

5th Global Economic Summit 2015



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IF IT'S MARUTI IT MUST BE VITESSE

President's Desk



Dear Members,

We wish you a very Happy & Prosperous New Year!

The year 2015 was indeed eventful for the Association, the AIAI hosted and organized noteworthy business

meetings with international delegates, government officials and Experts. The meetings held during the year were significant particularly as these delegations were led by prominent leaders and investment promoting agency chiefs.

In this issue we feature a report on Quantitative Easing which analyses the Monetary dynamics in India, its fiscal policies and recent trends affecting the country's economy. The AIAI shares its views on Smart Cities which speaks of the basic objectives of the Smart City initiative outlining its requirements, opportunities and challenges.

The Case Study on The Indian and other Economies takes a look at the Indian Economy in Comparison with China and other countries.

During this period, we had the privilege to host the Rt. Hon. Sir Anerood Jugnauth, Prime Minister of the Republic of Mauritius, H.E. Mr. Jerzy Witold Pietrewicz, State Minister for Economy, Poland, H.E. Mr. Vazil Hudak, Minister of Economy, Slovak Republic, Ms. Zofia Szalczyk, Deputy Minister, Ministry of Agriculture and Urban Development, Republic of Poland and Mr. Krzysztof Grabczuk Deputy Marshall of Lubelskie Province, Poland along with high level official and business delegations

In addition the AIAI hosted various other high profile business delegations and trade missions that provided a platform for members to interact with business counterparts from other countries.

AIAI in association with WTC Mumbai presented a session on Global Value Chains and Changing Patterns of Value Added Trade in Developing

Economies at the WTO Public Forum in Geneva. The forum discussed the integral aspects of global trade and its benefits for economic integration.

The 18th India Micro Small and Medium Enterprises Report was released by Mr. S.S. Mundra, Deputy Governor, Reserve Bank of India at an event organized by AIAI in association with Institute of Small & Medium Enterprise and Development, Cochin.

In our representations to the Government we took up the very significant issue of Sugar industries and Sugar Cane growers, the sugar industry effected by a major economic crisis is on the verge of a shut down which also puts into jeopardy the future of sugar cane growers. The fair Remuneration Pricing have added to the woes of the industry. Considering these circumstances the AIAI along with other associations have proposed that the Centre on a priority take up these issues and recommend a proposition with a Fair Price Formula (FRP) for all concerned.

Alongside this the association has also taken up various other important issues concerning industry and MSMEs some of them being Copper and Copper Alloy, Aluminium, Bauxite, Taxation, GST, Service Tax on Dredging besides other important issues.

A brief report on the proceedings of the Global Economic Summit "Enabling Food for All" which was a great success completes this issue.

As always we would like to leave our readers with the strong feeling that the AIAI News is more than just a Magazine it is an avenue for the association to take forward the members interest.

In case you would like to share your experiences or articles you are welcome to do so.

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

Vijay Kalantri

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by Ms. Rupa Naik, Executive Director-AIAI

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H.E. Vazil Hudak, Minister of Economy, Slovak Republic visits India



From L-R: Ms. Rupa Naik, Executive Director, AIAI, Mr. Amit Choksey, Honorary Consul, Slovak Republic in Mumbai, Ms. Dominika Bartosova, Commercial & Economic Attaché, Embassy of the Slovak Republic, New Delhi, H. E. Mr. Zigmund Bertok, Ambassador, Embassy of the Slovak Republic, New Delhi, Mr. Vijay Kalantri, President, All India Association of Industries and Vice Chairman, World Trade Center Mumbai, Mr. Vazil Hudak, Hon'ble Minister of Economy, Slovak Republic, Mr. Y. R. Warekar, Executive Director, World Trade Centre Mumbai and Ms. Zuzana Nehajova - General Director, Ministry of Economy, Slovak Republic during Business Forum on "Doing business with the Slovak Republic" with Mr. Vazil Hudak, Hon'ble Minister of Economy, Slovak Republic accompanied by a Ministerial Delegation at World Trade Centre Mumbai

A business delegation led by the H.E. Mr. Vazil Hudak, Minister of Economy of Slovak Republic, H.E. Mr. Zigmund Bertok, the Ambassador of Slovak Republic to India, Ms. Dominika Bartosova, Commercial & Economic Attaché, Embassy of Slovak, Ms. Zuzana Nehajova from the Ministry and Mr. Amit Choksey, the honorary Consul General of Slovak Republic, on October 8, 2015 at the World Trade Centre Mumbai.

H.E. Mr. Hudak gave an overview of the Slovak Republic and said, "It is a best time to invest, as the country is safe politically and has a robust economy." He also informed that Tata motor's Jaguar Land Rover will be India's first company to invest in the Slovak Republic.

The officials also elaborated on the new schemes and measures initiated to provide incentives start-ups and entrepreneurs. They said the government had initiated measures to help in ease of doing business in Slovak Republic.

The delegation visited Mumbai to promote commercial collaborations and seek Indian

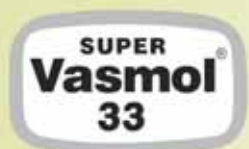
investments in engineering, Information Technology and automobile components, defense, agriculture, pharmaceuticals, renewable energy, mainly wind and solar energy in the Slovak Republic.

Mr. Vijay Kalantri, President All India Association of Industries (AIAI) and Vice Chairman WTC Mumbai and in his welcome speech said that Indian companies have a lot of potential in investing in Slovak Republic. "Tata Motors Land Rover is a leading company and we are very happy that they have shown interest in investing in Slovak Republic. Their country has grown in the last ten years and India being a Asian leader has a lot of investment opportunities," said Mr. Kalantri.

Mr. Kalantri remarked that this is an opportune time to promote the bilateral trade links between the two countries, as it will help promote 'Make in India,' mission of the Prime Minister, Narendra Modi. "We can encourage joint collaboration for make in India to help import, do assembling and manufacturing, it does not mean 100% make it here. We can collaborate.



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Russian-Indian Film Festival inaugurated at the Russian Centre for Science & Culture in Mumbai



Mr. V. V. Dementiev, Director, Russian Centre for Science and Culture, Mumbai, Mr. Sergei I. Kotlyar, Acting Consul General of Russia in Mumbai, Mr. Randhir Kapoor, Actor, Producer & Director of Indian cinema, Mr. Yakov Kaller, Russian film Producer, Ms. Svetlana Roshchenko, Russian Film Director, Russian Interpreter, Mrs. Rupa Naik, Executive Director, AIAI and Ms. L. A. Visaeva-Nasibullin, Secretary, Russian Consulate in Mumbai at the inauguration of the Russian Indian Film Festival being organized by the Russian Centre for Science & Culture in Mumbai in association with All India Association of Industries (AIAI)

Veteran Film Actor, Producer & Director Mr. Randhir Kapoor inaugurated the Russian – Indian Film Festival on Saturday, 12th December, 2015 at the Russian Centre for Science and Culture (RCSC) in Mumbai.

The week-long festival was organised in association with the All India Association of Industries (AIAI).

Mr. Sergei I. Kotlyar, Acting Consul General of Russia in Mumbai, Mr. V. V. Dementiev, the Director of the RCSC, Mumbai, Mrs. Rupa Naik, Executive Director of All India Association of Industries, Russian Film Producer Mr. Yakov Kaller and Director Ms. Svetlana Roshchenko were at the inaugural.

Mr. Randhir Kapoor congratulated the RCSC, Mumbai and the AIAI for taking the initiative for

organising the festival and remembering his late father and legend Raj Kapoor.

The inaugural documentary film “Raj Kapoor, Comrade Awaara” produced by the Russian film Producer Mr. Yakov Kaller and Directed by Ms. Svetlana Roshchenko received standing ovation from the audience.

People enjoyed the photo-exhibition on rare pictures of Raj Kapoor's life specially brought by Ms. Svetlana Roshchenko which was on display at the venue.

Three documentaries, three Russian feature films and four Hindi Films were screened during the festival.

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so that I can give."*

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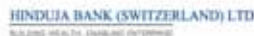
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Shangdong Provincial Federation of Industry and Commerce to promote trade with India

A business delegation of Shangdong Provincial Federation of Industry and Commerce (SPFIC) signed a Memorandum of Understanding with World Trade Centre Mumbai and All India Association of Industries on September 28, 2015 at World Trade Centre Mumbai.

Mr. Zhao Yan Tong, the Vice Chairman of SPFIC said this was an auspicious time to sign MoU and it is just the beginning of a working relationship which has begun at the time of Indo-Chinese festivals.

“We were here at the time of your elephant God festival which concluded yesterday. We too were in the middle of the autumn festival in China. This signifies the bond between our two countries.

We have already signed MoU of friendly relationship and take this opportunity to have further cooperation with you,” said Mr. Tong.

Mr. Tong congratulated the WTC Mumbai for hosting his delegation. He correlated the government policies of China to India and the efforts to make them successful by such visits.

“We are trying to follow economic strategy set by the President, Mr. Hu Jintao. We want to use this opportunity to further the business relations and cooperation with the business community in Mumbai through the WTC Mumbai. Shandong is the largest province and huge contributor to the Chinese economy. Your business community will benefit coming to our province,” said Mr. Tong.

Mr. Tong highlighted the important sectors of Shandon province primarily food manufacturing and processes industry, vegetables and seafood, coal and oil.



Exchange of signed MOUs between Mr. Zhao Yantong, Vice Chairman, Shangdong Federation of Industry & Commerce and Mr. Vijay Kalantri, President, All India Association of Industries during an interactive meeting with Economic and Trade Delegation from Shangdong, China at WTC Mumbai

Mr. Vijay Kalantri Vice Chairman WTC Mumbai and President All India Association of Industries (AIAI) welcomed Tong and the delegation. He expressed pleasure signing the MoU and said WTC Mumbai and AIAI are committed to promote trade and exports for India. “We look forward to mutual working relations. We will help create more business opportunities for our Indian businessmen,” said Mr. Kalantri.

He further added, “Currently India-China has trade of nearly \$800 billion which are expected to rise to \$100 billion. We will definitely promote business links to Shangdong province.”

Both Mr. Tong and Mr. Kalantri emphasised on the strong traditions that China and India share.

Polish Government to import Indian agro products



Ms. Zofia Szalczyk, Deputy Minister, Ministry of Agriculture and Urban Development, Government of Poland presenting memento to Mr. Vijay Kalantri, President, All India Association of Industries and Vice Chairman, World Trade Centre Mumbai. Others looking on (L-R) Mr. Y. R. Warerkar, Executive Director, World Trade Centre Mumbai, H.E. Mr. Tomasz Łukaszuk, Ambassador, Embassy of Poland to India, Mr. Leszek Brenda, Consul General, Consulate General of Poland in Mumbai during an interactive meeting with high level ministerial delegation from Poland.

Leading a delegation to Mumbai to promote Polish agro and allied companies, Ms. Zofia Szalczyk, Deputy Minister, Ministry of Agriculture and Urban Development urged Indian exporters to bring tea, basmati rice, mangoes and spices to Poland. She urged the Indian companies to raise their benchmark of achieving the European Union standards as she said the opportunities are vast. The Deputy Minister was speaking to Indian exporters at the World Trade Centre, Mumbai on Monday September 14, 2015.

“Polish people will be happy to buy Indian rice, teas, spices as the Ambassador said initially. 60 years after the bilateral relationship, it is time to translate our diplomatic relations into mutual trade one,” said Ms. Szalczyk. She emphasized investments in higher technology in agricultural sector pays yield in the long run.

Szalczyk explained that till 11 years ago, Poland was an importer of all food products. They invested close

to 40 million Euros in new technologies for farmers and that yielded positive results. Ms. Szalczyk suggested for Indian agriculture to reach newer heights, “The state needs to subsidize agriculture and help the farmers economically. The farmers need to be educated, especially about soil, weather changes, the irrigation methods and other information useful for their farms.” Her motto is, “Encourage investments to motivate farmers to stay in their farms.”

Ms. Szalczyk was accompanied by H.E. Mr. Tomasz Lukaszuk, Ambassador of Poland in India, said the Annapurna exhibition was helping open doors on Indian markets. H.E. Mr. Lukaszuk said that Polish food products were already in Indian markets and now they wanted Indian products to hit Polish markets. “We need rice in Poland and we urge Indian companies to bring their Basmati rice to us. Indian Spices has a big market as we get it in large numbers. But most of all we don't have mangoes. You will have a big market there,” said the Ambassador.

He added, "We will be holding a food exhibition and we call upon Indian companies to come in large numbers to showcase their products for exporting to Poland."

The Polish government delegation also included Mr. Tadeusz Klos, Main Inspector of Plant Health and Seed Inspection who explained to the Indian exporters the EU standards and practices to have been adhered to.

In his opening remarks, Mr. Vijay Kalantri, President, AIAI and Vice Chairman, WTC Mumbai said he was confident the bilateral trade between India and Poland would increase from \$2.5 billion to \$5 billion in next two years. He assured the Polish delegation

of helping Indian traders with their trade concerns. "We will help Indian companies to export to Poland to enhance the trade prospects between the two countries," said Mr. Kalantri.

"60 years after the bilateral relationship, it is time to translate our diplomatic relations into mutual trade one,"
Ms. Zofia Szalczyk
Deputy Minister,
Ministry of Agriculture and Urban Development, Poland

Mrs. Rupa Naik, Executive Director, AIAI and Director (Projects) WTC Mumbai in her vote of thanks appreciated the Deputy Minister for her support for Global Economic Summit 'Enabling food for all,' which she promised to attend. "GES won't be complete without the Polish participation," said Mrs. Naik.

Mrs. Naik thanked the delegates and the distinguished guests for leading a delegation to promote agriculture and other allied sectors.

Adopt a Tree @ Sagar Upvan



It gives us immense pleasure to introduce to you a new initiative by the All India Association of Industries to revive the ecological balance in Mumbai. "Adopt a tree" a step to help and develop "Sagar Upvan" a botanical garden developed by the Mumbai Port Trust (MbPT) located at Colaba. The adoption includes maintenance of a tree or a section of the garden, security, planting of new variety of plants to ensure a well maintained public space. An initiative that boosts the ecosystem without impacting your pockets.

The Sagar Upvan had been under the adoption programme of AIAI since 2004, as a token of commitment towards the city and creating a better environment for the public. This botanical garden is one of the best gardens in Mumbai comprising an area of 46,000 Sq.meters approx. This garden has been the recipient of the "Best Garden" Award by the Friends of Trees (NGO) many times. The rich plant diversity is visible, as variety of botanical plants, flowering trees, seashore plants, cacti in a glasshouse, palms and bamboos, and medicinal plants are flourishing within the Garden.

You can adopt a tree or a section of the garden "Sagar Upvan" @ Rs. 25,000/- per quarter for a tree and INR 50,000/- per quarter for a section or an amount as you may deem fit for a period of one year and support our eco-friendly project under your Corporate Social Responsibility (CSR) programme/project. In lieu of your contribution towards Sagar Upvan, we shall give due publicity by displaying a board with your organization name beneath the tree adopted by you.





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Farewell to the Dean of Consular Corps



Mr. Vijay Kalantri, President All India Association of Industries and Vice Chairman, World Trade Centre Mumbai, Mrs. Lerato Malefane, Mr. Pule I. Malefane and Mr. Kamal Morarka, Chairman, World Trade Centre Mumbai during the farewell function organized in honour of the Dean of the Consular Corps by the All India Association of Industries and World Trade Centre Mumbai.

India grows on you, I am leaving India with a heavy heart. The city of Mumbai and its people will always leave us with precious memories of the last 5 years, said Mr. Malefane in his farewell speech.

Mr. Malefane added that "I will forever remember the hospitality and warmth extended to me and my wife during our stay in Mumbai. Mumbai being economic and commercial capital of India has given me a lot of opportunities during my tenure to strengthen bilateral trade relations of the two countries".

Mr. Malefane added that over the 5 years me and my family believe that Mumbai is our home and not

South Africa this is the kind of feeling and warmth that was given to us by the people of this magnificent city. In a lighter sense he recalled that, when we were in South Africa my children asked when are we going back home i.e. Mumbai.

Mr. Kamal Morarka, Chairman, World Trade Centre Mumbai felicitated Mr. & Mrs. Malefane on behalf of All India Association of Industries and World Trade Centre Mumbai.

The farewell reception was well attended by eminent personalities, Industrialist, consular corps and government officials.

*"The city of Mumbai
and its people will always
leave us with precious memories"*
Pule I. Malefane

Double Taxation is there to stay



I am indebted to the people of India who have been responsible for developing various sectors such as Information Technology, Pharma, Health, Medicare, and infrastructure in Mauritius said Hon'ble Prime Minister of Mauritius The Rt. Hon. Sir Anerood Jugnauth GCSK, KCMG, QC during his visit to India along with an official delegation at an Interactive Meeting organized in his honour along with the visiting delegation.

The Hon'ble Prime Minister further added that the people of India have a strong bonding with Mauritius. All Mauritians have their roots in India. There are a number of Indian languages spoken in Mauritius and Indian festivals are also celebrated.

Hon'ble Sir Jugnauth said that the double taxation treaty with India is there and will remain as there is no sign of any unfair practice nor misuse nor its

money laundering. In fact it brings in more investments to India and its working is totally transparent.

Hon'ble Sir Jugnauth further stated that during the visit of the Indian Prime Minister Mr. Narendra Modi, we had discussion on the side lines of Africa Summit and we look forward to long term cordial relation with India and exchange of trade and business opportunities. In case of any change it shall benefit Singapore and the continuation of this treaty is vital for our relation.

Recalling that during the visit of the Former Prime Minister, the Late Mrs. Indira Gandhi, who had a special affection for Mauritius commented that Mauritius is a 'Little India'. Sir Jugnauth also said that the Late Prime Minister occupies a special place in the hearts of Mauritians and India is like Mother India to the people of Mauritius

Hon'ble Sir Jugnauth further mentioned that the people of Mauritius are basically Indians who migrated to Mauritius as working class and now today are placed at high positions in Government Offices, Academia and Industries in Mauritius. Adding that he has a very close bonding with India and visits India every year.

Hon'ble Sir Jugnauth further stated that there is a lot to explore between the 2 countries in the tourism and hospitality space and welcomed investments in the hospitality sector. With 100 percent FDI into Mauritius and promising substantial imports from India into Mauritius he felt stronger aviation ties will help to boost both business and leisure traffic between the countries.

Hon'ble Sir Jugnauth remarked, "First of all it is time we revive Air Mauritius, which is facing tough times. We have recently bought four new aircrafts and would be glad to re look at the bilateral agreements in aviation. We would be keen to work with India in the field of medical tourism and healthcare and in the education space. We import in billions from India."

Mr. Vijay Kalantri, President, All India Association of Industries (AIAI) and Vice Chairman World Trade Centre Mumbai said that "Mauritius is a perfect



destination as a hub to link with Africa especially in the areas of argo, Pharma, textile, IT, tourism, health tourism, film tourism and entertainment sector are the emerging business opportunities that should be explored.

Mauritius is a "Little India"
Hon'ble Sir Jugnauth

Mr. Nayan Koomar Ballah - Secretary for Home Affairs, H.E. Mr. Jagdishwar Goburdhun -

High Commissioner of Mauritius, Mr. T.K. Chamane - Consul General of the Republic of Mauritius and Board of Investment of Mauritius were also present on the occasion. The meeting was attended by industrialists who are keen to invest and strengthen trade ties with Mauritius particularly in the field of logistic, shipping, entertainment, food, textile, security, electronics and IT.

**Attention
Exporters**

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

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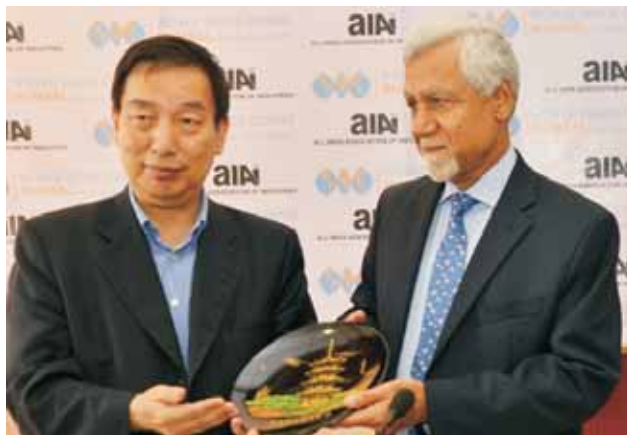
Quanzhou explores business collaboration with India

"There is huge scope for co-operation between India and China beyond the traditional sectors like agriculture, minerals, silk, footwear. India can collaborate with China on some of the emerging industries in Quanzhou like life science, pharmaceuticals, energy savings, environment protection, renewable energy equipments said Mr. Li Jiping, Vice Chairman, Chinese People's Political Consultative Conference (CPPCC), Quanzhou Municipal Committee at an interactive meeting jointly organized by All India Association of Industries (AIAI) and World Trade Centre Mumbai

Mr. Jiping said that "Quanzhou is a major port city in China and its port was listed as one of the 15 coastal ports fully supported by the state. Quanzhou exports 30-40% of the goods manufactured in the city." He invited Indian companies to establish their businesses in Quanzhou and benefit from the comprehensive reforms being implemented in financial services and industrial sectors.

Mr. Jiping led a high-level delegation which included Mr. Wang Kesi, Vice Chairman, The Development and Reform Commission of Quanzhou, Mr. Huang Yanping, Chairman, China Council for the Promotion of International Trade (CPPIT) Quanzhou Municipal Branch, Ji Shixian, Executive Vice President, An Sheng Shipping Co. Ltd, Wen Jinhui, Deputy Director, Foreign Affairs & Overseas Chinese Affairs Office HK & Macau Affairs Office of Quanzhou Municipal People's Government.

Speaking on the economic progress of Quanzhou city, Mr. Jiping informed that it is known as 'Special Zone of Private Economy' having over 45,000 private enterprises who contribute 92% to the total industrial output of the municipal region. He further informed that Quanzhou is honoured as one of the first "top 40 cities with the hard environment best for investment" and the city with the best potential for investment in People's Republic of China's 60 years of existence. Mr. Jiping pointed out that the leading sectors in Quanzhou city are silk, porcelain, art work, shipping and logistics.



Mr. Li Jiping, Vice Chairman, Chinese People's Political Consultative Conference (CPPCC), Quanzhou Municipal Committee and Capt. Somesh Batra, Vice Chairman, World Trade Centre Mumbai at an interactive meeting organized by All India Association of Industries and World Trade Centre Mumbai.

Capt. Somesh Batra, Vice Chairman, World Trade Centre Mumbai said India and China had traditionally strong cultural and economic relationship. Both the countries must collaborate to exploit the mutual complementarities between the economies, he informed.

Capt. Batra specifically mentioned solar energy, infrastructure, transport as potential areas of collaboration between both the countries. Inviting Chinese companies to invest in India, Capt. Batra pointed out that India has a big consumer market and cheap availability of labour.

He further informed that India offers huge opportunity for Chinese companies as the economy is growing at 7.5%, higher than China's 6.4%.

Meanwhile, officials from An Sheng Shipping Co. Ltd, which is part of the delegation, evinced interest to open an office in World Trade Centre Mumbai.

While inviting Indian companies to explore business opportunities in Quanzhou city, Mr. Yanping assured that he would assist them in case of commercial disputes with their Chinese counterparts.

An introductory film on the social, economic, political, geographical features of Quanzhou city of China was shown during the meeting.

NPA is not a Sin, needs hand-holding by Banks



Mr. S. S. Mundra, Deputy Governor, Reserve Bank of India releasing "India Micro, Small and Medium Enterprises Report 2015" on November 26, 2015 at World Trade Centre Mumbai. (L-R) : Ms. Rupa Naik, Executive Director, All India Association of Industries and Director - Projects, World Trade Centre Mumbai, Mr. Vijay Kalantri, President, All India Association of Industries and Vice Chairman, World Trade Centre Mumbai and Dr. P. M. Mathew, Director, Institute of Small Enterprise and Development

"NPAs are not to be disregarded. The occurrence of the NPAs is largely due to the uncontrollable or unexpected factors in the economy and the willful default by the borrower is only a miniscule. An account becoming an NPA at the discretion of the borrower is a very small percentage. The NPA status only reveals that there are difficulties in the account; so it will not generate the same kind of cash flow which was originally envisaged. What is important is when an account becomes an NPA, bankers and all agencies are concerned should do the hand-holding, as it is not a sin but reflects the constraints faced by the small and medium sector units observed Mr. S.S. Mundra, Deputy Governor, Reserve Bank of India at the release of the 18th India Micro Small and Medium Enterprises at an event organized by World Trade Centre Mumbai and All India Association of Industries (AIAI) in association with Institute of Small & Medium Enterprise and Development, Cochin.

Mr. Mundra added that small and medium enterprises must be encouraged to come on board the soon to be launched Electronics Trade

Receivables Discounting System (TReDS). The trade platform will be an efficient, transparent and real time system to settle receivables.

Referring to the credit guarantee fund trust for micro and small enterprises (CGTMSE) Scheme, Mr. Mundra said that industry bodies and other stakeholders should join the CGTMSE as the government was planning to raise the funding ceiling under the scheme. This could bring in discipline in payment by large corporate to the SMEs. Further, RBI has taken various measures to boost bank credit to the MSME sector and it would continue to take more steps to support the sector, added Mr. Mundra.

The regulations, as they are, have evolved over a long period of time. Some of you will recollect that when we first put the regulation way back in 1993-94, the period started with one year, then it became 180 days, and now we are at 90 days which is matching with most of the global regulation. If regulation can also be come pro-cyclical, than it will not be a regulation, Mr. Mundra added.

Mr. Mundra further said that Reserve Bank of India does not look at any single data point while determining interest rates the latest international data like the US unemployment claims will not have any bearing on RBI's interest rate, as the overall view is taken while taking such important decisions, and not one individual factor.

Dr. P.M. Mathew, Director at the Institute of Small Enterprise and Development presented the key findings of the India Micro, Small and Medium Enterprise Report 2015. The Report highlights the state of the MSME and start - up sector in India and abroad. The Report outlines policy recommendations for the growth of this sector. Dr. Mathew said the government must introduce, among other things, National MSME Innovation Policy, export capability enhancement fund, restructuring of start – up programmes, introduction of rural services observatory, introduction of development finance network etc. While the government has introduced MUDRA bank to enhance flow of funds to the MSME

sector, a lot needs to be done to enhance support system to this sector, Dr. Mathew said.

Mr. Vijay Kalantri, President – All India Association of Industries raised concern about the various issues plaguing the MSME sector in India including lack of timely access to bank credit at reasonable interest rate. Mr. Kalantri expressed that MSMEs in India need guidance on sound human resource management, skill development, marketing, finance and other related areas.

Mr. Kalantri urged leaders in RBI, government and other policy making bodies, regulatory institutions, media agencies to take up the cause of the MSMEs and address the issues faced by them. Emphasizing on the importance and diversity of the small and medium enterprises. Mr. Kalantri further informed that units in this sector produce around 8,000 products, 40% of GDP, over 60% of employment and 45% of exports in India, the small scale sector is the only sector that can address regional imbalance, Mr. Kalantri opined.

Agreements of Co-operation September - December 2015

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

- Shandong Federation of Industry & Commerce – September 28, 2015
- World Trade Centre Xiamen – December 7, 2015

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

- a) Exchange of trade and investment related information in order to promote international trade and investments.
- b) Exchange of business proposal for joint ventures, collaborations and technology transfers.
- c) Promote the exchange of trade mission between the two countries and set up business contacts.
- d) Exchange of publications and information of bilateral trade, foreign trade and investment policies of their respective countries.
- e) Exchange of trade delegations.
- f) To regularly exchange information and help organise exhibitions and international fairs and encourage their members in participating in such events.

World Trade Center Xiamen calls for strengthening China-India collaboration



Mr. Vijay Kalantri, Vice Chairman, World Trade Centre Mumbai and President, All India Association of Industries presenting bouquets and mementoes to Mr. Scott Wang, Vice President- Asia Pacific, World Trade Centers Association, New York (left of Mr. Kalantri) and Mr. Zhong Chen, Vice Chairman, World Trade Center Xiamen (right of Mr. Kalantri). Looking on is Ms. Rupa Naik, Executive Director, All India Association of Industries during an interactive meeting organized by AIAI and WTC Mumbai.

“The business community from the Chinese province of Xiamen is keen to invest and trade with India in the areas of infrastructure, energy and electronic goods. World Trade Centre Xiamen, China Council for the Promotion of International Trade Xiamen Committee and Xiamen Chamber of International Commerce would jointly work with All India Association of Industries (AIAI) and World Trade Centre Mumbai in promoting trade between Xiamen and India.

To promote this co-operation, information on legal, regulatory and policy environment in India must be furnished to Chinese companies regularly and a one-point contact established. Chinese entrepreneurs are also seeking collaboration with their Indian counterparts in the e-commerce sector,” remarked Mr. Zhong Chen, Vice Chairman, World Trade Center Xiamen during an interactive meeting with the members of the All India Association of Industries and World Trade Centre Mumbai.

The delegation from World Trade Center Xiamen was led by Mr. Scott Wang, Vice President Asia Pacific, World Trade Centers Association. Mr. Vincent Lin, Director, Ribest Ribbons & Bows (India) Pvt Ltd was also part of this delegation. The purpose of the visiting delegation is not only to strengthen the bilateral relation between Xiamen and India, but also to invite members of WTC Mumbai to China International Fair for Investment and Trade (CIFIT) which is scheduled in September 8-11, 2016 in China.

During the meeting, World Trade Center Xiamen signed two Memoranda of Understanding (MoUs), one with World Trade Centre Mumbai and the other with All India Association of Industries (AIAI) to facilitate business between both the countries.

Mr. Wang informed that the Chinese missions to India have been the highest by far in the last one year. He highlighted the need for strengthening the

commercial ties between India and China. He said the east Asian economies, which include China, Japan have had strong economic relationship with south east Asian countries like Indonesia, Vietnam, Thailand etc. However, east Asian economies do not have strong economic ties with India and other south Asian economies. In this regard, he said World Trade Centres Association would take all efforts to strengthen commercial relationship between India and China. As part of this effort, he said World Trade Centers Association would promote extensively the Global Economic Summit 2016 and he would ensure the participation of Chinese delegation in this event. World Trade Centers Association would also organize a training programme to inculcate best practices in trade promotion among World Trade Centres in India, Mr. Wang said. Pointing out that there are 46 World Trade Centers in China, Mr. Wang suggested Indian entrepreneurs to take the service of these centers while doing business in China.

Further elaborating China's commercial presence in India, Mr. Chen said China Council for the Promotion of International Trade (CCPIT) is operating a sales and marketing office in Mumbai. He informed that CCPIT promotes exports of goods and services from China to India in 13 sectors. Adding that the World Trade Centre Xiamen has proposed India as an important market to be linked by the ambitious One Belt One Road project, being implemented by the Chinese government.

Mr. Lin pointed out that there are many advantages in investing in India. The advantages include availability of cheap labour, availability of land, power and other infrastructure facilities. Specifically, he said the cost of labour in India is around 30% cheaper than that in China.

Speaking about his organization's activity in India, Mr. Lin said Ribest Ribbons & Bows (India) Pvt Ltd exports polyester fibres from its manufacturing facility in Visakhapatnam to China. In the coming days, the company plans to invest more in India and export polyester fibres to the USA and Europe, he informed.

Mr. Vijay Kalantri, President, All India Association of Industries and Vice Chairman, World Trade Centre Mumbai assured CCPIT that World Trade Centre Mumbai and All India Association of Industries (AIAI) would liaise with Maharashtra Industrial Development Corporation (MIDC) to support Chinese investment in Maharashtra. Recalling the past initiatives of World Trade Centre Mumbai in promoting economic ties with China, Mr. Kalantri said the centre has been supporting the annual South China trade fair in Mumbai for the last several years. He said World Trade Centre Mumbai has received several delegations from different provinces of China in the last one year. World Trade Centre Mumbai is also co-ordinating with World Trade Centres in China to facilitate trade and investment between both the countries. He promised Mr. Scott that World Trade Centre Mumbai would send a business delegation to the forthcoming CIFIT.

Referring to the factors favourable for Indo-Chinese business co-operation, Mr. Kalantri pointed to the progressive policy measures of the Indian government including the ambitious Make in India campaign, steps to improve the ease of doing business etc. He advised Chinese entrepreneurs to source raw material from China and manufacture finished goods in India. He also suggested them to explore investment opportunity in the infrastructure sector in addition to manufacturing. He suggested Chinese companies to avail financial assistance from Industrial and Commercial Bank of China Ltd, which has its operation in Mumbai.



Poland encourages Indian investments



Mr. Jerzy Witold Pietrewicz, State Minister for Economy, Mr. Krzysztof Grabczuk, Deputy Marshall of Lubelskie Province, Mr. Vijay Kalantri President, AIAI and Vice Chairman, WTC Mumbai, H. E. Mr. Tomasz Łukaszuk, Ambassador of the Republic of Poland, and Mr. Leszek Brenda, Consul General of the Republic of Poland during an interactive meeting being organized by AIAI and WTC Mumbai.

Poland government is keen on Indian companies to invest in their country and are sparing no effort to ensure it happens. A twenty member delegation led by Jerzy Witold Pietrewicz, State Minister for Economy, H. E. Mr. Tomasz Łukaszuk Ambassador of the Republic of Poland, Krzysztof Grabczuk Deputy Marshall of Lubelskie Province, Poland and leading entrepreneurs. The Minister informed the Indian entrepreneurs that their government has launched a 'Go to India campaign,' before their visit here.

"We have launched Go to India programme to support the entrepreneurs and establish our presence here. The aim is to encourage mutual trade and investments. It is on lines of your Prime Minister Narendra Modi's Make in India policy. Similarly we too are encouraging Indian entrepreneurs to invest in Poland," said Jerzy Witold Pietrewicz, State Minister, at a B2B event organized by the AIAI and WTC Mumbai.

The Minister Pietrewicz explained the current economic and political environment in Poland is conducive to foreign investments. "Since 2000, we have political stability and made economic progress. Our GDP is stable and deficit is low. As per the latest

World Bank report, Poland is on number 32 for ease of doing business," the Minister informed the business community. He added, "Our government has reduced clearances and brought down the time of giving clearances to only 24 hours." The minister also said investors need to explore new areas of trade. Poland has engineering, nuclear medicine, defence and other areas.

Echoing his minister's call for encouraging mutual trade growth, Krzysztof Grabczuk Deputy Marshall of Lubelskie Province said that their country believed in transfer of technology and knowledge to India. Likewise new regions need to be explored by investors in both Poland and India. "We started with Punjab for sharing of technology and trade in new areas. There is a potential of investment in my region, Lubelskie, which is close to Ukraine. We are strong in agriculture, food processing, fruit exports, mining and other technologies," said Grabczuk. The Counsellor.

H. E. Mr. Tomasz Łukaszuk Ambassador of the Republic of Poland in his speech highlighted the importance of Maharashtra in the Indian economy

and said Polish investors cannot afford to miss this state. He praised the Maharashtra government for bringing down the number of licences and reposing faith in investors. "We would like our companies to focus on Mumbai and Maharashtra which is contributing significantly to India's economy. We are here to assist the business contacts. I am confident our companies will find a place here," said Łukaszuk. He added, "We are happy that the government has reduced the number of licences from 75 to 26 and attempts are being made to reduce further. It creates a really favourable climate for our companies.

Mr. Vijay Kalantri, President, AIAI and Vice Chairman, WTC Mumbai said trade links between India and Poland are well established and growing well. "We have mutual interests in sectors like mining, engineering, agriculture and medicine. However we need to explore areas for investments," said Kalantri. He added, "We can think of collaborations of setting up plants in Poland, which will help us to make Make in India programme successful."

Associating that the trade between the two countries will double in next five years India is a big market, emerging economy and big market.

ICIF welcomes the RBI Committee recommendations on interest free windows in existing banks

RBI Committee on Medium term Path for Financial Inclusion headed by Shr. Deepak Mohanty has released its report and recommendations yesterday (28-12-2015) to increase financial inclusion in India.

One of the major recommendations is permitting Interest Free Windows in existing conventional banks. The committee observed Commercial banks may be enabled to open specialized interest-free windows with simple products like demand deposits, agency and participation certificates on the liability side and cost-plus financing and deferred payment, deferred delivery contracts on the asset side.

The report highlighted the central concept in interest-free banking and finance is justice, which is achieved mainly through the sharing of risk. Stakeholders are supposed to share profits and losses, and charging of interest is prohibited.

In interest-free banking, the bank accepting deposits of money from the public is not engaged in lending as a purely financial activity but undertakes operations on the basis of profit and loss sharing (PLS) by engaging in equity financing and trade financing.

The committee further observed that, notwithstanding the growing footprint of interest-free finance across the world, it has witnessed a lukewarm response in India and now it's a time for change. The report also quoted Committee on Financial Sector

Reforms (CFSR) report prepared by present RBI governor Dr. Raghuram Rajan which also had recommended for interest-free banking products in India for the first time.

Indian Centre for Islamic Finance (ICIF) welcomes the recommendations of the committee particularly opening of specialized interest free windows with simple products which will help to tackle the problem of financial exclusion of the marginalized and the minorities in the country once the recommendations are accepted and implemented.

On September 16, 2015 RBI Committee headed by Mr. Deepak Mohanty invited H. Abdur Raqeeb, General Secretary Indian Centre for Islamic Finance-ICIF to interact with the committee at RBI Headquarters at Chennai along with other stakeholders and ICIF submitted a detailed memo to the committee which included the introduction of interest free windows in the banking for the financial inclusion of the minorities and the marginalized which was accepted by the committee.

ICIF is hopeful that RBI and Government will accept the recommendation and open the Interest free window in the banking sector very soon, which will help a larger section of the society, the access to financial products and services who are now keeping themselves away from the existing conventional interest based banking system due to their religious faith and beliefs.

Source: Indian Centre for Islamic Finance

Mumbai - Only city to have a full-fledged Cyber Crime Police Station



Mr. Ahmed Javed, I.P.S., Commissioner of Police, Mumbai (second from left) accepting a memento from Mr. Vijay Kalantri, President, All India Association of Industries and Vice Chairman, World Trade Centre Mumbai (second from right). Looking on are: Mr. Manoj Gursahani, Chairman, U.S.-India Investors' Forum (extreme left) and Mr. Y.R. Warekar, Executive Director, World Trade Centre Mumbai, during an interactive meeting on 'Cyber Safety and Security' held at the World Trade Centre Mumbai

The Mumbai Police is partnering with all stakeholders, especially educational institutions, industry bodies in creating awareness to a larger audience, said Mr. Ahmed Javed I.P.S., Commissioner of Police, Mumbai speaking on 'Cyber Safety and Security' jointly organised by the All India Association of Industries (AIAI) and World Trade Centre Mumbai, along with the US-India Investors' Forum.

Mr. Javed said, Mumbai, the financial capital of India, is the first city to have a dedicated cyber crime police station, equipped with state-of-the art apparatus, to handle all cases of offences committed in the information technology space. The issue of cyber crime is becoming more and more complex with the widespread usage of social media, online financial transactions etc.

The Mumbai police is taking training and operational support from foreign institutions and

governments to face the ever-rising complexity of the issue.

Mr. Javed further informed that the Mumbai Police is taking recourse to the robust Indian Information Technology Act 2000 in addressing issues of cyber crime as the number of the case registered are increasing. He further added that information technology is developing at a fast pace and the Mumbai Police has to keep abreast with this in order to tackle cyber crimes. This can be achieved through training, upgrading skills and hardware and software gadgets.

In conclusion, Mr. Javed added that the Mumbai Police Force is exploring formal exchange of co-operation with embassies and ministries of all governments, safety of Consular Corps will always remain our priority.

In his address, Mr. Vijay Mukhi, The Third Opinion

remarked that cyber crime is a global issue and it needs to be addressed through a global approach and no city can resolve it in isolation.

In 2000-01, Mumbai Police was the first to realize the importance of setting up a dedicated team to handle cyber crimes. Since then, the Mumbai Police has been working closely with all stakeholders including industry bodies, diplomatic corps, social media in making Mumbai a cyber safe city of the world.

Mr. Vijay Kalantri, President, AIAI and Vice-Chairman, WTC Mumbai said cyber safety is one of the areas where Mumbai Police is leading and has been focusing for the last 10-15 years.

All India Association of Industries and World Trade Centre Mumbai have been conducting events to create awareness which is the need of the hour, especially when the Indian government has announced the 'Digital India' Initiative.

In addition to promotion of educational and awareness programmes on hacking and other cyber crimes, it is crucial to plug lot of areas such as leakages, hacking and frauds. One has to be vigilant and educate oneself on a daily basis. He recalled the association of World Trade Centre since the days computer was introduced in Mumbai police department.

Further, Mr. Kalantri proudly informed that the Delhi Police expressed interest to work with All India Association of Industries and World Trade Centre Mumbai to tackle cyber crime a few days ago and involve us

Mr. Kalantri assured the Police Commissioner that All India Association of Industries and World Trade Centre would support the police force in tackling cyber crime in the coming days. He praised Mr. Ahmed for his dedicated focus on addressing cyber crime issues in India.

Supporting Events List

- | | |
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| <ul style="list-style-type: none"> ▶ 9th Biennial International Conference Ports, Shipping & Logistics 2016
Mumbai
January 22, 2016 | <ul style="list-style-type: none"> ▶ Vibrant Kutch - 2016 Industrial Exhibition and Seminars Gandhidham (Kutch)
February 12-14, 2016 |
| <ul style="list-style-type: none"> ▶ Udyog International 2016 – Exploring New Horizons,
Surat
January 22-25, 2016 | <ul style="list-style-type: none"> ▶ 18th Global Foundry Sourcing Conference 2016 and China Foundry Conference 2016
Shanghai Everbright Int'l Hotel, China
April 20-21, 2016 |
| <ul style="list-style-type: none"> ▶ India Trade & Export Finance Conference 2016
Mumbai
February 2, 2016 | <ul style="list-style-type: none"> ▶ Children Baby Maternity Exhibition
Bombay Exhibition Centre, Mumbai
April 20-22, 2016 |



Delhi Dialogue VIII

ASEAN-India Relations: A New Paradigm
February 17-19, 2016
New Delhi

Delhi Dialogue is an annual Track 1.5 forum for discussing politico-security, economic and socio-cultural issues between ASEAN and India. An important forum at which political leaders, policy makers, researchers, academicians, business leaders and media persons converge for brainstorming on a range of issues pertaining to ASEAN-India relations.

Snippets



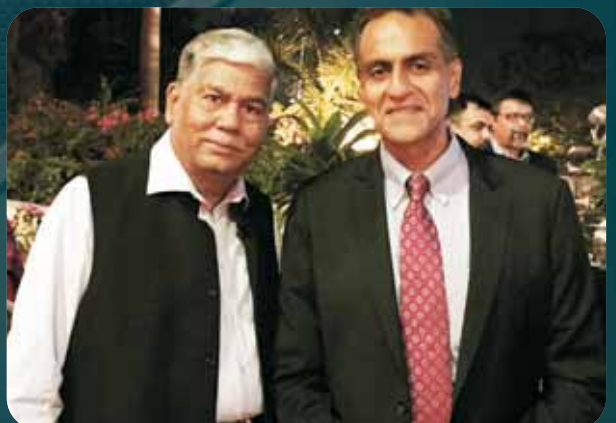
Mr. Vijay Kalantri, President - All India Association of Industries felicitating Mr.C.Vidyasagar Rao, Governor of Maharashtra



Mr. Vijay Kalantri, President, All India Association of Industries and Vice Chairman, World Trade Centre, Mumbai along with Mr. Jon Huntsman, Jr., Governor of Utah



Mr. Vijay Kalantri - President - All India Association of Industries and Vice Chairman - World Trade Centre along with the Governor, Mr. Terence R. McAuliffe, State of Virginia, USA at the Networking Reception on Friday, 20 November 2015 at Hotel Taj Mahal Palace, Colaba, Mumbai.



Mr. Vijay Kalantri, President, All India Association of Industries and Vice Chairman, World Trade Centre, Mumbai along with Mr. Richard Rahul Verma, Ambassador of United States of America, India



Mr. Vijay Kalantri, President - All India Association of Industries and Vice Chairman- World Trade Centre Mumbai with the Ministerial delegation from Uzbekistan



Mr. Vijay Kalantri - President - All India Association and Vice Chairman - World Trade Centre along with Mr. Jon Huntsman, Jr., Governor of Utah, Mr. Rajjva Ranjan Sahay - Inspector General and Mrs. Sahay.

5th Global Economic Summit “Enabling Food for All”

*"There are people in the world so hungry, that God cannot appear to them except in the form of bread."
Mahatma Gandhi*



From L to R: Capt. Somesh Batra, Vice Chairman, World Trade Centre Mumbai, Mr. Shyam Khadka, Representative in India, Food and Agriculture Organisations of the United Nations (FAO), Mr. Sharad Upasani, Vice Chairman, World Trade Centre Mumbai, Mr. Wojciech Jankowiak, Deputy Marshal of the Wielkopolska Region, Poland, Shri. Subhash Desai, Hon'ble Minister of Industries, Government of Maharashtra, Mr. Vijay Kalantri, President, All India Association of Industries, Vice Chairman, World Trade Centre Mumbai, Mr. Ghazi Abu Nahl, Chairman, World Trade Centers Association, New York, World Trade Center Holdings (Cyprus) Ltd and WTC Qatar, Mr. Andrey Murga, Deputy Head, Stavropol Region, Russia and Mr. Y. R. Warekar, Executive Director, World Trade Centre Mumbai.

The fifth edition of Global Economic Summit jointly organized by All India Association of Industries and World Trade Center Mumbai with from 19th to 21st of November 2015, at WTC Mumbai. Theme for discussion this year was “Enabling Food for All”. The Summit witnessed over 500 participants from across 30 countries and India. The sessions exhaustively included all areas of discussions pertaining to this theme.

The fifth edition of GES conducted for three consecutive days not only focused on disbursement of knowledge content through the eight panel discussions but encompassed a variety of other knowledge products in the form of release of the research study “Enabling Food for All”, a primary research study showcasing the best practices in the enforcement of best agricultural practices, a hand book consisting of various articles on the same theme, a farmers workshop and 2 international presentations one from Manitoba and the other from UNPD. The presentation from Manitoba spoke about the best agricultural best practices and

investment avenues in Manitoba in this context. The presentation on UNDP spoke about the various modes of procurement and information about the processes, which could be useful for the stakeholders of the Indian continent.

Moreover the summit honored progressive Farmer Producer Organisations by recognizing them for the best practices in agriculture. In addition, interaction between international agencies and farmers was proliferated through the post event tour of the same to drought ridden districts of Maharashtra.

The summit also conceptualized B2B meetings and exhibitions to cover the trade perspective of WTC Mumbai and AIAI.

The inaugural session was initiated by the welcome address of Shri Vijay Kalantri, Chairman All India Industries Association. In his speech Mr. Kalantri stressed on the prevalent drought conditions due to scanty rainfall and the relevance of development of extensive water management initiatives to curb the



distress and imbibe into farmers better farm management practices.

Shri Subhash Desai, Hon'ble Minister of Industries, Government of Maharashtra, in his special address, expressed the significance of the 5th Global Economic Summit (GES) in the backdrop of global crisis of hunger. During his speech, he raised many issues in the agriculture sector of Maharashtra and requested the scientific community to offer effective solutions to them.

According to Shri Subhash Desai, "The greatest challenge faced by India is the huge amount of waste in food commodities at the post-harvest stage. While the green revolution and white revolution have ensured production of more than enough food in the country, they have not addressed the issue of post-harvest losses. He urged the experts who have come from different countries thus, must present effective solutions to address this issue and also guide farmers on opting for value addition of crops rather than selling raw crops in the market.

"The role of agriculture cannot be over emphasised as it nurtures life and every nation depends on agriculture to support its growth and development".

Mr. Ghazi Abu Nahl, Chairman World Trade Centers Association (WTCA), New York and Chairman, World Trade Center Holdings (Cyprus) Ltd and WTC Qatar. On behalf of World Trade Centers Association, extended his sincere compliments to All India Association of Industries and World Trade Centre Mumbai for this brilliant initiative for organizing the 5th Global Economic Summit 2015 on the theme,

'Enabling Food For All'. He expressed that, he was happy to note that this summit has come to be recognised as a prestigious global platform for debates and discussions on contemporary economic issues that confront the world today and acknowledged the excellent work that All India Association of Industries (AIAI) and World Trade Center Mumbai are doing in the area of trade promotion, advocacy and innovation.

He said in his speech, "The theme of the Summit 'Enabling Food for All' is extremely relevant in the context of the evolving agricultural landscape and the state of access to food across the world. The twin

challenges of this century are to free the world from hunger and malnutrition as we move towards the new global goal of ending hunger by 2030. To achieve this, the global community must work in unison to ensure

better nutrition for all and transform the world's food system to ensure global food security.

Mr. Andrey Murga, Deputy Head, Stavropol Region, Russia In his address, recalled the strong economic and political ties between Russia and India.

Mr. Murga presented the regions strengths in terms of agriculture. Besides sharing excellent examples of agricultural best practices in his country which could be followed by India to curb hunger and poverty.

Mr. Wojciech Jankowiak, Deputy Marshal of the Wielkopolska Region, Poland in his special address,

spoke about the relevance of the theme of this Summit to the economy of Poland and shared some of the challenges in the Polish agriculture sector. He admired India and expressed that, "My first impression about India is excellent considering the size, the available space and the climatic condition prevailing in the country. He said that, even though he was visiting India for the first time, a lot of Polish businessmen, representatives of Polish government and many other Polish organisations have visited this country and the State of Maharashtra before. He told the audience that Wielkopolska Region is one of the largest and economically strongest regions in Poland.

Further stating that the Polish government builds and develops the economy of its country by strengthening the agriculture and agro-based industries.

Thematic Presentation

Mr. Shyam Khadka, Representative in India, Food and Agriculture Organization of the United Nations (FAO) gave an overview of how India emerged as a food secure nation by increasing its food grain output from 52 million tonne in 1951-52 to 257 million tonne in 2014-15. He also shared some of the challenges in the agriculture sector in India and effective solutions to address them.

He said that India is a food self-sufficient, net agriculture exporting country with the potential to further multiply its agricultural productivity. Despite this, hunger levels are high due to poor access to

food. Malnutrition and micronutrient deficiency is widespread, fuelled by poor sanitation and changing dietary trends.

In his view, agro-economic growth policy can benefit GDP growth in great strides however, it alone cannot fight poverty, hunger and malnutrition. Social protection programmes play a vital role in enabling food for all. Improving and checking the inefficiencies of such programmes in India by realigning and integrating them to work collaboratively is imperative. In the mission to enable food for all, both agricultural and non-agricultural interventions are essential.

The research report titled 'Enabling Food for All – Can India Realise its Food Security Dream?' was released. The book contains in-depth analysis of the challenges in India's agriculture and allied sectors and solutions to address them.

The Summit Handbook on the theme 'Enabling Food for All' was also released during the session. The Handbook is a collection of articles and interviews from experts in the agriculture and allied sectors.

Certificate of Recognition to Farmer Producer Companies for their best practises in practising sustainable agriculture and to Ms. Manisha Dhattrak, Managing Director, Varun Agro Processing Foods Pvt Ltd., for her work towards improving the condition of women farmers were awarded by Honorable Shri Subhash Desai, Minister for Industries, Maharashtra.



Day I

Food Security and International Approaches



From L to R: Panelist Dr. Ashok K. Vishandass, Chairman, Commission for Agricultural Costs and Prices, Ministry of Agriculture & Farmers Welfare, Government of India, Panelist Dr. Nancy Creamer, Director of Center for Environmental Farming Systems, and Professor, North Carolina State University, USA, Panelist Mr. Samir Shah, Managing Director & Chief Executive Officer, National Commodity and Derivatives Exchange Ltd (NCDEX), Chairman of the Panel Mr. Shyam Khadka, Representative in India, Food and Agriculture Organisations of the United Nations (FAO) Panelist Ms. Manisha Dhatri, Managing Director, Varun Agro Processing Foods Pvt Ltd.

Dr. Ashok Vishandass, Chairman, Commission for Agricultural Costs and Prices, Ministry of Agriculture & Farmers Welfare initiated his speech by commenting that, sustaining growth in agriculture sector is essential for the Indian economy. India has to produce enough food to feed its 1.27 billion people. By 2030-35, India's population is expected to exceed that in China, which is the most populous country in the world by far.

Further stating that in India policy focus on agriculture is important to address the problems of poverty and malnutrition. In India, 42% of the population lives on less than US\$ 1.25 per day and 43% of children below 5 years of age are underweight.

Mr. Samir Shah, MD & CEO National Commodity and Derivatives Exchange Ltd emphasised on a holistic approach to find a sustainable solution for the post-harvest loss in food commodities. According to him, In India, the need of the hour is primary market reform in the agriculture sector. Farmers must be given the right to free competitive

markets. He stressed for urgent policy focus on three areas – (1) Reforming primary market for agriculture commodities (2) Reforming buffer stock management (3) Modernising storage infrastructure.

He also urged the government to promote private investment in the buffer stock management of food produce and also to make efforts to increase the number of scientific storage facilities for food commodities and ensure access of farmers to these storage facilities.

Ms. Manisha Dhatri, Managing Director, Varun Agro Processing Foods Pvt Ltd narrated the successful partnership between her company and farmers in Nashik District (Maharashtra) in creating a viable agriculture value chain. She spoke about her journey as a farmer and a corporate through Varun Agro Processing Foods Pvt Ltd. a Nashik-based manufacturer of tomato paste, mango pulp, guava pulp and other value-added food products.

She spoke about the best practises by using the integrated farming approach and her innovative practise of using the passport as a record of all inputs used by the farmers.

"In India, an average household still spends more than half of its income (monthly personal consumption expenditure) on food and the bottom 30% of the population spends more than 60% on food".

Dr. Nancy Creamer, Director of Center for Environmental Farming Systems, and Professor, North Carolina State University, USA, gave an overview of the agriculture sector and the state of food security in North Carolina and in the entire USA and noted that

the number of farms in the North Carolina region declined from 100,000 farms in 1976 to 48,000 farms in 2008 though it produces around 80 different agro-commodities and it is leading in the cultivation of sweet potatoes and tobacco.

She stated that the world population would increase to 9 billion by 2050 and we must find a broad-based solution to meet the rise in demand for food which should improve food productivity, ensure

environment sustainability, strengthen post-harvest infrastructure and promote social programme to improve access to food through agro-ecological approaches. Further, policy makers must create more access to healthy foods for our most vulnerable population. These strategies must be taken at all the levels of policy making, right from global to national to state to the local level.

Food Production System: Emerging Trends and Global Challenges

Mr. V. Padmanand, Director, Grant Thornton India LLP shared some of his suggestions to make India a dominant player in the global value chain for food commodities and gave an overview of the emerging trends in the farming and food processing sector in India which is characterized by the changes in strategy and roles of farmers and food processing companies also by the increasing adoption of information and communication technologies, better post-harvest infrastructure, engineering intensification technologies and cropping patterns.

Mr Parmanand emphasised the importance of the allied agricultural sector besides expressing concern over the fact that in India despite the production levels, the degree of processing is low and ranges between 2 to 35 per cent for different produce.

To create sustainable agriculture system, food production should not be looked in isolation. Instead, it should be considered with an overall perspective of food processing and marketing.

Mr. Nandkishore Kagliwal, Chairman, Nath Biogenes (I) Ltd. (Nath Seeds) shared his views on the production side of the food system in India. He expressed that, in India, 60% of the population that depend on the agriculture and allied activities contribute only 14-16% to the national GDP. Emphasizing that is a need for policy and technological interventions to increase farm productivity. While designing the appropriate policy framework, the government must keep in mind some of the challenges like fragmented land holding, climate change etc. Further stating that the Government must promote high quality seeds that are highly tolerant to biotic and abiotic stresses.

Dr. Alwin Keil, Senior Agricultural Economist, International Maize and Wheat Improvement Center (CIMMYT) briefed the audience about the role of Cereal Systems Initiative for South Asia (CSISA) in promoting sustainable cultivation of cereal crops like wheat, rice, maize. He said, "CSISA aims to increase food, nutrition, and income security in South Asia through sustainable intensification of cereal-based systems. CSISA is funded by USAID and Bill & Melinda Gates Foundation and CIMMYT is one of the partner organizations supporting this initiative.

Dr Keil expressed concerns over the agriculture sector in South Asia which faces challenges like climate change, excessive use of fertilizers, depletion of ground water, pest attacks. He cited the benefits of implementation of zero-tillage method of cultivation.

Mr. Anwar Faruque, Additional Secretary, Director General (Seed Wing), Ministry of Agriculture, Government of People's Republic of Bangladesh spoke about the strengths and challenges in the agriculture sector of his country and about the policy measures taken to support the sector.

Dr. R.K. Gupta, Director, ICAR-Central Institute of Post Harvest Engineering and Technology, Ludhiana, India briefed about the contribution of his organization to the post-harvest sector in India.



From L to R: Panelist Dr. R. K. Gupta, Director, ICAR-Central Institute of Post Harvest Engineering and Technology, Panelist Dr. Alwin Keil, Senior Agricultural Economist, International Maize and Wheat Improvement Center (CIMMYT), Chairman of the Panel Mr. V. Padmanand, Director, Grant Thornton India LLP-Chairman, Panelist Dr. D. Rama Rao, Director, National Academy of Agricultural Research Management (NAARM), Panelist Mr. Anwar Faruque, Additional Secretary & Director General, Seed Wing, Ministry of Agriculture, Government of People's Republic of Bangladesh, Panelist Mr. Nandkishore Kagliwal, Chairman, Nath Biogenes (I) Ltd. (Nath Seeds)

According to Dr. Gupta the post-harvest loss happens mainly because the raw food produce is handled through many stages of middlemen and processing is mostly controlled by urban rather than rural entrepreneurs. Further, there is lack of adequate and efficient equipment and machinery to be used in catchment areas. There is low level of entrepreneurial urge in rural areas owing to constraints of finance, assured market and proper training on technology.

Dr. D. Rama Rao, Director, National Academy of Agricultural Research Management (NAARM) shared his views on how the adoption of information and communication technologies (ICT) can improve efficiency of farm

operation. He is of the opinion that farmers require various information and advisory services for appropriate use of farm inputs like seeds, fertilizers, machinery, for weather forecasts, price situations in the market etc.

He spoke about how in every city, youngsters are coming forward with innovative ideas on how to link farmers with markets. ICAR-NAARM is also promoting many entrepreneurs to leverage ICTs and provide advisory services to farmers. India has a strong public system for promoting ICT projects.

DAY II

Agricultural & Food Processing Policy Outlook

Dr. Hameed Nuru, Representative and Country Director, World Food Programme (WFP) in his opening remarks, shared his perspectives on agriculture policy and various issues that need to be addressed. He shared that the World Food Programme organization has changed its focus from facilitating international aid for food security, to supporting government systems to ensure food safety and security.

He asserted that, policy is not only the activity of government and is more about inclusiveness (it

includes the combined activities of all stakeholders in the system) which should be dynamic and hence it should be flexible and must change with changing times to be more effective.

Mr. Marco Marzano de Marinis, Executive Director, World Farmers' Organisation, Italy shared the activities of World Farmers' Organisation (WFO) and highlighted the challenges faced by farmers. Mr. Marco expressed distress saying often small and

marginal farmers are denied credit by institutional sources owing to lack of clear land title and this is especially true for women farmers, given the land inheritance laws of many countries around the world. He urged that financial institutions must increase

the supply of financial services and products for farmers

The social role of farming includes providing livelihood to rural communities. In this regard, it is worth mentioning the sustainable cultivation of mangoes which provides employment to several women in Zambia.

Mr. Wawrzyniec Czubak , Assistant Professor, Poznan

“Future needs of the post harvest technology industry in India are entrepreneurship and skill development initiatives, setting up of more facilities for food-testing, food safety and quality assurance”.



Mr. Vijay Kalantri, President, All India Association of Industries, Vice Chairman, World Trade Centre Mumbai, Panelist Dr. Digvir S. Jayas, Vice-President (Research and International) and Distinguished Professor, University of Manitoba, Canada, Panelist Mr. Arvind Kumar, IAS, Managing Director, Maharashtra Agro Industries Development Corporation (MAIDC), Chairman of the Panel Dr. Hameed Nuru, Representative and Country Director, World Food Programme (WFP), India, Panelist Mr. Marco Marzano de Marinis, Executive Director, World Farmers' Organisation, Italy, Panelist Mr. Wawrzyniec Czubak, Assistant Professor, Poznan University of Life Science, Poland.

University of Life Science, Poland listed the two goals of modern agriculture - fulfilling current food needs and maintaining and improving the condition of agricultural and global environment. He stressed that, the only method to attain food security in a sustainable way in the long-run is to combine the traditional agricultural methods and modern agriculture technologies.

He expressed concerns over the rise in the world population means that the cropland available per person is diminishing and gave details of the Common Agricultural Policy introduced by EU.

Dr. Digvir S. Jayas, Vice-President (Research and International) and Distinguished Professor, University of Manitoba, Canada gave an overview of

the province of Manitoba in Canada and later explained how wastage of food grains can be minimized through efficient storage practices. He said that, agriculture is one of the important sectors in Manitoba. Abundant supply of hydro electric power and availability of high quality raw materials for food industry (especially for ready-to-eat food sector) are some of the advantages of Manitoba.

He spoke about the major challenges in attaining food security in the world i.e the huge amount of food loss that happens at the post-harvest stage. He pointed out importantly, that if the food grain that is wasted is not produced, this land could be used for reforestation or for producing other bio-products (fuel and other derived products). A well-managed post-harvest handling system can minimize the wastage of grains (cereals and pulses) to 2% of the total produce. On the other hand, a poorly managed system could cause wastage upto 50%.

Mr. Arvind Kumar, Managing Director, Maharashtra Agro Industries Development Corporation (MAIDC) proposed that, private companies must identify and invest in those sectors where there is scope to make profitable venture instead of selecting the sector

based on whether government provides subsidy or not.

He proposed that the international policy on the agricultural sector must address key issues like technology transfer from advanced western countries to developing and under-developed countries, controlling world population, promoting interest-free loans to farmers, streamlining subsidies in farm sector.

Innovative Financing for Agriculture

Mr. Raj Benahalkar, Chief Risk Officer, National Commodity & Derivatives Exchange in his speech, informed that the real issue in agriculture finance in India is timely access to credit at reasonable interest cost. He informed farmers that he

would use this summit to share his insights on agriculture value chain, which has developed well in India. He quoted that, "Demand for agriculture commodities varies in the entire value chain (Which includes farmers, traders, processors, end consumers). There is a need to bring equilibrium in this demand so that farmers get fair remuneration for their investment and consumers get the goods at reasonable price.

"Farmers have a prominent role in creating a sustainable planet in the days ahead."



Panelist Dr. Dinesh, Chief Executive, National Co-operative Union of India (NCU), Panelist Mr. B.V.S. Prasad, General Manager, Department of Economic Analysis and Research, National Bank for Agriculture and Rural Development (Representative), Chairman of the Panel Mr. Raj Benahalkar, Chief Risk Officer, National Commodity & Derivatives Exchange, Panelist Ms. Meera Mishra, Co-ordinator, International Fund for Agricultural Development, India, Mr. Vijay Kalantri, President, All India Association of Industries, Vice Chairman, World Trade Centre Mumbai.

Ms. Meera Mishra, Co-ordinator, International Fund for Agricultural Development (IFAD), India opined that, society and policy makers must repose faith in farmers' ability to face risks. Indian farmers have the inherent capacity to face various risks like climate uncertainty, price volatility for their produce in the market etc. Therefore, the government must stop adopting a protectionist approach towards farmers and instead adopt a supportive approach. She spoke about the advantageous roles microfinance to play for the farmers.

Dr. Dinesh, Chief Executive, National Co-operative Union of India (NCUI) emphasised the importance of the co-operative model in the current scenario of the agriculture sector. He said, "India has only 2% of the global land and 4% of the global water resources, but it supports 18% of the world population. India has attained food security in all these years owing to the efforts of the farmers in the country. However, country's population, which stands around 1.2 billion today, is expected to rise to 1.65 billion after some years and there is a need to increase agriculture production to meet the higher food needs of the country.

He stressed on the need to diversify the cropping pattern in the country as today farmers largely grow paddy and wheat. In order to attain nutrition security and ensure balanced diet for the people, farmers must also grow crops other than wheat and rice. Farmers produce food which is needed for the survival of people; therefore, it is necessary to enable farmers live a better life so that rest of the people can survive.

Mr. B.V.S. Prasad, General Manager, Department of Economic Analysis and Research, National Bank for Agriculture and Rural Development (Representative) explained that the objective of NABARD is to promote sustainable and equitable agriculture and rural prosperity through effective credit support, institutional development and other innovative initiatives. In his presentation Mr. Prasad

spoke about NABARD 's role in providing leadership to Rural Financial System through Credit support, Developmental and Supervisory support and other initiatives which facilitates flow of credit to agriculture, credit planning, monitoring, co-ordination etc.

Food Standardization and Safety, Post 2015 - The Role of International Standard Organisations

Dr. Eng. Mohamed Abdel Motaleb Etman, Head of Central Department for Standardisation, Egyptian Organisation for Standardisation and Quality, Egypt remarked that, high population rates, increasing per capita income and

urbanization are fuelling the rising demand for food, especially cereals. The Egyptian government is taking various measures to attain food security in the country. Some of them include providing support to ensure that relevant institutions deliver evidence-based policies and sustainable elements on food security in a coordinated manner, ensuring analysis of key national surveys and surveillance systems, developing early warning systems and contingency planning, ensuring that its food subsidy system and food-based safety nets deliver quality food packages efficiently to vulnerable and

"A farmer has two basic requirements – to get fair price for his produce and a status in the society to live in dignity".



Mr. Vijay Kalantri, President, All India Association of Industries, Vice Chairman, World Trade Centre Mumbai, Panelist Dr. Digvir S. Jayas, Vice-President (Research and International) and Distinguished Professor, University of Manitoba, Canada, Panelist Mr. Arvind Kumar, IAS, Managing Director, Maharashtra Agro Industries Development Corporation (MAIDC), Chairman of the Panel Dr. Hameed Nuru, Representative and Country Director, World Food Programme (WFP), India, Panelist Mr. Marco Marzano de Marinis, Executive Director, World Farmers' Organisation, Italy, Panelist Mr. Wawrzyniec Czubak, Assistant Professor, Poznan University of Life Science, Poland.

poor families as well as targeted high-risk populations.

He stated that , Egypt has developed a national economic plan for the health sector through the involvement of relevant ministries in the government and research institutions and a sound food safety standards framework plays an important role in attaining some of the food security challenges like enabling vulnerable people, especially women and children, to consume adequate, healthy and nutritious food, achieving efficient supply chains in food production, including adoption of good agricultural practices, reduction of post-harvest losses, and development of local markets and food distribution systems.

Mr. Gevorg Nazaryan Deputy Director, Armenian National Institute of Standards CJSC (SARM) Armenia, spoke about the challenge of food security in reference to the international food safety standards regime.

“The remarkable benefit of food safety and standards regulation is that it inspires confidence among the different stakeholders operating in the feed and food sectors by ensuring that foods are safe at the time of consumption”

He remarked that food and feed safety standards must keep in tune with the rapidly changing global food industry. The increase in global trade is impossible without removing the technical barriers to trade such as product specifications that differ nationally from international standards, presentation or labeling requirements, lack of standardized methods of analysis for certain parameters, sampling plans that are resulting in long and costly product certification. The world needs a harmonized and widely accepted International Standards he clarified.

Dr. Asmi Raza, Professor of Economics, University of Delhi & Project Director, World Bank mentioned that food safety plays an important role for food security and the modern farming practices endangers food safety. In pursuit of high agriculture

production, farmers use considerable amount of pesticide and other chemicals which have adverse effect on human and animal health. He emphasised the role of organic farming in addressing this issue and ensuring food safety.

Mr. Omkar Musale, Senior Technical Manager , Envirocare Labs Pvt Ltd stated that the discussion on food security is highly relevant at a time when the Millennium Development Goals are about to expire and the international community is about to pursue a new set of targets (Sustainable Development Goals) We must create a world without hunger by ensuring food safety and security for all in a long term sustainable manner.

He remarked that the food safety standards aim to ensure the highest level of food safety along with plant health, animal health and animal welfare. The implementation of ISO's food safety management standards is highly relevant to attain sustainable, fair and adequate global food system. These standards, among other things, also address environmental contaminants in food chain such as pesticides and heavy metals that undermine food safety.

Ms. Vaneet Kaur, Research Associate, Centre for Science & Technology of the Non-Aligned and Other Developing Countries talked about the adoption of innovative agriculture technology to promote farm productivity and attain food security. She quoted that, “widespread application of science and technology by all farmers across the country can only enable India attain the zero hunger target in a time-bound manner. Farmers must adopt Integrated Pest Management, conservation agriculture methods like 'zero tillage' with minimum disturbance to environment and soil quality. Adoption of precision agriculture or satellite farming – a concept based on information

technologies - must also be promoted to improve farm productivity and ensure efficient use of farm inputs.

Dr. Mark Cyubahiro Bagabe, Director General, Rwanda Standards Board (RSB), Rwanda, in his opening remarks, congratulated All India Association of Industries (AIAI) for inviting him to the summit. In his brief remarks Dr. Bagabe said, "The Global Economic Summit 2015 featured various sessions where speakers discussed subjects like agriculture financing, policies on improving farm productivity, policies on agriculture technologies, policies on food security etc. He stated that food security not only means producing enough quantity of food to feed the population, but it also meant supplying good quality food to the people. This is where safety standards come into play. By 2050, the world population is expected to rise to more than 9 billion from 7 billion today.

Agriculture Infrastructure: The Way Forward

Mr. Ashwin C. Shroff, Chairman, Excel Crop Care Ltd listed out the challenges in the agriculture sector of India and the role played by his organization in addressing some of these challenges. He quoted saying, "Indian agriculture sector faces many challenges, which are typical for any other developing country. These challenges include existence of small farms, water scarcity, climate change, inappropriate use of farm inputs, inadequate storage facility, lack of grading and other post-harvest infrastructure, unremunerative price for farmers etc.

Mr. Anil B. Jain, Managing Director, Jain Irrigation Systems Ltd explained how small farmers can improve productivity and income by adopting right farm infrastructure and technology. He quoted that, Sustainable agriculture requires key infrastructure facilities like irrigation, supply of energy, storage and evacuation facilities.

He pointed that farmers have to face weather-related uncertainties like erratic rainfall, high



From L to R: Panelist Dr. Min-Tze Wu, Director of Plant Technology Laboratories, Agricultural Technology Research Institute (ATRI), Taiwan, Panelist Mr. Venkatesh N. Hubballi, Director, The Directorate of Cashewnut & Cocoa Development (DCCD), Panelist Mr. Per-Stefan Gersbro, Managing Director, Paccado AB and Founder, Packbridge AB, Sweden, Chairman of the Panel Mr. Ashwin C. Shroff, Chairman, Excel Crop Care Ltd, Panelist Mr. Anil B. Jain, Managing Director, Jain Irrigation Systems Ltd, Panelist Dr. Hasanuddin Ibrahim, Assistant to the Minister of Agriculture for International Trade and Relation, Ministry of Agriculture of the Republic of Indonesia.

temperature, excessive wind etc and by adopting right infrastructure and appropriate technologies like polyhouse farming, greenhouse structures, farmers can eliminate the impact of adverse weather condition on farming.

Dr. Min-Tze Wu, Director of Plant Technology Laboratories, Agricultural Technology Research Institute (ATRI), Taiwan, seeks to integrate traditional technology and advanced biotechnology in agriculture as the R&D expense in agriculture is less than 3.7% of the annual research budget though the country has excellent scientific and research talent and the Taiwanese government plans to build agricultural scientific R&D system with international competitiveness.

Dr. Hasanuddin Ibrahim, Assistant to the Minister of Agriculture for International Trade and Relation, Ministry of Agriculture of the Republic of Indonesia highlighted the importance of agriculture in attaining food security in Indonesia, where the population is expected to rise to around 285 million in 2030 from the present 256 million. Dr. Ibrahim shared some of the issues in the Indonesian agriculture include uncontrolled land conversion, narrow land ownership, declining land quality etc.

There is a need to modernize agricultural production systems through bio-industry approaches, rehabilitation of farm infrastructure like irrigation facilities. Indonesia aims to develop an agriculture sector which is characterized by zero waste, clean and environmental friendly practices, local wisdom, processed products and effective supply-chains.

Mr. Per-Stefan Gersbro, Managing Director, Paccodo AB and Founder, Packbridge AB, Sweden explained the role of packaging in increasing the shelf life of food products, enhancing the marketing appeal of these products. He spoke about the role of packaging and its importance in this era of globalization and urbanization where food products are transported through long distance from farms in villages to consumption points in cities and towns. He informed about a third of all food produced globally for human consumption which is lost or wasted and the huge wastage is often due to lack of good packaging and distribution solutions. He also talked about the sustainable practices to be followed by packaging companies.

He specifically quoted that, "The nature discovered packaging well before man. For example, banana's outer peel acts as a packaging material to protect the fruit. Different things like grasses, reeds, tins, plastics, papers were used as packaging materials at different points in time of human history.

Mr. Venkatesh N. Hubballi, Director, The Directorate of Cashewnut & Cocoa Development (DCCD) informed that the Central Government had allotted Rs 500 million for integrated approach to improve the production of cashew during the 8th five year plan and has also set up All India Coordinated Research Project on Cashew in different states to strengthen research.

"Food security and farmers' welfare are among the important issues in this country"

Day-III

Role of skill development and innovation in enhancing Agricultural yield

Ms. Joanna Kane-Potaka, Director-Strategic Marketing and Communications, International Crops Research Institute for the Semi-Arid Tropics (ICRISAT) spoke about the importance of capacity building among farming community to create a sustainable agriculture system. She gave a brief overview of ICRISAT and its activities and spoke about its specialisation addressing the issues faced by farmers in in dry land farming.

She spoke about the three approaches to capacity building – 1) capacity building across value chain, 2) inclusive capacity building and 3) capacity building as a catalyst for empowering farmers.

Ms Potaka mentioned that capacity building is not just about training or knowledge sharing (KS), it requires understanding the whole social dynamics and it is multi-dimensional.

Dr. Parashuram Samal, Principal Scientist ICAR-National Rice Research Institute, Cuttack, India gave details of the rice sector in India, and talked about



From L to R: Panelist Mr. Mayank Sagar, Business Development Executive, Annamrit Farmers as Owners Foundation, Panelist Dr. Parashuram Samal, Principal Scientist, ICAR-National Rice Research Institute, Mr. Vijay Kalantri, President, All India Association of Industries, Vice Chairman, World Trade Centre Mumbai, Chairman of the Panel Ms. Joanna Kane-Potaka, Director-Strategic Marketing and Communications, International Crops Research Institute for the Semi-Arid Tropics (ICRISAT).

the role played by National Rice Research Institute (NRRI) in the development of sustainable rice cultivation system in the country and its goal to ensure food and nutritional security of the present and future generations of the rice consumers. As for the mission of the institute, NRRI seeks to develop and disseminate eco-friendly technologies to enhance productivity, profitability and sustainability of rice cultivation.”

Dr. Samal also listed out the challenges in rice cultivation.

Mr. Mayank Sagar, Business Development Executive, Annamrit Farmers as Owners Foundation spoke extensively about the implementation of the Apple Project by a consortium of partners in five districts of Uttarakhand and Himachal in 2007

He further stated that women are 10% owners of stake in this project and by 2020 their stake would rise to 100%, he informed. Women contribute bulk of the hardwork during the 9-months of growing apples.

He quoted that owing to shared resources the project reduced marketing cost, emphasized on building an enduring brand of apple juice by focusing on quality, market risks are shared with social investor in this venture thus achieving economy of scale.

The key objectives of this partnership model are rural prosperity with business rigour, connecting farmers with end consumers etc.

Valedictory Session

Guest of Honour Mr. Bhushan Gagrani, IAS, Chief Executive Officer, Maharashtra Industrial Development Corporation (MIDC) informed about the role of MIDC in assisting farmers and agri-business entrepreneurs in the value addition of farm commodities. He remarked that a conscious effort is being made to promote the agriculture and food processing industries in Maharashtra, which is the



From L to R: Capt. Somesh Batra, Vice Chairman, World Trade Centre Mumbai, Mr. Vijay Kalantri, President, All India Association of Industries, Vice Chairman, World Trade Centre Mumbai, Mr. Bhushan Gagrani, IAS, Chief Executive Officer, Maharashtra Industrial Development Corporation (MIDC), Mr/ Marco Marzano de Marinis, Executive Director, World Farmers' Organisation, Italy Mr. Sharad Upasani, Vice Chairman, World Trade Centre Mumbai and Mrs. Rupa Naik, Executive Director, All India Association of Industries.

largest producer of fruits in India. However, there is a lag between production and processing of fruits. He pointed out the recent instance of huge wastage of oranges in Maharashtra due to lack of significant post-harvest processing infrastructure.

He thanked all the participants who attended the summit from India and abroad. Noting that Indian economy is growing at 7% currently and it is expected to grow by 10% in the coming years, he said there is immense opportunity for conducting business in India.

Mr. Vijay Kalantri, President, AIAI and Vice Chairman, WTC Mumbai, in addition, informed that the delegation from Poland had inked a memorandum of understanding with the Karnataka government and was planning to sign one with the government of Maharashtra. He said that, he was happy to mention that that the trade volume between India and Poland has risen in recent years and India is seriously looking to strengthen economic ties with this country. Wielsko Polska, a region in Poland has a sound science and technology centre. Russian delegation wants to strengthen ties with India on science and technology, oil and gas and other sectors.

Capt. Somesh Batra, Vice Chairman, WTC Mumbai in his Vote of Thanks, mentioned that the presence and contribution of each and every participant has added value to this summit. He specifically thanked

the team led by Deputy Marshall from Poland and also the delegation from Khanty-Mansiysk Autonomous Okrug – Ugra Russia for attending the event.

He appreciated the World Farmers' Organisation for taking the initiative to participate in this Global Economic Summit.

He also said that all the administrative departments, both in the central and state governments, have been very helpful. Captain Batra expressed hope that the participants had gained valuable insights on the best practices in farming and food processing.

A special mention was made of the state governments of Chhattisgarh, Odisha, Jharkhand and the sponsors like MAIDC, NABARD, V & J Ventures and Jain Irrigation for supporting the event. He also acknowledged the support of WTC Bhubaneswar and WTC Goa.

Capt. Batra expressed gratitude and felicitated the event management firm Whiteleaf for managing the event successfully. He congratulated the entire team of All India Association of Industries and World Trade Centre Mumbai for working tirelessly to make the event successful.

Photo Gallery



Farmers Workshop



Stall at the Expo



B2B Meetings



The Team that made it possible!

WTO Public Forum 2015 at WTO Headquarters, Geneva



Speakers on the dais (L-R) Mr. Ricardo Melendez – Ortiz, Chief Executive Officer, International Centre for Trade and Sustainable Development (ICTSD), Mr. James Bacchus, Chair, Commission on Trade Development and Investment Policy, International Chamber of Commerce, Mr. Oliver Wieck, Secretary General, ICC Germany, Ms Rupa Naik, Executive Director- AIAI and Director- Projects, World Trade Centre Mumbai, Dr. Ikuo Kuroiwa, Executive Senior Research Fellow, Bangkok Research Centre, JETRO Bangkok, Ms Luisa Santos, Director, International Relations, BUSINESSEUROPE, and Dr. Javier Lopez Gonzalez, Policy Analyst, Trade and Agriculture Directorate, OECD

WTO Public Forum 2015 marked the twentieth anniversary of World Trade Organization (WTO). The Public Forum was held from September 30 – October 2, 2015 with the theme "Trade Works."

The Forum focused on how trade works through the multilateral system to boost growth, lift people out of poverty, increase access to goods and services, and promote peaceful mutually beneficial relationship between nations. The Forum looked at those areas where trade can work better and looking forward what role WTO can play.

The opening plenary debate was addressed by a distinguished panel of experts comprising Ms Lilianne Ploumen, Minister for Foreign Trade and Development Cooperation of the Netherlands; Ms Amina Mohamed, Cabinet Secretary for Foreign Affairs and International Trade, Kenya; Ms Yuejiao Zhang, Appellate Body Member of the WTO; Ms Susan Schwab, Former United States Trade Representative; Ms Anabel Gonzalez, Senior Director, Trade and Competitiveness Global Practice, World Bank Group, Mr. Roberto Azevedo,

Director General of the World Trade Organization and moderator Ms Lerato Mbele.

The Forum organized 88 powerful sessions over three days covering wide range of subjects focusing on trade as a tool of growth and development.

AIAI and WTC Mumbai working session – Global Value Chains and Changing Patterns of Value Added Trade in Developing Economies

World Trade Centre Mumbai and All India Association of Industries participated in the WTO Public Forum 2015 and conducted a session on the theme "Global Value Chains and Changing Patterns of Value Added Trade in Developing Economies" on September 30, 2015. The session was addressed by eminent experts drawn from prestigious organizations of international repute. The Panel comprised of Mr. James Bacchus, Chair, Commission on Trade and Development and Investment Policy, International Chamber of Commerce; Mr. Oliver Wieck, Secretary General, ICC Germany; Mr. Ricardo Melendez- Ortiz, Chief Executive Officer, International Centre for Trade and Sustainable

development (ICTSD); Dr. Ikuo Kuroiwa, Executive Senior Research Fellow, Bangkok Research Centre, JETRO Bangkok; Ms Luisa Santos, Director, International Relations, BUSINESSEUROPE and Dr. Javier Lopez Gonzalez, Policy Analyst, Trade and Agriculture Directorate, Organization for Economic Cooperation and Development (OECD). Ms Rupa Naik, Executive Director, All India Association of Industries and Director – Projects, World Trade Centre Mumbai moderated the session.

The panelists discussed key issues of global value chains and examined the effects of GVCs on value added trade. The discussion focused on strategies to integrate developing countries into the GVCs to maximize their competitiveness in global markets.

In his opening remarks, Mr James Bacchus, Chair, Commission on Trade Development and Investment Policy of International Chamber of Commerce (ICC) sought to establish a linkage between sustainable development goals, poverty alleviation and global value chains. All countries agreed by consensus to sustainable development goals – the ambitious goals of our times. The first goal is to eliminate poverty everywhere in 15 years by helping those who have the least to get more. How to do that? Every country has to decide for itself based on its sovereign decision making as to how it is going to achieve this goal. One way is to work together with other countries and the best way to engage is international trade and investment.



Further added In India and elsewhere all over the world, particularly in developing countries, the best way for small and medium sized enterprises to connect with global economy and become more prosperous is by becoming a part of global value chains. SMEs can piggy back on the efforts of bigger companies to engage in the wider world, increase productivity, increase growth and prosperity. That is the real issue.

According to Mr. Oliver Wieck, Secretary General, International Chamber of Commerce Germany, in

the last three to four decades, government and business have been part of a far-reaching economic transformation, made possible by remarkable advances in information, communication and transport technologies. The proliferation of global supply chains has changed the economic and political landscape in fundamental ways.



Advances in technology and an enabling policy environment have allowed businesses to internationalize their operations across multiple locations in order to increase efficiency, lower costs and speed up production.

Referring to supply chains Mr Wieck said, supply chains can be varied depending on what they produce, how they produce and where they produce. Some supply chains involve mass market consumer products; some lower turnover and smaller markets, often with a stronger technological component. Others still focus on capital goods and are more producer than consumer driven. Then there are the agricultural and natural resource supply chains. And not to forget service supply chains.

Dr. Javier Lopez Gonzalez, Policy Analyst, Trade and Agriculture Directorate, Organization for Economic Cooperation and Development (OECD) highlighted on the import side of GVCs and how firms and SMEs demonstrate by importing more sophisticated and more competitively priced intermediates.



Firms and SMEs are not just exporting and slotting into global production. Global value chains are reshaping global economic activity. What is new about them is their greater expansion towards developing and emerging economies.

A lot of it is happening regionally. The regional component is also important. GVCs are underpinned by three factory systems - Factory Europe, Factory Asia and Factory North America. That has implications in terms of the regional integration efforts that are taking place. Deep agreements are taking place within the factory systems.

So how can developing countries benefit from GVCs? Developing country firms are no longer having to master the entire production process of a good and are slotting into different segments of 'global production' according to comparative advantages. On the input side, having access to more sophisticated and competitively priced imported intermediates has a technological component that helps firms. Importing is essential for export competitiveness but also for selling in domestic market.

Dr. Ikuo Kuroiwa, Executive Senior Research Fellow, Bangkok Research Centre, JETRO Bangkok presenting a case study of Thailand's automobile GVCs focused on four key areas viz. , the automobile industry in Thailand, industrial policy of Thailand, automobile GVCs in Asia and the challenges faced by Thailand and other Asian countries.



Highlighting on the evolution of the automobile industry in Thailand , Dr. Kuroiwa mentioned that with the liberalization of economy of Thailand in mid 1980s, the automobile production grew rapidly. But subsequently the economic crisis brought down the production drastically. Again with the revival of the economy driven by export, auto production picked up. Japanese companies have very high shares in the Thai auto sector . But due to tough competition as a result of regional integration, market shares may alter in the future.

Speaking on the automobile GVCs in Thailand, Dr.

Kuroiwa said that because of the development of the local parts suppliers and promotion of regional integration, the share of domestic local content increased in this period. Also, the share of ASEAN countries in terms of the procurement internally increased during this period.

According to Mr. Ricardo Melendez - Ortiz, Chief Executive Officer, International Centre for Trade and Sustainable Development (ICTSD) value chains and more regional than global. Mr Melendez - Ortiz elucidated with examples of Factory North America, Factory US, Factory Japan, Factory China, Factory Europe and mostly Factory Germany where the drivers, the leading firms in value chains are located. In these regions the policy environment has been favourable for the development of value chains.



However, the issue is about integration of SMEs into global value chains . Even though small and medium enterprises make up nearly 95 per cent of all enterprises around the world, provide around 60-70 per cent of private sector employment, they continue to be very much behind participation in global markets with marginal contribution of 20-25 per cent of global GDP . And their ability to participate in global value chains is an area of particular concern.

Participation in value chains not only help capture the gains in terms of employment but also generate positive spill over in the economy in terms of technology ,innovation etc.

Have developing countries really benefitted from value chains? The phenomenon of GVC is evident mostly in the locations, regions (Factory North America, Factory US, Factory Japan, Factory China, Factory Europe and mostly Factory Germany) discussed above. Some developing countries have participated drawn by the many firms located in those countries and they have taken advantage particularly in the context of the preferential

arrangements and other forms of economic integration . But most developing world continues to be absent in the phenomenon of value chains, Mr. Meledez – Ortiz pointed out.

Ms Luisa Santos, Director, International Relations, BUSINESSEUROPE expressed that today's businesses operate in an increasingly complex and challenging environment. Access to goods, services and information has become easier but at the same time new challenges have emerged for which businesses are not completely prepared.



Increasing world competition and fragmentation of the supply chains, emergence of new economic and political powers, new technologies, rising social media, international trade as a tool to promote economic growth ,as also other objectives such as development, sustainability, etc present some of the challenges .

In the past 20 years the digital revolution has led to a world that is better connected to the global value chains. Today's products and services are not produced in a single location, but are the result of a combination of tasks executed in different countries, with the lion's share of traded goods being intermediates.

Businesses have new opportunities but many of them are outside traditional markets. By 2015 90% of world economic growth is expected to be created outside Europe- 1/3 alone in China. Developing and emerging countries are likely to represent nearly 60 % of world GDP by 2030 (< than 50% today).

Ms Rupa Naik, Executive Director, All India Association of Industries and Director – Projects , World Trade Centre said that now more than ever,

SMEs in Asia have the opportunity to engage in international trade given the falling barriers to trade and fragmentation of production whereby the production of final goods is spread over firms located in several countries, with each one undertaking an individual "task" in the overall process. Firms no longer need to have the expertise to export to a modern market; instead, they can simply support the value chain as suppliers of intermediate inputs, such as parts and components, and act as subcontractors several levels down from the ultimate buyer.



SMEs that invest in technology and those with high labor productivity are more likely to be part of the GVC. The extent to which a firm actively engages in improving its technology, production, and processes positively influences its participation in GVCs.

According to Ms Naik, increased internationalization through trade and participation in GVCs provides SMEs in many developing economies the opportunity to achieve economies of scale, expand market share, and increase productivity. Additionally, participation in GVCs and cooperation within a network of upstream and downstream partners can enhance a firm's information flows and learning possibilities, as well as introduce new business practices and more advanced technology leading to greater growth and earning potential.

Adding that "Policy makers should think business and think global - or at least regional. A country cannot develop a competitive offer of goods or services in isolation". This implies that imports are not an expression of foreign competitiveness, but rather a means for firms to access the most efficient inputs and free resources to focus on core competences.



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Reforms and changes - Benefits and challenges

In India we have been witnessing implementation of various new Acts and reforms from time to time. These changes accelerated with the onset of the liberalization trend in 1991. While the changes and reforms are welcome, it needs to be noted that the changes should be made only after taking into account the ground realities of any nation. Today, we find that laws and regulations are being imported from developed countries and implemented here without adapting these to Indian conditions. The non-realization of expected end result, which has become a normal trend, is a stern reminder to our policy & opinion makers about the necessity to make appropriate changes before implementing the same. Not only the regulations do not get adapted to Indian conditions, but these usually get headed by retired personnel on the basis of recommendations of influential people whereas in developed countries the regulatory bodies are invariably headed by experts & professionals.

We are today witnessing a dismal and distortionary situation emerging in India. Due to the strict Reserve Bank of India norms put in place during the recessionary period seen in the wake of the global economic crisis, the assets of many companies have got converted into Non-Performing Assets (NPAs) for no fault of these companies. Industry could not get the required finances in the lean phase of their business. On top Industry is being forced to pay higher interest rates-the fall - out from strict banking & financial norms. This directly has impacted two prime sectors adversely the infrastructure sector - road, ports & power; and manufacturing – iron & steel industries. As the NPAs situation has been worsening for the last number of years, the situation appears to have gone beyond the control of the industrial sector.

Now is the opportune time for concerned authorities to support the existing industries and manufacturers lest it gets too late and failing which,

the dire state of Industry & Business may turn into a dissuading factor for the new investors to enter the market.

It is interesting to compare the Indian authorities' response to an industrial recessionary situation with that of Europe and America. The American authorities made finance easily available at lower interest rate to the manufacturers. Simultaneously, their laws and regulations were changed to suit their market conditions. For example, the real estate industry that was instrumental in causing the recession in US has completely turned around today owing to the support provided by the US government. The US economy is back on track today. The authorities in USA and European Union not only reduced interest rates but also gave various incentives to their respective businessmen which are still continuing.

At present, majority of Indian Industry and Business are passing through a painful crisis period. The persistently spiraling interest rates have adversely impacted the infrastructure projects getting executed. Our rules and regulations need to be transformed to be most apt for Indian conditions and implemented vigorously and meticulously. Unfortunately the state is that our banks and financial institutions seem to be managing their balance sheets instead of supporting the industry and infra projects.

We need to take more proactive and practical decisions that will help make the Industry and Businesses move forward.

Suggestion: A meaningful dose of interest rate reduction along with an appropriate form of fiscal support to Industry and manufacturing till the present difficult period gets over.

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Smart City

A smart city is one that embraces change to enhance people's lives by using the latest in technology and infrastructure, builds responsive and participative governance and universal access to security of life and property, and gives opportunities for progress.

The idea of creating many smart cities has caught the imagination of resurgent young urban India unlike little else has in recent times. The most exciting part of the idea is that India is finally envisioning something that is at par with or even ahead of the rest of the world.

One of the most basic objectives of the Smart City initiative is to provide easy mobility, work ability and pollution free environment replete with the basic amenities. If we take the example of Mumbai city alone having an area of 4355 km² having a population burden of 22 million people with 50% population staying in slums, which is disastrous. An ambitious project was initiated in and around the year 1997 which later was named as the SRA project. However, the success of this project has been minimal.

The Indian cities have a worse problem of ever increasing population over a period of time due to mass migration to the cities in search of employment. Hence, even if we decide upon the framework for a smart city today we are totally clueless about the efficacy of this framework may be ten years down the line. Hence when we conceptualize the basics of a smart city it is very important that we fix a population to area ratio for every smart city so that there is a check on populations migrating to city thereby the existing population is not falling short of amenities and facing congestion issues as there is no further scope for increase in area.

The concept of smart city needs to address the issues of existing cities, the newly proposed and

implemented ones and the proposed ones. The existing ones need special attention to undergo the process of transforming into a smart city as it remains the most challenging task. Against this backdrop, the government has recently provided for the addition of Rs 48,000 crore for the smart cities project and Rs 50,000 crore for the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) mission. The smart cities project will cover 100 cities and will provide for Rs 100 crore per year, for the next five years for selected cities with a population of over 1 million, while AMRUT will cover 500 cities with a population ranging from 100,000 to 1 million.

The challenges here include the lack of empowerment of mayors; the rotational reservation clause that does not provide an incentive to invest time and energy in creating lasting projects, as they do not have a means of getting re-elected and their tenures are short; and the lack of capacity in building viable self-sustaining projects, such that funds available to ULBs remain unutilized to the extent of over 25 per cent. The greatest need of the hour, though, is a change in mindset - a long-term vision would enable the introduction of lifecycle costing and an integrated approach over a silo approach.

Despite all obstacles, the first steps have been made in the right direction with the empowerment of the state, with city planning becoming a priority, inculcation of financial discipline and of course, the political will, which comes straight from the office of the Prime Minister. Further discussed are some of the propositions which need to be kept in backdrop while deciding the concept of smart cities.

Integrated Planning for Cost-Effective Solutions

It is observed that states and municipalities often focus on a requirement individually on one on one basis. As a result, we sometimes assess and

implement the best alternative to solve one problem at a time without full consideration of all the other obligations. This approach may have the unintended consequence of constraining a municipality from implementing the most cost-effective solutions in a sequence that addresses the most serious issues first. Encouraging municipalities to work with the states to engage local partners regarding all of their civic related obligations in an orderly manner is the need of the day.

A comprehensive and integrated planning approach needs to be implemented to provide greatest opportunity for identifying cost-effective and protective solutions and implementing the most important projects first.

Integrated planning will put municipalities on a critical path to achieve success in identifying efficiencies in implementing sometimes overlapping and competing requirements that arise from separate civic issues, including how best to make capital investments and meet operation and maintenance requirements. Integrated planning also can lead to the identification of sustainable and comprehensive solutions, such as green infrastructure.

In embracing an integrated approach to tackle civic issues it is not suggested that existing regulatory or permitting standards that protect communities depend be lowered. Rather, it is simply suggested that such an approach will help municipalities responsibly meet their obligations by maximizing their infrastructure improvement rupees through the appropriate sequencing of work.

Green Infrastructure

When we talk about green infrastructure one need to be kept in mind 1. Sewage management 2. Energy efficiency 3. Pollution reduction. Multiple benefits are associated with green infrastructure, which strongly encourages related innovative

technologies, approaches, and practices to manage the above.

There have been many successful examples of cities who utilize green infrastructure to meet regulatory requirements while also benefiting from green jobs, neighborhood enhancements and more sustainable communities. Community partnership program needs to be launched to identify communities with which the municipality will work on green infrastructure implementation issues. Technical assistance resources need to be developed for partnerships on using green infrastructure on sites and slowly infiltrating soils and evaluating codes and ordinances for barriers.

The current economic times make the need for sensible and effective approaches even more pressing to pursue innovative and cost effective solutions to the above challenges.

Open Urban ICT Platforms for Smart Cities and Communities

Opening urban ICT platforms are a pre-requisite to support fast take-up of smart solutions in cities to allow many stakeholders of a city to participate and for different vendor solutions to be easily integrated. Objective of such a platform is to accelerate the opening up of the Smart Cities Market, ensure suitable industry input, and an open dialogue with cities and communities in order to take into account their needs and concerns, to develop the Urban Platform open market by creating competition for supply side and confidence for demand side.

The urban Platform means the implemented realisation of a logical architecture/content/design that brings together (integrates) data flows within and across city systems and exploits modern technologies (sensors, cloud services, mobile devices, analytics, social media etc ... providing the building blocks that enable cities to rapidly shift

from fragmented operations to include predictive effective operations, and novel ways of engaging and serving city stakeholders ... in order to transform, in a way that is tangible and measurable, outcomes at local level (e.g. increase energy efficiency, reduce traffic congestion and emissions, create (digital) innovation ecosystems).

The rapid deployment of ICT technology in urban infrastructures and the growth of the Internet of Things will lead to new service portfolios, especially using real-time information. Urban data provided by cities and infrastructure providers will enable new business models and service portfolios. A common data and service ontology will ensure a seamless commercialization of these new service portfolios.

Urban Water Resource Management

Integrated urban water management (IUWM) is described as the practice of managing freshwater, wastewater, and storm water as components of a basin-wide management plan. It builds on existing water supply and sanitation considerations within an urban settlement by incorporating urban water management within the scope of the entire river basin. IUWM seeks to shift urban water management away from ad hoc solutions to a more integrated approach. IUWM within an urban water system can also be conducted by performance assessment of any new intervention strategies by developing a holistic approach which encompasses various system elements and criteria including sustainability type ones in which integration of water system components including water supply, waste water and storm water subsystems would be advantageous. Simulation of metabolism type flows in urban water system can also be useful for analysing processes in urban water cycle of IUWM.

IUWM is commonly seen as a strategy for achieving the goals of Water Sensitive Urban Design. IUWM seeks to change the impact of urban development on the natural water cycle, based on the premise that by managing the urban water cycle as a whole; a

more efficient use of resources can be achieved providing not only economic benefits but also improved social and environmental outcomes.

One approach is to establish an inner, urban, water cycle loop through the implementation of reuse strategies. Developing this urban water cycle loop requires an understanding both of the natural, pre-development, water balance and the post-development water balance. Accounting for flows in the pre- and post-development systems is an important step toward limiting urban impacts on the natural water cycle.

Sewage Management

The scope of sewage management has evolved throughout history with changes in socioeconomic conditions, city structures, and the environment. Today, sewage infrastructure that is well planned and operated supports urban sanitation and related activities. Effective sewage management is essential for nutrient recycling and for maintaining ecosystem integrity. It is also important for:

- ? Improving the environment through proper drainage and disposal of wastewater;
- ? Preventing floods through removal of rainwater;
- ? Preserving receiving water quality.

The sewage treatment process facilitates the achievement of water quality objectives. In addition to nutrient recycling, advanced treatment of wastewater often includes associated unit processes which support the optimization of resource use. Some of these unit processes include the conversion of sludge into various beneficial by-products, and the process of extracting thermal energy from sewage and wastewater. In addition, the sewage collection system can be used as a conduit for optical fibre cables and other communications infrastructure.

Sewage Works Planning and Administration

Sewage works should be planned and executed by municipalities in collaboration with other

levels of government. The authority for the construction and management of treatment plants, trunk sewers and branch collectors varies depending upon the jurisdictional arrangements in a given country. The Metropolitan Government carries out the construction and management of these facilities within the regional sewage system, while the municipalities themselves are responsible for connecting the branch sewers with the trunk sewers.

Water Recycling Master Plans

Some cities have established a water recycling master plan to ensure the efficient use of precious water resources. Under such a plan, water-related measures are examined from the viewpoint of water recycling and all activities within the city are carried out in a manner consistent with the master plan. The objectives of a water recycling master plan should include the creation and nurturing of a water cycle that has a minimal impact on the environment while fostering a beneficial relationship between humans and nature. This involves the establishment of efficient water and wastewater systems within the city and ensuring sufficient flexibility to cope with the possibility of environmental emergencies and possible disasters such as earthquakes and drought.

Sustainable Urban Transport Management

Strategic objective of local communities is to achieve the transport system configuration which recognizes four vital dimensions:

1. The transport dimension – adequate balance between public and private transport share in satisfying the needs of all the market segments,
2. Ecological dimension – retaining of the overall volume of pollution caused by the transport modes at an acceptable level,

3. Economic dimension – creation potential of new financial resources by the solutions of giving "value for money" and the capacity for inducing the desired behaviour (demand) of the users through fair charging mechanisms (without discrimination),
4. Social dimension – providing the citizens with transport system which suits their needs.

Since it is difficult to achieve an ideal system, in modelling of the urban public transport the acceptable solution is also the one of establishing certain compensation among these domains in compliance with the socio-economic and cultural reality of every specific urban district, and the conditioned political option and the accompanying financial support as the result of interaction between the local, regional, and national levels of interventions.

Work life balance

Work-life balance of an employee is largely determined by the nature of his job, the industry in which his company operates and the employee leave benefits offered by the company. However, the civic infrastructure and other features of a city or town also play a role in improving the work-life balance of an employee. Civic administrations in smart cities can contribute to the work-life balance of the employees by improving commuting or travel infrastructure, encouraging amusement centers, parks, museums etc. For example, setting up infrastructure for seamless transportation would reduce commuting time for office goers and hence increase the amount of time available for spending with family.

Information Technology

From the perspective of Information and Communication Technology (ICT) usage, we try to examine what are the essential components for making a city "smart". We look at five essential ICT

elements that cities need to acquire or develop on their path to becoming smarter. Non-material essentials also make up a good ICT strategy for smart cities. Along with the five ICT essentials, cities must develop sustainable partnerships and cooperation strategies among main stakeholders to ensure the effective sharing of common city resources among citizens and businesses. If this is achieved, urban and regional innovation ecosystems can develop, in turn, speeding up the process of becoming a "smart city".

The global market for smart cities information and communication technologies (ICT) was valued at \$212.3 billion in 2013 and \$293.2 billion in 2014. This market is expected to reach \$668.5 billion in 2019, with a compound annual growth rate (CAGR) of 17.9% from 2014 to 2019.

North America represents the largest region of the smart cities market with revenue of \$103.5 billion in 2014. This regional market is expected to reach \$218.3 billion in 2019, a compound annual growth rate of 16.1% from 2014 to 2019.

The European market for smart city ICTs is expected to increase from \$69.9 billion in 2014 to \$197.7 billion in 2019, a compound annual growth rate of 23.1% from 2014 to 2019.

"Growing" to "Smart" Cities

Information Technology is changing the evolution of cities. The notion of "growing" cities based on implementing correct urban planning is being replaced with the idea of making a city "smart". The Internet is changing the traditional urban planning model and compelling planners to not only consider the physical planning of a city but also to consider the use of Information Technology to make the economy, environment, mobility and governance of a city more efficient and effective.

Even though the term "smart city" is relatively novel,

the development of a smart city can vary dramatically depending on the approach that is taken regarding policymaking for the urban growth of the city. A number of definitions for the term "smart city" exist.

One can define smart cities as "cities that utilise information and communication technologies with the aim to increase the life quality of their inhabitants while providing sustainable development". From this definition we can see that ICT plays a pivotal role in making a city more adapted to the contemporary needs of its citizens.

Other definitions of smart cities may not place such an emphasis on the central role played by ICT. Nevertheless many definitions include some reference to the use of ICT for making modern cities more suited to the needs of citizens. For example, cities can become smart when "investments in human and social capital and traditional for example transportation and modern ICT-based infrastructure fuel sustainable economic growth and a high quality of life, with a wise management of natural resources, through participatory government".

In fact, a city is smart when it manages to connect the physical infrastructure, the IT infrastructure, the social infrastructure, and the business infrastructure to leverage the collective intelligence of the city.

Regardless of whether ICT takes centre stage in the development of a smart city or not, it is clear it is a key driver of smart city initiatives and thus needs attention from city planners and the various stakeholders interested in sustaining and improving quality of life in urban areas.

Let us consider the essential building blocks that a city needs to put in place in order to make the best use of ICT for making a city smart. In my view, five essential ICT elements are needed to ensure a solid ICT foundation exists for nurturing the "smart" agenda of a city.

Deployment of Broadband Networks

When considering the implementation of a smart ICT plan for a city, the first step for any policymaker is to foster the development of a rich environment of broadband networks that support digital applications, ensuring that these networks are available throughout the city and to all citizens. This plan for easy access to broadband should include a broadband infrastructure that combines cable, optical fibre, and wireless networks. This will offer maximum connectivity and bandwidth to citizens and organisations located in the city.

The latest broadband service is fibre-optic, which is the fastest Internet connection available. However, in many places this type of Internet service is still in its infancy. Expanding this service across the city is an essential part of any smart city agenda. With these fibre-optic cables connectivity increases in critical areas around the city such as universities, business centres, technical and research institutes, government offices and emergency response units. They also ensure access to any electronic public services that the city plans to offer its constituents. The long term goal of setting up such an infrastructure is to facilitate, once broadband access is widespread enough, an open broadband network that the entire city population, i.e. organizations, companies, municipalities and individuals can use.

In addition to the wired broadband networks that are necessary for smart cities, wireless broadband is becoming ever more in demand, especially with the explosive popularity of mobile applications, smartphones, the increased connectivity of smart devices, the Internet of Things (IoT). Cities can use broadband wireless networks to enable a wide range of smart city applications that enhance safety and security, improve efficiency of municipal services and promote a better quality of life for residents and visitors. This mobile infrastructure has already become an essential element for smart cities.

Use of Smart Devices and Agents

The second step for smart city planners to consider when implementing a smart ICT plan for a city is to ensure that the physical space and infrastructures of the city are enriched with embedded systems, smart devices, sensors, and actuators, offering real-time data management, alerts, and information processing for the city administration.

The presence of these devices combined with wireless connectivity throughout a city facilitates a richer and more complex digital space within the city, which in turn can increase the collective embedded intelligence of a city. This collective embedded intelligence allows relevant stakeholders of the city to be informed about the city's physical environment and facilitates the deployment of advanced services like spatial intelligence. It also paves the way for developing other innovative ecosystems that help to link the city with its people and visitors through technology.

This embedded intelligence, created by the use of embedded systems and other ICT intensive solutions, is becoming the nervous system of modern economies through making cities smarter. ICT is already at the heart of many current models for urban development, such as for revamping a city's critical infrastructure and enabling new ways for city transport management, traffic control or environmental pollution monitoring. Additionally, the extensive and ubiquitous use of ICT is empowering the development of essential services for health, security, police and fire departments, governance and delivery of public services.

Developing Smart Urban Spaces

The third essential step along the way to smarter cities is to develop smart urban spaces, by connecting the embedded systems, sensors and smart devices located across the city together to form a cohesive and integrated ICT infrastructure for the city.

Smart urban spaces are areas of a city that leverage ICT to deliver more efficient and sustainable services and infrastructures within that specific area. The spaces can sometimes be as large as entire city districts and these districts can include services like electric car charge points, energy-efficient buildings that use 'smart' meters and smart heating and cooling systems.

Wifi hotspots and information kiosks that allow people to connect to the Internet on the move through these districts are also common services available in smart urban spaces. Free wifi hotspots are becoming more and more common in most European cities. These smart urban spaces comprise a wide range of innovations that can be of enormous environmental and economic benefit to both the district and the city at large.

However, challenges involved in developing these smart spaces still exist. Particular importance is being placed on building partnerships between the public and private sectors within these districts, as well as between the ICT and energy industries of the city. This is a growing concern with respect to developing region/city-wide infrastructures, that the commercial approach taken by many city planners in developing these smart spaces is leading to too many proprietary systems that do not interoperate with each other.

Developing Web-based Applications and e-Services

Coming to the fourth element, smart cities commonly deploy online services across different sectors of the city, for instance a city airport will require different e-services to a city hospital. Smart city e-services include services for the local economy and its development, tourism, the city environment, its energy and transport services, security services, education and health services and so on.

Sensors can be used to manage the mobility needs of citizens with an appropriate Intelligent Transport

System (ITS) that takes care of congestion, predicts the arrival of trains, buses or other public transportation options; managing parking space availability, expired meters, reserved lanes, and so on. ICT can be also used for environmental and energy monitoring such as using sensors to detect when waste disposal pick-ups are needed, or to measure energy consumption and emissions.

Other services may include building management services like smart meters and monitoring devices to help monitor and manage water consumption, heating, air-conditioning, lighting and physical security. ICT can also be used in improving the health of citizens through telemedicine, electronic records, health information exchanges and in remote assistance and medical surveillance for disabled or elderly people. When providing public Safety and Security, sensor-activated video surveillance systems can be employed along with location aware enhanced security systems, and estimation and risk prevention systems.

ICT services can change the way citizens work by providing remote working and e-commerce services for businesses, entertainment and communications for individuals. Integration of the e-services is a key-factor, enabling the above processes to work together and create environments more efficient in collaborative problem-solving and innovation.

Innovative entrepreneurs and start-ups should be encouraged and supported to leverage these original technologies and adapt them to offer novel services to the citizens and businesses of the city.

Opening up Government Data

The fifth element is the Open Government Data (OGD) initiatives, and in particular the development of OGD portals, which have become widespread since the mid-2000s both at central and local government levels in Europe and indeed across the

globe. Understanding the preconditions that enable the efficient and effective implementation of these initiatives is essential for growing cities and especially cities looking to become smart. The effective use of government data can precipitate the smart evolution of a country's cities, creating national competitive advantage for the country in question.

A couple of examples may be cited here. Two civil society movements are campaigning for greater openness of information, documents and datasets held by public bodies. The first is the Right to Information movement, which promotes a public right of access to information from a human rights perspective.

The second is the Open Government Data movement, which uses predominantly social and economic arguments to encourage the opening up of government data. The latter claims that putting such information into the public domain can benefit society by creating conditions for more social inclusive service delivery and for more participatory democracy. It can stimulate the economy by allowing the possibility for third parties (e.g. individuals, private enterprises, civil society organisations) to create new products and services using public data.

Both movements aim to increase the transparency of government so that all members of society can enjoy the inherent social and economic value of information that has been generated and collected with public funds. Public agencies are trying to increase the transparency of government processes and performance by publishing relevant data online and sharing it with the public.

Benefits to opening government data for a city, region or country can be enumerated thus:

? First, opening government data Improves government accountability, transparency, responsiveness and democratic control

? Secondly, it promotes citizens self-empowerment, social participation and engagement

? Thirdly, it helps build the next generation of empowered civil servants

? Fourthly, it fosters innovation, efficiency and effectiveness in government services

? Last but not the least, it creates value for the wider economy

Great emphasis is placed upon the need for a city's governing body to engage with its citizens and listen to their needs when developing the city. Thus, opening up government data to citizens encourages good governance. Good governance, in turn, encourages public trust and participation that enables services to improve. Finally, it is not only engagement between government and citizens that is essential to the success of a city becoming smart. All stakeholders need to engage and work together towards growing the city to meet their own needs.

The Government should consider various incentive such as Stamp Duty and Royalty Exemption, Lead Project Incentives, Waiving of Surcharge on VAT, Electricity and other levies and doing away with Local Taxes in case of projects which will generate employment and boost economy of the region and giving Smart Cities authority to have its own development agencies so that they do not have to run from pillar to post. Looking forward to your due consideration.

Port Cities and economic impact

Port cities are core places: they lead the way in terms of economic strength .For example, 14 out of the 20 economically strongest cities in the world are port cities. They are also the most competitive places. 36 of the 50 most competitive cities are port cities.

Port cities are particular points for trade of imports

and exports, a space of localization for many industries and services, and attractive areas for tourism and for cultural exchange. Port cities have always been cosmopolitan places, open to many cultures, with different ways of life and of working. They are historical spaces of creativity/innovation in the economy, in culture, in society, and all this is reflected in a specific architectural landscape.

Port areas are the "interface" between the city and the sea. Here the processes of economic globalization started already early in the history. It is here that most of the flows of the globalized economy arrive at and depart from. In fact, ports are a driving force of economic wealth, because commercial, industrial, logistic, tourist and fishing activities are localized here. They are a "magnet" for induced activities and, in turn, can also be an "incubator" for new services/activities. Ports, because of their central urban position, have a high economic and real estate potential. At the same time, port areas offer a particular landscape, which is the product of a complex system in which socio-cultural, economic and ecological systems are dynamically intertwined.

Port and related industries

Ports tend to attract firms in a variety of industries. These include in many ports transport and logistics, warehousing and storage. Several ports are also sites for resource intensive industries, such as refineries, chemicals, steel and coal; aerospace and renewable energy production, including off shore wind energy and biomass production. However, a large variety of practices exist, which seem to be determined by available space, port strategies and also the structure of the economy of a region. Regional industrial specialisations correlate with and might in fact determine to some extent the types of cargo handled in the port: e.g. regions with strong specializations in agriculture have ports specialized in handling of agricultural products etc.

Strong interlinkages can exist between ports and related industries as evident from backward economic linkages of various port clusters. Many of these links are also localized. Large chemical clusters, such as in Antwerp, Rotterdam and Tarragona, have developed in and around their respective ports. The port represents the principal access point to raw materials and competitive feedstock for the manufacturing of chemicals. The impact of the port on the economic success of the chemical clusters is considered fundamental for exports as well.

Port-cities benefit from part of the economic impacts of ports. Most of the direct port-related value added is still created in port-cities. Port-cities also benefit from the effects of clustering industries in a port area, and the possible economies of scale and knowledge transfer related to it. Several resource-intensive industries continue to be attracted by port areas, as location in a port limits their transportation costs.

Port traffic is very sensitive to the nature of the local economy in which they are handled: in larger and richer regions with large tertiary sectors the port volumes are often more diversified and include more high value added goods, such as containers and consumer goods, whereas agricultural and industrial regions are usually more specialized in bulk traffic.

Port and employment

Port industries require local employment, but this is relatively marginal in comparison with the wider regional economy in which ports operate. Even in the largest ports, port and port required employment rarely exceeds a few thousand jobs. Several trends, including containerisation, automation and economies of scale, have made port operation and cargo handling increasingly capital- and land intensive, and decreasingly labour-intensive. Over the last decades, many ports have

shed labour in order to become more productive and competitive.

The economic impact of a port is context specific and to some extent determined by its specialization. Some commodities generate more value added for a port than others, with general cargo generating more value added per tonne of throughput and crude oil and containers the least in North West European ports. The larger the port, the more port-related employment the area has. In general the link between cargo volume and port-related employment holds.

Conflicts in Port Areas/Cities

Many paradoxes characterize nowadays port cities/areas. Environmental deterioration and pollution processes often affect them. The production of their economic wealth implies high ecological, and also social and cultural costs. Often the port becomes a driver of environmental deterioration and reduced well-being for urban life. Here, old and new industrial activities have been localized: steelworks, chemical industries, shipyards, oil refineries, assemblage / transformation / construction activities, power plants, degasification plants, waste management equipment, etc.

The logistic revolution, with ICT innovations, with automation and robotization and new technologies, has multiplied the quantity of goods and people in transit. Ports produce a lot of waste resulting from harbor industries, maintenance, dredging, navigation, etc. The negative externalities resulting from industrial/trade activities in ports do not just cause environmental damages, but are interconnected with the economic and social system in a negative way; they are often a source of new economic (and social) damage for the whole city system. The development of the port/city system tends to become less and less sustainable.

Moreover, they do not benefit directly urban inhabitants, but often only a few trade / industry / tourism agents: that is, the benefits are not distributed equally among the various stakeholders. But port areas, as the main spaces where these

contradictions/paradoxes come into being, are also the most suitable sites to reduce conflicts and to transform these into synergies, provided that innovative approaches of governance, at a strategic, planning and management level, are implemented.

It is thus not by chance that all over the world port areas have become sites where actual creative actions aimed at promoting sustainability are often implemented. Investments in the urban regeneration of waterfronts-in Rotterdam, Barcelona, Liverpool, Valencia, Vancouver, Tokyo, Hamburg, Malmo, Amsterdam, Genoa, Glasgow, Antwerp, Copenhagen, etc.-are well-known experiences. They can be interpreted as "transition experiments" They express the creativity and also resilience of cities against the pressures of change, by highlighting the capability of cities to transform themselves and to maintain their identity.

Smart Cities

The concept of smart cities first emerged in European urban planning more than a decade ago. It is a brilliant idea that carries potential of activating strong direct as well as indirect linkages that can immensely benefit the cities, states as well as the entire economy. Smart city concept envisages not only creation of new cities or new townships on the outskirts of cities but also making existing cities smart. However, this is not easy to accomplish as it involves utmost meticulous precision planning and effective implementation. There is talk about Indian economy moving from \$2 trillion to \$20 trillion by 2025. This will be possible only with certain critical moves. One such critical ingredient is the concept of 'Smart Cities'.

Indian government has unveiled a plan to build smart cities across the country. Smart city would be built providing affordable housing, cost – efficient physical, social and institutional infrastructure such as adequate and quality water supply, sanitation, 24x7 electricity supply, clean air, quality education, cost efficient healthcare, dependable security, entertainment, sports, robust and high speed interconnectivity, and fast and efficient urban

mobility. The core aim is to ensure all – round convenience and comfort of modern living. Authorities will have to come out with smart – city protocols that cities will use as the basis for future development projects.

Though the smartness in a city may mean different things to different people, but for attaining sustainability, a smart city has to offer economic activities and employment opportunities to a wide section of its residents, regardless of their level of education, skills or income levels.

Smart Port Cities

The government is working on an ambitious plan to build one smart city each at the country's 12 major ports, at an estimated total investment of Rs.50,000 crore. Each port will construct one smart city to be built with an expenditure of about Rs.3,000-4,000 crore. These will be green smart cities and will be completed in five years.

The 12 major ports under central government's control have between them an estimated 2.64 lakh acres of land which is being mapped through satellites and are major resources with shipping ministry. Mumbai Port Trust alone has about 753 hectares of land with it, valued at about Rs.46,000 crore.

These cities will be built as per international standards and have wide roads, green energy, advanced townships and greenery. In addition, these smart cities and ports will have e-governance links, international standard facilities, special economic zones, ship breaking and ship building centres besides allied facilities. Port water will be recycled. Port wastes will be turned into bio gas. Vehicles will run on bio fuel. Solar energy and wind power will be generated at ports. These cities will be pollution-free and very green smart cities.

Besides, electric vehicles will run here and these smart cities would house schools, commercial complexes and other amenities.

The Government has plans to encourage setting up of some bio diesel plants at these ports, including Haldia, where bio diesel will be made from palm oil residue. As part of its plan to revamp the country's top 12 ports, the Centre has already asked the ports to prepare land data base and development plans to achieve international operating standards.

The Government should consider various incentive such as Stamp Duty and Royalty Exemption, Lead Project Incentives, Waiving of Surcharge on VAT, Electricity and other levies and doing away with Local Taxes in case of projects which will generate employment and boost economy of the region and giving Smart Cities authority to have its own development agencies so that they do not have to run from pillar to post.

AIAI welcomes the Finance Minister's statement

The recent statement by Finance Minister Mr. Arun Jaitley on Proactive Government Policy in regard with simplification and rationalization of tax structure in line of the Government's mission of "Doing Business with Ease" is a welcome statement said Mr. Vijay Kalantri, President, All India Association of Industries (AIAI) adding that this proportion will not only boost economy but also bring in the much needed investments.

AIAI further feels that the recent statement echoing the sentiments of the Finance Minister and his colleagues need for lowering of interest rates to boost manufacturing and exports and make them competitive should be done on priority which will give the much needed relief and boost the economy.

AIAI further feels there is need also to revise the NPA norms and various other RBI schemes/norms for better implementation.

Quantitative Easing

Monetary or fiscal policy is the backbone of the country's economy. A sound monetary policy acts as an osmosis regulating the balance of the domestic viz viz the international currency. Fiscal policy affects macroeconomic stability, growth, and income distribution. Citizens expect their governments to ensure value-for-money for public spending, a fair and efficient tax system, and transparent and accountable management of public sector resources.

Monetary dynamics in India are a very unique one. A trend has been noted that in spite of the subprime crisis, India remained nearly unaffected. If Indian fiscal status did get affected it was only due to the recent heightened prices of the crude oil purchases and gold to a certain extent. Another contributing reason being the low exports and large inflation leading to the widening of the CAD.

Though today we see that the inflationary tendencies are under control and the CAD is in a better position, however only due to decreasing crude oil prices. India's export competitiveness shows a very feeble growth and at the same time weak contribution to the fiscal deficit. Recently, there are also reports predicting a higher sovereign rating to India which can be a valued precursor to the inflow of foreign investments into India.

However, keeping in tune with all these positive foot prints at the country level economics, we see that the activity on the ground level is hardly in pace with the national marathon on growth. Primarily because of the weak capital available to businesses to pump in the necessary infrastructure and at the same time poor public investment in transport and communication infrastructure, cost of importing a certain item of certain weight from UAE is 10 times lower in transporting the same from a port in Mumbai to Nagpur. In conditions such as these promotion of manufacturing in India and export of the same seems illogical.

Along with these, administrative reforms and judicial reforms, are the two fundamental challenges that need to be changed.

There are debates on improvising the fiscal policy to be in tune with the International standards and adopting fiscal procedures upon the suggestions of the IMF. The IMF being the leading source of fiscal policy and management expertise worldwide which also monitors and analyzes global fiscal trends and advises IMF member countries on fiscal issues directly.

Fiscal measures such as Quantitative easing have been prescribed to be adopted in the Indian context. QE is a relatively simple process in developed economies as they have a very strong bond market. But the problem with QE is that the Central Bank doesn't know when to apply brakes to it.

The fact of just stopping the QE creates panic in the markets, which is evident nowadays when all the economies are anticipating a rate hike by Federal Reserve. So inflation is only a monetary phenomenon (Milton Freidman) for the developed economies and it can be controlled by having a strict monetary policy.

While the Indian side of the story is that inflation is not purely a monetary phenomena but majorly linked to supply constraints. Another problem is that the policy rates in India are not the transmission rates unlike in the US.. So changes in policy rates come with a major lag and may not in most of the cases affect the base rates of banks.

As base rates by the Indian banks are calculated on average principle rather than marginal principle. This makes QE tough to have an effect on the economy because only interest rates can't affect the investor's sentiments, there are several other factors that determine their level of investment.

If it does have an effect then in case of India the inflation, if not controlled, will be far tougher to deal with. Thus, it is difficult for easing out capital to Indian business at a competitive rate even when the RBI brings about a cut in the interest rate.

It has been the IMF's prerogative to stabilize economies of the countries and stop the negative effect of downfall of one on the other. This is done by IMF by easing out capital requirements to the weakened economy on low interest rates. One benefit is that governments are able to borrow money cheap and the addition to their debt is limited to mainly the principle amount and addition to the debt in the form of interest is limited.

However, it becomes very important for IMF and the weakened economy that the low interest loaned capital reaches the sector where the same invested will trigger growth. Sixty percent of the Indian population resides in villages and unfortunately no attempt is being made to enhance transport and communication infrastructure and make it a most important agenda of rural development. It is unfortunate that either the IMF suggested or the Indian government thought it imperative to make Smart Rural India as the slogan campaign instead of 100 smart cities.

Digital India efforts which are being done since 25 years now require restructuring because it is based on old silos. Today we need cloud computing, open source software through low cost models and all of that requires total revamping of the system, and nobody is prepared to do it.

Another issue with fiscal policy is that most of the currencies are pegged with the dollar. Dollar represents strength of the US economy thus acting as a conduit to spread distress if in one, to the connected economies. Though there are increasing practices to have country to country currency link up such as the Iran India pact on crude oil sale on rupee

value. The growth in such political decisions have not been an encouraging one.

The probable issue being the strong importance of dollar in the economy. Last time, when Fed announced in 2013 that they were planning to withdraw stimulus in phases, it created a knee-jerk reaction in the global financial markets. The countries which had twin deficit, saw their currencies depreciating very sharply within a few weeks. Only when Fed communicated to the world that what was their thinking, the markets stabilised.

Similar trend was observed, when analysts expected Fed to raise interest rates from Sep 2015. But Fed communicated saying that despite conditions were ripe for US to raise interest rates, in the interest of the global economy and financial markets, the decision was being postponed. Every economic expert says that if US raises the interest rate, it will affect the world. There was also monetary easing in Europe, Japan and now in China. Despite all, these, every one gives more importance to the policy action from US. This has risen volatility in markets again, this year expecting, US to raise interest rates.

The crisis witnessed from 2008, was unique and for the first time, there was a synchronised slow down across the world. Of course, countries like India and China were able to weather the storm. The developed countries used all the conventional Monetary and Economic Policies and since there was no end in sight for the trouble, they had to resort to Unconventional Monetary policies.

The governments have played a major role in bringing some stability to the economies. IMF also acted in concert and trying to find a feasible solution to end the troubles. But so far, the efforts taken by all the authorities did not meet the expectations when these policies were introduced. There are views that suggest that IMF should advise countries to shun the Unconventional Monetary policies.

Debt Restructuring and Stressed Assets

Burdening banks' books

Poor asset quality is among the biggest challenges faced by the Indian banking sector. As the chief financiers of infra-structure projects, banks have significant expo-sure to a sector that continues to be straddled with a number of issues. Execution delays, pol-icy lags, and indebted cash-strapped promoters have rendered loan recovery difficult for banks. This has led to stressed assets on the books and restructuring of loans has become routine for most lending consortiums. The Reserve Bank of India (RBI) is also pushing ahead with corrective policy measures, classifying the problem as "serious".

Current scenario

As per RBI's latest Financial Stability Report, sectors such as mining, iron and steel, textiles, infrastructure (led by power) and aviation together account for nearly a fourth of total bank advances and for about 51 per cent of the total stressed assets. The gross non-performing assets (NPAs) and restructured standard advances, together as a percentage of total advances to the infrastructure sector, have increased considerably from Rs 193 billion (5.1 per cent of gross advances to the sector) as of March 2010 Rs 2,222 billion (22.8 per cent of gross advances to the sector) as of March 2015.

In fiscal year 2015-16, there has not been any respite in the stressed asset situation. This is expected to exacerbate, on the back of a sluggish recovery on the macroeconomic front, which is impacting the pace of on-ground project executions.

According to CRISIL, slippages are also high. Slippages occur when assets that are considered "performing assets" at the beginning of the year cease to pay over the course of the year. In 2014-15, slippages from restructured assets were at an all-time high (nearly 40 per cent of total restructured assets).

Sectoral issues Impacting loan recovery by banks

Overall, issues related to land acquisition and obtaining the necessary clearances continue to impact on ground execution of projects, leading to a huge backlog of stalled projects. Sectors such as

power, roads and construction account for a significant portion of bad loans. Power, for instance, is the largest contributor to the problem. According to CRISIL, projects entailing generation capacity of 46,000 MW are at risk owing to these issues.

The scenario in the road sector is grim, too. As per a CRISIL report released in October 2015, 7,500 km of highway projects (5,100 km under construction and 2,400 km operational) awarded on a build-operate-transfer (BOT) basis during 2010-12 run a high risk. Operational highways (mostly toll based) have outstanding debt of Rs 171 billion and operators are struggling due to lower-than-estimated traffic volumes and elevated interest rates.

Key policy measures

In a bid to address the issue of high level of stressed assets, RBI has introduced a number of policy measures over the past 12-15 months.

In December 2014, RBI introduced the 5/25 flexible structuring scheme, addressing financing issues faced by banks in lending to infrastructure projects. Under the scheme, banks were allowed to fix longer amortisation periods for loans to projects in infrastructure or core industries sectors for long tenors (say, 25 years). This would be based on the economic life or concession period of the project with periodic refinancing (say, every five years). This scheme was announced for addressing the loan maturity mismatches in financing infra-structure projects. Projects for which loans have not been sanctioned and those which have achieved their commercial operation date are eligible for financing under the scheme. Meanwhile, in a recent move, RBI capped the average exposure limit for a non banking financial company (NBFC) to issue infrastructure debt funds at 50 per cent, and the maximum at 75 per cent of its total capital fund, apart from limiting such issuances to public-private partner-ship projects that have been successfully operational for at least a year.

In June 2015, the strategic debt restructuring (SDR) scheme was introduced by RBI. SDR essentially empowers the lender consortium to convert its loan into equity to take control-ling stakes in the

defaulting company/asset, in case the borrower fails to meet conditions stipulated under the restructuring package. The scheme is to be invoked subsequent to the corporate debt restructuring (CDR), or any other restructuring exercise resorted to by the borrowing company.) Lenders have 18 months from the date the SDR scheme becomes effective to find a buyer for the acquired company. In case banks fail to bring in a new promoter, the asset would be classified as an NPA. The rationale is to shift the burden of a loan default from the debt holders of the company to its shareholders.

The onus of taking the decision of whether to invoke the scheme is on the joint lender forum (JLF). The whole process has definite timelines to be adhered to. Thus far, banks have evoked SDR in seven companies carrying total outstanding debts of Rs 424 billion. Since the introduction of the scheme, lenders of companies such as Jyoti Structures, Monnet 'spat and Energy, Lanco Teesta Hydro Power, IVRCL Limited, Electrosteel Steel Limited, Visa Steel Limited, and Gammon India have been pushing ahead with their plans to invoke SDR. In cases like that of IVRCL, the process is near finalisation, while lenders to Electrosteel Steels have decided to convert about Rs 25 billion of loans into shares at a value of Rs 10 per share. Processes are at various stages of advancement in the other cases as well.

Regulatory forbearance on restructured loans was withdrawn by RBI. Following this, all restructured loans are to be classified as NPAs attracting provisioning at 15 per cent of the loan outstanding, an increase from the earlier requirement of 5 per cent.

The proposal presented in the Union Bud-get 2015-16 to give large NBFCs recourse to the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act to recover bad loans was a step towards establishing a level playing field between large NBFCs and commercial banks. Earlier, NBFCs were not allowed to do this.

Experience and concerns of the bankers

The restructuring of loans worth over Rs 4 trillion indicates how bankers have responded to the situation. However, it is pertinent to note that since restructuring can only deal with temporary mismatches in cash flows, the actual success is hard to gauge.

In other words, restructuring is not the solution, as the problem is of a long-term nature. Instead, the ability of banks to sell their assets needs to be examined, in addition to their ability to pressure developers to offload assets and pare debt. While there has been some progress on this front in the recent past, the measures fall short of addressing the challenges embedded in the system.

Another option is the sale of assets to asset restructuring companies (ARCs). Thus far, Rs 350 billion worth of NPAs have been sold to ARCs. With regard to ARCs too, there are a number of limitations. Thus this route has been only intermittently explored by banks.

To strengthen the process of takeover of stressed assets by ARCs, RBI increased the minimum cash contribution by them (when acquiring these assets) to 15 per cent (versus 5 per cent earlier). However, limited success has been witnessed due to promoters' lack of credibility, financial irregularities, and difficulties and delays in dealing with lenders.

The 5/25 scheme, too, is being seen as a route to postponement, or "masking", of dealing with the problem of stressed assets. SDR is a welcome move, though it has its own set of issues. Some industry players opine that the scheme has operational issues. From banks' point of view, the loan gets transferred to the investment books. But as there is a conversion of debt into equity, no fresh funds are directly injected into the company or project.

The way forward

There is a huge backlog of stressed/bad loans pertaining to infrastructure with the banking sector. From the policy perspective angle, banks have been given the go-ahead for easier restructuring, which, in the event of failure, paves the way for them to take over management. The stance of policymakers, thus, is a strong one against defaulters. However, it is equally important for banks to learn from this experience and weigh project risks better and institute better processes for due diligence. These are the long-term solutions. The current measures will only aid in weeding out some of the existing stressed loans.

Source: Indian Infrastructure | December 2015



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When money you hold matters over selling more

Companies can get into a cash crunch, if they increase sales without improving their working capital turns

One of the key actions that the Reserve Bank of India Governor Raghuram Rajan has taken to address bad loans has been the formation of the Joint Lenders' Forum. The rationale behind this move is to enable borrowers to take corrective action and make it difficult for banks to "extend and pretend" and add to stressed loan ever-greening.

Let's recapitulate some important aspects.

Step 1: Identify the constraint. When is cash the constraint?

An organisation has a cash constraint only and only if all the following conditions are met:

- Sufficient orders
- Sufficient equipment, manpower and other resources including space
- Right vendors are available but will not give credit any more
- Insufficient raw materials or packing materials
- Additional cash cannot be easily arranged

Simply put, an organisation is facing a cash constraint when it has sufficient orders, that is, on time in full (OTIF) < 95%, enough manufacturing capacity, that is, no machine/ equipment/ resource has overall equipment effectiveness (OEE) > 85-90%, a reasonable number of right suppliers, and yet it suffers from material shortage as vendors refuse to give any more credit.

Step 2: Decide how to exploit the constraint

We need to squeeze as much throughput as possible through effective utilisation of existing cash. In cash constraint situation, organisations need to make decisions taking into account a key parameter: cash velocity.

Cash velocity is defined as an increase in per unit of cash in a period of time. As an example when the totally variable cost (TVC) is 50% of sales and the time from cash outflow to cash inflow is one month, that is, a cash induction of ₹50 in additional material will result in a sale ₹100 in a month. Here, the cash velocity per month will be 100%.

Even a small increase in cash increases sales, throughput, and profit significantly. Some of the suggested means for increasing cash velocity are: reducing customer payment time, shrinking manufacturing lead-time, and reducing supplier lead-time.

Step 3: Subordinate everything else to the constraint

All functions, departments and decisions should be aligned to get the most out of the constraint. This step is often difficult to implement, as it requires changes in existing practices and policies of local optimisation. For manufacturing companies, rather than purchasing large volumes and producing large batches, it is recommended to buy the minimum raw materials required for making 'full kit' for immediate production.

Step 4: Elevate the constraint

In most cases, exploitation and subordination are sufficient to overcome cash constraint situation. However, if required it makes sense to borrow even at a comparatively very high rate of interest, since, for a vast majority of manufacturing organisations the cash velocity per month ranges between 10% and 15%.

Step 5: Go back to Step 1; don't let inertia be your constraint

Once the cash constraint has been overcome,

identify the current constraint. Where is your constraint - is it in orders or operations? The long-term strategic application of TOC does not imply removal of one constraint after another. Rather, the objective is to choose your constraint and manage it well to ensure that cash never becomes your constraint.

However, most top managements are almost totally ignorant of another very important parameter: free cash flow (FCF). In his book, *Conspiracy of Fools*, Kurt Eichenwald writes that in 2001, just a month before the collapse of Enron, its chairman Kenneth Lay, CEO Jeffery Skilling, and CFO Andrew Fastow did not know that Enron will run out of cash in a matter of weeks! Often, organisations are unable to assess increased cash requirement while increasing sales, or chasing market share. In some cases, small and medium enterprises (SMEs) that are dependent on just a few big customers accept unfavorable terms in a bid to increase sales, and it increases the squeeze on cash.

The table below depicts the typical cost structure for an Indian manufacturing organisation and the impact of increase in sales by 10%.

Here, for net sales increase of ₹ 10 crore per month or ₹ 120 crores per year, net working capital will increase by about ₹ 30 crore immediately. Assuming no increase in fixed expenses at all, this will translate into an increased profit after tax of ₹ 28 crore at the end of the year.

This means that for the first 12 months, the organisation would have less cash than the starting cash in hand. Only after the 13th month, cash in bank will start increasing.

When the organisation does not have enough cash to sustain increased sales, there is high probability of the organisation getting into cash constraint. Here, we have neither invested any money in increasing capacity nor increased any fixed expenses. It is obvious that when we invest additional funds for

	Current	Impact of 10% increase in sales
Annual Gross Sales (₹ crore)	1,380	1,518
Net Sales (₹ 100 crore per month)	1,200	1,320
Total variable cost (@65% of sales)	780	858
Operating expenses	240	240
profit before tax	180	222
Tax (@33.33%)	60	74
Profit after tax	120	148
Working capital turns	4	4
Working capital requirement (₹ crore)	300	330

increasing capacity, stress on cash will be more severe. In a vast majority of sick companies or bank NPAs (non-performing assets), there was an expansion in the previous two-three years.

In their quest for growing fast, many companies invest without comprehensively looking at cash flow for various scenarios. Business owners and decision makers need to monitor and plan cash judiciously and ensure that they have sufficient cash buffer at all times. When you have enough cash, it does not matter much. However, if you do not have cash, then nothing else matters.

When should companies go about increasing sales and take full advantage of growth opportunities? Recommendation: Before increasing sales, improve working capital turns. Only, thereafter, increase sales slowly, keeping a hawk's eye on the cash in hand. Instead of targeting new customer segments, exploit current customers segments, solve their pains and generate more from the same segment. Improved service levels will not only boost sales, but will also provide opportunities for increasing prices and cash velocity. Eli Goldratt summed it up succinctly when he said: Focusing on everything is synonymous with not focusing on anything.

Implementation issues

I've often said the TOC solutions are simple, though not necessarily easy. The biggest obstacle with cash constraint is that the top management does not accept reality. There is a belief that the situation will improve if we just tighten controls to deal with this temporary situation. Owners or key decision-makers refuse to accept they have severe issues of cash. Therefore, the first step to overcoming cash constraint is to accept that it's an unusual situation that will not go away through usual means.

It is not just finance managers, but the entire top management team that needs to get involved to

create cash flow statement for next 13 weeks or one quarter and make a plan of action. There are challenges in creating this statement sometimes due to distortions in financial reporting (such as inflated or obsolete inventory being shown on books). There are also significant differences in total receivables and collectible receivables, and disagreements between accounts and sales.

The top management team needs to agree on the useable inventory in next 13 weeks. Correcting mismatch in inventory has to be a priority. Often the total inventory available at macro level is enough for few weeks but not for next few days. Some small low-items items are always missing, while cash is blocked in high value materials that were purchased in bulk. Similarly, there has to be clarity and common understanding on the total overdue receivables and due payments that can be collected.

Thereafter, modify cash flow so that closing cash is always positive – cash can never be negative! This means prioritise actions and payments based on the current cash availability. The importance of cash velocity cannot be over-emphasised in this situation. Take actions that will block cash for the least amount of time. Sometimes, it may make sense to defer purchases of raw materials and use air rather than sea shipments, though it would be more expensive. Another action could be to sell obsolete or unusable materials, even at deep discounts.

It is of utmost importance to create a sense of urgency, be transparent with employees, modify current measurements, and take corrective actions to overcome cash constraint in a short period of time. I also recommend creating a weekly dashboard for monitoring key parameters such as free cash flow, overdue payments, cash in hand and stop measuring sales, market share, and local parameters such as efficiency.

Author Mr. Ravi Gilani, Founder and Managing Consultant, Godratt India & Co-authored by Ira Gilani Lal, Managing Consultant, Time n Cash

Mauritius - a Success Story

Mauritius is home to the citizen of the world, the country is an attractive and thriving place for business with an incomparable art de vivre. Situated in the 'golden triangle' connecting Asia, Africa and Australia, Mauritius is the converging point of global civilizations – a place where one can feel the cosmopolitan pulse of the world.

Right partnerships between foreign capital and local businesses have resulted in outstanding economic success. The opening up of the economy has had a favourable impact on the growth rate of the country with increased transfer of technology, knowledge, talents and capital.

In its pursuit to become a high-income economy, Mauritius is actively encouraging foreign talents, know-how and investment into the country. Whether you are an investor, a professional, a self-employed or a retired non-citizen, there are a number of compelling reasons to consider Mauritius as your location for doing business and living.

Foreign nationals wishing to work, live or retire in Mauritius may explore various avenues either through the Occupation Permit, the Residence Permit or the Permanent Residence Permit. They are also eligible to acquire property in Mauritius under prescribed conditions.

Investment Opportunities

Opportunities for investment exist in Manufacturing; Agro - Industry; Freeport / Logistics; Ocean Economy - Fisheries, Aquaculture, Ship Registration, Bunkering, Deep Ocean Water Applications, Marina Development; Property & Smart City Development; ICT; Film Industry; Education; and Healthcare.

Why Mauritius?

- Impressive track record, political stability and more than three decades of sustained economic growth;
- Secure investment location with established rule of law;
- Competitive low tax jurisdiction;
- Freest and most business-friendly country in Africa;
- Peaceful, multi ethnic with a unique lifestyle in a blend of cultures;
- Flexible, bilingual (English/French) and skilled workforce;
- Investment-friendly regulatory regime;
- Open to foreign investors and talents;
- Ocean State with one of the largest Exclusive Economic Zones in the world;
- Preferential market access to Africa, Europe and the USA;
- State-of-the-art infrastructure;
- Convenient time zone (GMT +4).

Bridge to Africa, the Continent of the Future

The strategic geographical position of Mauritius is an interesting and enviable one - located in the midst of the most promising regions and the future of the global economy. Mauritius is drawing on long-established links with India and Africa to position itself as a natural investment platform and growth partner in the emerging Africa and Asia investment and trade corridor. The potential for highly profitable foreign investment in Africa is indeed enormous with its rapidly growing middle class, huge customer base and promising opportunities across many sectors.

Over the years Mauritius has grown into an attractive, secure and competitive location for cross-

border investments and is regarded as a stepping stone for investing and trading in Africa. In addition to its secured and world-class investment regime, Mauritius equally offers preferential market access to an immediate market of more than 600 million consumers across Sub-Saharan Africa through its membership to the Southern African Development Community (SADC), Common Market for Eastern and Southern Africa (COMESA).

Such intrinsic benefits, together with a series of signatories to major African conventions, propels Mauritius as a preferred financial and business services centre for investing and trading in Africa.

Board of Investment Office in India

The new Board of Investment Office in India was

inaugurated by the Rt. Hon. Prime Minister during his visit to India in October /November 2015. The office is the first point of contact for the Indian business community and promote all the economic sectors of Mauritius.

In his address, at the launching of the office on 30th October 2015, the Rt Hon. Prime Minister highlighted that BOI presence in India will galvanise and exponentially grow investments, trade and exchanges between the two nations and the office will be in an unprecedented position to provide first-hand information to the Indian business community.

For more information, contact:

Board of Investment (Mauritius)

Tel +91 11 2412 2610

Luxembourg

15 years ago today, Luxembourg's Grand Duke Henri was sworn in as the new head of state, succeeding his father, Grand Duke Jean.

When making the constitutional oath, he spoke to the then deputies of the opportunities he had been given. "My generation grew up in a period of prosperity.

We were given a lot. Do we give back enough?" After the ceremony, the then 45-year-old Grand Duke visited the 12 cantons of Luxembourg where he mingled with residents.

His first year set the stage for his future role in international relations, as he made a number of state visits, meeting government officials, presidents and monarchs of other countries.

Some might argue that the Grand Duke's first great challenge came in 2008 when he was faced with a controversial euthanasia law. Because of his personal beliefs, the Grand Duke refused to approve the law on assisted suicide and euthanasia.

His refusal sent the political situation into turmoil as it had not been foreseen in the Constitution. Hastily, politicians amended the Constitution to the effect that heads of state need not give their approval for laws for them to be adopted.

Grand Duke Henri explained his motives in his 2008 Christmas address, accepting that the constitutional amendment was a "necessary adjustment" for the realities of a modern monarchy. In the years that followed, the Royal family grew.

Prince Louis married Tessy and the two had Gabriel (2006) and Noah (2007), Hereditary Grand Duke Guillaume married Stéphanie de Lannoy and Prince Felix married Claire Lademacher, who gave birth to Amalia in 2014.

The Grand Duke and Grand Duchess Maria-Teresa have dedicated some of the 15 years to their Foundation, aimed at helping people with disabilities and those in need in Luxembourg. Grand Duke Henri also serves as a member of the International Olympic Committee.

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of wildlife and increase in rainfall. Today Reliance Jamnagar is not just home to the world's largest consistent afforestation effort and single-location refining hub but also one of the largest mango orchards in the world.

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