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July - December 2017

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### KEY ISSUES FOR DISCUSSION

- GVCs: Enabler of Sustainable Trade
- National and Multilateral Approaches to Foster GVCs
- Building MSME competitiveness through value chain integration
- GVCs: Adaptation of New Technologies
- Leveraging the power of GVCs - Case study presentation
- Take aways

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## *President's Desk*



Dear Members,

The year 2017 has been momentous in particular the last six months with the implementation of GST, a landmark reform initiated by Hon'ble Prime Minister Shri Modi for encouraging trade and investment, the year has indeed seen several development. Implementation of GST was biggest Tax reform in India since Independence, effective from 1st July, 2017. AIAI compliments government's efforts and also welcomes initiatives announced by the government for the economic development of the nation.

Further we feel that revival in manufacturing and redressal of GST challenges will boost India's exports, job creation and growth. The government needs to take some pragmatic decisions to address issues faced by exporters to enhance exports. India's share in global exports is minimum. The favourable foreign trade policy will surely help in enhancing India's participation and thereby help to generate employment.

The year 2017 marked the completion of 25 years of ASEAN-India relations and called for a deeper and multifaceted engagement on a sustained basis. The Ministry of External Affairs, Government of India organized the annual programme 'Delhi Dialogue' focusing on 'Charting the course for India-ASEAN' relations for the Next 25 Years. All India Association of Industries was associated with the Ministry of External Affairs in organizing a session at Delhi Dialogue IX. Besides, AIAI organized a session on "India – ASEAN Partnership: Building Regional Network to promote SMEs and Women's Empowerment" during the programme.

AIAI jointly with World Trade Centre Mumbai organized 'World Trade Expo2017, a first-of-its-kind event in Mumbai to promote international trade and opportunities to diplomatic missions to showcase investment potential. This was a great success with the participation of more than 37 countries, four state governments and more than 3,000 visitors.

AIAI also attended annual WTO Public Forum Meeting in Geneva and organized a working session on "Mitigating the Challenges of Sustainable Development through the Adaption of Clean Technologies".

On its part, AIAI continued its international engagement with focused discussions with visiting delegation from overseas, which are featured in the newsletter. AIAI also contributed significantly in ILO and GFMD meetings in Geneva and Berlin respectively

On behalf of the members AIAI has represented its recommendation and suggestions to State and Central Government on GST, NPAs, Labour reforms, MSME financing and on other issues pertaining to trade and industries.

I take this opportunity to express my sincere gratitude to our members for their support and extend my warm greetings for a productive and successful year ahead. Assuring AIAI's ambitious agenda and a wide array of activities will surely benefit our members in coming years.

Thanking you,

A handwritten signature in black ink, appearing to read 'Vijay Kalantri'. The signature is stylized and fluid.

Vijay Kalantri

## Exporters voice issues at AIAI meeting



From (L-R): Mr. K.M. Hiralal, Deputy DGFT, DGFT Mumbai, Ms. Rupa Naik, Executive Director, All India Association of Industries, Dr. Sonia Sethi, Additional DGFT, DGFT Mumbai, Mr. Firoze Adhyarujina, Sr. Advocate Supreme Court and Legal Advisor and Mr. P. S. Kamble, Assistant DGFT, DGFT Mumbai

An Open House Meet with the Directorate General of Foreign Trade Mumbai was organised by All India Association of Industries in association with World Trade Centre Mumbai. Dr. Sonia Sethi, IAS, Additional Director General of Foreign Trade, Directorate General of Foreign Trade, Mumbai presided over the Meet. Dr. Sethi said, “Enhancing India’s share in world exports is the top priority of Directorate General of Foreign Trade (DGFT). In the next two weeks, DGFT will hold a series of interactions with exporters to understand their concerns and grievances in adopting the Goods and Services Tax (GST). This Open House Meeting is a timely opportunity for DGFT to invite actionable suggestions from exporters to address the key issues on GST. I assure that your suggestions will

be considered by the Ministry of Commerce before releasing the mid-term review of Foreign Trade Policy (2015-20) in September 2017”.

Allaying the fears of exporters, Dr. Sethi remarked, “GST will make our exports competitive in the long run. There may be some teething troubles in the short term. All the ministries of Government of India are working overtime to address these operational issues.”

Dr. Sethi also mentioned the recent initiatives taken by DGFT to address issues faced by exporters. “In the last one year, DGFT has maintained ‘zero pendency’ of work by clearing all the files of importers and exporters within reasonable timeframe. In the immediate future, all the functions of the DGFT will be digitised to

improve performance efficiency and reduce human interface. DGFT is holding Open House Meeting every Wednesday to address the concerns of traders. Our Grievance Redressal Committee at the Mumbai zonal office is functioning efficiently in this matter.”

Dr. Sethi also remarked that in future, DGFT Mumbai plans to work with the Government of Maharashtra to enhance exports from the state.

Mr. Firoze B. Andhyarujina, Senior Advocate, High Court Mumbai who was present on the occasion said, “GST is a visionary reform in India’s indirect taxation system. GST has converged 22 indirect taxes into three taxes and thereby simplified the indirect tax system. However, there are several unresolved issues in the GST system. These issues include the issue of double taxation of re-exports, adjustment of input tax credit, compliance with procedures, tax implication on construction contracts involving joint venture of foreign and Indian companies etc.”

Ms. Rupa Naik, Executive Director, All India Association of Industries remarked, “GST is a welcome reform in India’s indirect tax system as it would reduce the time and cost incurred on

logistics. After the implementation of GST, most state governments have abolished check posts in state borders, thereby improving the ease of movement of goods across borders.”

On this occasion, senior officials from DGFT explained relevant changes in the procedures and implementation of various export promotion schemes of the Government of India under the GST regime.

During the event, exporters from gems and jewellery, textiles, food products and other sectors raised their concerns regarding GST and offered suitable suggestions to DGFT. AIAI and WTC Mumbai will prepare a detailed representation on issues faced by exporters pertaining to GST and will submit it to DGFT for active consideration.

The event was attended by representatives from micro, small and medium enterprises, large corporate houses, merchant exporters, consul generals of foreign countries, foreign trade consultants, financial institutions, industry bodies and other stakeholders.

The open house meet was held at the World Trade Centre Mumbai on August 18, 2017.



### **AIAI hails reduction in Tax Rate on GST**

The All India Association of Industries (AIAI) welcomes the reducing rate of 227 and pruning the same at 28% least to 50 items is a step in right direction and reduction in the tax structure said Mr. Vijay Kalantri, President, All India Association of Industries (AIAI).

There is further need to prune the list of 28% slab to 12% and 5% as the case may be for eg. in case of Air conditioners and coolers which is no more a luxury but necessity.

AIAI further feels there needs to do simplification of forms and rules in stringent measures like prosecution various actions and penalties which should be only in rare case added Mr. Kalantri.

## Vast scope to enhance India-Uzbekistan Trade Ties



From (L-R): Mr. Vijay Kalantri, Honorary Consul General, Consulate of the Republic of Uzbekistan in Mumbai and President, AIAI, Mr. Elyor M. Ganiev, Minister of Foreign Trade of the Republic of Uzbekistan; Mr. Abdulaziz Kh. Kamilov, Minister of Foreign Affairs Republic of Uzbekistan; H.E. Mr. Farhad Arziev, Ambassador, Embassy of Uzbekistan in India and H.E. Mr. Vinod Kumar, Ambassador, Embassy of India in Uzbekistan.

**A**n Uzbekistan Joint Business Forum was organised by All India Association of Industries in association with World Trade Centre Mumbai. Mr. Abdulaziz Kh. KAMILOV, Hon'ble Minister of Foreign Affairs, Republic of Uzbekistan said, "Uzbekistan is earnestly working to liberalise systems and norms and removing hurdles faced by Indian businessmen. We are giving high importance to transport and logistics infrastructure to strengthen bilateral ties. This is a long felt demand of Indian Industry. Both sides are also working in the areas of goods, services, health and education sectors".

Mr. Kamilov further added that, measures are being taken to liberalise visa regime for business and

tourism purposes and is considering to commence direct flights from Mumbai to Uzbekistan.

Mr. Elyor GANIEV, Minister of Foreign Trade of Republic of Uzbekistan said that the bilateral trade between the countries stood at USD 155.76 million in 2016-17 and is projected to rise manifold in the next few years. He further added that the deepening of trade and economic ties between the two countries are on a positive track and the setting up of a trading house will further strengthen the growing trade relations between India and Uzbekistan.

Mr. Vijay Kalantri, Honorary Consul General of Uzbekistan in Mumbai and President, All India Association of Industries said that there is need



to accord Most Favoured Nation (MFN) status to Indian businesses as also strive for reduction of import duty on leather, textile and other commodities as well as rationalise and simplify procedures for registration and certification of business.

Mr. Kalantri, further added that the foreign exchange control and various custom procedures are hampering trade between India and Uzbekistan. As both countries are aiming to enhance trade to USD 1 billion in the next couple of years, it is imperative to resolve issues that are impeding trade and industry on fast track. Also, there is dire need

to improve transport, logistics infrastructure and visa simplification as well as starting of direct flights from Mumbai which is economic and commercial capital of India, to Uzbekistan.

H. E. Mr. Vinod Kumar, Ambassador of India to the Republic of Uzbekistan and H.E. Mr. Farhad Arziev, Ambassador of Uzbekistan to India also graced the occasion. Besides Uzbek delegation members, ministers, senior government officials and diplomats from other countries were also present on this occasion.

The Joint Business Forum was held in New Delhi on August 23, 2017.

### **AIAI feels there is a scope for additional repo rate cut to support MSMEs and manufacturing sectors**

The RBI's Monetary Policy Committee today reduced the repo rate by 25 basis points to 6.0 %. Consequently the reverse repo rate is reduced to 5.75 %. The reduction in the repo rate is much on expected lines. However AIAI feels that RBI should have reduced the rate by an additional 50 basis points on the back of lower inflation and well-distributed monsoon. The weakened industrial performance with loss of speed in manufacturing in the last quarter urgently need policy intervention and support to provide relief to manufacturing and MSMEs.

Mr. Vijay Kalantri, President, All India Association of Industries said, "In Our view, RBI should have reduced the repo rate by an additional 50 basis points to provide boost to economic growth. RBI's acknowledgement on weakness in capex cycle, corporate India's struggle to implement stalled projects and falling manufacturing PMI presents a strong case for policy support by reducing repo rate to provide impetus to economy and MSME growth."

Further RBI accepts that high levels of stress on banks and corporates are likely to deter new investments. In this scenario, there is an urgent need to revive private investments, remove infrastructure bottlenecks and provide thrust on housing for all.

Mr. Kalantri added, "RBI must make efforts to promote long term funding for infrastructure sector including power, road and ports. These sectors are relinquishing under the policy delays and decelerating trends. RBI should further create soft guidelines to provide much needed impetus to MSMEs and manufacturing sector. Such guidelines would help to revive these sectors and in return help to generate much needed employment, competitiveness and will revive dwindling exports."

## State of Maharashtra to have Integrated Water Plan



Mr. K. P. Bakshi, I.A.S. (Retd.), Chairman, Maharashtra Water Resources Regulatory Authority (MWRRA) (fourth left) honouring Ms. Meena Sankaran, Founder & CEO of Ketos Inc (USA) (second right). Also seen (L-R): Mr. Y. R. Warekar, Executive Director, MVIRDC World Trade Centre Mumbai; Ms. Rupa Naik, Executive Director, All India Association of Industries; Mr. Vijay Kalantri, President, All India Association of Industries and Dr. Malini V. Shankar, IAS, Director General of Shipping, Government of India

An interactive meeting on ‘Addressing Water Issues at all levels (Households, Agriculture, Industry and Government) was organised by All India Association of Industries in association with World Trade Centre Mumbai. Mr. K. P. Bakshi, I.A.S. (Retd.), Chairman, Maharashtra Water Resources Regulatory Authority (MWRRA) in his introductory remarks said, “There are six basins in Maharashtra, namely Godavari, Krishna, Tapi, Narmada, Mahanadi and Konkan. While some basins face high water stress, others face low water stress. For instance, Godavari basin faces water stress, especially in the central and eastern parts of the basin. In order to address this imbalance in water stress across basins, Maharashtra Water Resources Regulatory Authority (MWRRA) is

preparing an Integrated State Water Plan. We have recently submitted the Integrated State Water Plan for Godavari Basin to the Government of Maharashtra and we plan to submit similar plans for the other five basins by December 2017. Maharashtra is the first state to have such an integrated water plan”.

Mr. Bakshi said that the interactive meeting was very timely looking at today’s water logging/flooding and he mooted the idea of setting up an incubation center in Maharashtra for supporting start-up companies and other business organisations involved in developing water technologies. He said MWRRA will be in a position to establish an incubation center if Government of India assures funding support for it.

Mr. Bakshi also said that MWRRA was willing to help other state governments adopt policy, institutional and administrative reforms in the water sector. Some of the reforms suggested by Mr. Bakshi to other state governments is to adopt State Water Policy, establishing Water Regulatory Authority, forming Water Users' Associations (WUAs) and introducing water audit.

During the event, All India Association of Industries honoured Ms. Meena Sankaran, Founder & CEO of Ketos Inc (USA) for developing digital solutions to address water conservation, water safety and food safety. Under Ms. Sankaran's leadership, Ketos revolutionised water intelligence through real-time, automated, smart-connected (internet of things) monitoring and predictive correlation of water metrics. The technology developed by Ketos offers proactive insights and actionable metrics for enhancing healthcare, addressing water conservation, water safety and food safety. The technology developed by Ketos is also capable of providing early warning signals for flooding, of the kind witnessed in Mumbai as a result of the heavy downpour on August 29, 2017 and in 2005.

Accepting the Honour, Ms. Sankaran remarked, "Water is life. The need and demand for a crucial resource like water is so high that it is the responsibility of every individual, corporate (private), public sector and critical policy stakeholders to work cohesively for a broader impact with the best of minds."

Ms. Sankaran informed that around 37.7 million Indians are affected by water borne diseases every year. This results in an economic burden of USD 600 million per annum.

Dr. Suresh Kulkarni, Secretary, MWRRA presented an overview on the demand and supply scenario in the water sector in Maharashtra. He remarked,

"We must understand the value of water and be ready to pay for it." He informed that the demand for water in Maharashtra may grow to 100 billion cubic metres by 2030 from around 40 billion cubic metres in 2014. Dr. Kulkarni further informed that while agriculture sector uses 85% of the total available water, it contributes only 19% to the revenue of the state water department. Industry, on the other hand, contributes 59% to the revenue of the state water department, even as it consumes only 2% of the available water, Dr. Kulkarni added.

Mr. Vijay Kalantri, President, All India Association of Industries said, "Everybody must be conscious of the value of water. We must conserve water through water harvesting, reuse and recycling technologies. Today, India has enough water availability. However, the capacity for storing the water is not adequate. Proper management and distribution of water is the need of the hour in this country. By creating a new water storage infrastructure, we can prevent incidence of flood and its economic damage. The Government of Maharashtra is doing a commendable job to increase the storage capacity of water under its ambitious 'Jalyukt Shivar Abhiyaan'. Under this project, the government has dug farm ponds, enhanced the depth of streams and other water bodies."

Dr. Malini V. Shankar, IAS, Director General of Shipping, Government of India was felicitated during the event for taking progressive policy measures in her earlier stint as Principal Secretary, Water Resources Department, Government of Maharashtra.

The interactive meeting was held at the World Trade Centre Mumbai on August 29, 2017.



## Inclusive cluster development - Key to MSME growth



Ms. Leena Bansod, Joint Managing Director, Maharashtra Small Scale Industries Development Corporation addressing the participants. Seated (L-R): Ms. Rupa Naik, Executive Director, All India Association of Industries; Mr. Vijay Kalantri, President, All India Association of Industries; Mr. R. Vasudevan, Senior Director–SME, CRISIL and Mr. Y. R. Warekar, Executive Director, World Trade Centre Mumbai.

**A** programme on ‘Accelerating MSME Competitiveness through Innovation, Technology, Finance and Cluster Development’ was organised by All India Association of Industries (AIAI) in association with World Trade Centre (WTC) Mumbai.

Ms. Leena Bansod, Joint Managing Director, Maharashtra Small Scale Industries Development Corporation who was the key speaker at the event said, “Micro small and medium enterprises (MSMEs) face lot of challenges today. The effective strategy to address these challenges is cluster development. Small entrepreneurs and micro units must come together to build and nurture institutions by forming clusters at the grassroots level. Developing clusters creates inclusive economic growth. Clusters also create win-win

situations for MSMEs, financial institutions and all the stakeholders in the value chain. Maharashtra Small Scale Industries Development Corporation will facilitate the formation of clusters across various parts of the state and be an effective bridge between the government and MSMEs”.

The programme featured a thought-provoking panel discussion on cluster development, improving access to finance and the importance of digital marketing, innovation and technology for MSMEs. The speakers highlighted how clusters of micro and small units can develop collective solutions on human resource management, taxation, marketing strategies and other business-related challenges.

Mr. R. Vasudevan, Senior Director–SME, CRISIL remarked, “ Access to timely credit is a major

challenge for MSMEs. Around 53 million MSMEs who contribute 33% to the GDP are deprived of institutional credit today”.

Ms. Rachana Bhusari, Head-SME, National Stock Exchange (NSE) gave an overview of the SME Listing Platform ‘Emerge’, which is dedicated to enable equity fund raising for MSMEs. Since its launch in 2012, around 76 MSMEs have raised more than 1,000 crore from it, Ms. Bhusari informed.

Mr. Tushar Buch, Managing Director & Chief Executive Officer, SBI Global Factors explained how MSMEs can use factoring services to meet their supply chain financing. He pointed out saying, “Factoring is a globally preferred method of financing trade receivables. For the economy at large, it is a preferable method for MSME requirements since it transfers the risk (of transaction settlement) from the comparatively weaker MSME seller to a stronger large corporate or public sector undertaking buyer”.

Mr. Promod Kumar Bakshi, Deputy General Manager, Small Industries Development Bank of India (SIDBI) explained the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) and how MSMEs have benefitted under this scheme. Mr. Bakshi further informed that SIDBI Ventures, which is an associate organisation has funded around 15,000 MSMEs so far.

Mr. Nitin Nahar, Associate Vice President, HDFC Mutual Fund highlighted key trends in the mutual fund industry and how MSMEs can benefit from mutual funds. He said, “Today, majority of the institutional investors in mutual fund schemes are large corporates. We need to encourage MSMEs to invest in mutual fund schemes. Mutual fund offers professional investment strategies and it assures attractive returns because of diversification”.

Speaking at the panel discussion on digital marketing and innovation, Mr. Prasad Ajgaonkar, Chief Executive Officer, Interactive Reality remarked, “MSMEs must use technologies to enhance their operational efficiency and develop new capabilities”. Dr. Paranjape also explained how MSMEs can save cost by adopting cloud technologies to manage their finance, human resource, marketing and other functions.

Ms. Meenakshi Sapru, Deputy General Manager, Reliance Digital informed about the vendor evaluation criteria for MSME suppliers.

Ms. Harini Calamur, Lecturer, SP JAIN Institute of Management and Research and Mr. Mandar Marathe, Co-founder, BriefKase explained the importance of choosing the right digital marketing strategy for MSMEs.

Mr. Vijay Kalantri, President, All India Association of Industries said, “MSMEs are the backbone of the Indian economy as they produce 9,000 different products, contribute 45% to exports and 40% to manufacturing Gross Domestic Product (GDP). The long pending issue of timely and adequate credit to the MSME sector still remains unresolved. Bank credit to the MSME sector has contracted 0.1%, according to the latest RBI data. We need to address this issue if India has to succeed in its ambitious programmes of Digital India, Make in India and Start-up India. Credit Rating agencies play an important role in enhancing access to institutional credit. We need to evolve different ratings methodology for assessing the credit worthiness of MSMEs. Government must also address the problem of lack of availability of skilled labour in this sector.”

The programme was held at the World Trade Centre Mumbai on September 8, 2017.

## Poland offers business opportunities for India



From (L-R): Mr. Brenda Leszek, Consul General, Consulate General of Poland in Mumbai; Mr. Vijay Kalantri, President, All India Association of Industries; Ms. Katarzyna Kwiecień, Deputy Director, Export Support Bureau, Agriculture Market Agency, Poland; Ms. Rupa Naik, Executive Director, All India Association of Industries and Mr. Robert Dziedzic, Acting Ambassador, Embassy of the Republic of Poland in New Delhi and Captain Somesh Batra, Vice Chairman, MVIRDC World Trade Centre at the interactive meeting with a high-level Polish business delegation representing dairy, agro & agro processing, food technology industry, organized by AIAI and WTC Mumbai in association with the Embassy of the Republic of Poland

A high-level business delegation from Poland representing dairy, agro & agro processing, food technology industry participated in an interactive meeting which was organised by All India Association of Industries in association with World Trade Centre Mumbai and Embassy of the Republic of Poland in New Delhi. Mr. Brenda Leszek, Consul General of Poland in Mumbai who accompanied the delegation said, “Poland is a growing economy and is expected to be the next powerhouse in view of its trade surplus, booming exports, financial discipline and institutional reforms which have provided the impetus for its economy. The country offers great opportunity for the Indian business community”.

Elaborating on the Poland’s trade and economic achievements, Mr. Leszek said that his country was the next to join the club as an under-the-radar economic star. Since its transition from communism to democracy in 1991, its economy has been growing at an average annual rate of 4 percent. Poland’s average income has risen to near \$13,000, from \$2,300, and it is now on pace to pass the \$15,000 mark by the turn of this decade. Poland is working itself up to be a manufacturing power and is pitched to be a part of the select group of countries which include South Korea, the Czech Republic and now Poland. Poland is more than competitive with the Asian manufacturing

powers. Exports from manufacturing account for 33 percent of GDP in Poland, well above the average for emerging nations of 22 percent.

Ms. Katarzyna Kwiecien, Deputy Director, Export Support Bureau, Agriculture Market Agency who along with Mr. Brenda led the delegation. Ms. Kwiecien provided an overview of the sectors that were being represented at the meeting. Ms. Kwiecien said, "Polish food sector is known world over. Exports go to 70 countries and is still growing. Our products are popular, price competitive and of a high quality. Besides, apples, our exports are mainly in the poultry, meat and meat products, flour and dairy products. We are participating for the second time at the 'Annapoorna Food Show'. Our main aim is to help and assist Polish producers and guide them in entering international markets".

Mr. Vijay Kalantri, President, All India Association of Industries said, "Currently trade between India and Poland is US\$ 1.88 billion which can double

in the next three years by focusing on important sectors of cooperation like defense, agro and food processing, mining, culture and tourism as part of the Make in India initiative of the Government of India. The Indian and Polish companies can collaborate with each other in these important sectors".

Mr. Kalantri further added that India has opened up for overseas participation in focus sectors and has requested long-term multiple entry visas which could facilitate opportunities in tourism and cultural promotion.

Mr. Robert Dziedzic, Acting Ambassador, Embassy of the Republic of Poland in New Delhi presided over the meeting.

The event concluded with 100 pre-arranged business-to-business meeting with the trade and industry representatives.

The interactive meeting was held at the World Trade Centre Mumbai on September 13, 2017.



## B2B networking meetings with the visiting delegation about various trade opportunities available in Poland



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## RISE Summit 2017



A view of the participants at the roundtable.

All India Association of Industries and World Trade Centre Mumbai partnered with Idobro Impact Solutions in hosting the RISE Summit 2017 which highlighted the importance of the United Nations Sustainable Development Goals and on the occasion organised a Round Table on 'Global Supply Chains' (Responsible Procurement).

Ms. Rupa Naik, Executive Director, AIAI opened the session with her remarks by asking the audience what they thought about Global Supply Chains. While introducing the forthcoming Global Economic Summit 2018 which is themed on 'Accelerating MSME Growth, Development and Sustainability' to be held at the WTC Mumbai from February 22-24, 2018, Ms. Naik said, "GES 2018 has huge potential to integrate in Global Value Chains (GVCs). So far textiles, auto components, electronic goods, semiconductors are part of GVCs especially with the presence of Foxconn Technology Group and iPhone manufacturing in India".

Ms. Karon Shaiva, Chief Impact Officer & Managing Director, Idobro ascertained that value chain is part of the supply chain. Unless one applies value

to the supply chain, the later can be replaced by another supply chain. In the supply chain, it is not just important to stay competitive by reducing the price but increasing competitiveness are important factors. In order to achieve this, the quality of the product should be consistent, delivery schedule should be maintained, product specifications must be set, however, the most important is the packaging of the product which should take into account life-cycle management issues.

Speaking on the challenges faced by women entering the supply chain, Ms. Naik said that acquiring finance without collateral; women's preference to do the business within their location; and lack of awareness of the benefits of joining the GSCs are crucial for MSMEs to integrate into GVCs.

Ms. Shaiva said that in order for women to be a part of the GVCs, there is a huge requirement for capacity building, they should be given market access, empowered with the tools to promote business through the use of technology.

The round table was held at the World Trade Centre Mumbai on September 19, 2017.



## EB-5 Visas, An option for Indian green card seekers



Mr. Matt Trusch, Director, Texas Regional Center, LLC (center) was felicitated by Mr. Y. R. Warekar, Executive Director, WTC Mumbai (right). Also present is Ms. Rupa Naik, Executive Director, AIAI (left).

**A**n interactive meeting and a presentation on 'EB-5 Investment Opportunity' was organised by AIAI in association with WTC Mumbai. Mr. Matt Trusch, Director, Texas Regional Center, LLC made the presentation on the EB-5 programme. He said, "The EB-5 programme, an employment-based category 5 programme is the best option for H1B visa aspirants from India, who fail to get the latter as a result of the changes made in the employment category of US visas".

Advocating the EB-5 programme, Mr. Trusch provided an overview of the programme where the investor makes USD 1,000,000 minimum capital investment in a new commercial enterprise that should mandatorily create 10 new jobs. The investment is made in an escrow account for a period of five years during which time the investor receives a 0.5 per cent interest on the amount for a period of five years. After the lapse of five years, the capital amount is reimbursed to the investor. The minimum investment may be reduced to \$500,000 if it is made in targeted employment areas (TEAs) which could be either rural areas or areas of high unemployment.

Acquiring a visa under the EB-5 programme entails a two-process approach. Firstly, an I-526 Petition has to be filed by the applicant which provides a provisional green card for a period of two years. This process assesses the project's credibility. Secondly, the I-829 Petition enables the investor to make the provisional green card into a permanent one, by assessing sources of funds and ensuring proper documentation of maintaining green card status. While the former process is accomplished in a span of 12-24 months, the later is done 21 months later.

Mr. Trusch spoke of his Center's role in executing the One Market Square that has been accorded the I-924 Exemplar Approved project status in March 2017, which has been pre-approved by United States Citizenship and Immigration Services (USCIS). The project is being executed in two phases. Aspiring investors of EB-5 programme can consider this project for their minimum capital investment. In order to invest in the project, the investor while filing I-526 Petition, must make a payment of a non-refundable administrative fee of USD 50,000.

Mr. Y. R. Warekar, Executive Director, WTC Mumbai introduced the services of WTC and said, "Currently the trade between our countries is US\$ 64.52 billion which has the capacity to double in the next five years through a focused approach. As a result of the progressive dialogues between India and the US, I expect the relationship between both countries to strengthen not only in trade but also in culture, tourism, entrepreneurship development etc.

The interactive meeting was held at the World Trade Centre Mumbai on September 14, 2017.



## More than 100 start-ups attended orientation workshop organized by MSSIDC, AIAI and WTC Mumbai



From (L-R): Ms. Rupa Naik, Senior Director, WTC Mumbai, Mr. Shivaji R. Daund, IAS, Managing Director, Maharashtra Small Scale Industries Development Corporation (MSSIDC), Mr. Vijay Kalantri, President, AIAI and Ms. Leena Bansod, Joint Managing Director, Maharashtra Small Scale Industries Development Corporation (MSSIDC)

An orientation workshop for start-ups was organized by Maharashtra Small Scale Industries Development Corporation (MSSIDC) in association with All India Association of Industries and World Trade Centre Mumbai. The workshop was conducted by Mr. Shivaji R. Daund, IAS - Managing Director, MSSIDC. More than 100 start-ups across Maharashtra attended the workshop. The objective of this workshop was to brief about the upcoming India International Trade Fair and accelerate start-ups participation.

The event was marked as a prelude to the India International Trade Fair (IITF) which is being held from November 14 - 27, 2017 in New Delhi.

On behalf of the Government of Maharashtra, MSSIDC is organizing the Maharashtra Pavilion at the annual IITF during November 14- 27, 2017 at New Delhi. AIAI and WTC Mumbai are the valued partners of this event.

This year the theme is 'Start-ups' to promote start-ups and their contribution to overall economic growth. This is an excellent opportunity for start-ups to showcase and market their products and services to various state governments, overseas investors and people at large. MSSIDC will offer stall free of cost and will help in travel and accommodation to shortlisted start-ups.

The workshop was organized on 12th October, 2017 at WTC Mumbai.

## Suriname offers huge opportunities for Indian companies



Mr. Gillmore Hoefdraad, Minister of Finance, Republic of Suriname (second left) shaking hands with Mr. Andrei Nikolaevich Zhiltsov, Consul General, Russian Federation in Mumbai (third left). Also present are Ms. Rupa Naik, Executive Director, AIAI (left) and Mr. Vijay Kalantri, President, AIAI (right)

Surinam Business Forum was organised by All India Association of Industries in association with World Trade Centre Mumbai in honour of Mr. Gillmore Hoefdraad, Hon'ble Minister of Finance, Republic of Suriname. Mr. Hoefdraad said, "Suriname is very keen on strengthening relations with India and the vision of our Hon'ble President is to further strengthen South-South Co-operation and with the BRICS trading bloc. There are tremendous opportunities for Indian companies in sectors such as Oil & Gas, Mining, Gold, Solar Energy to explore and I am here to further facilitate and initiate dialogue to work closely with India and Indian counterparts".

Although, the population of Suriname is half a million it has tremendous natural resources

in the areas of mining, gold, bauxite, oil & gas and copper. This offers Indian entrepreneurs tremendous opportunity to set up industry and supply CARICOM and Latin American Countries (LAC) countries in the light of the Free Trade Agreement (FTA) with them and further, to explore the preferential markets in Europe and African Caribbean and Pacific Group of States (ACP), stressed Mr. Hoefdraad.

Agriculture is another area which offers tremendous opportunities and not only Suriname, but also the markets in and around the country are huge and which India can explore as it is quite ahead in agro and technology, offering itself as a partner in progress. The economy of Suriname is well recovered from the downturn where the inflation

was over 50% and has fallen now to 20%.The Government of Suriname is further working on stabilising the economy. This has become possible due to our efforts in diversifying the economy away from mining and agri sector and creating more opportunities in manufacturing and natural resources added Mr. Hoefdraad.

“I was keen to come to India and I have come after my visit to China and Russia. As I see tremendous potential between our two countries”, Mr. Hoefdraad opined.

Mr. Vijay Kalantri, President, All India Association of Industries said, “India’s bilateral trade with Suriname stands at USD 56 million today. I expect

this trade volume to double in the next three years through greater co-operation between both countries. WTC will promote bilateral trade by partnering with trade promotion organisations and industry bodies in Suriname”.

The event was attended by consul generals, representatives of MSMEs, delegates from corporate houses, financial institutions and entrepreneurs from various sectors had interactions with Mr. Hoefdraad to explore on business opportunity in Suriname in these sectors.

The Suriname Business Forum was held at the World Trade Centre Mumbai on September 20, 2017.

### **Lower GST rate, returns and benefits to exporters provide partial relief to small businesses**

In the GST Council meeting, the Council announced series of changes in an attempt to provide relief to traders, SMEs and small businesses. These include reduction in GST rates on 27 items, creation of e-wallets for refunds for exporters and quarterly return filing for SMEs with annual turnover of Rs. 1.5 cr. While these measures are aimed at providing relief in compliance to small businesses, lot more need to be achieved including fixing the GSTN technical issues as well as helping small businesses coping with the issues of blocking of working capital.

Mr. Vijay Kalantri, President, All India Association of Industries (AIAI) said, “After 100 days of GST roll-out, these partial relief measures are welcome. However these are not sufficient. Last 1 year has been particularly challenging for MSMEs struggling with after-effects of demonetization to blocking of working capital due to GST. The government must look forward to reducing GST tax slabs to only 2 from the current 4 and should push to bring petroleum products under GST. The RBI did not provide any relief to businesses with status quo. In such a situation proving impetus to economy with proactive measures should be the priority of government.”

The GST Council has put stress on providing measures to small businesses by reducing number of tax returns and providing relief to merchant exporters while allowing them to pay 0.1% nominal GST for procuring goods from domestic suppliers for exports. Mr. Kalantri further added, “At a time when exporters were down by nearly 20%, this announcement will bring back partial confidence. The concept of e-wallet is innovative and is a right move in digital direction.”

At the time when our economy is struggling with poor employment growth, AIAI suggests a three pronged approach. The Government must raise the GST enrollment limit from current Rs. 20 lacs to Rs. 50 lacs, the quarterly returns filing limit should have been extended to Rs. 2 cr from Rs. 1.5 cr and the threshold level of composition scheme should be enhanced to Rs. 1 cr.

## Brazil to step up strategic technological partnership with India in agribusiness



From (L-R): Ms. Rupa Naik, Senior Director, WTC Mumbai; Captain Somesh Batra, Vice Chairman, WTC Mumbai; Ms. Rosimar Da Silva Suzano, Consul General of Brazil in Mumbai; Mr. Vijay Kalantri, President, AIAI and Mr. Marcelo Eduardo Lüders, President, IBRAFE (Brazilian Institute of Beans and Pulses) during an interactive meeting with a high-level Brazilian business delegation representing Agro & Agro Processing Food Technology Industry organized by All India Association of Industries in association with MVIRDC World Trade Centre

“ We should look at ways to improve Brazil-India strategic partnership and jointly explore real possibilities to increase the existing trade basket between our countries by holding periodic discussions. There still exist big possibilities of supplying more agro products to India. So let us work together in creating a conducive environment toward increasing bilateral trade between our countries,” said Mr. Marcelo Eduardo Lüders, President, IBRAFE (Brazilian Institute of Beans and Pulses) at an interactive meeting with a high-level business Brazilian delegation representing Agro & Agro Processing Food Technology Industry organized by All India Association of Industries in association with World Trade Centre.

Ms. Rosimar Da Silva Suzano, Consul General of Brazil in Mumbai said, “The Brazilian Delegation is here to explore possibilities of increasing trade between our countries in food and agro products as a result of the talks held at the high-level meetings during the BRICS Summit in Goa. Agriculture and food security was high on the agenda. India has a growing urban population and there is a growing need for food. Brazil can help ensure India’s food security in a sustainable manner through the exchange of latest food processing and agriculture technology. Since Brazil and India are signatories to the strategic partnership, we must share our expertise, improve quality standards and technological know-how.” Ms. Suzano added

that Brazil is strong in pulse production and India requires pulse imports, so both countries can work together in achieving their individual targets.

Mr. Vijay Kalantri, President, All Indian Association of Industries said, "Brazil can help India in acquiring the latest agri technology in order to increase its agro production. India can learn a lot from Brazil so that it could foster fruitful collaborations with the private sector in agriculture, which is currently only with the public sector. 40 per cent of the agriculture produce perishes even before it reaches the markets, Brazil can share its expertise in averting such post-harvest waste.


Mr. Kalantri added that India-Brazil bilateral trade stands at USD 6.5 billion and trade is in Brazil's favour which can be improved through cooperation in sectors such as IT, crude oil, pharmaceuticals, automobiles and auto components. Brazil can take

advantage of the opportunities in India through its ambitious programmes such as Make in India, Digital India, Startup India etc. The World Bank in its Ease of Doing Business Rankings 2018 announced yesterday has declared that India has jumped 30 notches which is a positive move for Brazil to take stock and foster collaborations in areas such as mining, energy and biofuels, Mr. Kalantri opined.

Captain Somesh Batra, Vice Chairman, World Trade Centre Mumbai proposed the vote of thanks.

The interactive meeting was organized on Centre on November 1, 2017 at WTC Mumbai. The event concluded with over 100 pre-arranged business-to-business meetings between the high-level business delegation and trade and industry representatives





## AIAI issues Certificate of Origin

*AIAI has been authorized by the Government of India to issue Certificate of Origin, All Exporters are requested to avail this Facility from AIAI Secretariat*

**Contact Ms. Renu Verma, Director, AIAI**  
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## Indian businesses must take advantage of FEZs in Uzbekistan



Ms. Rupa Naik, Senior Director, WTC Mumbai (left) felicitating Mr. Avaz D. Khodjiev, Counselor (Trade & Economic), Embassy of the Republic of Uzbekistan (right). Also seen is Mr. Vijay Kalantri, President, AIAI and Honorary Consul General of the Republic of Uzbekistan in India at an interactive session on 'Investment Climate and Tourism Potential' organized at WTC Mumbai

“Uzbekistan is setting up seven new Free Economic Zones (FEZ) to attract foreign and domestic investment. We welcome Indian companies to set up their businesses in these zones. We are willing to dedicate one of these zones exclusively for Indian companies. Further, Indian companies can also explore the great tourism potential that Uzbekistan has to offer in ecological tourism, health tourism, sport tourism and business tourism,” said Mr. Avaz D. Khodjiev, Counselor (Trade & Economic), Embassy of the Republic of Uzbekistan at an interactive session on 'Investment Climate and Tourism Potential' organized by All India Association of Industries in association with World Trade Centre Mumbai at World Centre Mumbai.

Mr. Khodjiev suggested Indian companies to consider Uzbekistan as gateway to the CIS countries and Georgia, with whom it has signed free trade agreements. Uzbekistan also has most favoured nation (MFN) status with 45 countries including India.

“I am confident that by exploring cooperation in the above areas, the existing bilateral trade of US\$ 370 million can reach US\$1 billion projected in the joint road map set out by our two countries in the coming years”, Mr. Khodjiev opined

In his presentation on 'Free Economic Zones in Uzbekistan and Tourism Potential, Mr. Khodjiev spoke of the macroeconomic stability of his country citing that the GDP has risen at the rate of about 8 per cent in the last few years; total external debt does not exceed 18.5 per cent; Internal public debt fell from 18 per cent in 2000 to 0% in 2014; export grew by more than 30 times between 1990 and 2016; and Foreign Direct Investment (FDI) of US\$ 1014 million in 2007 to US\$ 4000 million in 2016. Uzbekistan has made substantial progress in terms of ease of doing business on parameters such as contract enforcement, purchasing power parity, starting a business, resolving insolvency and getting credit.

Further, Uzbekistan is in the top 5 fastest growing economies in the World. It is rich in raw materials such as ferrous, non-ferrous metals and oil and natural gas resources.

Mr. Khodjiev enlightened on the 3 active FEZ namely FIEZ NAVOI, FEZ DJIZAK and FEZ ANGREN which are exempt from most taxes and offer privileges and incentives. The new upcoming 7 free economic zones are Nukus Pharm FEZ,



Zomin Pharm FEZ, Kosonsoy Pharm FEZ, Syrdaryo Pharm FEZ, Boysun Pharm FEZ, Bustanlik and Parkent Pharm FEZ and Gijduvan, a New Industrial Free Economic Zones. Kokand FEZ was recently announced on September 5, 2017.

All of the FEZs are offering scope for activities in the areas of fruits and vegetables and deep processing of agricultural products, storage and packaging industry; textile industry; carpet industry; footwear and leather industry; environmentally safe, chemical and petrochemical industry; pharmaceutical industry; food industry; electrical industry; mechanical engineering; motor-car construction; production of building materials industry etc.

Mr. Vijay Kalantri, President, All India Association of Industries and Honorary Consul General of the Republic of Uzbekistan in India said, “With

improvement in the ease of doing business and India’s ambitious initiatives such as Make in India, there are innumerable opportunities between Uzbekistan and India which can be explored. The bilateral trade of 370 million is meager and there are much more opportunities in minerals, pharmaceuticals, textiles, chemicals, oil and gas, automotive, agriculture, construction material, tourism etc. Uzbekistan is an independent and dynamic country and both countries can work together in trade-related and trade promotion areas and thereby foster fruitful collaborations.”

Mr. Kalantri suggested that both countries can explore possibilities of direct flights between Uzbekistan and Mumbai.

The interactive session was organized on November 4, 2017 at WTC Mumbai.

## Visit Uzbekistan



Mr. Vijay. G. Kalantri, Honorary Consul General of Uzbekistan in Mumbai speaking at “Visit Uzbekistan”, others seen are (L-R) Mr. Anish Arya, Passenger Sales Agency, Aero World Travels, Mr. Tolik Odilov, Managing Director, STG Travels, Mr. Atabek Atabaev, Country Manager, Uzbekistan Airways, Mr. Avaz Khodjiev, Counsellor (Trade & Economic), Embassy of Uzbekistan to India, Mr. Sachin Shinde, Manager-Cargo Sales, Uzbekistan, Mr. Ajay Arya, Passenger Sales Agency, Aero World Travels at an event organized by Uzbekistan Airways to promote tourism to Uzbekistan. There are six flights to Uzbekistan, Tashkent from New Delhi.

## Introduction of GST in India offers huge opportunities of Investment and Ease of Doing business



From (L-R): Mr. Vijay Kalantri, President, AIAI and Vice Chairman, WTC Mumbai felicitating Mr. Luis Cabello, Commercial Counselor, Embassy of Peru in India at the Panel Discussion on Business Opportunities in Peru organized by AIAI and WTC Mumbai.

**B**y introduction of Goods & Service Tax (GST), Government really means in “Ease of Doing Business”. Introduction of this one tax will lure the foreign investors like us to invest in India which offers huge opportunities to foreign companies and investors. I believe that success in India ensures success in world said Mr. Clever Pantoja, Country Head, AJ Group India, at a Seminar organized jointly by All India Association of Industries and World Trade Centre Mumbai in association with the Ministry of Foreign Trade and Tourism, Peru at World Trade Centre, Mumbai

Mr. Pantoja, the producer of ‘Big Cola’ – a carbonated caffeine-free soft drink further added that I already have a presence in India and with my innovative product, range, competition and pricing, it’s a great opportunity for Doing business in India, and many others from Peru and Latin American

countries will take up the existing opportunities to invest in India and do business.

“Peru is the 3rd largest country in Latin America with the fastest growing GDP. With rapidly rising economy, it is becoming one of the most important markets for investments in Latin America. It is an attractive business destination for Indian companies in manufacturing, hydrocarbon, mining, agri and agro-processing sectors with low custom tariffs and open investment regime. It is one of very few countries in the world with positive trade balance,” said Mr. Luis Cabello, Commercial Counsellor from Embassy of Peru in India at an interactive programme on ‘Business Opportunities in Peru’. He further added that in September 2016, Peru and India concluded the joint feasibility study for an agreement in trade of goods, services, investments and cooperation. Peru and India shall sign the Trade Agreement soon.

IG International is one of the largest importers of Peruvian fresh fruits in India. Mr. Tarun Arora, CEO, IG International said, “With changes in consumer patterns, and growth of organised retail, India is expected to import nearly 60,000 kg avocados next year.” Similarly, Supreme Enterprises is the largest importer of Peruvian quinoa.

Mr. Kanish Gupta, Owner, Supreme Enterprises said that similar to India, agriculture is one of the most important sectors of Peruvian economy. In 2016, it is adjudged as the ‘Best International destination for Super foods’. Peru has been distinguished as the ‘World’s Best Culinary Destination’ for last 5 years in the World Travel Awards. It has large varieties of fruits and vegetables. This includes nearly 4000 varieties of potatoes, many varieties of



From (L-R): Mr. Y. R. Warkerkar, Executive Director, WTC Mumbai, Mr. Tarun Arora, CEO, IG International, Mr. Vijay Kalantri, President, AIAI and Vice Chairman, WTC Mumbai, Mr. Luis Cabello, Commercial Counselor, Embassy of Peru in India, Mr. Clever Pantoja, Country Manager, AJE Group India, Owner of Big Kola, Ms. Rupa Naik, Senior Director, WTC Mumbai and Mr. Kanish Gupta, Owner, Supreme Enterprises

quinoa, grapes, avocados, mangoes, blueberries, corn, citrus fruits, lentils, sea food, etc.

India receives Peruvian organic mangoes around October-November every year. There is a tremendous potential for importing super natural foods such as avocados, quinoa, blueberries from Peru added Mr. Gupta.

Mr. Gupta commented, “With nearly 400 million middle class consumers in India coupled with upward mobile lifestyle and awareness of healthy food is helping to make quinoa a popular super food.” He further added that his company is planning to introduce snacks items using Peruvian quinoa to Indian market.

Mr. Vijay Kalantri, President, AIAI and Vice Chairman, WTC Mumbai said, “India and Latin America are two complementary economies. India is one of the biggest importers of oil and gas from Latin America and is one of the largest exporters of steel, automobile, IT and pharmaceutical products. The bilateral trade between India and Peru is more than USD 1700 million in 2016-17.

There is a great potential to promote tourism in Peru. With value additions in various products, the bilateral trade is expected to grow multifold. This will help to bring in prosperity with high employment and exports.”

Mr. Kalantri further added that distance is no more a disadvantage between India and Latin America. With improved infrastructure, Indian businesses have huge potential to expand their operations in Latin American countries.

Mr. Y. R. Warkerkar, Executive Director, WTC Mumbai thanked the dignitaries and mentioned that there is a vast potential of trade cooperation to ignite our economies that are separated by distance and culture. The stronger ties of cooperation and pro-active approach will further help enhancing presence of Indian companies in Peru.

The programme was organized on November 29, 2017 at WTC Mumbai, attended by consul generals, representatives from trade and industry, financial institutions and others.

## Events supported by AIAI

### Digital SME Forum

**Date:** July - December, 2017

**Venue:** Delhi, Jaipur, Lucknow, Kanpur, Chennai, Bangalore, Hyderabad, Coimbatore, Mumbai, Pune, Ahmedabad, Vadodara, Kolkata

### Automation 2017

**Date:** 9-12 August

**Venue:** Mumbai

### 2<sup>nd</sup> Annual Manufacturing Excellence

**Date:** 16-18 August, 2017

**Venue:** Singapore

### Rally For Rivers

**Date:** 3<sup>rd</sup> September- 2<sup>nd</sup> October, 2017

**Venue:** Flag off: Coimbatore; Culmination: New Delhi

### 3<sup>rd</sup> Annual Manufacturing Excellence Forum

**Date:** 7-8 September, 2017

**Venue:** Mumbai

### World Non-Ferrous Awards 2017

**Date:** September 8, 2017

**Venue:** Mumbai

### Industry Business Meet of World Metal Forum

**Date:** 8-10 September, 2017

**Venue:** Mumbai

### Portlore 2017

**Date:** 15 September, 2017

**Venue:** Renaissance, Mumbai

### ICC WCF 10<sup>th</sup> World Chamber Congress 2017

**Date:** 19-21 September, 2017

**Venue:** International Convention Centre Sydney.

### India Trade Expo

**Date:** 25-26 October, 2017

**Venue:** ADNEC – Abu Dhabi.

### 4<sup>th</sup> Edition Of Indian Manufacturing Show 2017

**Date:** 30 October - 1 November, 2017

**Venue:** BIEC, Bengaluru

### Swachh Pune Abhiyan

**Date:** 1-3 November, 2017

**Venue:** Ganesh Kala Krida, Swargate, Pune

### XI World Aqua Congress 2017 - International Water Conference & Exhibition

**Date:** 9-10 November, 2017

**Venue:** New Delhi

### The 15<sup>th</sup> China Products (Mumbai India) Exhibition 2017

**Date:** 16-19 November, 2017

**Venue:** Bombay Convention & Exhibition Centre

### 6<sup>th</sup> Annual Edition of India Warehousing & Logistics Show

**Date:** 16-19 November, 2017

**Venue:** Auto Cluster Exhibition Centre, Pune

### 3<sup>rd</sup> Envirotech Asia International Exhibition & Conference

**Date:** 22-24 November, 2017

**Venue:** Bombay Exhibition Centre, Mumbai

### 25<sup>th</sup> Global Symposium on “Transforming India Through Project Mindset

**Date:** 4-5 December, 2017

**Venue:** New Delhi

## EPFO settlement time to be reduced to 3 days from 20 days, says Mr. Aditya Sah

“Today more than 1.65 crore employers have subscribed to Provident Fund and 7 crore employees are in the ambit of Employee Provident Fund. The new scheme -Pradhan Mantri Rojgar Protsahan Yojana (PMRPY) - aims to further generate employment as part of the Prime Minister’s programme. However, so far only 250 companies have taken benefit of this Yojana in Mumbai; whereas other States are far ahead,” said Mr. Aditya Sah - Regional Provident Fund Commissioner –I, Employees Provident Fund Organisation (Ministry of Labour & Employment, GOI) at an interactive meeting on PMRPY at World Trade Centre Mumbai. The interactive meeting was organized by AIAI and WTC Mumbai

Mr. Sah highlighted that out of the Rs 156 crore benefit disbursed across India under PMRPY, Mumbai has a share of only Rs 5.36 crore. Therefore, there is tremendous potential to increase the coverage of establishments in Mumbai under this scheme.

Mr. Sah further informed, “Under digital programme, the EPFO offers online service to 4.5 crore employees and the Regional Office of Bandra settles 60,000 claims every month. Out of these claims, only 450 are pending for more than 20 days. We need to bring down the settlement time to 3 days in future. In Mumbai, currently there are 29 lakh contributing members and 9,000 companies subscribe to Provident Fund. In view of the digital online service, we feel more and more employees will come in our ambit as Provident Fund is not only a saving but it also gives timely help in the form of housing loans, medical and other benefits to employees.”



From (L-R) Mr. Aditya Sah, Regional Provident Fund Commissioner–I, Employees Provident Fund Organisation (Ministry of Labour & Employment, GOI) and Mr. Vijay Kalantri, President, AIAI at interactive meeting on Pradhan Mantri Rojgar Protsahan Yojana (PMRPY) organised by AIAI and WTC Mumbai

Mr. Amit Chougule – Assistant Provident Fund Commissioner, Employees Provident Fund Organisation (Ministry of Labour & Employment, Government of India) delivered a presentation on PMRPY and the latest initiatives of EPFO.

Mr. Vijay Kalantri, President, AIAI said, “Many of the employees are not aware of the new scheme. There is a need to create awareness to bring in more employees to avail benefit of the new scheme. It is also important to generate confidence among the employees for timely benefit.”

The interactive meeting was organized on December 7, 2017 which was attended by employers from industries such as construction, shipping, infrastructure, banks and other financial institutions.

## Celebrating 25 years of Bilateral and Cultural Relationship between India and Uzbekistan



From (L-R): Mr. Ermatov Rustamjon Gulomjonovich, Director, Havas Guruhi Group from Uzbekistan, Mr. Y. R. Warekar, Executive Director, WTC Mumbai, Mr. Vijay Kalantri, Honorary Consul of Republic of Uzbekistan in Mumbai, H.E. Mr. Farhod Arziev, Ambassador of Uzbekistan to India and (extreme right) Mr. A. Mansurov, Second Secretary, Political Division of Embassy of Uzbekistan along with the singers of Havas Guruhi Group from Uzbekistan during the Musical Melodious Evening (Sangeet Sandhya) by Uzbekistan's Havas Guruhi on the occasion of celebrating 25 years of Bilateral and Cultural Relationship between India and Uzbekistan organized by the Consulate of the Republic of Uzbekistan in Mumbai in association with Embassy of Uzbekistan in India at Y. B. Chavan auditorium, Mumbai

**T**here is tremendous opportunity for exchange of cultural and trade ties between India – Uzbekistan. In the next 3 years trade should cross 1 billion especially in sectors like pharma, food processing, textile etc said H.E. Mr. Farhod Arziev, Ambassador of Uzbekistan to India at the Musical Melodious Evening Sangeet Sandhya by Uzbekistan's Havas Guruhi on the occasion of celebrating 25 years of Bilateral and Cultural Relationship between India and Uzbekistan organized by the Consulate of the Republic of

Uzbekistan in Mumbai in association with Embassy of Uzbekistan in India at Y.B. Chavan auditorium.

H.E. Mr. Arziev further added that India and Uzbekistan share excellent diplomatic and cultural relations which needs to be enhanced further. He also invited Indian companies to explore the great tourism potential that Uzbekistan has to offer in ecological tourism, health tourism, sport tourism and business tourism.

Mr. Vijay Kalantri, Honorary Consul of Republic of Uzbekistan in Mumbai said organizing this event is the beginning of the programs under 25 years of Bilateral and Cultural Relationship between India and Uzbekistan and we look forward to organize many such events in the coming years.

Mr. Kalantri further said “With improvement in the ease of doing business and India’s ambitious initiatives such as Make in India, there are innumerable opportunities between Uzbekistan and India which can be explored. The bilateral trade of 370 million is meager and there are much more opportunities in minerals, pharmaceuticals, textiles, chemicals, oil and gas, automotive, agriculture, construction

material, tourism etc. Uzbekistan is an independent and dynamic country and both countries can work together in trade-related and trade promotion areas and thereby foster fruitful collaborations.”

The Havas Guruhi group from Uzbekistan led by Mr. Ermatov Rustamjon Gulomjonovich, Director, Havas Guruhi Group sang Hindi and Marathi melodious songs which were appreciated by the audience.

The program was organized on December 7, 2017 which well attended by diplomats, consul generals, representatives from trade and industry and others.

## *Glimpses of Sangeet Sandhya*



# Photo Gallery



Mr. Manmohan Singh, Former Prime Minister of India and Mr. Hamid Ansari, Former Vice President of India at the release of Mr. Kamal Morarka's 70<sup>th</sup> birthday a commemorative volume looking on is Mr. Vijay Kalantri, President, AIAI at Vice President House



Ms. Sangeeta Kalantri Jain, Director, AIAI, Mr. Vijay Kalantri President, AIAI, Shri. Devendra Fadnavis, Hon'ble Chief Minister, Govt. of Maharashtra (receiving the donation cheque) Mr. Kamal Morarka, Chairman, WTC Mumbai and Ms. Rupa Naik, Senior Director, WTC Mumbai



Mr. Sunil Porwal, Additional Chief Secretary, Govt. of Maharashtra, Mr. Karu Jayasuriya, Speaker of the Parliament of Sri Lanka and Mr. Vijay Kalantri, President, AIAI



Ms. Yasmahne Hanel, Director Industry Engagement Queensland Govt., Office of the Commonwealth Games, Dept. of Tourism felicitated by Mr. Vijay Kalantri, President, AIAI along with Mr Ajit Mangrulkar Investment Manager (South Asia), Australian Trade and Investment Commission, Australian Govt. at the WTC Mumbai



Mr E. Sabri Ergen, Consul General of the Republic of Turkey along with (L to R): Mr. Vijay Kalantri, President, AIAI, Mr. Kamal Morarka, Chairman, WTC Mumbai and Ms. Bharati Morarka on the occasion of 94<sup>th</sup> National Day of Turkey at Hotel Taj Mahal Palace, Mumbai.



Mr. Vijay Kalantri, President, AIAI, Ms. Bharti Morarka, Mr. Kamal Morarka, Chairman, WTC Mumbai and H.E. Mr. Maris Kucinskis, Prime Minister of the Republic of Latvia at the inauguration of the Honorary Consulate of the Republic of Latvia at Taj Mahal Palace Hotel





Mr. Pankaj Baliga, Vice President of Tata Consultancy Services Limited, Mr. Sunil Sood, MD & CEO, Vodafone India, Mr. Rajesh Agrawal, Deputy Mayor of London and Mr. Vijay Kalantri, President, AIAI during the visit of Mayor of London to Mumbai



Ms. Margaret Skinner, Director of Sales-EMEAI, Air Canada, The Hon. Francois-Philippe Champagne, Minister of International Trade, Government of Canada, H. E. Mr. Nadir Patel, High Commissioner for Canada to India and Mr. Vijay Kalantri, President, AIAI at the 7th Annual India Canada Business Forum in Mumbai



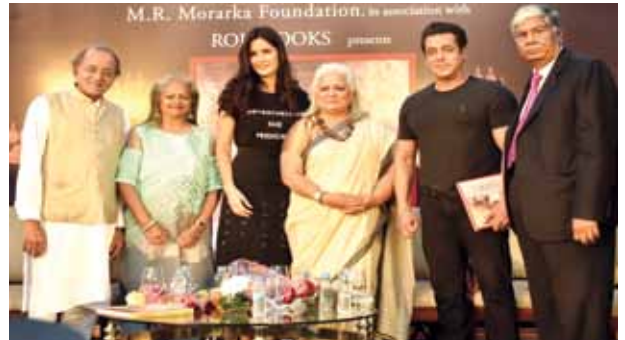
Mr. Vijay Kalantri, President, AIAI, Mr. Andrei Nikolaevich Zhiltsov, Consul General of the Russian Federation in Mumbai along with the representatives from the business delegation of St. Petersburg during their visit to Mumbai



Meeting to discuss Investment Opportunities in Odisha with Mr. Sanjiv Chopra, Principal Secretary Industries, Government of Odisha others (L-R) Mr. Vijay Kalantri, President, AIAI, Ms. Rupa Naik, Hon. Director, AIAI and Mr. Y. R. Warekar, Executive Director, WTC Mumbai



Mr. Saut Siringoringo, Consul General of Indonesia in Mumbai presenting a memento to Shri Jaykumar Rawal, Hon'ble Minister for Tourism, Govt. of Maharashtra at the inauguration of Expo Indonesia 2017. Others (L-R) Dr. Révai-Bere Norbert, Consul General of Hungary in Mumbai and Mr. Vijay Kalantri, President, AIAI at the Expo Center of WTC Mumbai



Mr. Kamal Morarka, Chairman, WTC Mumbai, Mrs. Bharti Morarka, Ms. Katrina Kaif, Bollywood Actress, Ms. Bina Kak, Mr. Salman Khan, Bollywood Actor and Mr. Vijay Kalantri, President, AIAI at the book launch of 'Silent Sentinels of Ranthambhore' by Ms. Bina Kak and Foreword by His Holiness the Dalai Lama. The book launch was organized by M. R. Morarka Foundation in association with ROLI BOOKS

## Meetings attended by AIAI

- ❖ Service cell Meeting of Trade associations, Dealer associations and Practitioner associations chaired by Commissioner of Sales Tax on 15th July, 2017 in Mumbai
- ❖ State Level Advisory Board Meeting chaired by Dr. Harshdeep Kamble IAS, Development Commissioner (Industries), Govt. of Maharashtra on 11th August, 2017 in Mumbai
- ❖ Meeting related to the issue of Trade Credit Linked NPA Contagion- reg by AS&DC (MSME), Ministry of Micro, Small and Medium Enterprises on 28<sup>th</sup> August, 2017 in New Delhi.
- ❖ Service Cell Meeting by Commissioner of State Tax on 7<sup>th</sup> September, 2017 in Mumbai
- ❖ Grievance Re-dressal Committee Meeting chaired by the Additional DGFT on 13<sup>th</sup> September, 2017, Mumbai.
- ❖ Custom Clearance Facilitation Committee (CCFC) Meeting chaired by Mr. Vivek Johri, Chief Commissioner of Customs Mumbai Zone-II on 18<sup>th</sup> September, 2017 at JNCH, Mumbai
- ❖ Service Cell Meeting by Joint Commissioner of Sales Tax on 22<sup>nd</sup> September, 2017 in Mumbai
- ❖ Preparatory meeting for TAITRONICS 2017 under the chairmanship of Secretary, Ministry of Electronics and Information Technology (MeitY), Government of India on 28<sup>th</sup> September, 2017 in New Delhi
- ❖ Tripartite Consultation Meeting on 'the Labour Code on Industrial Relations' under the Chairmanship of Hon'ble MOS (Independent Charge) L&E under the Chairmanship of Hon'ble Minister of State (Independent Charge) for Labour & Employment with the representatives of the Central Trade Unions, Employers' Associations and Central/State Governments on 4<sup>th</sup> October, 2017 in New Delhi
- ❖ Brainstorming of ideas for 'Make in India' initiative as part of the preparation of Development Agenda for India@75 on 5<sup>th</sup> October, 2017 in New Delhi
- ❖ Revamping the ToT Programme in the area of HIV/AIDS and TB in consultation with NACO/ILO held on 4<sup>th</sup> October 2017 under the Chairmanship of Shri Manish Kumar Gupta, Joint Secretary, Ministry of Labour and Employment in New Delhi
- ❖ Meeting regarding Expansion of India-MERCOSUR PTA- Exchange of Initial offers- Meeting under the Chairmanship of Shri Shyamal Misra, Joint Secretary on 28<sup>th</sup> September, 2017 in New Delhi.
- ❖ Meeting on the implementation of Solid and Plastic Waste Management Rules, 2016 under the Chairmanship of Shri Ritesh Kumar Singh, Joint Secretary, MoEFCC in on 27<sup>th</sup> December, 2017 New Delhi.

## AIAI's Session at WTO Public Forum 2017

### Mitigating the Challenges of Sustainable Development through the Adaptation of Clean Technologies



Mr. Roberto Azevêdo, Director General, World Trade Organization (centre) in conversation with Ms. Rupa Naik, Senior Director, WTC Mumbai (left) and Mr. Vijay Kalantri, President, AIAI, Vice Chairman, MVIRDC World Trade Centre Mumbai.

**W**TO Public Forum 2017 with the theme 'Trade Behind the Headline' was held from September 26-28, 2017 at the WTO Headquarters in Geneva. The Forum offered an opportunity to go beyond the rhetoric and examine in detail the realities of trade – the benefits it offers and the challenges it can bring.

The opening plenary debate was addressed by a distinguished panel of experts. Mr. Roberto Azevêdo, Director General, World Trade Organization opened the debate asking participants to consider how the trading system needs to be improved in order to respond to the challenges facing the global community. Ms. Christine Lagarde, Managing Director, International Monetary Fund said that although trade has

reduced poverty and improved living standards worldwide, there is a growing perception that it has contributed to growing inequalities within countries. New trade agreements are addressing issues of labour disruptions and providing solutions at the domestic level to those who have not gained from trade. Ms. Susana Malcorra, Minister Advisor, Government of Argentina related experiences of her country which showed the importance of long-term policies allowing for good planning and predictability. Nobel Prize Winner Mr. Paul Krugman, Distinguished Professor, City University of New York Graduate Center and columnist, The New York Times claimed that economists such as himself have missed the fact that sharp growth in global trade has produced sharper-than-expected income redistribution effects and transitional costs. The explosion in trade in some ways is already in the rear-view mirror, it's already plateaued, if we turn our backs on trade now it would be highly disruptive.



From (L-R): Mr. Vijay Kalantri, President, AIAI, Vice Chairman, WTC Mumbai and Ms. Christine Lagarde, Managing Director, International Monetary Fund.

## SPOT LIGHT



From (L-R): Mr. Vijay Kalantri, President, AIAI, Vice Chairman, WTC Mumbai and Ms. Susana Malcorra, Minister Advisor, Government of Argentina.

World Trade Centre (WTC) Mumbai and All Association of Industries (AIAI) participated in the WTO Public Forum 2017 at Geneva and conducted a session on the theme 'Mitigating the Challenges of Sustainable Development through the Adaptation of Clean Technologies'. The session was addressed by eminent experts drawn from



From (L-R): Mr. Vijay Kalantri, President, AIAI, Vice Chairman, WTC Mumbai and Nobel Prize Winner Mr. Paul Krugman, New York Times Columnist.

prestigious organizations of international repute. WTC Mumbai and AIAI delegation comprised Mr. Vijay Kalantri, Vice Chairman, MVIRDC World Trade Centre Mumbai and President, All India Association of Industries; Ms. Rupa Naik, Senior Director, MVIRDC World Trade Centre Mumbai and Executive Director, All India Association



From (L-R): Mr. Alexander Kasterine, Senior Advisor, Climate Change and Biodiversity, Trade for Sustainable Development Programme, International Trade Centre (ITC); Mr. John Danilovich, Secretary General, International Chamber of Commerce (ICC); Mr. Vijay Kalantri, President, AIAI, Vice Chairman, WTC Mumbai; Mr. Frank Van Rompae, Representative to the UN and other International Organizations in Geneva, UNIDO Geneva Office; Dr. Viviana Munoz Tellez, Coordinator, Development, Innovation and Intellectual Property Programme, South Centre and Dr. Paul Kloppenborg, Partner and CEO, Global Cleantech Capital.

of Industries; Ms. Debjani Chowdhury, Advisor, MVRDC World Trade Centre Mumbai and Mr. Navneet Agarwal, Assistant Director –Trade Promotion, World Trade Centre Jaipur.

Progress toward sustainable development has taken centre stage in every aspect of development planning both at national and global institutional levels across the world. Keeping this at the core of the debate, the panel deliberated on a wide range of issues highlighting the imperatives of promoting sustainable development by creating an ecosystem supported by clean technologies and balancing human livelihood.



**Mr. John Danilovich, Secretary General, International Chamber of Commerce (ICC)**, stressed that it is time to combine the twin goals of growth and sustainability and it is only through placing sustainability at the heart of business that companies will find success in the 21st century. According to a report from the Business and Sustainable Development Commission, UN's Sustainable Development Goals (SDGs) opens up US\$ 12 trillion market of opportunities in sectors such as food, energy, health and cities. Global Goals 'hot spots' – markets specifically aligned with the UN's sustainable development objectives – have the potential to grow 3 times faster than average GDP over the next five years.

Even as it opens up huge benefits for businesses, business leaders largely consider sustainability to be government territory only, Mr Danilovich observed. This is beginning to change though. SDGs should also be known as 'BDGs' i.e. Business Development Goals, Mr. Danilovich said and he further informed that many companies

were already recognizing the big efficiency gains, innovation and reputation enhancement that come from engaging in socially and environmentally responsible behaviour. However, for business to play its full role in meeting the climate challenge, governments must establish the right policy environment with clear rules and mechanisms under the Paris Agreement to provide business with the certainty it needs to make crucial investments in clean technologies. Mr Danilovich called for renewed efforts to secure Environmental Goods Agreement before WTO Ministerial Conference 2011 in December.



**Mr. Frank Van Rompaey, Representative to the UN and other International Organizations in Geneva, UNIDO Geneva Office** said the 2030 Agenda contains Inclusive and Sustainable Industrialization as a goal – goal 9. The expectation is that global industrial production will increase by factor of 4 by 2050. It is important that this expansion happens in an environmentally sustainable way. For UNIDO, sustainable industrialization has two main dimensions: 1) The greening of existing or new industrial activities, i.e. promoting the adoption of cleaner production processes and products, which use resources more efficiently, generate less waste, phasing out toxic substances; and improving occupational health. 2) The creation of green industries - the sectors such as production of solar panels, wind turbines, recycling plants, pollution control equipment and services such as environmental engineering and consulting services, waste treatment and management. This sector is rapidly expanding and a diverse sector especially in countries faced with a growing environmental burden, where there is a demand, for eg. in India and China unlike other countries which have

## SPOT LIGHT

far smaller industrial sectors. In those countries UNIDO focuses on greening of industries notably advising companies and institutions on the environmental, economic benefits of further investments. As a viable approach, Mr. Rompaey underscored the need to decouple resource use and / or environmental impact from economic growth.

Speaking on UNIDO's recent activities, Mr. Rompaey informed that UNIDO launched a new programme a few years ago, Global Cleantech Innovation Programme (GCIP). It is implemented also in India apart from seven other countries. It is funded by Global Environment Facility (GEF) and aims to assist innovators in cleantech, typically energy efficiency and renewable energy sectors, to innovate.



**Mr. Alexander Kasterine, Senior Advisor, Climate Change and Biodiversity, Trade for Sustainable Development Programme, International Trade Centre (ITC)** explained why SMEs were an important

part of the process of the Paris Agreement in terms of mitigation and adaptation to climate change and that SMES were particularly vulnerable to climate change. Impact of climate change needs to be addressed with a two-pronged approach - public policy and business opportunities. In terms of public policy there is need to design policies which incentivize SMEs to strategize their business in the right direction. In terms of business opportunities, it is important to find solutions to climate change through innovation in industrial operations.

According to Mr. Kasterine, SMEs face many barriers in adaptation. Speaking on ITC's programme in the area of adaptation and mitigation, Mr. Kasterine referred to the ITC study on exporters of agri

food products in Peru and Uganda. The study highlighted the impact of climate change as the key concern of exporters, besides issues of price volatility and quality management. In order to improve their climate resilience, exporters needed access to crop varieties which were resilient to climate change, access to finance and assistance in diversifying export markets. Lack of information about standards and new environment resilient technologies, ways to plan emission reduction were among other barriers exporters faced in their operations.



**Dr. Viviana Munoz Tellez, Coordinator, Development, Innovation and Intellectual Property Programme, South Centre** stated that in the context of the 2030 Agenda, there are global challenges and

the global community must come together to find new solutions. SDGs are increasingly getting linked to health, climate change, industrial policy and integrating faster partnerships including the private sector as part of the 2030 Agenda. In terms of mitigating the effects of climate change, Dr. Munoz held out that there is a clear leadership responsibility by that part of the world that has historically contributed more to the carbon emission. Mitigation efforts must be linked to adaptation efforts and all governments must take action toward this end. Developing and least developed countries which are severely impacted due to the adverse effects of climate change and lack resources to build systems need to be supported and assisted with capacity building, technology transfer and financial support based on national needs and priorities.

Financial and technological support needs to be coupled with knowledge and skill transfer

and there have been many trade agreements, as well as obligations and commitments by the developed countries to assist developing and least developed countries with technology transfer on concessional terms instead of on commercial terms. On the financial side, there is a global fund to assist weak countries to access technology, Dr. Munoz expressed. Further, according to Dr. Munoz, countries need not necessarily focus on high technologies and instead many of the home-grown, grass-root technologies can be readily used and adapted. However, this can be very successful with greater exchanges among SME enterprises in countries such as India, Dr. Munoz said.



**Dr. Paul Kloppenborg, Partner and CEO, Global Cleantech Capital,** deliberating on the current trends in investments in clean technologies, revealed that in the coming months, 392 GW of solar capacity will

be installed in the world, which will surpass the amount of 392 GW of nuclear power that is operating in the world at present. According to Dr. Kloppenborg, in the last 15 years the world has witnessed a constant growth in the solar market, up approximately 28-30 per cent and solar installed capacity is expected to rise to 82-90 GW in the world in a year. India and China have emerged as big markets, with India likely to soon overtake China. The other big markets are the USA and Latin America with smaller markets in Europe and with Africa opening up as a new market.

Energy sector is highly capital intensive with a long gestation period. The credit crisis of 2008 proved to be a blessing for the clean energy sector. Energy sector will be further decentralized and solar energy is the most decentralized generation

of energy and can be installed with great ease. On the other hand, wind energy is far more centralized and is subject to state intervention, regulation and inefficiencies.

With regard to investments, microfinance seems to be the preferred option for solar and yet it means blocking of capital for at least 6-7 years. Solar modules involve high capital and the real jobs are in installing solar panels. Therefore, the success of solar business will depend on viable microfinance policies and solutions, Dr. Kloppenborg opined.



**Moderator Mr. Vijay Kalantri, President, All India Association of Industries (AIAI) and Vice Chairman, MVIRDC World Trade Centre (WTC) Mumbai** observed that global policies in economic, social and environmental spheres have

greatly influenced and prompted national action. The scheme on 'Development and Promotion of Clean Technology and Waste Minimization Strategies' adopted and implemented by India aims at a holistic action plan to create an ecosystem nurtured by clean technologies. In the renewable energy sector, India's National Solar Mission has set the target of solar power capacity of 1000,000 MW by 2022. With this ambitious target, India will become one of the world's largest green energy producers, surpassing several developed countries. Globally, the International Energy Agency identified phasing out inefficient coal power stations as a key plank to promote universal consensus and action on climate change.

Mr. Kalantri called for a coordinated approach by governments, businesses and public to adopt technological solutions that intricately balances the ecosystem with human livelihood.



## Meetings Held in Switzerland and Poland

All India Association of Industries (AIAI) organised several meetings with key officials and experts on various trade-related issues at Geneva in Switzerland.



From (L-R): Mr. J. S. Deepak, Ambassador and Permanent Representative of India to WTO, Permanent Mission of India; Mr. Vijay Kalantri, President, AIAI and Vice Chairman, WTC Mumbai, Ms. Rupa Naik, Senior Director, WTC Mumbai and Ms. Debjani Chowdhury, Advisor, WTC Mumbai



From (L-R): Dr. Shishir Priyadarshi, Head-Development Division, World Trade Organization; Mr. Yonov Frederick Agah, Deputy Director General, World Trade Organization; Mr. Vijay Kalantri, President, AIAI, Vice Chairman, WTC Mumbai; Ms. Rupa Naik, Senior Director, WTC Mumbai and Mr. Navneet Agarwal, Asst. Director–Trade Promotion, WTC Jaipur



From (L-R): Ms. Debjani Chowdhury, Advisor, WTC Mumbai; Mr. Navneet Agarwal, Asst. Director–Trade Promotion, WTC Jaipur; Mr. Vijay Kalantri, President, AIAI, Vice Chairman, WTC Mumbai; Mr. Rajiv K.Chander, Ambassador and Permanent Representative of India to the Office of the United Nations at Geneva and Ms. Rupa Naik, Senior Director, WTC Mumbai



From (L-R): Ms Rupa Naik, Senior Director, World Trade Centre Mumbai and Executive Director , All India Association of Industries; Mr Anurag Thakur, Member of Parliament, India; Mr. Vijay Kalantri, President, All India Association of Industries, Vice Chairman, World Trade Centre Mumbai , Director, WTCA Board, N.Y.





Dr. Mukhisa Kituyi, Secretary General, United Nations Conference on Trade and Development (UNCTAD) (extreme right) seen with Mr. Navneet Agarwal, Asst. Director–Trade Promotion, WTC Jaipur; Mr. Vijay Kalantri, President, AIAI and Vice Chairman, WTC Mumbai and Ms. Rupa Naik, Senior Director, WTC Mumbai



Ms. Rupa Naik, Senior Director, WTC Mumbai; Dr. Mukhisa Kituyi, Secretary General, UNCTAD; Mr. Vijay Kalantri, President, AIAI, Mr. Frank Van Rompae, Representative to the UN and other International Organizations in Geneva, UNIDO and Mr. Rajesh Aggarwal, Director of the Division of Business & Institutional Support and Chief, Business & Trade Facilitation Section, ITC, Geneva



Mr. Vijay Kalantri, President, AIAI with Mr. Alejandro Roca Campana, Senior Director, Access to Information and Knowledge Division, Global Infrastructure Sector, World Intellectual Property Organization and Ms. Rupa Naik, Senior Director, WTC Mumbai



Ms. Rupa Naik, Senior Director, WTC Mumbai (right) interacts with Ms. Dorothy Tembo, Deputy Executive Director, International Trade Centre (ITC), Geneva



Ms. Magdalena Piasecka, Deputy Mayor of Wroclaw, Poland (Centre) seen with (L-R): Mr. Navneet Agarwal, Asst. Director–Trade Promotion, WTC Jaipur; Ms. Rupa Naik, Senior Director, WTC Mumbai; Ms. Debjani Chowdhury, Advisor, WTC Mumbai and Mr. Kartikey Johri, Businessman



Ms. Rupa Naik, Senior Director, WTC Mumbai; Dr. Zbigniew Sebastian, President, Lower Silesian Chamber of Commerce, Wroclaw, Poland; Mr. Navneet Agarwal, Asst. Director–Trade Promotion, WTC Jaipur; Ms. Debjani Chowdhury, Advisor, WTC Mumbai and Mr. Kartikey Johri, Businessman

## **List of Representation / Recommendation Submitted to the Central and State Government**

- ❖ GST – Current Issues and Recommendations
- ❖ Demonetisation Impact on GST and Liquidity Gridlock led Business Growth
- ❖ Exempt Goods and Services Tax (GST) levied on commission earned in foreign exchange on exports of services
- ❖ Frequent changes in rules and regulations of GST will have adverse impact on industry
- ❖ Credit of Input Tax Credit (ITC) on closing stock purchased from exempted units
- ❖ MSME Sector - A Way-out to fulfil – liquidity
- ❖ Measures to improve the economy
- ❖ Suggestions on Service Exports India Scheme (SEIS)
- ❖ Indian Jute Industry the Way Forward
- ❖ Reduction in Stamp Duty
- ❖ Bank and NPA Resolution
- ❖ Issues to resolve NPA
- ❖ Need to create comprehensive approach to resolve NPA issues
- ❖ NPA and suggestions thereof
- ❖ NPA growth concerns vis a vis MSME
- ❖ NPAs remedial measures
- ❖ Suggestions on Petrol and Petroleum products pricing
- ❖ Infra funding issues
- ❖ An amicable solution to address issues of disqualified companies/Directors
- ❖ Doing away with the cost recovery charges at ports and non major ports
- ❖ Insolvency and Bankruptcy Code & MSMEs
- ❖ Mid-term review Foreign Trade Policy
- ❖ Revision of minimum wages
- ❖ MSME Financing
- ❖ Standing Advisory Committee Meeting to Review the Flow of Institutional Credit to MSME sector
- ❖ Suggestions on effective Water Management
- ❖ Urgent amendment in the Negotiable Instruments Act

## Timely and Adequate Finance - Key to MSME Growth



From (L-R): Mr. Benny Y. P. Siahaan, Director, Directorate for ASEAN External Cooperation, MOFA, (Indonesia); Mr. Hemant Mishr, Chief Executive Officer, Asia Cap Investment Advisors Private Ltd. (India); Mr. George Barcelon, President, Philippine Chamber of Commerce, (Philippines); Mr. Vijay Kalantri, President, All India Association of Industries; Ms. Roslina Chai, Chief Learning Officer, Gnowbe (Singapore) and Mr. Johny Chotrani, Chairman, Philippine-India Business Council (Philippines)

**A**ll India Association of Industries (AIAI) organised Delhi Dialogue IX (July 4-5, 2017) in association with the Ministry of External Affairs, Government of India and World Trade and World Trade Centre Mumbai. AIAI organised and participated in a panel discussion on 'India-ASEAN Partnership: Building Regional Network to promote SMEs and Women's Empowerment'. Mr. George Barcelon, President, Philippine Chamber of Commerce (Philippines), a panelist said, "Micro, small and medium size enterprises play a significant role in the economic growth and development of countries. Within ASEAN, MSMEs account for more than 96% of all enterprises, between 52% and 97% of domestic employment and 23%

to 58% of the GDP, as well as 10% to 30% of exports. Sustainable economic growth and job creation will therefore rely on competitive and robust SMEs. While regional partnerships present opportunities, these also present potential threats as they increase competition for MSMEs which must have the ability to adapt to rapidly changing market demand, technological change and capacity constraints relating to knowledge, innovation and creativity".

The event was inaugurated by Hon'ble Ms. Sushma Swaraj, Minister of External Affairs of India who also commemorated the 25th anniversary of India – ASEAN relationship at New Delhi.

Mr. Barcelon further added that catalysing women's entrepreneurial talent can have a significant impact on advancing women's economic empowerment which will help mitigate poverty and will also contribute to socio-economic growth of the region.

Mr. Johny Chotrani, Chairman, Philippines India Business Council said, "In Philippines, the MSME sector is seen as a critical driver of the country's economic growth. There are 900,914 business enterprises operating in Philippines, of which the total number of MSMEs which is 806,609 (89.9%) is micro enterprises.

The MSME sector serves as a supplier and subcontractor to large enterprises and forms a strategic component of the export value chain. Making SME manufacturers internationally competitive is a major challenge that Philippines and India face, especially in the light of rising globalisation and increasing economic integration not only in ASEAN but also in the East Asian region. With the new era of digitisation, new avenues are finally being created for SMEs to tap into resources that were previously unavailable. Of these, innovation in the financial technology sector has a large potential if properly tapped. The peer-to-peer lending has seen an intense growth over the last two years as it has the ability to make a real difference in the financial inclusion space, that will change the game for SMEs and its constraints with financial backing and support, added Mr. Chotrani.

Speaking on enhancing the participation of women entrepreneurs (in ASEAN and India) in the Global Value Chain, Mr. Benny Y. P. Siahaan, Director, Directorate for ASEAN External Cooperation, MOFA (Indonesia) said, besides the government's effort in providing easy access to funding, resources,

technology and training, women entrepreneurs themselves can play a key role by forming a support network which will facilitate exchange of knowledge and experience, develop and propose initiatives to promote economic and trade activities in order to enhance gender equality. It will also empower and strengthen entrepreneurship skills with capacity building which will help in creating a favorable environment for women-led enterprises and support women entrepreneurship in the region opined, Mr. Benny.

Ms. Roslina Chai, Chief Learning officer, Gnowbe (Singapore) said, "Ability to communicate and articulate well is very important to connect and for capacity building. At the individual level of every single entrepreneur, especially in India and ASEAN countries, improved English language proficiency is the key to build strong connectivity and confidence for enhancing the participation of SMEs in the global value chain. She further said that, Gnowbe offers e-learning solutions to enterprises across the globe for training their human resources. Further, it has the capacity to transform the meaning of productivity with its real-time sharing functions by unleashing the power of tacit knowledge inherent in each individual. Setting bilateral industrial channels, sectoral and industrial-based strategies along with formation of incubators which have specific focus will help to raise performance of women entrepreneurs and SMEs in the global scenario.

Highlighting the need for SMEs to become economically and financially viable, Mr. Hemant Mishr, Chief Executive Officer, Asia Cap Investment Advisors Private Ltd., emphasised that SMEs should focus on setting up businesses either in incubators, business parks or Special Economic Zones (SEZs) while borrowing at competitive rates. They must explore the available export opportunities in



various countries and initiate partnerships with various companies including PSUs for supplying their products which will benefit SMEs in the long run. Expand less on fixed cost and use new age technologies i.e. instead of buying server, use cloud space offered by various companies like Amazon, Microsoft opined Mr. Mishr.

He also stressed that for enhancing the competitiveness of SMEs the capacity of financial institutions must be increased to construct profitability lending programmes, while prioritising the development of innovative solutions to collateral issues such as the acceptance of more flexible forms, few fixed assets, use of group guarantees and loan guarantee scheme for them. He further added that, “more emphasis on cash flow than balance sheets in assessment of borrowing capacity, easy and effective loan application assessment methodologies need to be implemented. Business support system must be strengthened through an intermediary role, by building capacities in business services, both public and private. Developing an SME-FDI linkage offer based on the 'fit-to-supply' principle for improving the flow of information and to display supplying opportunities of the potential local suppliers to MNC purchasers will help in the growth of SMEs in India”.

Mr. Vijay Kalantri, President, All India Association of Industries and the moderator of the panel discussion said, “SMEs in India contribute 45% to GDP and are an integral part of the ASEAN and India economies. SMEs have contributed significantly in terms of employment, exports, entrepreneurial activity and economic empowerment and have played an essential role in the economic success of ASEAN countries and India. Increasing SME cross border activities across the region will help in boosting the economic growth and development and will further increase their competitiveness. Women entrepreneurs who form an important part of the SME sector face economic, social and cultural obstacles such as finance, legal issues and societal pressures which need to be addressed timely by the government and policy making agencies, asserting that the current government is actively undertaking a number of initiatives to boost SMEs and women entrepreneurs”.

On this occasion, World Trade Centre Mumbai signed a Memorandum of Understanding (MOUs) with the Philippine Chamber of Commerce to further strengthen the economic and trade relations between both countries.

The panel discussion was held in New Delhi on July 5, 2017.

# Glimpses of World Trade Expo 2017



## World Trade Expo generates tremendous response from 37 countries and 4 state governments

Shri. Suresh Prabhu says Indian economy to leapfrog to USD 5trillion in coming years



(From L - R): Mr. Vijay Kalantri, President, All India Association of Industries (AIAI), Dr. Sonia Sethi, IAS, Additional Director General of Foreign Trade, Directorate General of Foreign Trade, Mumbai, Shri. Vinai Kumar Saxena, Chairman, KVIC, Dr. Arun Kumar Panda, Secretary, Ministry of MSME, Government of India, Dr. Norbert Révai-Bere, Dean, Consular Corps in Mumbai & Consul General of Hungary in Mumbai

Union Minister for Commerce and Industry, Shri Suresh Prabhu lauded World Trade Expo 2017, a first-of-its-kind event in the financial capital of India. The expo was organized jointly by All India Association of Industries (AIAI) and World Trade Centre Mumbai on November 16-17, 2017.

In his video message, Shri Prabhu said, “World Trade Expo will bring in new benefits to trade and industry. We are currently USD 2.5 trillion economy and in the next few years, we will be the third largest economy in the world with a

GDP of USD 5 trillion. Our trade in services and goods is set to increase many-fold. We are going to import more and we are also going to export more. We will also offer services in different kinds. We already have USD 150 billion industry in information technology. We have a large tourism market, we have a large telecommunication market. We are also a leader in financial services.” He further added that the GST will create more business opportunities and provide impetus to economic growth. After reforms like GST, the world is looking more seriously towards India as trade and investment hub.

## SPECIAL FEATURES



Dr. Arun Kumar Panda, Secretary, Ministry of MSME, Government of India said “Every village in India has traditional expertise and skills. They need the right platform to showcase it. World Trade Expo 2017 is a unique platform to integrate India’s khadi and village industries, micro, small and medium enterprises (MSMEs) in the global value chain.

Dr. Panda There are around 60 million MSMEs in India and they contribute 90% to the industrial sector of the country. India’s MSMEs and rural industries are known for ‘frugal innovation’. Events such as World Trade Expo will help in providing MSMEs a platform to scale up their operation to global level.

The inaugural session was also attended by Shri B. H. Anil Kumar, Joint Secretary, Ministry of MSME, Government of India, Dr. Norbert Révai-Bere, Dean, Consular Corps in Mumbai & Consul General of Hungary in Mumbai, Shri. Vinai Kumar Saxena, Chairman, KVIC and Dr. Sonia Sethi, IAS, Additional Director General of Foreign Trade, Directorate General of Foreign Trade, Mumbai.

World Trade Expo 2017 was a great success with the participation of more than 37 countries, four state governments and more than 3,000 visitors representing agriculture, health care, technology, education, manufacturing, tourism and so on visited this unique expo.

The event showcased products and services of industry clusters, start-up enterprises, women entrepreneurs, khadi and village industries. More than 15,000 B2B meetings were held during

November 16-17, 2017 which will result in various business opportunities, technical collaboration, joint ventures, exports, imports and other forms of commercial partnerships.

The participating Ambassadors and Consul Generals expressed optimism on the evolving economic partnership with India. Diplomats from Peru, Bangladesh, Rwanda, Bolivia, Sri Lanka and Indonesia showcased various investment opportunities and tourism potential in their regions.



Dr. Révai-Bere, Consul General of Hungary in Mumbai said, “Incredible India is a land of opportunity. In the last three years, bilateral trade between India and Hungary has grown considerably. This expo

offers best opportunity for Hungary to build network and establish sustainable partnership with Indian business.” He hoped that the next edition of World Trade Expo will have at least 100 countries participating which will give a big boost to international trade relations.



Speaking on the scope for bilateral partnership, H.E. Mr. Sergio Arispe Barrientos, Ambassador Designate, Embassy of the Plurinational State of Bolivia said, “The economy of Bolivia holds tremendous business

opportunity for Indian companies. Government of Bolivia has lined up an investment in 10,000 mw of hydroelectric power projects and it has



planned USD 10 billion worth of projects in infrastructure sector. Mining of lithium, iron ore and copper also offer tremendous investment potential for India. Bolivia shares border with six Latin American countries. The country is not only a hub for manufacturing, but it is also a gateway to Latin America, USA and Canada.”



In his remarks, H.E. Ernest Rwamucyo, High Commissioner of Rwanda to India said, “Investors from India are invited to explore business opportunities in a country ranked number 2 in ‘Doing Business in Africa’ with

zero tolerance to corruption. With abundant opportunities in sectors such as tourism, agro-processing, manufacturing, information and communication technologies and many others, Rwanda is ready for harvest.”

He urged Indian business community to use Rwanda as the ‘Gateway to Africa’ adding that the state-owned Rwanda Air connects more than 26 destinations in Africa with direct flights from Mumbai.

The event also featured a highly impactful panel discussion on ‘Women: Evolving Business’. Women achievers in business, law, media and education participated in the panel discussion and shared their perspectives on women’s empowerment in business and society.

Mr. Vijay Kalantri, President, All India Association of Industries (AIAI) and Vice Chairman, World



Trade Centre Mumbai said, “The 37 participating countries account for 17% of India’s total trade. There is great potential to increase this share to 25% in the course of time. This expo aims to improve India’s international trade

by supporting MSMEs, industry clusters, khadi and village industries and start-up companies. The event also promotes India’s ambitious policies such as Start-up India, Digital India, Make in India and so on. World Trade Expo will be made an annual event with an aim to connect India’s MSMEs, women-owned business and start-up enterprises to the world market.”

Mr. Kalantri suggested Ministry of MSMEs to hold periodic interactions with the regional MSME associations to understand their grievances and resolve them. He also suggested Government of India to revive Standing Committees for promote export and support MSMEs. Mr. Kalantri also recommended the adoption of the concept ‘One Village, One Product’ to encourage grassroots entrepreneurs in villages.

The event was attended by diplomats of Argentina, Bangladesh, Bolivia, Russia, Botswana, Brazil, Congo, Gabon, Ecuador, Ethiopia, Georgia, Fiji, Indonesia, Hungary, Jordan, Malaysia, Uzbekistan, Norway, Peru, Saudi Arabia, Thailand, Sri Lanka, Taiwan, Rwanda, Basque Region of Spain, Lesotho and South Korea, among others. Industry bodies such as The Indo-Italian Chamber of Commerce & Industry and Indo-French Chamber of Commerce and Industry also participated in the expo.



# *Best Compliments*



## Vietnam - an Attractive Destination For Indian Investment and Trade



Over the last 40 years after the war in Vietnam, our efforts to rebuild the country, especially the Renovation (Doi Moi) policy started in 1986, have transformed Vietnam from a country devastated by wars, exhausted by the Western embargo, into a country in peace, an emerging economy and particularly an attractive destination for foreign investors, businessmen and traders. It is not difficult to see several comparative advantages that Vietnam can bring to foreign enterprises in general and to businessmen Indian in particular if they invest and do business or trade in Vietnam.

### Geopolitical position:

Vietnam is located in the Asia-Pacific region which is predicted to be the most dynamic economic region in the next decades, and led by important economic locomotives such as USA, China, India and Japan... Moreover, Vietnam has step by step become an essential link in the global value chain, particularly in electronics, motorbikes, agriculture

and aquaculture.... When doing businesses and trading with Vietnam, Indian enterprises will seize opportunities to access a dynamic economic region of high growth and good forecast of development.

### A country in peace and political - social stability:

Since the end of the war in 1975, the country has become unified and embarked on national rebuilding process and economic development. Vietnam has basically resolved land border disputes with its neighbor countries and normalized relations with its former enemy states. Vietnam is now a peaceful country which has friendly relations with almost all countries in the world, and an active member of more than 70 international or regional organizations.

Vietnam has made important achievements during three decades of reforms and international integration. The living conditions of Vietnamese people have been improved remarkably and Vietnam was among the few UN members that accomplished several MDGs ahead of schedule.

## COUNTRY PROFILE

Since 2010, Vietnam has become a middle-income country and is now implementing the Sustainable Development Goals Agenda 2030 adopted by the United Nations in 2015.

While the world is threatened by terrorism and regional conflicts, foreigner investors and businessmen in Vietnam enjoy a peaceful environment and political and social stability, despite some tense situation in the East Sea for some time.

### **Plentiful in natural resources:**

Vietnam is rich in natural resources such as oil, gas, coal, bauxite, titanium, iron, gold ... This is a good investment field for Indian mining companies.

### **A potential market highly open for international trade:**

Vietnam is firstly a market of more than 92 million consumers. The Vietnamese economy is highly open as trade is 1.6 times of its GDP. Moreover, Vietnam is a part of the ASEAN Economic Community (AEC) of 640 million inhabitants with the combined GDP of \$2, 5 trillion, which stated since early 2016.

In addition, by the end of 2016, Vietnam has signed and implemented 9 other FTAs, completed the negotiations for 2 FTA and has been negotiating 4 others. Of the 10 FTAs signed and implemented, six FTAs were signed by Vietnam as ASEAN members (including AFTA, 5 FTAs between ASEAN and its partners China, Korea, India, Japan, Australia and New Zealand), 4 FTAs signed by Vietnam as independent party (with Chile, Japan, Korea, Eurasian Economic Union). In fact, Vietnam and India are the members of the ASEAN-India Free Trade Area (AIFTA), so Indian businesses enjoy important tax privileges when trading with Vietnam.

Vietnam is in the world top of first exporting country for many export products as: pepper, cashew nuts, coffee, rice, seafood and rubber... So India traders will meet potential suppliers of these goods if they trade directly with Vietnamese partners.

According to the Customs General Department of Vietnam, bilateral trade between Vietnam and India increased from \$2.74 billion in 2010 to \$5.4 billion in 2016, of which Vietnam's exports are approximately \$2.7 billion and imports reached \$2.7 billion. India is one of the top 10 trading partners for Vietnam. Indian exports to Vietnam mainly machinery, materials for production and livestock feed, pharmaceuticals, cotton, steel ... India imports from Vietnam mainly industrial products, consumer goods highly-value-added (such as machinery, equipment, computers and spare parts), rubber, chemicals, coffee, pepper, yarn etc. The Vietnam and India Governments are striving to bring bilateral trade volume to \$15 billion by 2020. To achieve this goal, we need many efforts from both sides and it depends not only on the political determination of the Vietnam and India leaders, but also on the active participation of businessmen of our two countries.

### **Rich in of human resources:**

By 2015, Vietnam had more than 55 million workers and is expected to grow to over 65 million by 2025. This is mainly a young, highly educated work force (*from 2016 to 2025, 0.5 million of college and university graduates added to the labor force every year*) with good quality (*hard working and adaptive and innovative culture*), who can accept low salary.

### **An emerging economy with high steady growth and good business environment:**

The Vietnam economy has been doing very well

with annual growth of 6% for more than 20 years; its GDP has grown to more than \$220 billion and income per capital exceeds \$2,100. Throughout the process of international integration and economic openness, Vietnam has consistently maintained reforms to liberalize its economy and improve the business environment for foreigners. The Vietnam Government is continuing to take specific measures to restructure its economy, stabilize the macro economy and accelerate the process of industrialization and modernization. Many international economic institutions has appreciated our economic reforms and forecasted that Vietnam will maintain high economic growth in the coming years.

#### **A favorable context of the comprehensive strategic partnership between Vietnam and India**

Vietnam and India are connected by the traditional friendship which had been tested in their difficult times and upgraded to a strategic partnership in 2007 and a comprehensive strategic partnership in 2016. Our comprehensive strategic partnership has created a synergy for better relations between the two countries in all fields of cooperation such as politic, economic, trade, investment and culture, education... The two countries share many common interests and have the same point of view and solutions on important issues of our region and world. The consensus on politic and foreign policy views between Vietnam and India provides a solid basis to improve trade and investment relations between the two countries. For many years, the Government of India has given preferential credits lines for joint projects with the participation of Indian and Vietnamese enterprises.

The potentialities and opportunities for investment and trade between Vietnam and India are numerous and need to be explored and exploited by the two countries' businessmen so as to bring bilateral

investment and trade relations in keeping with the current fine political relationship. We believe in the prospect of trade and investment cooperation between the two our countries and are willing to do our best to help businessmen of our two countries to connect and find cooperation opportunities.

#### **An attractive destination for Indian investment:**

Thanks to the open policy, economic reforms and means to improve the investment environment through the promulgation of the Law on Foreign Investment, the Companies Law, the Law on Public Investment ... Vietnam has become one of the most attractive land for foreign investment. Foreign Direct Investment (FDI) flow into Vietnam amounted to \$300 billion.

India is currently ranked 28th out of 116 countries and territories investing in Vietnam, with 134 projects and total registered capital of over \$700 million. Indian companies invest mainly in the fields of food processing, manufacturing, communication and mining... and locate mainly in Ho Chi Minh City, Phu Yen and Bac Ninh provinces. The India FDI projects India do not only create more jobs in Vietnam, but also contribute to the transfer of advanced technology from India. There are many projects of applying science and technology for the purpose of production development, renewable energy, biological resources, environment protection... However, the investment of India in Vietnam remains modest and needs to be promoted in the future, especially in the areas of India's strengths and Vietnam's needs, such as: services, information technology, biotechnology, pharmaceuticals, textiles, leather shoes, defense industry...

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



## Key Economic Indicators

Wholesale Price Inflation						
	July 2017	Aug 2017	Sep 2017	Oct 2017	Nov 2017	Dec 2017
All Commodities	1.88	3.24	3.14	3.68	3.93	3.58
Primary Articles	0.61	2.97	0.69	3.72	5.28	3.86
Fuel and Power	4.37	9.86	10.46	10.87	8.82	9.16
Manufactured Articles	2.09	2.36	2.99	2.62	2.61	2.61

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Consumer Price Inflation (Combined Y-o-Y)	
July 2017	2.36
Aug 2017	3.28
Sep 2017	3.28
Oct 2017	3.58
Nov 2017	4.88
Dec 2017	5.21

Source: RBI Database of Indian Economy

Index of Industrial Production (Y-o-Y Growth in per cent)				
	Overall	Mining	Manufacturing	Electricity
June 2017	-0.3	0.1	-0.7	2.1
July 2017	1.0	4.5	-0.1	6.6
Aug 2017	4.5	9.2	3.4	8.3
Sep 2017	4.1	7.8	3.8	3.4
Oct 2017	2.2	0.2	2.5	3.2
Nov 2017	8.4	1.1	10.2	3.9

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Core Sectors' Growth (in per cent)									
	Coal	Crude Oil	Natural Gas	Refinery Products	Fertilizers	Steel	Cement	Electricity	Overall Index
June 2017	-6.7	0.6	6.4	-0.2	-2.7	6	-3.3	2.2	1
July 2017	0.6	-0.5	6.6	-2.7	0.2	9.4	1	6.6	2.9
Aug 2017	15.4	-1.6	4.2	2.4	-0.6	2.2	0.7	8.3	4.4
Sep 2017	10.4	0.1	6.3	8.1	-7.7	3.7	0.1	3.4	4.7
Oct 2017	3.9	-0.4	2.8	7.5	3	8.4	-1.3	3.2	5
Nov 2017	-0.2	0.2	2.4	8.2	0.3	16.6	17.3	1.9	6.8

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