund (IMF) Peru is considered a rising star that is part of the new wave of leading emerging markets, and today's solid fundamentals, a framework of sensible policies and prudent macroeconomic approach, enables its growth and reduce vulnerability.”

Peru is also reaping the benefits of the increasing size of its market and domestic consumption, and the development of its financial sector, which can be seen, for example, in the increase of private consumption.

Peru has signed a number of 'Free Trade Agreements' covering more than 92% of its exports: USA, China, Thailand, UE, EFTA, MERCOSUR, South Korea, Canada, Costa Rica, Chile, Mexico,

Venezuela, Panama, Japan, Singapore, Cuba and the Andean Community. Peru also has 28 Bilateral Reciprocal Investment Promotion and Protection Agreements and has culminated trade negotiations corresponding to the TPP Agreement. Additionally, Peru entered into the framework Agreement for The Pacific Alliance in April 2011, together with Chile, Colombia and Mexico.

Peru's main traditional exports are gold, copper, petroleum oil, natural gas, zinc, lead, iron, fishmeal, coffee, and its main trading partners are China, the United States, Bolivia, Brazil, Chile, Colombia, Ecuador, Argentina, Switzerland, South Korea, Japan, Canada, Germany, Spain, Holland, The United Kingdom, Mexico and Italy.

Peru offers a legal framework that protects foreign investors interests offering:

- An equal and non-discriminatory treatment
- Unrestricted access to majority of economic sectors
- Free capital transfer
- Right to free competition
- Guarantee of private property (no expropriations or nationalizations)
- Freedom to acquire shares in Peruvian companies
- Freedom to access internal and external credit
- Freedom to transfer royalties and profits from their investment
- Simplicity for most operation without foreign exchange controls

This offers tremendous opportunities to Indian business. With Government of India's ambitious target to enhance bilateral trade with LAC to USD 100 billion in next 5 years. Peru is an ideal business destination.

*[Contributed by Embassy of Peru in India]*



### Events supported by AIAI

❖ **Children Baby and Maternit Industry Expo 2017**

Date: 11-13 April, 2017  
Venue: Bombay Exhibition Centre, Mumbai

❖ **AMTEX 2017**

Date: 15-17 April, 2017  
Venue: Bombay Exhibition Centre, Mumbai

❖ **Worldbuild – India 2017**

Date: 20-22 April, 2017  
Venue: Bombay Exhibition Centre, Mumbai

❖ **One Mega Event**

Date: 10-12 May 2017  
Venue: Pragati Maidan, New Delhi

❖ **14<sup>th</sup> International Exhibition & Conference On Smart and Sustainable City Solutions 2017**

Date: 18-20 May, 2017  
Venue: Navi Mumbai

❖ **GENNEXT Counsel Congress & Awards 2017**

Date: 23-24 June, 2017  
Venue: Hotel Four Seasons, Mumbai

### Guyana: A good life in green economy

Guyana, the only English-speaking, South American country, is said to be resplendent with nature's blessings and opportunities to explore. Located on the north Atlantic coast of South America, it is a country that wants to traverse the path of development along with sustainability. Despite its small population, it is aware of the many pitfalls that can appear on the path of untampered exploitation. So, undoubtedly, Guyana is cautious and treads the road to development with prudence and with Good Governance as its guide.

Guyana achieved its independence from Britain on 26th May 1966, and immediately became a member of the Commonwealth. In 1971, the country attained Republican status with a non-executive President replacing the Queen as Head of State. In 1980, under a new constitution, the Presidency became executive while remaining Head of State with the Prime Minister as Head of Government. The Government in Guyana functions, in effect, as a two-party, Westminster style system. Administrations have been long-lived lasting more than 20 years each so far despite regular and increasingly transparent national elections. The last change in administration in 2015 ushered in a government committed to improved Governance and the creation of "A Good Life in a Green Economy" for all Guyanese. This motto refers to Guyana's continued efforts to implement a sustainable, low carbon development strategy in Guyana as evidenced by the REDD+ programme with Norway.

The **Guyana REDD+ Investment Fund (GRIF)** is a multi-contributor trust fund for the financing of activities identified under the Government

of Guyana's Low Carbon Development Strategy. The GRIF was established in October 2010, with the World Bank as Trustee, following the signed agreement between Guyana and Norway in November 2009. Under this agreement Norway has established a fund that pays Guyana to keep its rate of deforestation low. The GRIF represents an effort to create an innovative climate finance mechanism which balances national sovereignty over investment priorities while ensuring that REDD+ funds adhere to the highest internationally recognized standards for financial, environmental and social safeguards. Guyana is also seeking engagement related to its sustainable development strategy in bilateral relations with India not least with regards to Renewable Energy.

Known as South America's biggest little secret, Guyana has an unspoilt, untouched and immaculate nature. This country offers a distinct tourism product, consisting of vast open spaces, savannahs, pristine rainforests, mountains, rivers, waterfalls, bountiful wildlife, numerous species of flora, a variety of fauna, and spectacular birdlife. Guyana is increasingly looking at eco-tourism as an economically viable way of preserving and conserving the country's natural environment. Eco-tourism development in Guyana supports socio-economic growth and functions as a sustainable and equitable use of the indigenous tropical forest ecosystems. As the tourism market in Guyana gains more exposure, the potential for eco-tourism to play a significant role in Guyana's economy strengthens every year. A case in point is the Iwokrama Rainforest Reserve, a unique experiment in sustainable tropical forestry management and biodiversity conservation which protects 371 000 hectares (or 2%) of Guyana's total

forested area. The Iwokrama forest is a unique resource of natural and human communities. It has an exceptional combination of elements with an appeal to visitors interested in biodiversity, social anthropology and conservation.

Guyana, this land of rich resources, is looking at development in fields as diverse as; sustainable forestry, mining for gold, bauxite, diamonds, gemstones, silicon, uranium & manganese, harnessing of solar energy and hydropower, cultivation of cash crops, rice, sugar & coconut, value-added agriculture using preservation and canning and businesses in education and medical education. At its core, the Guyanese economy is based on agriculture and agriculture exports. About 80 percent of 2015 agricultural exports consisted of rice or sugar products which processed goods, fresh fruit and vegetable exports augmented.

CARICOM, a 15-country regional common market protected by common external tariffs, is an important market for Guyanese sugar and other agricultural products. Like sugar, Guyana exports rice primarily to Europe and the CARICOM region.

In 2015, a consortium led by ExxonMobil discovered huge deposits of oil and gas in deep waters offshore Guyana. The commercial viability of the find is such that it is being rushed into production by 2020. The impact of the resulting oil revenues will be transformational for the Guyanese economy and the Government is determined that the windfall should not be squandered. The discovery is one more indication that South America is becoming a critical supplier to world oil markets. Worthy of note is Guyana's current application for membership to the Energy Industry Transparency Initiative and its preparations for the establishment of a Sovereign Wealth Fund, amongst other measures. In its

effort to advance the drive towards a transparent sustainable Green Economy, Guyana is carefully seeking to develop partnerships with friendly countries.

Guyana and India enjoy a very cordial and friendly political relationship based on historical and cultural ties as well as economic and commercial relations. The history of the relationship between India and Guyana can be traced back to its roots in their common ancestry within the British Empire. Throughout the 19th and 20th centuries the system of Indenture-ship, with its transplantation of People of Indian Origin to Guyana and the southern Caribbean, forged a shared bond that remains strong to this day. Common early, membership of the Non-aligned movement and an enduring interest in South-South cooperation have further strengthened the two countries' friendship over the years.

India and Guyana continue to foster a harmonious relationship with advancement in many areas of co-operation that go beyond the political realm. Through its Lines of Credit programme India has extended a tangible hand of friendship that is being used for projects in Guyana in important sectors like Hospitals & Health care, Agriculture, Transportation and Infrastructure. Particularly in terms of the well targeted and transparent way in which it has worked with Guyana on these projects India has been a friend indeed. Other active areas of trade and business between Guyana and India include Forestry, Gold & Diamond Mining, Gold Trading, Pharmaceuticals, Textiles, Health Education, Banking and Information Technology.

*[Contributed by High Commission of Guyana  
in India]*





### Trinidad & Tobago: Gateway to America

The Republic of Trinidad & Tobago is a twin island country situated on the northern edge of the South America mainland lying just 11 kilometers off the coast of northeastern Venezuela.

Trinidad & Tobago is the third richest country by GDP (PPP) per capita in the Americas after the United States and Canada. Unlike most of the English-speaking Caribbean, which is agricultural and touristic, the country's economy is primarily industrial with an emphasis on petroleum and petrochemicals. The country's wealth is founded on the development of its large reserves and exploitation of oil and natural gas.

The link between Trinidad & Tobago and India traces back to the time between 1845 and 1917 when close to 150,000 Indians migrated to Trinidad under the system of Indian indenture.

However, formal diplomatic relations were established between Trinidad & Tobago and India in 1962 after the former gained independence from British colonial rule. The same year, the Government of India established a resident High Commission in Port-of-Spain. Trinidad and Tobago established its High Commission in New Delhi in 1969.

Trinidad and Tobago's major exports to India over the years have been iron and steel, anhydrous ammonia, copper-zinc based articles, clothing, aromatic bitters, lubricating oil base stock, plywood, waste of iron and steel, indented iron bars and rods, and piles and pickets. The principal imports from India have been pharmaceuticals, shelled cashew nuts, tubes and pipes, tyres for buses, woven fabrics, floor coverings, tea, and diamonds and

other precious and semi-precious stones, fabric, turmeric, leather, plants and fruits.

The AMCHAN's (American Chamber in T&T) recent publication "Doing Business in Latin America" states that "investors, exporters and businesses who are interested in the Caribbean and Latin America markets can use Trinidad as a strategic transit hub for these regions as well as a near shore hub for North America". It adds, "apart from slow recovery of oil and gas prices since record lows in 2015, there is also a change in the trade dynamic of oil and gas. As of January 2017, the United States a former main importer in now a net exporter of oil and gas to Latin America. This uncertainty has made it imperative that there be a greater thrust for increased investment and diversification of the non-oil and gas sector of the economy. The non-oil sectors that present major potential for investors include manufacturing, maritime and shipping, information technology, financial services, aviation sector, tourism, agriculture and agro-processing."

**“Owing to the country's long coastline, maritime and shipping continue to be a source of lucrative investment. T&T ports serve as a valuable gateway to the Americas, lying just 11 kilometers off the coast of South America, furthest south in the Caribbean archipelagic chain”**

In fact, after Trinidad & Tobago exited the sugar industry around about 2007, thousands of acreages of arable lands became available for alternative crops. One of the areas the Government of Trinidad & Tobago is most interested in is moving into sustainable agriculture and agro-processing. This sector remains lucrative for investment.



Owing to the country's long coastline, maritime and shipping continue to be a source of lucrative investment. T&T ports serve as a valuable gateway to the Americas, lying just 11 kilometers off the coast of South America, furthest south in the Caribbean archipelagic chain. Its strategic positioning between the Caribbean Sea and North Atlantic Ocean, northeastern Venezuela qualifies it as a critical transshipment and logistical hub for the Caribbean and Latin America. Trinidad and Tobago recorded the highest export figures of all CARICOM member states, both intra-regionally (71.9%), as well as extra-regionally (70.4%).

The T&T Government has identified the ICT sector as one with vast untapped potential. In 2015 this sector contributed TTD 5.59 Bn (USD 0.88 Bn) or 3.4 percent of the country's overall income or GDP. The ICT industry is characterized by high mobile and internet penetration rates – 157.3% and 68.9% respectively in 2015 – and a strong infrastructural base. TnT also offers one of the highest bandwidths available and carries one of the lowest per unit cost for electricity within the Caribbean region. Trinidad and Tobago is the second lowest rate in the Americas behind Venezuela.

Another sector with tremendous potential and driver of economic diversification is tourism. T&T has a beautiful, clean coastline, variety of cuisines, high standard of living, and a laidback, friendly and multicultural population, making it an ideal destination for a wide range of travelers of all ages. Business tourism too is becoming a booming sub-sector with numerous conference halls to accommodate all sizes of meetings to be found, supported by state-of-art transport and infrastructure.

Other sectors that are also burgeoning include the music, film and fashion industry. The Trinidad and Tobago Creative Industries Company Limited (Creative TT) was established in 2013, and is doing well.

Trinidad and Tobago location makes the country ideal as a transshipment hub and as a meeting place for conducting business. The isles of Trinidad and Tobago are two unique belles of the region investors should consider seriously in their strategic planning.

*[Contributed by High Commission of Trinidad & Tobago in India]*



## India & Argentina: Partners in growth



Argentina is historically one of the richest and more developed countries in Latin America, and is recognized for its highly-skilled labor, and the technical capabilities, creativity and versatility of its citizens. Indeed, it is ranked second in human development in Latin America according to the United Nations Development Programme Human Development Index 2017.

Thanks to the resource-rich “Pampa Húmeda” region, with its intensive agricultural productivity, Argentina has become one of the main food producers in the world. It boasts extensive and modern agricultural and cattle rearing industries, and an oilseed cluster renowned as being the most efficient in the world.

This year’s harvest is expected to be the largest in its history, reaching around 130 million tons, enough to feed ten times its population, more than 400 million people around the world. And as a result of the President Mauricio Macri’s eliminating of export tariffs, Argentina is expected to be feeding around 600 million people in the near future, thereby helping the world - and countries like India in particular - achieve food security.

Heavy industries such as automotive and metallurgy also play an important role in the country’s economy. To these Argentina is banking on adding rapidly-growing sectors like renewable energies –helped by Argentina’s optimal wind and sun conditions–, biotechnology, software development and the creative industries.

Argentina also has important mining reserves: the 7th largest silver and copper reserves, the 4th largest reserves of lithium and 9th of gold. Apart from its conventional oil and gas reserves, it has the second largest shale gas and 4th largest in shale oil reserves.

Like India, Argentina is a very competitive regional and global services provider, especially in the IT sector. Argentina creates more internet content in Spanish than any other country. And, of the 5 “unicorns” –startup companies valued at over USD 1 billion- in Latin America, 4 were created in Argentina.

Since December 2015, the Government has been strengthening Argentina’s acceleration into the world economy, improving macroeconomic stabilization and reinforcing legal certainty, predictability and transparency. After a phase of economic ‘normalization’ in the first half of 2016, inflation slowed substantially, and fiscal

“ I look forward to continuing to develop and harness the great potential that our bilateral relationship presents, exploring new fields of cooperation, reinforcing our ties and diversifying our agenda for the benefit of both countries. ”

consolidation and the return to growth took center stage. This year growth is expected to be around 3.5%.

Investment, both private and public, is helping Argentina lay the foundations for consistent and sustainable growth. It has highly ambitious infrastructure and clean energy agenda, one that will offer huge opportunities to Indian firms, not to mention the investment opportunities in important sectors for Indian companies, such as traditional energy, agribusiness, ICT, business services, metallurgy and other heavy industries.

Argentina and India can also expand bilateral trade ties by strengthening the 2004 trade agreement between India and MERCOSUR, the first preferential trade agreement of this sort signed by MERCOSUR with a non-Latin American country.

India and Argentina are therefore ideally placed to become great trade and investment partners, a potential that depends on its capacity to scope out and expand opportunities in the current international climate.

Argentina would continue working together with India, to strengthen multilateral trade and the global economy.

*[Contributed by Consulate General of Argentina in Mumbai]*



List of Representations / Recommendations submitted to the Central and State Government
Points for Central Excise Regional Advisory Committee
NPAs - A Systemic View
NPA- Stress Assets
Suggestions on Mid - Term Review on Foreign Trade Policy
Suggestions to Reform Labour Laws
Representation to waive 12% GST on Dredging for Ports
Agenda Points for Consideration at the State Level Advisory Board Meeting (SLAB)
Reduce GST on Membership Services by Trade Associations
Effective Waste Management
Issues Pertaining to GST on Service of Full Time/Whole Time Director
Digital Initiatives required to lead state to Digital Maharashtra
Corporate Governance and Role of Independent Directors



## Brazil: Land of huge untapped potential for India



Brazil is endowed with plentiful resources, an impressive landmass that encompasses 47.3% of the whole of South America, 20% of the world's supply of freshwater; the potential to become the world's seventh largest oil producer when its pre-salt reserves reach production level. On top of that Brazil presents an attractive demographic outlook with increasing numbers of skilled workforce. So it is important not to miss the focus here: Brazil has a lot to go for, and the economic hardships the country is currently undergoing present foreign investors with an array of opportunities in key sectors.

Indian companies in Brazil seem to have made the right assessment of the economic moment as they decided to increase their investments there. There is a serendipitous match between the Brazilian government's bid to attract foreign investments in order to resume sustainable growth, and a conjuncture at which Brazilian assets are competitive and abundant. To enhance the attractiveness of the economy to the investors'

eyes Brazilian government has been carrying out reforms to open-up to private and foreign capital strategic sectors like oil & gas, energy, infrastructure, agribusiness, manufacture, services, and IT. India should take advantage of this transformational moment in Brazil to increase its presence.

Very good news for those looking for rewarding deals are the new regulations for the oil & gas sector announced by Petrobras President Mr. Pedro Parente during the Brasil Investment Forum 2017: "Definition of local content rules that are feasible, as well as the change in the Petroleum Law which frees Petrobras to participate in all the blocks of the pre-salt and the definition of an auction calendar are part of a tripod that will attract investors to the country."

Other exciting news announced on the occasion regarded the Private and Public Partnership Projects (PPPs) in the infrastructure sector. Here the main change is the opening of new sectors to PPPs, followed by the scheduling of a new round of auctions for the second half of this year. Cabinet Minister Mr. Wellington Moreira Franco stated that the recovery of investors' confidence in Brazil is mounting at each sale, and cited the recent auction of four domestic airport concessions, for which three international consortia produced winning bids. The same favorable result was replicated in the energy sector, in which new investors participated alongside those already operating in Brazil. "The volume of foreign investment and the success of these auctions demonstrate that we now have a more competitive environment, with stronger business prospects in infrastructure projects for the near future," he said.

In agribusiness, Brazil is a major global food exporter and holds roughly 7% of the world market; yet there is significant untapped potential for growth. In this regard, a representative of the Brazilian Trade and Investment Promotion Agency (ApexBrasil) emphasized the Brazilian government strategy of encouraging investments in R&D, to increase productivity and enhance performance without having to enlarge the cultivated area.

The Brazilian economy seems to be hedged against the hiccups of the political arena. Sound fundamentals and robust assets alongside wise fiscal discipline and monetary policies are helping the economy to recover its strength. As the

Brazilian Minister of External Relations Mr. Aloysio Nunes recently stressed Brazil's commitment to MERCOSUR and multilateralism, adding that he hoped important trade agreements would be concluded quickly.

All in all there are immense opportunities for Indian investors in Brazil. Those who bet on the country now will harvest the benefits of the economic recovery. Brazil is committed to deliver a new political agenda and financial scenery to foster confidence in the country.

*[Contributed by Consulate General of Brazil  
in Mumbai]*



## Chile: New market for India



Chile and India signed a Preferential Trade Agreement (PTA) in March 2006, which entered into force on August 17, 2007. The PTA agreement has enabled to increase the bilateral trade. Indeed, the dynamism of exports (cooper excluded) increased at an annual average rate of 11% between 2007 and 2016. This was also observed in the case of imports, which experienced an average annual increase of 13%.

Trade between Chile and India totaled USD 2.169 million (or USD 2,1 billions) during 2016,

concentrating 1.8% of Chile's foreign trade. During 2016, shipments to India totaled USD 1.445 million, with a contraction of 25% with respect to the previous year. The drop is mainly explained by lower copper exports (-28%), as ore shipments accounted for 88% of total shipments.

On the other hand, non-mining exports experienced an annual increase of 8.1% in 2016, a tendency that has remained the same, with an average annual expansion rate of 9.2% between 2007 and 2016.

In May 2016, the Extension of Preferential Trade Agreement (EPTA) entered into force. This will allow both countries to increase the PTA coverage from 474 to about 2,800 tariff lines. Likewise, new margins of preferred tariff are contemplated between 50% and 80% in the case of products of India that enter Chile and between 80% and 100% in the case of exports of Chile in the Indian market.

*[Contributed by Embassy of Chile in India]*



## Mexico and India: Emerging economies with bright prospects



Mexico and India have maintained cordial and friendly relations for over 66 years, and **Mexico was the first Latin American country to recognize India's independence. Today, we are both emergent economies and young democracies with bright prospects in the world scene.** Both countries share similarities in climate conditions, biodiversity, the physical appearance of its people, cultural and family values, as well as European connections of the colonial era. Both are heirs to a great civilizational heritage that is reflected in the creative nature of our people in music, the arts, architecture and gastronomy. And both are at comparable levels of economic and technological development, and are members of some of the most important global governance clubs, such as the UN and the G-20.

Together, Mexico aims for a healthy relationship of the future, one from which the Indians and Mexicans, which are 15 to 20 years old today, will reap the benefits in the following years. India and Mexico are among the youngest countries in the globe: 26% of the Mexican population is between the ages of 15 to 29, while 30% of the population

of India is between the ages of 10 to 24. These new generations are the ones that will sustain the relationship in the years to come, so we want them working together on issues that work for them: more education, more jobs, energy security, digital inclusion and improving lives through science and technology.

**The bilateral trade has increased substantially from USD 1.8 billion in 2006 to over USD 6 billion in 2016.** We are in a process of both deepening and expanding the areas of the relationship, and this figure is will continue to increase. For the first time, Mexico surpassed Brazil as the preferred destination of India's exports to Latin America. **The growth of the trade relationship can be attributed in part to diplomatic and promotional efforts, as well as complementarity between economies.**

Compared to most Latin American countries, Mexico has witnessed changes in commercial structure, today 85% of its exports are manufactures. In 1982, 70.6% of its exports were oil, and 24.3% were manufactured goods. Today, **Mexico is the 12th world exporter of manufactured goods, and the 3rd largest within the G-20.** Effectively it is a **global**

**“ All in all, the relationship between India and Mexico has never looked better, and I am sure that it will continue to grow well into the future. ”**

**leader in manufacturing. Its manufacturing exports exceeded 374 billion dollars in 2016 and 66% of those exports are medium and high technologies.** Mexico is the 7th producer and 4th exporter of new vehicles. It is also the leading exporter in Latin





America, 5th globally, of household products. An area in which India is making strides is already a mature industry in Mexico: aerospace. Mexico is the 7th supplier to the American aerospace industry. We are also leaders in electronics: we are the 3rd exporter of computers, 2nd exporter of flatscreen TVs and 6th exporter of mobile phones.

Attaining this leadership was a process. Over the past several decades, Mexico had a similar program to Make in India which was named “Hecho en Mexico” (Made in Mexico). That program helped the country evolve from a simple low-tech, high-volume, low-mix assembly-based manufacturing model into an emerging industrial powerhouse with in-country capabilities to produce a wide range of sophisticated items, from high-tolerance, precision machined components that are incorporated into modern jetliners to delicate and highly calibrated devices that are used in life saving medical procedures. Today, Mexico is not only producing

goods but also engaging in the R&D process. Just in the city of Guadalajara, we have a tech industry worth USD 21 billion, with the presence of multinationals like IBM, Oracle, Intel, HP, Dell. Mexico has 625,000 IT professionals, 400,000 of them are specialized in software and Mexico is the 3rd exporter of IT services in the world, after India and Philippines. Every year we have around 110,000 engineering graduates, enter job market which is more than Germany. It is also home to several Indian companies, including IT such as Infosys and TCS.

In the month of June, Mexico celebrated 'VII Mexico India Joint Commission' in which both countries will discuss pending affairs but also areas with enormous potential that we have yet to discover, for instance, renewable energies.

*[Contributed by Embassy of Mexico in India]*





# Costa Rica – India relations



### Trade

Bilateral trade between Costa Rica and India totalled US\$196.97 million in 2015. India exported \$134.76 million worth of goods to Costa Rica (growing 40.62% over 2014), and imported \$62.21 million (declining by 59.94% from 2014).

The main commodities exported by India to Costa Rica are automobiles, pharmaceutical products, textiles and clothing, motorcycles, organic chemicals, electrical machinery, and miscellaneous products such as notebooks, cables, and tyres. The major commodities imported by India from Costa Rica are wood and articles of wood, integrated circuits and micro assemblies, optical medical or surgical instruments, and to a lesser extent, nuts, coffee, tea, glass and glassware.

Indian IT firms Infosys, Cognizant, and CSS Corp set up delivery centres in San Jose in 2013. Companies utilise Costa Rica to serve the U.S. market at lower cost. CSS Corp CEO T.G. Ramesh estimated that serving the U.S. market from Costa Rica resulted in savings of about 15-20%. Apart from close proximity, Costa Rica also has the advantage of

sharing the same time zone as the U.S. TCS and Wipro also have operations in San Jose.

### Cultural relations

Professor Hilda Chen Apuy visited India on a UNESCO scholarship in the 1950s, and later introduced studies on Indian History, Philosophy and Sanskrit at the University of Costa Rica in San Jose. Hilda also published several articles on India. The Spanish version of Gandhi's autobiography was launched in Costa Rica in September 2008 by President Oscar Arias, who also wrote the prologue to the book.

The 2017 Costa Rican film *Enredados: La Confusión* (Entangled: The confusion) was directed by Bollywood film director Ashish R. Mohan. The film is the first Latin American film to include a typical Bollywood song-and-dance that was choreographed by Bollywood choreographers. The film also stars Indian actor Prabhakar Sharan who became the first Indian to star in a Latin American film.

### Foreign aid

India provided Costa Rica with photovoltaic equipment worth ₹1.85 million (US\$29,000) in 1997 to establish a solar energy research laboratory at the National University of Heredia under the ITEC programme. India donated a telephone exchange to Costa Rican telecom operator ICE in 1998, and provided US\$ 25,000 to help rehabilitate flood victims in 1996. The country donated 18 Bajaj 3-wheelers to the San Jose Police in December 2005, and donated \$100,000 for relief and rehabilitation in the aftermath of Hurricane Tomas in November 2010.

The governments of Costa Rica and India signed an MOU to establish a 'Centre for Excellence in Information Technology' (Centro de Excelencia en Tecnologías de la Información y Comunicación – CETI) in Costa Rica in September 2009. The Government of India contracted C-DAC and APTECH to set up the Centre in March 2015. The Centre, located on the campus of the Universidad Técnica Nacional (UTA) in Alajuela, was inaugurated in March 2016.

Under a cooperation programme between the Costa Rican Ministry of Foreign Trade, Costa Rican Coalition for Development Initiatives and Infosys, 70 Costa Rican students and teachers underwent a three month training program at Infosys in Mysore in 2014. In March 2017, the Government of India awarded scholarships to 4 Costa Rican women from the indigenous Gnöbe Bugle ethnic group for the Barefoot College Institute's Solar Lighting program in Ajmer, Rajasthan. The women will

learn how to develop a project to build, set up and maintain solar panels so that they can bring electricity to their community Punta Burica, Costa Rica's southernmost point.

Citizens of Costa Rica are eligible for scholarships under the Indian Technical and Economic Cooperation Programme, and the Indian Council for Cultural Relations.

### Indians in Costa Rica

As of December 2016, there are about 250 Indians in Costa Rica, the majority of whom are involved in the IT industry. Some are also businessmen, engaged in exports of wood, or work in NGOs and the Missionaries of Charity. The Costa Rica Indian Association (CRIA), established in 2010, is involved in organising social and cultural programmes, as well as trade promotion activities.

*[Contributed by Embassy of Costa Rica in India]*



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### India and Guatemala: Partners in Diversity

For most of Latin American countries the Indian market represents a huge opportunity for exports, investments and promote LAC countries in many different ways and certainly in the case of Guatemala. The knowledge about India is not enough and vice versa what India knows about Guatemala is also not enough. So the question is, while LAC and India are emerging regions, but “How do we really know each other?”



Guatemala is located in Central America with an area of 108.889 thousand kilometers, and a population of 15 million inhabitants. The distance from India in kilometers is 15,932 and has a time difference of approximately 11 hours and 30 minutes from New Delhi.

One could argue that just the thought of such a long journey, making at least two stops, can make anyone think about undertaking a journey of such magnitude. However once the traveler discovers the interests and potentials that each of our countries bring, the doubt turns into an marked feeling of adventure and path for acquisition of knowledge.

Mystical India, the heritage of Mahatma Gandhi, culinary culture and Yoga, have been the elements that for years have attracted the curiosity of Guatemalans. However, the existence of 29 states, each with its own cultural expression and gastronomic heritage, the legacy of the great Moghuls, tea plantations, ayurvedic medicine, religious festivals such as Diwali and Holi are few aspects that have gone unnoticed by most Guatemalans.

India with a population of more than 1.311 billion people is the second most populous country in the world, after China, and with its territorial extension of 3.3 million km<sup>2</sup> certainly has much to offer, to know and to discover. Therefore, the opportunities for Guatemalans to discover this land are immense.

**“ Guatemala is a country that reflects some similarities with India because of its biodiversity, multiculturalism and diversity, places us as the center of attraction in Central America and allows us to integrate the privileged group of 19 countries recognized worldwide as megadiverse nations ”**

With 23 different Mayan languages, with a rich mysticism and an ancient Mayan cosmic vision, with its ancestral medicine, Guatemala is a world-class attraction for tourism, offering among other experiences unparalleled experiences to Modern and Colonial Guatemala, Ecological Tourism and Adventure and Expeditions in the Mayan World where in addition to Tikal, one can visit the “Danta” Mayan pyramid of greater magnitude than the Egyptian pyramids.



Few Indians have been able to express their knowledge about Guatemala, and those who have, are those who for business reasons have had the opportunity to experience the cultural richness that Guatemala has to offer to the visitors.

There are few very interesting data that is little known about Guatemala, it is located in a geographically privileged location, literally in the “heart of the world”, with access to both the oceans. From the business point of view country risk is perceived as “stable”. During the last 10 Years, GDP per capita is at 3.330 and GDP is \$ 5,000. As far as foreign trade is concerned, Guatemala is the number one exporter of cardamom in the world, it is the world’s leading exporter of Easter cuttings, the leading provider of wooden keys for Yamaha and Gibbson guitars, the leading supplier of manufactures in the Central American region. Guatemala is the biggest supplier of coffee to Starbucks and third biggest supplier of coffee to Japan. At Latin American level Guatemala ranks as the second biggest exporter of sugar and fifth in the world.

Although diplomatic relations between Guatemala and India were established on May 16, 1972, however Diplomatic representations did not materialise until 2011 when the Government of

India opened its Embassy in Guatemala, constituting to be the only Indian Diplomatic Representation in the Central American region. On its part, Guatemala opened its Mission in New Delhi in 2013.

Throughout these few years of bilateral approach, a series of cooperation initiatives have been developed through scholarships offered by the Government of India, some trade has been generated and to some extent Indian investments have reached Guatemala. At the political diplomatic level, visits by senior officials have taken place in both channels and the instrument that invites us to work together is the “Political Consultation Mechanism”.

This year, commemorating 45 years of the establishment of diplomatic relations, the second meeting of the mechanism to be held in Guatemala City has an important relevance as it provides a platform for government officials and businessmen to attend, and discuss several issues that will bear fruit and further strengthen the relationship between Guatemala and India. The wealth and greatness of both countries offer a vast horizon yet to be explored.

*[Contributed by Embassy of Guatemala in India]*





## El Salvador – India Partnership



El Salvador is constantly seeking and inviting investments from India in areas including manufacturing sectors as well as services, more specifically in the areas of textiles and apparel, off-shore business services, energy, tourism, aeronautics, agro-industry and light manufacturing (Plastics, Footwear, Auto-Parts, Electronics and Medical Devices), which constitute part of the priority sectors of the 'National Policy of promotion, diversification and productive transformation' of El Salvador and with the objective to project it as an attractive destination for FDI.

El Salvador recently organized an 'International Investors Summit' at the end of March 2017 which

allowed for the launch of a new Country Brand and targeted and counted with the participation of many Presidents, Directors and CEOs of national and international companies, with potential to invest or expand operations in El Salvador within their strategic sectors from manufacturing or services areas.

**“ For El Salvador, India becomes of particular relevance and interest for it recognizes that it has emerged as the fastest growing large economy in the world. ”**

Several Indian companies including Aditya Birla Group, UPL Limited, Glenmark Pharmaceuticals and Hero MotoCorp among others, already have presence in the region and it is an excellent opportunity for more Indian companies to take further concrete steps to seek potential investment opportunities in untapped sub-regions of Latin America, such as Central America and to consider strategically establish their operations in countries like El Salvador using it as a hub.

El Salvador is conveniently located in a favourable geographical position in the heart of the Americas with great opportunities for the establishment of foreign direct investment, offering a highly productive labour force, competitive operation costs, monetary stability, modern infrastructure, a robust legal framework and fiscal incentives as well as preferential access to international markets, among other benefits.

*[Contributed by Embassy of El Salvador in India]*



## Panama – India: Partners in Progress

Lying at the crossroads of the North and South American continents and the Atlantic and Pacific oceans, Panama has always been of immense historical and strategic importance, linking people across lands and oceans.

Panama and India established diplomatic relations on 1<sup>st</sup> June of 1962, being the oldest in the Central American region, dating back to the middle of the 19th century when groups of Indians came to Panama to work on the construction of Panama railways and later the Panama Canal in the early 20th century. Panama was the first country in Central America where India established a Resident Mission. Panama also has a Resident Mission in New Delhi.

Panama, with a population of almost 4.0 million, has had the highest average growth in the region over the past decade and is expected to continue to have one of the strongest growth rates in Latin America of around 5.6 % in 2016 (IMF). Prospects for high growth in the coming years are also supported by emerging opportunities for private sector-led growth in key sectors, such as transport and logistics, mining, financial services, and tourism.

As Indian industry expands its reach into new markets, Panama is its logical nexus to Latin America. Panama's advantages in logistics and connectivity can serve as a distribution hub for Indian products to Latin America and the Caribbean. Moreover, Panama's evolution as a transshipment center means there is ever-greater demand in our country for education, training, and capacity-building, including drawing lessons from India's knowledge-based economy. The greater capacities of the Expanded Panama Canal and complimentary

related-services to the international shipping industry and world trade, are within this strategic design.

Having the international financial and banking sectors as major pillars of its services economy, Panama is taking major policy steps concerning internal legislation in accordance to international standards within the framework of the United Nations and the Organization for Economic Cooperation and Development (OECD). Bilaterally, Panama has signed 16 bilateral *Tax Information Exchange Agreements* (TIEAs) and avoidance of double taxation, being the latest the ones signed with Vietnam, Japan and Singapore. Similar initiative has been proposed to the Government of India. Tax Information Exchange Agreements (TIEAs). At the same time, the Government of Panama signed in October 2016 the Multilateral Convention on Mutual Administrative Assistance in Tax Matters, a significant step forward in implementing its commitment to tax transparency and exchange of information in compliance with international standards and the safeguarding of Panama's international services platform.

To respond to these challenges, the country has prepared a *Government Strategic Plan (PEG)* for 2015-2019, with a focus on enhancing competitiveness and promoting social inclusion in the framework of a sustainable and inclusive development model, alongside the UN Development Goals 2030. Recently, Panama also signed the *Paris Climate Agreement*, an action consistent with its foreign policy agenda for sustainable growth and development.

*[Contributed by Embassy of Panama in India]*



## Lessons for Africa from India's Experience in Industrialisation

by Mr. Vijay Kalantri - President, AIAI



*Mr. Vijay Kalantri, President, All India Association of Industries (AIAI) with dignitaries from African countries.*

India and Africa have considerable similarities in terms of demographics and natural resource endowments. Africa is the second most populous continent on the earth with a population of 1.2 billion people, similar to that of India. Africa has a relatively young population with more than half of the population under 25 years of age in some states. Even in India, more than half of the population is under the age of 25 years.

Africa has about 30% of the world's known reserves of minerals. Also, natural resources contribute more than 70% to total exports of the continent. On the other hand, India has the fifth-largest coal estimated reserves in the world and seventh-largest bauxite reserves. India ranks fourth globally in terms of iron ore production.

Both India and Africa have provided tremendous policy thrust on development of physical infrastructure in recent years. According to the

Africa Infrastructure Country Diagnostic (AICD), annual infrastructure investment needs in Africa total approximately US\$ 93 billion. Similarly, India needs around USD 90.8 billion investment annually on infrastructure development.

India and Africa have huge potential for partnership in infrastructure and mining sector. Already, African Natural Resources Centre (ANRC), which is an arm of the African Development Bank, is seeking strategic partners for its regional initiatives in cross-boundary infrastructure projects.

### India's industrialization Experience

India is the world's fastest growing economy with its growth projected at 7.17% and 7.68% in 2017 and 2018 respectively. The foundation for this rapid growth was laid in the mid 1980s and early 1990s when the Indian government adopted liberalization, privatization, globalization and prepared the domestic industry to face international competition.

Since then, the Indian government has been continuing the economic reform process to enhance the competitiveness of the domestic industry. More notably, India announced the National Manufacturing Policy 2011, which is the first of its kind policy encompassing regulation, infrastructure, skill development, technology, availability of finance, and other factors affecting manufacturing sector. In 2014, Government of India introduced the ambitious Make in India initiative, under which action plan was prepared to attract investment in 25 manufacturing sectors. Through these measures, India's policy makers aim to enhance the share of

manufacturing in Gross Domestic Product to 25% by 2022 from the present 18%.

Expansion of the manufacturing sector will lead to increase in the migration of people from rural areas to urban areas for employment. In order to strengthen the capacity of the towns and cities to absorb the ever rising population, Government of India is implementing ambitious urban infrastructure projects under the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) and the Smart Cities Mission.

Embracing the cutting-edge information technology in all walks of life will enhance the growth potential of the economy. Realizing this, Government of India is implementing the Digital India programme to transform India into a digitally empowered society and knowledge economy.

As economy grows, demand for skilled labour also increases. In order to meet the ever rising demand for skilled labour, Government of India is implementing the National Skill Development Mission. The Mission seeks to provide the institutional capacity to train at least 300 million skilled people by the year 2022.

Micro Small and Medium Enterprises (MSME) sector plays an important role in generating employment opportunities, enhancing exports and thereby promoting economic growth. Government of India has introduced the MUDRA Scheme and the Stand Up India scheme to enhance the flow of finance to MSMEs and new entrepreneurs from marginalized sections of society.

Infrastructure is the key enabler for sustainable economic development. Government of India has introduced various mega infrastructure projects such as the Golden Quadrilateral highway network,

Delhi Mumbai Industrial Corridor, Eastern Dedicated Freight Corridor and many other regional industrial corridors to boost industrialization.

In order to improve ease of doing business, Government of India is working with the state governments to simplify the procedures for starting a business, securing all mandatory clearances, easing labour regulations, enforcing commercial contracts and so on.

Besides the above ambitious policies, Government of India has adopted appropriate trade policy, fiscal policy, financial sector reforms and overall macroeconomic management to support industrialisation. For instance, Government of India announced the Foreign Trade Policy 2015-20, which aims to enhance India's annual exports to USD 900 billion by 2020 from the present level of around USD 450 billion.

### **Foreign Investment**

Foreign investors have responded favourably to the above mentioned progressive policy regime. During the last three years from 2014-15 to 2016-17, foreign direct investment (FDI) equity inflow grew a whopping 40% to US\$ 114.41 billion compared to the preceding three years. India has been consistently ranked the third preferred destination for foreign investment after the USA and China by UNCTAD in recent years.

India's 25 years of experience in economic reforms and industrialization has generated valuable lessons for its future development strategy and for the policymakers of other developing countries. Some of our policy initiatives have improved productivity and competitiveness of the domestic industry, while other policy steps have borne mixed outcomes. Following lessons can be learnt from India's policy experimentation with industrialization.



## Special Feature

### Lessons from Success

**1. Ability to take bold political decisions to respond to crisis** – The key lesson India holds for any developing country, whether in Africa or elsewhere, is that if you take bold economic reforms (even while facing stiff opposition from political parties) to respond to crisis, it would bear fruit in the long run. The Indian government took the bold decision to de-regulate the economy, reduce government spending, devalued Indian currency, relaxed norms on foreign investment. These measures were instrumental in transforming India into the fastest growing economy in the world today.

**2. Progressive Tax Reforms** – After 1991, India has gradually adopted progressive tax regime by taking the following measures. These measures have improved the competitiveness of Indian industry, improved tax compliance and enhanced government tax collection.

**a. Rationalisation of direct tax** – In recent years, Government of India reduced corporate tax rate and rationalized personal income tax slabs. Reducing corporate tax rate not only improves the competitiveness of domestic companies, but also ensures greater compliance. Rationalisation of personal income tax slabs and increasing exemption limit for salary earners has improved domestic consumption. In order to incentivize investment in new plant and machinery, the government has offered additional tax exemption for depreciation of these fixed assets.

**b. Rationalisation of indirect tax** – The excise and customs duty were prohibitively high

in India and this dented the competitiveness of Indian industry in the global market. Over the years, Government of India reduced the peak customs duty on imported goods. This enabled local industries to import capital goods at lower import duty. The government has also reduced the excise duty on various manufactured products to make them globally competitive.

**c. Tax Administration Reforms** – Government of India rationalized tax administration system to ensure easy collection of taxes, ensure timely refund of taxes, streamlining returns filing procedures, setting up tax dispute resolution mechanism. An effective dispute resolution mechanism is essential to inspire investor confidence in tax administration. Although India has taken steps such as setting up income tax appellate tribunals, improving dispute resolution mechanism in the indirect tax system and so on, the work is still incomplete.

**d. Ushering new era with GST** – One of the biggest reforms in the history of India is in the implementation of the Goods and Services Taxes (GST). GST will help India becoming globally competitive with simplified tax structure and will promote 'ease of doing business'.

**3. Introduction of public private partnership (PPP) regime for infrastructure projects:** Investment in infrastructure is crucial to support economic development. Considering the limited government resource available for infrastructure investment, we need to rope in private sector in infrastructure building. Government of India developed model

concession agreement for PPP projects in power, roads and highways, public health, ports and shipping and so on.

The key lesson here are – 1. The risk in infrastructure projects should be equally shared between private and public sector. 2. Government must get all statutory clearance (such as land acquisition, environment clearance) for infrastructure projects before awarding them to private sector.

**4. Ease of doing Business** – India has made considerable progress in improving ease of doing business. However, it continues to be ranked very low in World Bank’s Ease of Doing Business. The lessons learnt are as follows –

**a. Poor enforcement of contracts:** One of the parameters of ease of doing business ranking of World Bank is enforcement of commercial contracts. Government of India has taken various measures since 1991 to fast-track insolvency resolution system. These include setting up of Debt Recovery Tribunals, passing SARFAESI ACT, promoting asset reconstruction industry and so on. However, despite these measures, banks and investors found it difficult to recover capital from insolvent companies. Therefore, now government of India passed the Insolvency And Bankruptcy Act, 2016 to provide robust

mechanism for winding up of insolvent companies and protecting the interests of creditors and investors in bonds.

**b. Labour regulations:** India has more than 100 labour laws (of both the central and state governments). These regulations stipulate undue compliance and administrative burden on industries. The central government is in the process of combining its myriad of labour laws into 4 or 5 laws. Some state governments have also taken steps to simplify their labour laws.

**5. Strengthening manufacturing sector:** India is a major exporter of gems and jewellery, pharmaceutical products and leather goods. India’s automobile and petrochemical industry are also fairly developed. In order to improve domestic manufacturing sector, government has provided policy thrust to the following areas –

- a. Skilling Youth
- b. Further liberalizing FDI norms in manufacturing
- c. Developing mega industrial corridors (DMIC, East West Corridor)

*[Mr. Vijay Kalantri, President, All India Association of Industries (AIAI) shared his insights on “Industrialization in India: Lessons for Africa” at the 43rd AADFI Ordinary General Assembly and Workshop on May 21-23, 2017 at Ahmedabad. Excerpts from his speech are reproduced above.]*



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## Photo Gallery



Mr. Ravinder Manchanda, Treasurer, Delhi District Cricket Association, H.E. Mr. Sujan R. Chinoy, Ambassador, Embassy of India in Japan, Mr. Kamal Morarka, Chairman, World Trade Centre Mumbai, Mr. Vijay Kalantri, President, All India of Association of Industries(extreme right) during their visit to Japan.



Mr. Vijay Kalantri, President, All India Association of Industries, Mr. Alexander De Croo, Deputy Prime Minister of Belgium and Minister of Development Cooperation, Digital Agenda, Telecommunication & others and Mr. Vishal Kalantri, Director, Dighi Port Ltd. during the visit of Deputy Prime Minister to Mumbai.



Mr. Vijay Kalantri, President, All India Association of Industries with Mr. Martin Bienz, Consul General of Switzerland in Mumbai and H.E. Mr. Andreas Baum, Ambassador of Switzerland in India on the occasion of the launch of remodeled Consulate General of Switzerland in Mumbai



Mr. Vijay Kalantri, President, All India Association of Industries along with (L-R) Ms. Farzana Behram Contractor, Ms. Saroja Sirisena, Consul General of Sri Lanka and Ms. Samina Naz, Deputy High Commissioner of Bangladesh in Mumbai at the Annual Day Celebration of Argentina.



At a Reception hosted in honour of Dr. Rita Bahuguna, Cabinet Minister, Government of Uttar Pradesh by the Young Entrepreneurs Society (YES). Others seen in the picture are Mr. Ashwin Laddha and Mr. Amit Sarda, President, YES



H.E. Mr. Han Gwang, Ambassador for International Relations Gyeonggi Provincial Government, Mr. Soungun Kim, Consul General of Korea in Mumbai and Mr. Vijay Kalantri, President, AIAI lighting the lamp at the inauguration ceremony of the 9th Edition G-Fair Korea in Mumbai. Also seen Mr. IK SUK CHOI, Global Marketing Department-Executive Director, Gyeonggido Business & Science Accelerator and Mr. Janesh Nair, Director Gyeonggi Business Centre.



## India and Russia: the strategic vectors of cooperation



Today we can talk about a significant business development potential and enhancement of economic partnership between India and Russia. In terms of particular industries cooperation, we can highlight not only the fuel industry (coal, LNG), but mineral fertilizers, aircraft machinery and power-plant industries.

In October 2016 at the VIII BRICS Summit the Prime Minister of India Narendra Modi and the Russian President Vladimir Putin met and discussed a wide range of bilateral cooperation projects with trade and economics being a priority. According to the President of Russia, the military and technical cooperation is on a very high level today, however the Russian capabilities in civil economy are not yet fully employed. Vladimir Putin said “India is one of our priority partners, a strategic one in fact”.

The further outcomes of this cooperation will be driven by the trade policy and mutual easing of tariff and non-tariff measures. The important aspect is in the development of the current and in building of

the new value-added chains through cooperation in R&D, creation of industrial enterprises, which will demand qualified personnel that will have to be trained by the two countries together.

Significant opportunities can be seen in the financial and insurance support mechanisms’ development – this is the work of the Russian Export Center, Indian subsidiary of the Sberbank of Russia that allows transactions in the national currencies.

At the same time there are issues that will have to be worked on to enhance the cooperation, which are in the sphere of trade restriction (for instance some articles of machinery from Russia are under a 10-30% duty from the Indian side), and in the sphere of logistics. We have to mention promising project of the transport corridor ‘North-South’ (assumes shipments through Iran), the marine lane (it takes 40 days for a container to travel from Mumbai to St. Petersburg) that is much cheaper (the marine cargo shipment tariffs decreased following the slowdown in international trade) whereas the land route is faster.

According to the Federal Customs Service of Russia India ranked the 19th (USD 2.3bl, 1.2%) in total Russian imports in 2015 (1.1% in 2014 and 1.0% in 2013). India is the 18th in the total Russian exports (USD 5.2bl, 1.6% in 2015, 18th (1.3%) and 19th (1.3%) in 2014 and 2013).

The leading import positions are occupied by the pharmaceuticals, mechanical equipment and products of agriculture. In the exports to India the leading positions are precious and semiprecious stones, defense industry items, fertilizers. India is the 6th in the total Russia's imports of pharmaceuticals (USD 468.1mln or 5.4% in 2015), following Germany, France, USA, Italy, Switzerland. Today India is involved in the implementation of the Strategy of development of the pharmaceuticals industry of Russia – "Pharma-2020". India is the 4th destination for Russia's exports of fertilizers (USD 636.6mln or 7.2% in 2015) following Brazil, USA, China.

According to the International Trade Center in 2015 the Russia's share in Indian imports was 1.2% (USD 4.5bl, +8% from 2014, +1% average annual growth rate over the period of 2011-2015). The Russia's share in total Indian export of 2015 was 1% (USD 1.6bl) with an average annual rate of decrease of -3% over the 2011-2015 period.

India buys 9% of all its important fertilizers from Russia (USD 653.8mln in 2015). In 2015 the total Indian imports of fertilizers accounted for 11% of the world's imports with negative average annual dynamics of -11% (2011-2015). From the growing Indian imports positions, where Russia has a sound share, one has to mention Nickel and articles thereof (USD 71.9mln, 6% in Indian imports), Copper and articles thereof (USD 269.7mln, 8%), Aluminum and articles thereof (USD 103.3mln, 3%).

In India's exports Russia accounts for 1% (USD 1.6bl) where 10.7% of Miscellaneous edible preparations

(USD 59.4mln) goes to Russia (-9% average 5-year dynamics), 3% of pharmaceutical products (USD 356.7mln with -9% dynamics). It has to be noted that India's imports of those positions has been growing in dollar terms (+7% and +11%) on average over the past 5 years. In addition to that the Meat and edible meat offal exports position has been growing at +15% average annual rate (Russia's share was 1% in 2015).

According to the Prime Minister of India Narendra Modi, India sees Russia as the main partner in economic transformation, and as a country, relations with which have been marked by longtime friendship and mutual trust. The IRIGC-MTC (military-technical cooperation) commission set-up by India is headed by the defense ministers of India and Russia and coordinates the military-technical cooperation between the two countries holding annual joint military exercise. Today Russia is the only country which has that type of agreement with India. In 2014 the countries signed an agreement to train military personnel from India at Russian military training bases.

Special attention will be paid to the scientific cooperation and high-tech production, the information and communication technologies - the recently signed agreement allowing the Indian companies to use the GLONASS satellite system has to be mentioned.

There are projects in space technology, satellite navigation, space exploration that are being considered. India pays special attention to civil plane- and helicopter production industry. Sukhoi Superjet 100, MC-21 machines' shipment contracts are being negotiated and projects to start the assembly work of the KA-226T helicopters in India are being considered. Today Russia ships to India the MiG-29 aircrafts, Mi-17B-5 helicopters. The amount of contract with Vertolety Rossii (Russian

helicopters) was USD 1.34bl and an agreement to start the assembly of Mi and Ka was signed by Vertolety Rossii and Elcom Systems Private Limited.

India and Russia agreed on designing the 5th-generation jet fighter (Indian-Russian FGFA fighter project) and the Indian air force is planning to buy around 200 of these. The base for the FGFA fighter is the Russian 5th-generation jet fighter T50 designed by Sukhoy.

The Government of India sets the modernization through the industrial sector and modern infrastructure development as a priority.



All India Association of Industries and World Trade Centre Mumbai initiated Russia India Trade House Mumbai (RITHM). Recognized by the Embassy of

the Russian Federation in India, RITHM is a not for profit professional body established on 23 April, 2012 in Mumbai.

It provides plethora of tangible and intangible benefits in the short and long run to its members including creating greater awareness about business opportunities.

For more information, please contact:

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Web: [www.rithmumbai.com](http://www.rithmumbai.com)

Within the 'Make in India' programme "Rosoboronexport" (Russian defense export) proposes a set of new large-scale projects of cooperation with companies from India in order to organize modern production of the main types of defense equipment. The projects of submarine (the 75i, based on the state of the art diesel-electric Amur-1650 submarine) construction and

shipments of 11356-series frigates and their licensed construction in India are being discussed.

There is an intention to enhance the list of strategic industries for the foreign investors such as railroads, defense industry, where the foreign investor's share can go up to 49%. Many Russian companies have promising ideas and projects to offer but at the same time they don't have the financial resources needed to commercialize them. That is why the proposition of India to finance and promote the produced goods together is very promising.

In the metals and mining industry the "Uralmashzavod" corporation is working on factories modernization and related equipment production. In 2017 it is planned to open a service center to service metals and mining companies of India.

According to the Bank of Russia's data, by the end of 2013 the Indian investment in Russia amounted to about USD 8 billion. The Indian investments are focused mainly in oil, gas and pharmaceutical industries. Accumulated Russian investments in India made more than USD 3.6 billion. In 2014 the Russian Direct Investment Fund and the Indian group of companies IDFC Ltd. agreed on implementation of projects worth USD 1 billion. The Russian side's priority was the joint cooperation in the fields of space research, fuel and energy, engineering, military-industrial complex and chemical industry. An important investment project by JFC 'Systema' develops a pan-Indian mobile operator. In 2008, the joint venture company 'Sistema Shyam Teleservices Ltd.' obtained the license to provide the mobile services. Its subscriber base includes 15 million people.

Russia is one of the most important partners of India in the field of nuclear energy civil use. In 2014 'Rosatom' and the Atomic Energy Department

of the Republic of India signed a “strategic vision of strengthening the cooperation in the field of peaceful use of nuclear energy.” The Russian side has been actively involved in the construction of the nuclear power plant in Kudankulam. Two units have already been commissioned and put into operation. A general framework agreement was signed on the construction of the 3rd and 4th blocks.

In 2015 the ‘Rosneft’ group of companies started regular oil supplies to India. The purchase of 49% of Essar Oil shares by ‘Rosneft’, and on the other hand, the acquisition of a share in the oil fields of Eastern Siberia by the Indian companies are considered to be “strategic” agreements to strengthen the mutual cooperation.

Today India imports 4 million barrels/day, but many experts predict that India can become an oil importer similar to China in terms of volumes. According to the International Energy Agency, the volume of India’s oil imports will reach around 7.2 million barrels/day by 2040.

Among the key Russian projects it is necessary to highlight the construction of the plant LLC ‘SIBUR’ for production of butyl rubber at the site of Reliance Industries in Dzharnagar (India), the establishment of an assembly production of KAMAZ vehicles in India by ‘KAMAZ Motors Limited’; the organization of assembling production of tractors in India by the Concern ‘Tractornye zavody’ (Tractor Plants);

joint development of ‘Akron’ in Talitsky area of Verkhnekamsk potassium and magnesium salts deposit (Perm region) and the apatite-nepheline ores deposits Partomchorr (Murmansk region). Another key projects are the “smart city” development in India run by the Joint stock financial corporation ‘Systema’; the deployment of the geostationary Earth orbit telecommunication devices ‘NextStar’ (by Dauria Aerospace’s and Aniara Communications Pvt. Ltd); and JSC ‘RUSNANO’ proposition to establish a joint Russian-Indian direct investment fund to support mutual projects in the field of high-tech and technology transfer.

In addition to the above, the list of leading Indian joint projects should include the establishment of a joint venture on a long term basis for production and supply of phosphates and urea with the participation of Indian chemical industry representatives; the organization of nitrogen tetroxide production at ‘Hindustan Organic Chemicals Ltd.’ for the Indian space programme; the company’s Bharat Heavy Electricals Limited (BHEL) proposition to construct power plants with capacity of 200-250 MW in Ulan-Ude; ‘ONGC Videsh Ltd. Company’s proposition to expand cooperation with the Russian companies in the development and production of hydrocarbons; proposition of the state-owned Rastrya Ispat Nigam Ltd. (RINL) to establish joint venture with NLMK Group for CRGO-class steel production in the India.



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## Key Economic Indicators

Wholesale Price Inflation (in %)						
Month	May-17	Apr-17	Mar-17	Feb-17	Jan-17	Dec-16
All Commodities	2.17	3.85	5.11	5.51	4.26	2.1
Primary Articles	-1.79	1.82	3.33	4.01	1.93	0.08
Food Articles	-2.27	1.16	3.15	2.55	0.29	0.07
Fuel and Power	11.69	18.52	22.35	25.17	16.67	4.25
Manufactured Articles	2.55	2.66	3.22	3.23	3.33	2.49
<b>MINISTRY OF COMMERCE &amp; INDUSTRY, OFFICE OF THE ECONOMIC ADVISER</b>						

Year-on-Year Growth (in %) in Index of Industrial Production				Consumer Price Inflation (in %)		
Category	Apr-18	Apr-17	Apr-16	Month	Annual Consumer Price Inflation (in %)	
Overall IIP	3.1	6.5	0.6	May-17	2.18	6.5
Electricity	5.4	14.4	0.5	Apr-17	2.99	14.4
Manufacturing	2.6	5.5	1.4	May-16	5.76	5.5
Mining	4.2	6.7	-4	Source: Ministry of Statistics and Programme Implementation		
Source: Ministry of Statistics and Programme Implementation				Source: Ministry of Statistics and Programme Implementation		

Year-on-Year Growth (in %) in Eight Core Industries			Annual growth in India's exports (in %) during May 2017: by key commodities	
Industries	"Apr-May 2016-17"	"Apr-May 2017-18"	Select Commodities	May-17
Coal	2.1	-3.3	Rice	27.08
Crude Oil	-2.8	0.1	Fruits & Vegetables	8.31
Natural Gas	-6.7	3.3	Marine Products	44.58
Refinery Products	10.5	2.8	Iron Ore	19.24
Fertilizers	1.9	-0.8	Leather & Leather Products	-3.05
Steel	9	6.3	Organic & Inorganic Chemicals	15.34
Cement	3.5	-0.3	Engineering Goods	8.25
Electricity	10.2	5.9	Electronic Goods	8.57
Overall Index	6.9	3.2	Handicrafts excl. handmade carpet	-4.22
Ministry of Commerce & Industry, Office of The Economic Adviser			Petroleum Products	24.92
Ministry of Commerce & Industry, Office of The Economic Adviser			Drugs & Pharmaceuticals	-7.81
Ministry of Commerce & Industry, Office of The Economic Adviser			Gems & Jewellery	6
Ministry of Commerce & Industry, Office of The Economic Adviser			Readymade Garments of All Textiles	8.06
Ministry of Commerce & Industry, Office of The Economic Adviser			Overall Exports	8.32
Ministry of Commerce & Industry, Office of The Economic Adviser			Source: Ministry of Commerce	

# aiAi NEWS

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April - June 2017



## *Special Feature*

**India-Latin America & Caribbean  
Partnership Conclave on Trade & Investment**



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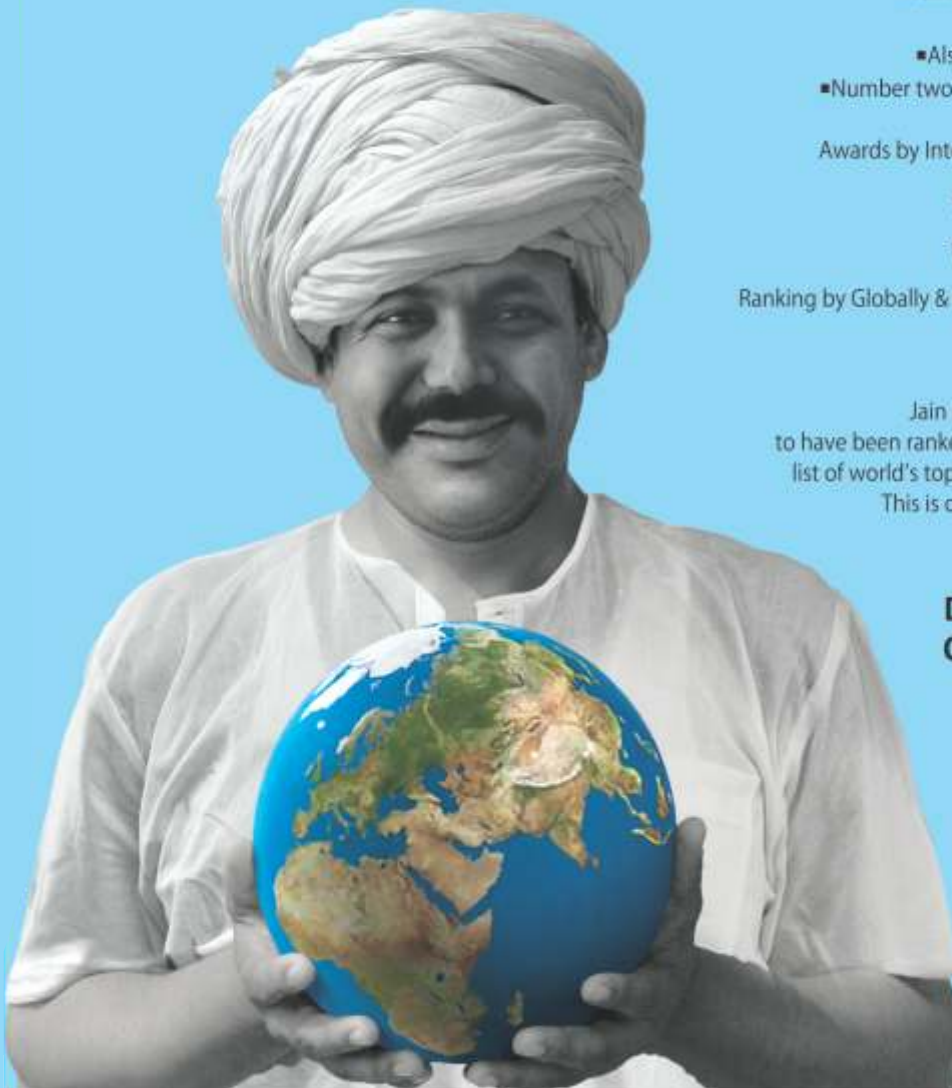


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